

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **July 13, 2007**

BMB MUNAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or other jurisdiction of
incorporation)

001-33034
Commission
File Number)

30-0233726
(IRS Employer
Identification Number)

202 Dostyk Ave., 4th Floor, Almaty, Kazakhstan
(Address of principal executive offices)

050051
(Zip code)

+7 (3272) 375-125
(Registrant's telephone number, including area code)

N/A
(Former name of former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into Material Definitive Agreement

On July 13, 2007, BMB Munai, Inc. (the “Company”) completed the private placement of US\$ 60 million in principal amount of 5.0 per cent. Convertible Notes due 2012 (the “Initial Notes”) at a price equal to 100% of the principal amount thereof. The Initial Notes and the shares of the Company’s common stock, par value \$.001 per share (the “Common Stock”), issuable upon conversion of the Initial Notes have not been registered under the Securities Act of 1933, as amended, (the “Securities Act”). The Company offered and sold the Initial Notes to non-U.S. persons outside of the United States in accordance with Regulation S under the Securities Act and in compliance with the laws and regulations applicable in each country where the placement took place. The net proceeds from the offering, after deducting estimated offering expenses and fees payable by the Company of approximately US\$ 3.5 million, were approximately US\$ 56.5 million.

The Initial Notes are governed by a Trust Deed, dated July 13, 2007 (the “Trust Deed”), between the Company and BNY Corporate Trustee Services Limited, as trustee. Certain agents in respect of the Initial Notes were appointed pursuant to a Paying and Conversion Agency Agreement, dated July 13, 2007 (the “Agency Agreement”), among the Company, The Bank of New York and BNY Corporate Trustee Services Limited. The descriptions of the Trust Deed, the Agency Agreement and the Initial Notes in this Current Report are only summaries of those documents and are qualified in their entirety by reference to the terms of the Trust Deed, the Agency Agreement and the form of the Initial Notes, copies of which are attached as exhibits to this Current Report.

Pursuant to, and in accordance with the terms of the Trust Deed, the Company has agreed to promptly exchange any and all of the Initial Notes issued in the private placement for a like aggregate principal amount of convertible notes of the Company (the “Exchange Notes”) that will be substantially similar in all material respects to the Initial Notes, including with respect to the terms of the conversion thereof into Common Stock, except that the Exchange Notes will be governed by, and entitled to the benefits of, a New York law-governed trust indenture that will be substantially similar in all material respects to the Trust Deed, except that it:

- will contemplate the issue of one or more global note(s), that will become eligible to be deposited with a custodian for The Depository Trust Company and/or a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, *société anonyme*, upon the date (the “Shelf Registration Statement Effective Date”) on which the Shelf Registration Statement (as defined below) is declared effective by the Securities and Exchange Commission (the “SEC”),
- will incorporate such other changes as are necessary to comply with the U.S. Trust Indenture Act of 1939, as amended (the “TIA”), and
- is eligible for qualification under the TIA.

The Company intends to conduct the exchange outside the United States in accordance with Regulation S under the Securities Act and in compliance with the laws and regulations applicable in each country where the placement took place. The Initial Notes and the Exchange Notes are referred to collectively in this Current Report as the "Notes."

The Trust Deed contains a financial covenant that requires the Company, subject to certain exceptions relating to corporate acquisitions, to maintain a maximum ratio of net debt to equity. In addition, the Trust Deed contains other customary affirmative and negative covenants, as well as customary events of default.

The Notes constitute direct, unsubordinated and unsecured, interest bearing obligations of the Company. The Notes carry a 5% coupon and have a yield to maturity of 6.25%. Interest on the Notes will be payable in cash semiannually on January 13 and July 13 of each year, beginning January 13, 2008.

The Notes are convertible into Common Stock at the option of each holder beginning on the first to occur of:

- the tenth business day following the Shelf Registration Statement Effective Date, and
- July 13, 2008,

and ending on the earlier to occur of:

- the close of business on June 28, 2012, and
- if the Note is called for redemption before the maturity date, the close of business on the day which is 10 days before the date fixed for redemption.

The conversion price is U.S.\$ 7.2094. The conversion price is subject to subsequent customary adjustments in certain circumstances, including but not limited to a change of control of the Company and certain future equity financings. Notwithstanding any provision which permits or requires adjustment to the conversion price, no adjustment of the conversion price shall be made that would reduce the conversion price below U.S.\$ 6.95. The number of shares to be issued upon the exercise of a conversion right will be determined by dividing the principal amount of the Note being converted by the conversion price in effect on the conversion date.

The Notes are callable by the Company at any time on or after July 13, 2010 at a price equal to 104% of the principal amount thereof plus any accrued and unpaid interest to the date fixed for redemption, subject to the Common Stock price trading at least 30% above the conversion price then in effect. Holders of the Notes will have the right to require the Company to redeem all or a portion of their Notes:

- on July 13, 2010 at a price equal to 104% of the principal amount thereof plus any accrued and unpaid interest to the date fixed for redemption;

- at a price equal to 110% of the principal amount thereof plus any accrued and unpaid interest to the date fixed for redemption if the Company fails to meet certain deadlines with respect to the filing and effectiveness of the Shelf Registration Statement (as defined below); or
- at an adjustable price based on the time the Note is outstanding if there is a change of control of the Company.

Unless previously redeemed, converted or purchased and cancelled, the Notes will be redeemed by the Company at a price equal to 107.2% of the principal amount thereof on July 13, 2012.

On or prior to July 13, 2010, in the event of a change of control of the Company, the holder of the Notes will be entitled to a decreasing cash premium payment from the Company in the event that they exercise their conversion right following such change of control. Shares of Common Stock issued upon conversion of the Notes will rank pari passu in all respects with other Common Stock in issue on the date of conversion.

Under the Registration Rights Agreement, dated July 13, 2007 (the "Registration Rights Agreement"), between the Company and Bayerische Hypo-und Vereinsbank AG, as bookrunner ("HVB"), the Company has agreed to keep effective a registration statement in respect of the Exchange Notes and the underlying shares of Common Stock issuable upon the conversion of the Notes (collectively, the "Covered Securities"), until such time as all Covered Securities:

- have been effectively registered under the Securities Act and disposed of in accordance with the registration statement relating thereto;
- may be resold without restriction pursuant to Rule 144(k) under the Securities Act or any successor provision thereto;
- (A) are not subject to the restrictions imposed by Rule 903(b)(3)(iii) under the Securities Act or any successor provision thereto and (B) may be resold pursuant to Rule 144 under the Securities Act or any successor provision thereto without being subject to the restrictions imposed by paragraphs (e), (f) and (h) of Rule 144 under the Securities Act or any successor provisions thereto; provided that the requirements set forth in paragraph (c) of Rule 144 under the Securities Act or any successor provision thereto are met as of such date; or
- have been publicly sold pursuant to Rule 144 under the Securities Act or any successor provision thereto.

Under the Registration Rights Agreement, the Company is required to prepare and file, as soon as practicable but in any event within 100 days after July 13, 2007, a shelf registration statement (the "Shelf Registration Statement") with the SEC registering the resale of the Covered Securities by the holders thereof. The Company is also required to use its best efforts to cause the Shelf Registration Statement to become effective under the Securities Act as promptly as

possible, but in any event within 200 days after July 13, 2007. The Company will be required to pay additional interest to the holders of Covered Securities if and for so long as the Company fails to meet these deadlines. The description of the Registration Rights Agreement in this Current Report is only a summary of the Registration Rights Agreement and is qualified in its entirety by reference to the terms of the Registration Rights Agreement, a copy of which is attached as an exhibit to this Current Report.

The Initial Notes were placed pursuant to a Placement Agreement, dated July 4, 2007 between the Company and HVB (the "Placement Agreement"). Pursuant to the Placement Agreement, HVB undertook to use it reasonable efforts to procure subscribers for the Initial Notes. In exchange, the Company agreed to pay HVB:

- a base fee of 3.75% of the aggregate principal amount of the Initial Notes;
- a success fee of 0.8 % of the aggregate principal amount of the Initial Notes; and
- HVB expenses up to £5,000.

The Company also agreed to pay all trustee expenses and transaction costs and expenses incurred in connection with this transaction. No additional fees will be paid to HVB in connection with the issuance of the Exchange Notes.

The description of the Placement Agreement is only summary of the Placement Agreement and is qualified in its entirety by reference to the terms of the Placement Agreement, a copy of which is attached as an exhibit to this Current Report.

Other than in respect of the Placement Agreement, the Registration Rights Agreement, the Trust Deed and/or the Agency Agreement, neither the Company, nor any of its affiliates has a material relationship with BNY Corporate Trustee Services Limited, The Bank of New York or HVB.

Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth in Item 1.01 is incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 1.01 is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

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|--------------|--|
| Exhibit 4.1 | Trust Deed, dated July 13, 2007, between BMB Munai, Inc. and BNY Corporate Trustee Services Limited relating to U.S. \$60,000,000 5.0 per cent. Convertible Notes Due 2012 |
| Exhibit 4.2 | Registration Rights Agreement, dated July 13, 2007, between BMB Munai, Inc. and Bayerische Hypo-und Vereinsbank AG |
| Exhibit 4.3 | Paying and Conversion Agency Agreement, dated July 13, 2007, between BMB Munai, Inc., The Bank of New York and BNY Corporate Trustee Services Limited |
| Exhibit 4.4 | Form of 5.0 per cent. Convertible Note due 2012 (included in Exhibit 4.1 hereto) |
| Exhibit 10.1 | Placement Agreement dated July 13, 2007, between BMB Munai, Inc. and Bayerische Hypo-und Vereinsbank AG |

SIGNATURES

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

BMB MUNAI, INC.

Date: July 19, 2007

By: /s/ Adam R. Cook
Adam R. Cook, Corporate Secretary

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
4.1	Trust Deed, dated July 13, 2007, between BMB Munai, Inc. and BNY Corporate Trustee Services Limited relating to U.S. \$60,000,000 5.0 per cent. Convertible Notes Due 2012
4.2	Registration Rights Agreement, dated July 13, 2007, between BMB Munai, Inc. and Bayerische Hypo-und Vereinsbank AG
4.3	Paying and Conversion Agency Agreement, dated July 13, 2007, between BMB Munai, Inc., The Bank of New York and BNY Corporate Trustee Services Limited
4.4	Form of 5.0 per cent. Convertible Note due 2012 (included in Exhibit 4.1 hereto)
10.1	Placement Agreement dated July 13, 2007, between BMB Munai, Inc. and Bayerische Hypo-und Vereinsbank AG

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CHANCE

CLIFFORD CHANCE LLP
CONFORMED COPY

(1) BMB MUNAI, INC.

(2) BNY CORPORATE TRUSTEE SERVICES LIMITED

TRUST DEED
RELATING TO
U.S.\$60,000,000 5.0 PER CENT. CONVERTIBLE
NOTES DUE 2012

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THIS TRUST DEED is made on 13 July 2007

BETWEEN:

- (1) BMB MUNAI, INC. (the "Issuer"); and
- (2) BNY CORPORATE TRUSTEE SERVICES LIMITED (the "Trustee", which expression includes, where the context admits, all persons for the time being the trustee or trustees of this Trust Deed).

WHEREAS

- (A) The Issuer has authorised the creation and issue of U.S.\$60,000,000 in aggregate principal amount of 5.0 per cent. Convertible Notes due 2012 convertible into common shares, currently of U.S.\$0.001 par value each,

in the share capital of the Issuer (the "Shares") to be constituted in relation to this Trust Deed.

- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

NOW THIS DEED WITNESSES AND IT IS HEREBY DECLARED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Trust Deed the following expressions have the following meanings:

"Agents" means the Principal Paying and Conversion Agent, the other Paying and Conversion Agents, the Registrar, the Transfer Agents, or any of them;

"American Stock Exchange" means the American Stock Exchange LLC;

"Authorised Signatory" means any director notified to the Trustee by any director as being an Authorised Signatory pursuant to Clause 5.17 (Authorised Signatories);

"Conditions" means the terms and conditions to be endorsed on the Note Certificates, in the form or substantially in the form set out in Part B of Schedule 1 and any reference in this Trust Deed to a particular numbered Condition shall be construed in relation to the Notes accordingly;

"Event of Default" means any one of the circumstances described in Condition 11;

"Extraordinary Resolution" has the meaning set out in Schedule 2;

"Liabilities" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

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"Material Subsidiary" means any Subsidiary of the Issuer:

- (a) whose total assets at the time of at least one of the three most recently published consolidated audited financial statements of the Issuer represent at least 10 per cent, of the consolidated total assets of the Issuer; or
- (b) whose revenues at the time of at least one of the three most recently published consolidated audited financial statements of the Issuer represent at least 10 per cent, of the consolidated total revenues of the Issuer,

provided that in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements for the purposes of the calculation above shall, until audited consolidated financial statements of the Issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest consolidated financial statements of the Issuer adjusted in such manner as the Issuer shall consider appropriate to consolidate the latest audited accounts of such Subsidiary in such accounts; and a certificate signed by two directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on

all parties;

"Note Certificate" means any Note Certificate representing a Noteholder's entire holding of Notes, in or substantially in the form set out in Schedule 1 and includes any replacement Note Certificate issued pursuant to Condition 40 (Replacement of Note Certificates);

"Noteholder" and (in relation to a Note) "Holder" means a person in whose name a Note is registered in the register of Noteholders;

"Notes" means the notes in the denomination of U.S.\$100,000 in registered form, each comprising the U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012 constituted in relation to this Trust Deed, to be represented by a Note Certificate or Note Certificates, and for the time being outstanding or, as the case may be, a specific number thereof;

"outstanding" means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in accordance with this Trust Deed;
- (b) those in respect of which Conversion Rights have been exercised and the obligations of the Issuer in relation thereto duly performed;
- (c) those in respect of which the date for redemption in accordance with the provisions of the Conditions has occurred and for which the redemption moneys (including all interest accrued thereon to the date for such redemption) have been duly paid to the Trustee or the Principal Paying and Conversion Agent in the manner

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provided for in the Paying and Conversion Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 44(Notices)) and remain available for payment in accordance with the Conditions;

- (d) those which have been purchased and surrendered for cancellation as provided in Condition 8(h) (Cancellation) and notice of the cancellation of which has been given to the Trustee;
- (e) those which have become void under Condition 39 (Prescription);

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clauses 7.1 (Legal Proceedings) and 6.1 (Waiver), Condition 6(a) (Negative Pledge), Condition 8(b) (Redemption at the option of the Noteholders), Condition 8(d) (Redemption at the option of the Issuer), Condition 8(e) (Redemption at the option of Noteholders following a change of control), Condition 11 (Events of Defaults), Conditions 42 (Meetings of Noteholders; Modification and Waiver) and Condition 43 (Enforcement) and Schedule 2 of this Trust Deed; and
- (iii) any discretion, power or authority, whether contained in this Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them;

those Notes (if any) which are for the time being held by any person (including but not limited to the Issuer or any Subsidiary) for the benefit of the Issuer or any Subsidiary shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Paying and Conversion Agency Agreement" means the agreement appointing the initial Agents and any other agreement for the time being in force

appointing Successor agents, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements;

"Paying and Conversion Agents" means the several institutions (including, where the context permits, the Principal Paying and Conversion Agent) at their respective Specified Offices initially appointed pursuant to the Paying and Conversion Agency Agreement and/or, if applicable, any Successor paying and Conversion agents, at their respective Specified Offices;

"Potential Event of Default" means an event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (Events of Default) become an Event of Default;

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"Principal Paying and Conversion Agent" means the institution at its Specified Office initially appointed as principal paying and conversion agent pursuant to the Paying and Conversion Agency Agreement or, if applicable, any Successor principal paying and conversion agent at its Specified Office;

"Register" means the register maintained by the Registrar at its Specified Office;

"Registrar" means the institution at its Specified Office initially appointed as registrar pursuant to the Paying and Conversion Agency Agreement or, if applicable, any Successor registrar at its Specified Office;

"Repay" shall include "redeem" and vice versa and "repaid", "repayable", "repayment", "redeemed", "redeemable" and "redemption" shall be construed accordingly;

"Securities Act" means the United States Securities Act of 1933, as amended;

"Specified Office" means, in relation to any Agent, either the office identified with its name in the Conditions or any other office notified to any relevant parties pursuant to the Paying and Conversion Agency Agreement;

"Successor" means, in relation to the Agents, such other or further person, as may from time to time be appointed pursuant to the Paying and Conversion Agency Agreement as an Agent;

"this Trust Deed" means this Trust Deed and the Schedules (as from time to time modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto;

"Transfer Agent" means the several institutions at their respective Specified Offices initially appointed pursuant to the Paying and Conversion Agency Agreement and/or, if applicable, any successor transfer agents at their respective Specified Offices;

"Trustee Acts" means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales; and

"Written Resolution" means a resolution in writing signed by or on behalf of all Holders of Notes for the time being outstanding, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Holders of the Notes.

1.2 Principles of interpretation

In this Trust Deed references to:

1.2.1 Statutory modification: a provision of any statute shall be

deemed also to refer to any statutory modification or

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re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;

1.2.2 Additional amounts: principal and/or interest in respect of the Notes shall be deemed also to include references to any additional amounts which may be payable under Condition 10 (Taxation);

1.2.3 Tax: costs, charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof;

1.2.4 "U.S.\$" and "United States dollars(s)" denote the lawful currency for the time being of the United States of America;

1.2.5 Enforcement of rights: an action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdictions as shall most nearly approximate thereto;

1.2.6 Clauses and Schedules: a Schedule or a Clause or sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto or a clause or sub-clause, paragraph or sub-paragraph hereof respectively;

1.2.7 Principal: principal shall, when applicable, include premium;

1.2.8 Trust Corporation: a trust corporation denotes a corporation entitled by rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England to act as trustee and carry on trust business under the laws of the country of its incorporation; and

1.2.9 Gender: words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships and words importing the singular number only shall include the plural and in each case vice versa.

1.3 The Conditions

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.

1.4 Headings

The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

1.5 The Schedules

The schedules are part of this Trust Deed and shall have effect accordingly.

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2. COVENANT TO REPAY

2.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the

Notes or any of them become due to be redeemed or any principal on the Notes or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in United States dollars in New York City in same day freely transferable funds the principal amount of the Notes or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Notes or any of them outstanding from time to time as set out in the Conditions provided that:

- 2.1.1 every payment of principal or interest in respect of the Notes or any of them made to the Principal Paying and Conversion Agent in the manner provided in the Paying and Conversion Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Noteholders in accordance with the Conditions;
- 2.1.2 if any payment of principal or interest in respect of the Notes or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Noteholders or, if earlier, the seventh day after notice has been given to the Noteholders in accordance with the Conditions that the full amount has been received by the Principal Paying and Conversion Agent or the Trustee except, in the case of payment to the Principal Paying and Conversion Agent, to the extent that there is failure in the subsequent payment to the Noteholders under the Conditions; and
- 2.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Note is improperly withheld or refused upon due presentation (if so provided for in the Conditions) of the Note Certificate, interest shall accrue on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Noteholders or, if earlier, the seventh day after which notice is given to the Noteholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Noteholders provided that on further due presentation thereof (if so provided for in the Conditions) such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenant in Clause 4 (Covenant to comply with Trust Deed and Schedules) on trust for the Noteholders.

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2.2 Following an Event of Default At any time after any Event of Default or Potential Event of Default shall have occurred, the Trustee may:

- 2.2.1 by notice in writing to the Issuer, the Principal Paying and Conversion Agent and the other Agents require the Principal Paying and Conversion Agent and the other Agents or any of them:
 - (a) to act thereafter, until otherwise instructed by the Trustee, as Agents of the Trustee under the provisions of this Trust Deed on the terms provided in the Paying and Conversion Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Agents shall be limited to amounts for the time being held by the Trustee on the trusts of this Trust Deed in relation to the Notes on the terms of this Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Note Certificates and all sums, documents and records

held by them in respect of Notes on behalf of the Trustee; and/or

- (b) to deliver up all Note Certificates and all sums, documents and records held by them in respect of Notes to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any document or record which the relevant Agent is obliged not to release by any law or regulation; and

2.2.2 by notice in writing to the Issuer require the Issuer to make all subsequent payments in respect of Notes to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, proviso 2.1.1 to Clause 2.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause 8.4 (Payment to Noteholders) shall cease to have effect.

3. THE NOTES

3.1 The Note Certificates

The Notes will be represented by Note Certificates in registered form in the denomination of U.S.\$100,000.

The Note Certificates will be printed in accordance with applicable legal requirements substantially in the form set out in Schedule 1. The Note Certificates will be endorsed with the Conditions.

3.2 Signature

The Note Certificates will be signed manually or in facsimile by a duly authorised person designated by the Issuer and will be authenticated manually by or on behalf of the Principal Paying and Conversion Agent. The Issuer may use the facsimile signature of a person who at the date of this Trust Deed is such a duly authorised person even if at the time

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of issue of any Note Certificates he no longer holds that office. Note Certificates so executed and authenticated will be binding and valid obligations of the Issuer.

3.3 Entitlement to treat Holder as owner

The Issuer, the Trustee and any Paying and Conversion Agent may deem and treat the Holder of any Note Certificate as the absolute owner of such Note Certificate, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Note Certificate (whether or not the Note represented by such Note Certificate shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of such Note Certificate) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Paying and Conversion Agents shall not be affected by any notice to the contrary. All payments made to any such Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Notes.

4. COVENANT TO COMPLY WITH TRUST DEED AND SCHEDULES

The Issuer covenants with the Trustee to comply with those provisions of this Trust Deed and the Conditions which are expressed to be binding on it and to perform and observe the same. The Notes are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Noteholders and all persons claiming through or under them respectively.

5. COVENANTS BY THE ISSUER

The Issuer hereby covenants with the Trustee that, so long as any of the

Notes remain outstanding, it will:

5.1 Books of account

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

5.2 Event of Default

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustee to take any further action;

5.3 Certificate of Compliance

Provide to the Trustee within 10 days of any request by the Trustee and at the time of the despatch to the Trustee of the Issuer's Annual Report on Form 10-K filed by the Issuer pursuant to the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in any event not later than 180 days after the end of its financial year, a certificate, signed by two directors of the Issuer certifying that up to a specified date not earlier than seven days prior to the date of such certificate (the "Certified Date") the Issuer has complied with its obligations under this Trust Deed (or, if such is not the case, giving

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details of the circumstances of such non-compliance) and that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Trust Deed) any Event of Default or Potential Event of Default or other matter which would affect the Issuer's ability to perform its obligations under this Trust Deed or (if such is not the case) specifying the same;

5.4 Accounts in relation to Material Subsidiaries

Ensure that such accounts are prepared as may be necessary to determine which subsidiaries are Material Subsidiaries and procure that two directors of the Issuer prepare and deliver to the Trustee at the time of issue of every audited consolidated balance sheet of the Issuer and at any other time upon the request of the Trustee a certificate or report specifying the Material Subsidiaries at the date of such balance sheet or request;

5.5 Certificate relating to Material Subsidiaries

Give to the Trustee, as soon as reasonably practicable after the acquisition or disposal of any company which thereby becomes or ceases to be a Material Subsidiary or after any transfer is made to any Subsidiary which thereby becomes a Material Subsidiary, a certificate by two directors to such effect;

5.6 Financial statements

Produce and send to the Trustee and to the Principal Paying and Conversion Agent as soon as practicable after their date of publication and in the case of annual financial statements in any event not more than 180 days after the end of each financial year, two copies of the Issuer's annual report on Form 10-K filed by the Issuer pursuant to the Exchange Act and of each of the Issuer's quarterly reports on Form 10-Q filed by the Issuer pursuant to the Exchange Act, or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to the members or Holders of debentures or creditors (or any class of them) of the Issuer in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof and procure that the same are made available for

inspection by Noteholders at the Specified Offices of the Agents as soon as practicable thereafter;

5.7 Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require (including, without limitation, the certificates called for by the Trustee pursuant to Clause 5.3 (Certificate of Compliance)) for the performance of its functions;

5.8 Notes held by Issuer

Send to the Trustee forthwith upon being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the total number of Notes which at the date of such certificate are held by or for the benefit of the Issuer or any Subsidiary;

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5.9 Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

5.10 Notices to Noteholders

Send or procure to be sent to the Trustee not less than three days prior to the date of publication, for the Trustee's approval, one copy of each notice to be given to the Noteholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval of such notice for the purpose of Section 21 of the Financial Services and Markets Act 2000);

5.11 Notification of non-payment

Use its best endeavours to procure that the Principal Paying and Conversion Agent notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Notes or any of them, receive unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Notes;

5.12 Notification of late payment

In the event of the unconditional payment to the Principal Paying and Conversion Agent or the Trustee of any sum due in respect of the Notes or any of them being made after the due date for payment thereof, forthwith give notice to the Noteholders that such payment has been made;

5.13 Notification of redemption or repayment

Not less than the number of days specified in the relevant Condition prior to the redemption or repayment date in respect of any Note, give to the Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions and duly proceed to redeem or repay such Notes accordingly;

5.14 Tax or optional redemption

If the Issuer gives notice to the Trustee that it intends to redeem the Notes pursuant to Condition 8(c) (Redemption for tax reasons) and Condition 8(d) (Redemption at the option of the Issuer) the Issuer shall, prior to giving such notice to the Noteholders, provide such information to the Trustee as the Trustee requires in order to satisfy itself of the matters referred to in such Condition;

5.15 Obligations of Agents

Observe and comply with its obligations and use all reasonable endeavours to procure that the Agents observe and comply with all their obligations under the Paying and Conversion Agency Agreement and procure that the Registrar maintains the Register outside the United Kingdom at all times and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by an Agent to comply with such obligations, in relation to the Notes;

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5.16 Change of taxing jurisdiction

If the Issuer shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United States of America or the Republic of Kazakhstan or any political subdivision thereof or any authority therein or thereof having power to tax, immediately upon becoming aware thereof it shall notify the Trustee of such event and (unless the Trustee otherwise agrees) enter forthwith into a trust deed supplemental hereto, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 8(c) (Redemption for tax reasons) with the substitution for (or, as the case may be, the addition to) the references therein to the United States of America or the Republic of Kazakhstan of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, the Issuer shall have become subject as aforesaid, such trust deed also to modify Condition 8(c) (Redemption for tax reasons) so that such Condition shall make reference to that other or additional territory;

5.17 Listing of shares

(i) Within 30 days after the Issue Date, procure and at all times thereafter maintain an approval for listing of the Shares to be issued upon exercise of any Conversion Right on the American Stock Exchange in accordance with its rules; and (ii) upon issue of the Shares following exercise of any Conversion Right, immediately procure and maintain the listing of the relevant Shares on the American Stock Exchange in accordance with its rules;

5.18 Authorised Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee (with a copy to the Principal Paying and Conversion Agent) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same;

5.19 Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder;

5.20 Notice of the end of the Conversion Period

On giving notice to redeem the Notes pursuant to Condition 8(d) (Redemption at the option of the Issuer) and six weeks prior to the final expiry of the Conversion Period (assuming no earlier redemption of the Notes) give notice to the Noteholders in accordance with the Conditions reminding the Noteholders of the Conversion Right then arising or current and stating the then current Conversion Price;

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5.21 Notice of Conversion Price adjustment

As soon as practicable after the happening of any event as a result of which the Conversion Price will be adjusted pursuant to this Trust Deed and the Conditions, give notice to the Trustee and the Noteholders in accordance with the Conditions advising them of the date on which the relevant adjustment of the Conversion Price is likely to become effective and of the effect of exercising their Conversion Rights pending such date; and

5.22 Directors' Certificate

Upon the happening of an event as a result of which the Conversion Price will be adjusted pursuant to this Trust Deed and the Conditions, as soon as reasonably practicable deliver to the Trustee a certificate signed by two Directors of the Issuer on behalf of the Issuer setting forth brief particulars of the event, and the adjusted Conversion Price and the date on which such adjustment takes effect and in any case setting forth such other particulars and information as the Trustee may reasonably require.

6. AMENDMENTS AND SUBSTITUTION

6.1 Waiver

The Trustee may, without any consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach of any of the covenants or provisions contained in this Trust Deed or the Notes or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Trust Deed; any such authorisation, waiver or determination shall be binding on the Noteholders and, if, but only if, the Trustee shall so require, the Issuer shall cause such authorisation, waiver or determination to be notified to the Noteholders as soon as practicable thereafter in accordance with the Condition relating thereto; provided that the Trustee shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the Holders of more than 50 per cent. in aggregate principal amount of the Notes then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or proposed breach relating to any of the matters the subject of the Reserved Matters as specified and defined in Schedule 2.

6.2 Modifications

The Trustee may from time to time and at any time without any consent or sanction of the Noteholders concur with the Issuer in making (a) any modification to this Trust Deed (other than in respect of Reserved Matters as specified and defined in Schedule 2 or any provision of this Trust Deed referred to in that specification) or the Notes which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial

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to the interests of the Noteholders or (b) any modification to this Trust Deed or the Notes if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. Any such modification shall be binding on the Noteholders and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter in accordance with the Conditions.

6.3 Substitution

6.3.1 Procedure: The Trustee may, without the consent of the Noteholders, agree to the substitution, in place of the Issuer (or of any previous substitute under this Clause) of any

Subsidiary of the Issuer (hereinafter called the "Substituted Obligor") as the principal debtor hereunder if:

- (a) a trust deed is executed or some other written form of undertaking is given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of this Trust Deed and the Notes with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substituted Obligor had been named in this Trust Deed and on the Notes as the principal debtor in place of the Issuer (or of any previous substitute under this Clause);
- (b) the Issuer and the Substituted Obligor execute such other deeds, documents and instruments (if any) as the Trustee may require in order that the substitution is fully effective and comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (c) an unconditional and irrevocable guarantee in form and substance satisfactory to the Trustee shall have been given by the Issuer of the obligations of the Substituted Obligor under this Trust Deed and the Notes;
- (d) the Trustee is satisfied that (i) the Substituted Obligor has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes in place of the Issuer (or such previous substitute as aforesaid), (ii) the Issuer has obtained all governmental and regulatory approvals and consents necessary for the guarantee to be fully effective as referred to in sub-clause 6.3.1(c) and (iii) such approvals and consents are at the time of substitution in full force and effect;
- (e) without prejudice to the generality of the preceding sub-clauses 6.3.1(a) to (d) where the Substituted Obligor is incorporated, domiciled or resident in or is otherwise subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority of or in such territory having power to tax (the "Substituted Territory") other than or in

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addition to the territory, the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the "Issuer's Territory"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 10 with the substitution for the reference in that Condition to the Issuer's Territory of references to the Substituted Territory and in such event the Trust Deed and Notes will be interpreted accordingly;

- (f) without prejudice to the rights of reliance of the Trustee under sub-clause 6.3.4 (Directors' certification) the Trustee is satisfied that the said substitution is not materially prejudicial to the interests of the Noteholders;

6.3.2 Change of law: In connection with any proposed substitution of the Issuer or any previous substitute, the Trustee may, in its absolute discretion and without the consent of the Noteholders agree to a change of the law from time to time governing the Notes and this Trust Deed provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial

to the interests of the Noteholders;

- 6.3.3 Extra duties: The Trustee shall be entitled to refuse to approve any Substituted Obligor if, pursuant to the law of the country of incorporation of the Substituted Obligor, the assumption by the Substituted Obligor of its obligations hereunder imposes responsibilities on the Trustee over and above those which have been assumed under this Trust Deed;
- 6.3.4 Directors' certification: If any two directors of the Substituted Obligor certify that immediately prior to the assumption of its obligations as Substituted Obligor under this Trust Deed the Substituted Obligor is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Substituted Obligor, the Trustee need not have regard to the financial condition, profits or prospects of the Substituted Obligor or compare the same with those of the Issuer (or of any previous substitute under this Clause);
- 6.3.5 Interests of Noteholders: In connection with any proposed substitution, the Trustee shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders;
- 6.3.6 Release of Issuer: Any such agreement by the Trustee pursuant to sub-clause 6.3.1 (Procedure) shall, if so expressed, operate to release the Issuer (or such previous substitute as aforesaid)

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from any or all of its obligations as principal debtor under the Notes and this Trust Deed but without prejudice to its liabilities under any guarantee given pursuant to sub-clause 6.3.1(c) (Guarantee by Issuer of obligations of Substituted Obligor). Not later than fourteen days after the execution of any such documents as aforesaid and after compliance with the said requirements of the Trustee, the Substituted Obligor shall cause notice thereof to be given to the Noteholders; and

- 6.3.7 Completion of Substitution: Upon the execution of such documents and compliance with the said requirements, the Substituted Obligor shall be deemed to be named in this Trust Deed and the Notes as the principal debtor in place of the Issuer (or of any previous substitute under this Clause) and this Trust Deed, the Notes and the Paying and Conversion Agency Agreement shall thereupon be deemed to be amended in such manner as shall be necessary to give effect to the substitution and without prejudice to the generality of the foregoing any references in this Trust Deed, in the Notes or in the Paying and Conversion Agency Agreement to the Issuer shall be deemed to be references to the Substituted Obligor.

7. ENFORCEMENT

7.1 Legal Proceedings

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of the Notes which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the Holders of more than one-quarter in principal amount of the outstanding Notes and (b) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable

and all costs, charges and expenses which may be incurred by it in connection therewith and provided that the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Noteholders. Only the Trustee may enforce the provisions of the Notes or this Trust Deed and no Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

7.2 Evidence of Default

If the Trustee (or any Noteholder where entitled under this Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding-up or insolvency of the Issuer under this Trust Deed or under the Notes, proof therein that, as regards any specified Note the Issuer has made default in paying any principal due in respect of such Note shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Notes in respect of which a corresponding payment is then due and for the

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purposes of the above a payment shall be a "corresponding" payment notwithstanding that it is due in respect of a Note of a different denomination from that in respect of the above specified Note.

8. APPLICATION OF MONEYS

8.1 Application of Moneys

All moneys received by the Trustee in respect of the Notes or amounts payable under this Trust Deed will despite any appropriation of all or part of them by the Issuer (including any moneys which represent principal or interest in respect of Notes which have become void under the Conditions) be held by the Trustee on trust to apply them (subject to Clause 8.2 (Investment of Moneys)):

- 8.1.1 first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee in the preparation and execution of the trusts of this Trust Deed (including remuneration of the Trustee);
- 8.1.2 secondly, in or towards payment *pari passu* and rateably of all arrears of interest remaining unpaid in respect of the Notes and all principal moneys due on or in respect of the Notes; and
- 8.1.3 thirdly, the balance (if any) in payment to the Issuer.

8.2 Investment of Moneys

If the amount of the moneys at any time available for payment of principal and interest in respect of the Notes under Clause 8.1 (Application of Moneys) shall be less than a sum sufficient to pay at least one-tenth of the principal amount of the Notes then outstanding, the Trustee may, at its discretion, invest such moneys upon some or one of the investments hereinafter authorised with power from time to time, with like discretion, to vary such investments; and such investment with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay at least one-tenth of the principal amount of the Notes then outstanding and such accumulation and funds (after deduction of any taxes and any other deductibles applicable thereto) shall then be applied in the manner aforesaid.

8.3 Authorised Investments

Any moneys which under this Trust Deed may be invested by the Trustee may be invested in the name or under the control of the Trustee in any of the investments for the time being authorised by English law for the investment by trustees of trust moneys or in any other investments,

whether similar to those aforesaid or not, which may be selected by the Trustee or by placing the same on deposit in the name or under the control of the Trustee with such bank or other financial institution as the Trustee may think fit and in such currency as the Trustee in its

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absolute discretion may determine and the Trustee may at any time vary or transfer any of such investments for or into other such investments or convert any moneys so deposited into any other currency and shall not be responsible for any Liability occasioned by reason of any such investments or such deposit whether by depreciation in value, fluctuation in exchange rates or otherwise.

8.4 Payment to Noteholders

The Trustee shall give notice to the Noteholders in accordance with the Conditions of the date fixed for any payment under Clause 8.1 (Application of Moneys). Any payment to be made in respect of the Notes by the Issuer or the Trustee may be made in the manner provided in the Conditions, the Paying and Conversion Agency Agreement and this Trust Deed and any payment so made shall be a good discharge to the extent of such payment, by the Issuer or the Trustee, as the case may be.

8.5 Production of Note Certificates

The Trustee shall give notice to the Noteholders in accordance with the Conditions of the date fixed for any payment under Clause 8.1 (Application of Moneys). Upon any payment under Clause 8.4 (Payment to Noteholders) of principal or interest, the Note Certificate representing the Note in respect of which such payment is made shall, if the Trustee so requires, be produced to the Trustee or the Paying and Conversion Agent by or through whom such payment is made and the Trustee shall, in the case of part payment, require the Registrar to make a notation in the register of the amount and date of payment thereon or, in the case of payment in full, shall cause such Note Certificate to be surrendered or shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation.

9. TERMS OF APPOINTMENT

By way of supplement to the Trustee Acts, it is expressly declared as follows:

9.1 Reliance on Information

9.1.1 Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, any Subsidiary or any Agent) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission and the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;

9.1.2 Certificate of directors or Authorised Signatories: the Trustee may call for and shall be at liberty to accept a certificate signed by two directors and/or two Authorised Signatories of the Issuer or other person duly authorised on its behalf as to any fact or matter prima facie within the knowledge of the Issuer as sufficient evidence thereof and a like certificate to the effect

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that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

- 9.1.3 Resolution or direction of Noteholders: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Noteholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Noteholders;
- 9.1.4 Noteholders as a class: whenever in this Trust Deed the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, it shall have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory;
- 9.1.5 Trustee not responsible for investigations: the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Notes, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- 9.1.6 No obligation to monitor: the Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Notes or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations and the Trustee shall not be under any duty to monitor or make enquiries as to whether or not any event or circumstance which gives rise or may give rise to an adjustment to the Conversion Price has occurred or may occur and will not be responsible to Noteholders for any loss arising from any failure by it to do so;
- 9.1.7 Notes held by the Issuer: in the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under Clause

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5.8 (Notes held by Issuer)), that no Notes are for the time being held by or for the benefit of the Issuer or its Subsidiaries;

- 9.1.8 Entry on the Register: the Trustee shall not be liable to the Issuer or any Noteholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;
- 9.1.9 Events of Default: the Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any

steps to ascertain whether any Event of Default or Potential Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default or Potential Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Notes and under this Trust Deed and no event has happened as a consequence of which any of the Notes may become repayable.

9.1.10 Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arisings from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

9.1.11 The Shares: The Trustee shall not any time be under any duty or responsibility in respect of the validity or value (or the kind or amount) of any Shares or of any other securities or cash, which may at any time be made available or delivered upon the exercise of any Conversion Right; and it makes no representation with respect thereto. The Trustee shall not be responsible for any failure of the Issuer to make available or deliver any Shares or to make any payment upon the exercise of any Conversion Right.

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9.1.12 Exchange Offer: The Trustee shall not be responsible for any of the terms of the Exchange Offer or for the terms of the Exchange Indenture and the Exchange Notes (as each of such terms is defined in Condition 6(f) (Exchange Offer)).

9.2 Trustee's powers and duties

9.2.1 Trustee's determination: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Notes is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Noteholders;

9.2.2 Determination of questions: the Trustee as between itself and the Noteholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, and the Noteholders;

9.2.3 Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or

by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing. Without limiting the general statement above, the Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable, of England. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or England or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or in England or if it is determined by any court or other competent authority in that jurisdiction or in England that it does not have such power;

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- 9.2.4 Trustee's consent: any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 9.2.5 Conversion of currency: where it is necessary or desirable for any purpose in connection with this Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Trust Deed or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Noteholders;
- 9.2.6 Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the delivery of any Note Certificate to the persons entitled to them;
- 9.2.7 Error of judgment: The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- 9.2.8 Agents. the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;
- 9.2.9 Delegation: the Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and

any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Noteholders and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;

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9.2.10 Custodians and nominees: the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer; and

9.2.11 Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Noteholder shall be entitled to take any action to obtain from the Trustee any such information.

9.3 Financial matters

9.3.1 Professional charges: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;

9.3.2 Expenditure by the Trustee: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

9.3.3 Trustee may enter into financial transactions with the Issuer: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be

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accountable to the Noteholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

9.4 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Acts and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

9.5 Trustee Liability

Subject to Section 192 of the Companies Act 1985 (if applicable) and notwithstanding anything to the contrary in this Trust Deed, the Notes or the Paying and Conversion Agency Agreement, the Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed, the Notes or the Paying and Conversion Agency Agreement save in relation to its own negligence, wilful default or fraud.

10. COSTS AND EXPENSES

10.1 Remuneration

10.1.1 Normal Remuneration: The Issuer shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee. Such remuneration shall be payable in advance on the anniversary of the date hereof in each year and the first payment shall be made on the date hereof. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders) up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying and Conversion Agent or the Trustee, provided that if upon due presentation (if required pursuant to the Conditions) of any Note Certificate or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue;

10.1.2 Extra Remuneration: In the event of the occurrence of an Event of Default or a Potential Event of Default or the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them;

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10.1.3 Value added tax: The Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Trust Deed;

10.1.4 Failure to agree: In the event of the Trustee and the Issuer failing to agree:

(a) (in a case to which sub-clause 10.1.1 applies) upon the

amount of the remuneration; or

- (b) (in a case to which sub-clause 10.1.2 applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, or upon such additional remuneration;

such matters shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant bank being payable by the Issuer) and the determination of any such merchant bank shall be final and binding upon the Trustee and the Issuer;

10.1.5 Expenses: The Issuer shall also pay or discharge all costs, charges and expenses incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Trust Deed;

10.1.6 Indemnity: The Issuer shall indemnify the Trustee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed provided that it is expressly stated that Clause 9.5 (Trustee Liability) shall apply in relation to these provisions;

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10.1.7 Payment of amounts due: All amounts due and payable pursuant to sub clauses 10.1.5 (Expenses) and 10.1.6 (Indemnity) shall be payable by the Issuer on the date specified in a demand by the Trustee; the rate of interest applicable to such payments shall be three per cent. per annum above the base rate from time to time of The Bank of New York and interest shall accrue:

- (a) in the case of payments made by the Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand;
- (b) in the case of payments made by the Trustee on or after the date of the demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made.

All remuneration payable to the Trustee shall carry interest at the rate specified in this Clause 10.1.7 (Payment of amounts due) from the due date thereof;

10.1.8 Discharges: Unless otherwise specifically stated in any discharge of this Trust Deed the provisions of this Clause 10.1 (Remuneration) shall continue in full force and effect notwithstanding such discharge.

10.2 Stamp duties

The Issuer will pay all stamp duties, registration taxes, capital duties

and other similar duties or taxes (if any) payable on (a) the constitution and issue of the Notes, (b) the initial delivery of the Notes (c) any action taken by the Trustee (or any Noteholder where permitted or required under this Trust Deed so to do) to enforce the provisions of the Notes or this Trust Deed and (d) the execution of this Trust Deed. If the Trustee (or any Noteholder where permitted under this Trust Deed so to do) shall take any proceedings against the Issuer in any other jurisdiction and if for the purpose of any such proceedings this Trust Deed or any Note Certificate are taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Issuer will pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

10.3 Exchange rate indemnity

10.3.1 Currency of Account and Payment: United States dollars or, in relation to Clause 10.1 (Remuneration), pounds sterling (the "Contractual Currency") is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed and the Notes, including damages;

10.3.2 Extent of Discharge: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise), by the Trustee or any Noteholder in

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respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and

10.3.3 Indemnity: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Notes, the Issuer will indemnify it against any Liability sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

10.4 Indemnities separate

The indemnities in this Trust Deed constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustee and/or any Noteholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed or the Notes or any other judgment or order. Any such Liability as referred to in sub-clause 10.3.3 (Indemnity) shall be deemed to constitute a Liability suffered by the Trustee, the Noteholders and no proof or evidence of any actual Liability shall be required by the Issuer or its liquidator or liquidators.

11. APPOINTMENT AND RETIREMENT

11.1 Appointment of Trustees

The power of appointing new trustees of this Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. A trust corporation may be appointed sole trustee hereof but subject thereto there shall be at least two trustees hereof one at least of which shall be a trust corporation. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Paying and

Conversion Agents and to the Noteholders. The Noteholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such removal.

11.2 Co-trustees

Notwithstanding the provisions of Clause 11.1 (Appointment of Trustees), the Trustee may, upon giving prior notice to the Issuer but without the consent of the Issuer or the Noteholders, appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

11.2.1 if the Trustee considers such appointment to be in the interests of the Noteholders; or

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11.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or

11.2.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or of this Trust Deed.

11.3 Attorneys

The Issuer hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Trust Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by this Trust Deed) and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Trust Deed be treated as costs, charges and expenses incurred by the Trustee.

11.4 Retirement of Trustees

Any Trustee for the time being of this Trust Deed may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. The Issuer hereby covenants that in the event of the only trustee hereof which is a trust corporation giving notice under this Clause it shall use its best endeavours to procure a new trustee, being a trust corporation, to be appointed and if the Issuer has not procured the appointment of a new trustee within 30 days of the expiry of the Trustee notice referred to in this Clause 11.4, the Trustee shall be entitled to procure forthwith a new trustee.

11.5 Competence of a majority of Trustees

Whenever there shall be more than two trustees hereof the majority of such trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Trust Deed in the Trustee generally.

11.6 Powers additional

The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by

general law or as the holder of any of the Notes.

11.7 Merger

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the

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corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

12. NOTICES

12.1 Addresses for notices

All notices and other communications hereunder shall be made in writing and in English (by letter, telex or fax) and shall be sent as follows:

12.1.1 Issuer: If to the Issuer, to it at:

BMB Munai, Inc.

Fax: +7 3272 375 131
Attention: Askar Tashtitov

12.1.2 Trustee if to the Trustee, to it at:

BNY Corporate Trustee Services Limited

Fax: +44 207 964 2351
Attention: Manager, Trustee Administration

12.2 Effectiveness

Every notice or other communication sent in accordance with Clause 12.1 (Addresses for notices) shall be effective as follows:

12.2.1 Letter or fax: if sent by letter, it shall be deemed to have been delivered 7 days after the time of despatch and if sent by fax it shall be deemed to have been delivered at the time of despatch; and

12.2.2 Telex: if sent by telex, upon receipt by the sender of the addressee's answerback at the end of transmission; provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13. LAW AND JURISDICTION

13.1 Governing law

This Trust Deed is governed by, and shall be construed in accordance with, English law.

13.2 English courts and New York courts

The courts of (a) England and (b) the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York have exclusive jurisdiction to settle

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any dispute (a "Dispute"), arising from or connected with this Trust

Deed or the Notes (including a dispute regarding the existence, validity or termination of this Trust Deed or the Notes) or the consequences of their nullity.

13.3 Appropriate forum

The parties agree that the courts referred to in Clause 13.2 (English courts and New York courts) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

13.4 Rights of the Trustee and Noteholders to take proceedings outside England and the State of New York

Clause 13.2 (English courts and New York courts) is for the benefit of the Trustee and the Noteholders only. As a result, nothing in this Clause 13 (Law and jurisdiction) prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

13.5 Process agent

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered (a) in connection with any Proceedings in England, to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985 and (b) in connection with any Proceedings in the County of New York to CT Corporation System at 111 Eighth Avenue, 13th Floor, New York, New York 10011 or, if different, its principal place of business in the County of New York for the time being. If either such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the Trustee addressed to the Issuer and delivered to the Issuer appoint a further person in England or (as the case may be) the County of New York to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of the Trustee or any of the Noteholders to serve process in any other manner permitted by law. This clause applies to Proceedings in England and in the County of New York and to Proceedings elsewhere.

14. SEVERABILITY

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

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15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any provision of this Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

16. COUNTERPARTS

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF this Trust Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

SCHEDULE 1
FORM OF NOTE CERTIFICATE

Serial Number: _____

THE NOTES AND THE SHARES TO BE ISSUED ON CONVERSION OF THE NOTES (THE "SHARES") REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE ISSUER IS A US DOMESTIC ISSUER AND THE NOTES AND THE SHARES ARE BEING OFFERED ONLY OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903(B)(3)(III) ("CATEGORY 3") OF REGULATION S UNDER THE SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING THE NOTES AND/OR THE UNDERLYING SHARES REPRESENTED HEREBY, AGREES ON ITS OWN BEHALF AND ON BEHALF OF EACH OTHER PERSONS, ENTITIES OR ACCOUNTS FOR WHICH IT HOLDS THE NOTES (EACH AN "ACCOUNT"), IF ANY, THAT PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE DATE OF INITIAL PURCHASE FROM THE ISSUER (THE "RESALE RESTRICTION TERMINATION DATE"), THE NOTES AND/OR THE UNDERLYING SHARES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) TO THE ISSUER OR A SUBSIDIARY THEREOF, (2) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED AND IS EFFECTIVE UNDER THE SECURITIES ACT, (3) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS(1) THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF AND IN ACCORDANCE WITH REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT, OR (4) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE NOTES BE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE FOREGOING RESTRICTIONS ON RESALE WILL NOT APPLY SUBSEQUENT TO THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER HEREOF, ON ITS OWN BEHALF AND ON BEHALF OF EACH ACCOUNT, IF ANY, UNDERSTANDS THAT THE REGISTRAR AND TRANSFER AGENT FOR THE NOTES WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY NOTES ACQUIRED BY THE HOLDER OR ANY ACCOUNT, EXCEPT UPON

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- (1) In order to qualify as a non-U.S. person under Regulation S, (a) the proposed transferee's principal address must be outside the United States, (b) the proposed transferee must be located outside the United States at the time any offer to buy the Notes was made to it and at the time that the buy order was originated by it, and (c) the proposed transferee must not be a "U.S. person" (as defined in Rule 902(k) under the Securities Act).

PRESENTATION OF EVIDENCE SATISFACTORY TO THE ISSUER AND THE TRANSFER AGENT THAT AN EXEMPTION TO THE REGISTRATION REQUIREMENT UNDER THE SECURITIES ACT AND THE RULES AND REGULATIONS THEREUNDER HAVE BEEN COMPLIED WITH. THE HOLDER, ON THE HOLDER'S OWN BEHALF AND ON BEHALF OF EACH ACCOUNT, IF ANY, ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT, IN CONNECTION WITH ANY OFFER, SALE OR OTHER TRANSFER OF THE NOTES PURSUANT TO CLAUSES (3) OR (4) ABOVE PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, TO REQUIRE THE COMPLETION, EXECUTION AND DELIVERY OF A LETTER FROM THE TRANSFEREE CONTAINING CERTIFICATIONS AND OTHER INFORMATION SATISFACTORY TO THE ISSUER AND THE REGISTRAR AND TRANSFER AGENT AND AN OPINION OF COUNSEL APPROVED BY THE ISSUER AND THE REGISTRAR AND TRANSFER AGENT TO ENSURE COMPLIANCE WITH THE SECURITIES ACT AND THE RULES AND REGULATIONS THEREUNDER.

THE HOLDER HEREOF, ON THE HOLDER'S OWN BEHALF AND ON BEHALF OF EACH ACCOUNT, IF ANY, HEREBY UNDERSTANDS AND AGREES THAT PRIOR TO THE END OF THE ONE-YEAR RESTRICTED PERIOD WITHIN THE MEANING OF RULE 903(B)(3)(III) OF REGULATION S UNDER THE SECURITIES ACT (THE "DISTRIBUTION COMPLIANCE PERIOD"), HEDGING TRANSACTIONS INVOLVING SUCH NOTES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE AND/OR UNDERLYING SHARES, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND ANY OF ITS SUCCESSORS IN INTEREST, THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE AND/OR UNDERLYING SHARES FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THE NOTES AND THE UNDERLYING SHARES ARE DEEMED TO BE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT AND ARE SUBJECT TO THE RESALE LIMITATIONS OF RULES 904 AND 905 UNDER REGULATION S. THIS LEGEND WILL BE REMOVED ONLY AFTER THE RESALE RESTRICTION TERMINATION DATE AND UPON RECEIPT BY THE ISSUER OF EVIDENCE SATISFACTORY TO IT (WHICH MAY INCLUDE AN OPINION OF INDEPENDENT COUNSEL EXPERIENCED IN MATTERS OF UNITED STATES FEDERAL SECURITIES LAW) THAT SUCH NOTE AND/OR THE UNDERLYING SHARE COULD BE TRANSFERRED BY THE HOLDER THEREOF PURSUANT TO RULE 144 UNDER THE SECURITIES ACT.

BMB Munai, Inc.
(incorporated with limited liability under
the laws of the State of Nevada)

U.S.\$60,000,000
5.0 per cent. Convertible Notes due 2012

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This Note Certificate is issued in respect of the U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012 (the "Notes") of BMB Munai, Inc. (the "Issuer"). The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 13 July 2007 (as amended or supplemented from time to time, the "Trust Deed") between the Issuer and BNY Corporate Trustee Services Limited as trustee (the "Trustee", which expression includes all persons for the time being appointed trustee or trustees under the Trust Deed) and are the subject of an agency agreement dated 13 July 2007 (as amended or supplemented from time to time, the "Agency Agreement") and made between the Issuer, The Bank of New York (acting from its New York office) as registrar (the "Registrar", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York (acting from its New York office) as principal paying and conversion agent (the "Principal Paying and Conversion Agent"), the other paying agents and the transfer agents named therein and the Trustee.

Any reference herein to the "Conditions" is to the terms and conditions of the Notes endorsed hereon and any reference to a numbered "Condition" is to the correspondingly numbered provision thereof.

This is to certify that:

of _____

is the person registered in the register maintained by the Registrar in relation to the Notes (the "Register") as the duly registered holder or, if more than one person is so registered, the first-named of such persons (the "Holder") of:

U.S.\$ _____ [CURRENCY IN WORDS]

in aggregate principal amount of the Notes.

The Issuer, for value received, hereby promises to pay such principal sum to the Holder on 13 July 2012 or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

The Conversion Rights in respect of the Notes will be exercisable during the Conversion Period by presentation of the Note Certificate to or to the order of the Principal Paying and Conversion Agent for notation of exercise of the relevant Conversion Rights together with one or more duly completed Conversion Notices.

The statements set out in the legend above are an integral part of this Note Certificate and, by acceptance hereof, each Holder of this Note Certificate agrees to be subject to and bound by such legends.

This Note Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Note Certificate.

This Note Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of The Bank of New York as registrar.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

BMB Munai, Inc.

By: _____
[manual or facsimile signature]
(duly authorised)

ISSUED as of []

AUTHENTICATED for and on behalf of THE BANK OF NEW YORK as registrar without recourse, warranty or liability

By: _____
[manual signature]
(duly authorised)

FORM OF TRANSFER

FOR VALUE RECEIVED _____, being the registered holder of this Note Certificate, hereby transfers to _____

of _____
_____ [currency]

in principal amount of the U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012 (the "Notes") of BMB Munai, Inc. (the "Issuer") and irrevocably requests and authorises The Bank of New York (acting from its New York office), in its capacity as registrar in relation to the Notes (or any successor to The Bank of New York, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Notes represented by this Note Certificate, hereby certify that such Notes are being transferred in accordance with the transfer restrictions set forth in the Terms and Conditions relating to the Notes and in accordance with the terms of any legend on this Note Certificate and we confirm that we have notified the transferee that it must, on its own behalf and on behalf of each Account, provide the Issuer with Form of Transferee's letter attached to the Agency Agreement as Schedule 2, Part B.

In connection with any transfer of this Note occurring prior to the date which is two years after the date of initial purchase from the issuer (the "Resale Restriction Termination Date") and the last date, if any, that this Note (or any predecessor Note) was owned by the Issuer, or an affiliate of the Issuer, the we confirm that without utilizing any general solicitation or general advertising:

[check one]

[] (a) this Note and/or the underlying Share is being transferred to the Issuer or a subsidiary thereof and such transferee shall make the appropriate notification to the Registrar and transfer agent pursuant to Schedule 1 of the Agency Agreement.

or

[] (b) this Note and/or the underlying Share is being transferred pursuant to an effective registration statement under the Securities Act.

or

(c) this Note and/or the underlying Share is being transferred pursuant to offers and sales to Non-U.S. Persons that occur outside the United States in compliance with Rule 903 or 904 under the Securities Act.

or

(d) this Note and/or the underlying Share is being transferred pursuant to any other available exemption from the registration requirements of the Securities Act (if available).

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In addition, the undersigned will provide the Issuer and any transfer agent such certifications, legal opinions and other information, if any, as they may reasonably require to confirm that the proposed transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Registrar shall not be obligated to register this Note Certificate in the name of any person other than the registered holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Schedule 1 of the Agency Agreement shall have been satisfied.

Date: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned Note Certificate in every particular, without alteration or any change whatever.

By: _____

By: _____
(duly authorised)

Notes

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Note Certificate.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Note Certificate shall be in an amount equal to U.S.\$100,000 or any integral multiple of U.S.\$100,000 in excess thereof.

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PART A

TERMS AND CONDITIONS OF THE NOTES

*The following, subject to completion and amendment, are the terms and conditions of the Notes substantially as they will appear in the trust deed constituting the Notes (“**Conditions**”). For ease of reference these Conditions are divided into sections dealing with: the definitions used in these terms and conditions (Conditions 1-2); the debt security (Conditions 3-11); the equity option (Conditions 12-15); adjustments to the conversion price (Conditions 16-31); covenants relating to the equity option (Conditions 32-38); and miscellaneous provisions (Conditions 39-46). This paragraph, and any other paragraphs appearing in italics in these terms and conditions, do not form part of these terms and conditions.*

Introduction and Definitions

1. Introduction

- (a) *The Notes:* The expression the “**Notes**” refers to the U.S.\$ 60,000,000 5.0 per cent. Convertible Notes due 13 July 2012 of BMB Munai, Inc. (the “**Issuer**”).
- (b) *Trust Deed:* The Notes are subject to, and have the benefit of, a trust deed dated 13 July 2007 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer and BNY Corporate Trustee Services Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (c) *Agency Agreement:* The Notes are also the subject of an agency agreement dated 13 July 2007 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Bank of New York (acting from its New York office) as Transfer Agent (the “**Transfer Agent**”, which expression includes any successor transfer agent appointed from time to time in respect of the Notes), The Bank of New York (acting from its New York office) as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in respect of the Notes), The Bank of New York as principal paying and conversion agent (the “**Principal Paying and Conversion Agent**”, which expression includes any successor principal paying and conversion agent appointed from time to time in connection with the Notes), the paying and conversion agents named therein (together with the Principal Paying and Conversion Agent, the “**Paying and Conversion Agents**”, which expression includes any successor or additional paying and conversion agents appointed from time to time in connection with the Notes) and the Trustee. References herein to “**Agents**” are to the Registrar, the Transfer Agent and the Paying and Conversion Agents and any reference to an “**Agent**” is to any one of them.
- (d) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at the date hereof The Bank of New York and at the Specified Offices of each of the Paying and Conversion Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

“**Aggregate Consideration**” has the meaning given in Condition 29 (*Aggregate Consideration and Consideration per Share*);

“**American Stock Exchange**” means the American Stock Exchange LLC;

“**Applicable Rate**” means, with respect to the principal amount of any Note on a Change of Control Put Date, the sum of (A) 100 per cent. and (B) an amount equal to the product of (i) 7.2 per cent. multiplied by (ii) a fraction, the numerator of which is the number of days from the Issue Date to

such Change of Control Put Date, using a 360-day year of twelve 30-day months, and the denominator of which is 1,800;

“**Bonus Issue** “ means any issue of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than a Dividend in Shares;

“**Clearstream, Luxembourg** “ means Clearstream Banking, société anonyme;

“**Change of Control Event** “ has the meaning given in Condition 16(c) (*Change of Control - Change of Control Event*);

“**Change of Control Event Notice** “ has the meaning given in Condition 16(d) (*Change of Control - Adjustment to the Conversion Price*);

“**Change of Control Event Premium**” has the meaning given in Condition 38 (*Change of Control Event Premium*);

“**Closing Market Price** “ means, in respect of a Share on any particular Exchange Business Day, the closing market price of a Share published by the American Stock Exchange in respect of that Exchange Business Day;

“**Consideration per Share** “ has the meaning given in Condition 29 (*Aggregate Consideration and Consideration per Share*);

“**Conversion Date** “ has the meaning given in Condition 13(d) (*Procedure for Conversion - Conversion Date*);

“**Conversion Expenses** “ has the meaning given in Condition 13(b) (*Procedure for Conversion - Conversion Expenses*);

“**Conversion Notice** “ means a notice of conversion in the form (for the time being current) obtainable from the Specified Office of any Paying and Conversion Agent;

“**Conversion Period** “ has the meaning given in Condition 12(b) (*Conversion - Conversion Period*);

“**Conversion Price** “ has the meaning given in Condition 12(d) (*Conversion - Conversion Price*);

“**Conversion Right** “ means, in respect of any Note, the right of the holder to convert the Note into Shares in accordance with these Conditions;

“**Current Market Price** “ means, in respect of a Share at a particular date, the arithmetic average of the Volume Weighted Average Price per Share for each of the 10 consecutive Exchange Business Days ending on the Exchange Business Day immediately preceding such date (the “**Relevant Period** “), provided that:

- (a) if at any time during the Relevant Period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:
 - (i) if the Shares to be issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United States); or

- (ii) if the Shares to be issued do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to have been the amount thereof increased by such similar amount; and
- (b) if on each of the 10 Exchange Business Days during the Relevant Period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United States); and
- (c) if the Volume Weighted Average Price is not available on each of the 10 Exchange Business Days during the Relevant Period, then the arithmetic average of the Volume Weighted Average Prices which are available in the Relevant Period shall be used (subject to the Volume Weighted Average Price being available on at least two such Exchange Business Days); and
- (d) if the Volume Weighted Average Price is not available on any Exchange Business Day in the Relevant Period, or is available on only one Exchange Business Day in the Relevant Period, then the Current Market Price shall be Determined by an Expert;

“**Determined by an Expert**” means determined in good faith by an Expert acting as an expert;

“**Dividend**” means any dividend or distribution of any kind on the class of capital represented by the Shares, whether in cash or otherwise and however described:

- (a) including, without limitation, a Dividend in Shares;
- (b) excluding a Bonus Issue; and
- (c) including, without limitation, any other issue of shares or other securities credited as fully or partly paid by way of capitalisation of profits or reserves;

“**Dividend in Shares**” means any issue of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves which is to be, or may at the election of the Shareholders be, issued instead of the whole or any part of a cash Dividend which the Shareholders concerned would or could otherwise have received;

“**Dollinnoe Field**” means the field for exploration of hydrocarbons known as “the Dollinnoe field” located in the Tybkaragan Region of Mangystau oblast in the Republic of Kazakhstan;

“**Effective Date**” has:

- (a) for the purposes of Condition 17 (*Dividends*), the meaning given in Condition 17(b) (*Dividends - Effective Date*);
- (b) for the purposes of Condition 18 (*Bonus Issues*), the meaning given in Condition 18(b) (*Bonus Issues - Effective Date*);
- (c) for the purposes of Condition 19 (*Consolidation or Subdivision*), the meaning given in Condition 19(b) (*Consolidation or Subdivision - Effective Date*);

- (d) for the purposes of Condition 20 (*Shares, Rights and Share-Related Securities Issued to Shareholders*), the meaning given in Condition 20(b) (*Shares, Rights and Share-Related Securities issued to Shareholders - Effective Date*);
- (e) for the purposes of Condition 21 (*Issue of other Securities to Shareholders*), the meaning given in Condition 21(b) (*Issue of other Securities to Shareholders - Effective Date*);
- (f) for the purposes of Condition 22 (*Issue of Shares at Below Current Market Price*), the meaning given in Condition 22(b) (*Issue of Shares at Below Current Market Price - Effective Date*);
- (g) for the purposes of Condition 23 (*Share-Related Securities Issued Other than to Shareholders*), the meaning given in Condition 23(b) (*Share-Related Securities Issued Other than to Shareholders - Effective Date*);
- (h) for the purposes of Condition 24 (*Amendment of Terms of Rights or Share-Related Securities*), the meaning given in Condition 24(b) (*Amendment of Terms of Rights or Share-Related Securities - Effective Date*); and
- (i) for the purposes of Condition 25 (*Other Arrangements to Acquire Securities*), the meaning given in Condition 25(b) (*Other Arrangements to Acquire Securities - Effective Date*);

“**Equity**” means the aggregate market value of the Issuer’s ordinary shares based on the Volume Weighted Average Price of a Share as at the date of each quarterly report filed on Form 10-Q by the Issuer pursuant to the Exchange Act;

“**Euroclear** “ means Euroclear Bank S.A./N.A.;

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;

“**Exchange Business Day** “ means any day that is a trading day on the American Stock Exchange other than a day on which the American Stock Exchange is scheduled to close prior to its regular weekday closing time;

“**Expert** “ means, in relation to any matter to be Determined by an Expert, an independent investment bank and/or a firm of accountants which is, in either case, of international repute, appointed to act as an expert for the purposes of such matter in accordance with these Conditions and the Trust Deed;

“**Extraordinary Resolution** “ has the meaning given in the Trust Deed;

“**Fair Market Value** “ means:

- (a) with respect to a cash Dividend or other cash amount the amount of such cash; and
- (b) with respect to any other property on any date, the fair market value of that property as Determined by an Expert,

provided, however, that in any such case:

- (i) where options, warrants or other rights are publicly traded in a market which is Determined by an Expert to have adequate liquidity, the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such options, warrants or other rights are publicly traded) or such shorter period as such options, warrants or other rights are publicly traded;

- (ii) any cash Dividend declared or paid in a currency other than U.S. dollars shall be converted into U.S. dollars at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid the cash Dividend in U.S. dollars; and
- (iii) any other amount or value in a currency other than U.S. dollars shall be converted into U.S. dollars at the Screen Rate on that date;

“**Filing Deadline Date**” has the same meaning as is ascribed to that term in the Registration Rights Agreement;

“**Group**” means the Issuer and its Subsidiaries taken as a whole;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another person to pay such Indebtedness;

“**Indebtedness**” means, at any time, the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances with financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with accounting principles generally accepted in the United States, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (excluding any given in respect of trade credit arising in the ordinary course of business);
- (g) any amount raised by the issue of redeemable shares which are redeemable before 31 December 2012;
- (h) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into the agreement is to raise finance;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.;

“**Initial Shelf Registration Statement**” has the meaning ascribed to that term in the Registration Rights Agreement;

“**Interest Payment Date**” means 13 January and 13 July in each year, the first Interest Payment Date being 13 January 2008;

“**Issue Date**” means 13 July 2007;

“**Material Subsidiary** “ means any Subsidiary of the Issuer:

- (a) whose total assets at the time of at least one of the three most recently published consolidated audited financial statements of the Issuer represent at least 10 per cent, of the consolidated total assets of the Issuer; or
- (b) whose revenues at the time of at least one of the three most recently published consolidated audited financial statements of the Issuer represent at least 10 per cent, of the consolidated total revenues of the Issuer,

provided that in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements for the purposes of the calculation above shall, until audited consolidated financial statements of the Issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest consolidated financial statements of the Issuer adjusted in such manner as the Issuer shall consider appropriate to consolidate the latest audited accounts of such Subsidiary in such accounts; and a certificate signed by two directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any time or throughout any specified period a Material Subsidiary shall, in the absence of manifest or proven error, be conclusive and binding on all parties;

“**Maturity Date** “ means 13 July 2012;

“**Minimum Conversion Price** “ means the Closing Market Price on 13 July 2007, *provided that* on each occasion, if any, on which the Conversion Price is adjusted pursuant to any of Condition 17 (*Dividends*), Condition 18 (*Bonus Issues*), Condition 19 (*Consolidation or Subdivision*), Condition 20 (*Shares, Rights and Share-Related Securities Issued to Shareholders*), Condition 21 (*Issue of other Securities to Shareholders*) or Condition 25 (*Other Arrangements to Acquire Securities*) then the Minimum Conversion Price shall be adjusted at the same time by the same proportion;

“**Net Debt**” means the Group’s aggregate Indebtedness less the Group’s aggregate free cash and cash equivalents (as determined under U.S. GAAP) as at the date of each quarterly report filed on Form 10-Q by the Issuer pursuant to the Exchange Act ;

“**Offer** “ means an offer to acquire Shares, whether expressed as a legal offer, an invitation to treat, a scheme with regard to such acquisition or in any other way, in circumstances where such offer is available to all Shareholders or all Shareholders other than any Shareholder who is the person making such offer (or any associate of such person) or who is excluded from the offer by reason of being connected with one or more specific jurisdictions;

“**Payment Business Day** “ means, in respect of any place of presentation of any Note Certificate, any day on which banks are open for presentation and payment of debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a U.S. dollar account as referred to in Condition 9 (*Payments*), in New York City;

“**Person** “ means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Put Option Notice** “ has the meaning given in Condition 8(b) (*Redemption and Purchase - Redemption at the option of Noteholders*):

“**Put Option Receipt** “ has the meaning given in Condition 8(b) (*Redemption and Purchase - Redemption at the option of Noteholders*):

“Put Settlement Date” means, in relation to the options described in Conditions 8(b)(i) and 8(b)(ii), the date that is 10 New York business days following the date on which the Holder validly deposits a Put Option Notice with any Paying and Conversion Agent, and, in relation to the option described in Condition 8(b)(iii), means the Third Put Date as defined in Condition 8(b)(iii);

“Rate of Interest” means 5.0 per cent. per annum;

“Record Date” means, in respect of any entitlement to receive any dividend or other distribution declared, paid or made, or any rights granted, the record date or other due date for the establishment of the relevant entitlement;

“Registration Rights Agreement” means the registration rights agreement dated 13 July 2007 between the Issuer and Bayerische Hypo-und Vereinsbank AG;

“Regulation S” means Regulation S under the United States Securities Act of 1933;

“Relevant Date” means, in relation to any payment in respect of a Note, whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in New York City by the Principal Paying and Conversion Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“Relevant Indebtedness” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which with the agreement of the Issuer or the relevant Material Subsidiary is, or is capable of being, listed, quoted or traded on any recognised stock exchange or in any securities market (including, without limitation, any recognised over-the-counter market);

“Reserved Matter” means, in the context of any meeting of Noteholders, any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange (for the avoidance of doubt, reference to exchange in this paragraph excludes the Exchange Offer defined in Condition 6(f) (*Exchange Offer*)), conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under the Trust Deed);
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change any aspect of the Conversion Right;
- (e) to change the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition of Reserved Matter;

“Rights” means, in respect of any securities or assets, any options, warrants or other rights (other than Share-Related Securities) which by their terms of issue carry a right to subscribe for, purchase or otherwise acquire such securities or assets;

“Screen Rate” means, on any day, and, in respect of the translation or conversion of one currency into another currency, the rate of exchange between such currencies appearing on Bloomberg page FXFX1 at or about 11.00 a.m. New York time on that day, or, if that page is not available or that rate of exchange does not appear on that page at or about that time on that day, the rate of exchange

between such currencies appearing on such other screen or information service, or determined in such other manner, as the Issuer shall determine, with the prior written approval of the Trustee;

“**Securities Act**” means the United States Securities Act of 1933, as amended;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Share**” means a common share of U.S.\$ 0.001 par value of the share capital of the Issuer;

“**Shareholder**” means the person in whose name a Share is for the time being registered in the register of Share ownership maintained by or on behalf of the Issuer;

“**Share-Related Securities**” means any securities which by their original terms of issue:

- (a) carry a right to subscribe for, purchase or otherwise acquire Shares or any securities which by their terms of issue might be redesignated as Shares; or
- (b) are capable of being redesignated as Shares or redesignated so as to carry a right to subscribe for, purchase or otherwise acquire Shares;

“**Shelf Registration Statement**” has the meaning ascribed to that term in the Registration Rights Agreement;

“**Shelf Registration Statement Filing Date**” means the date on which the Shelf Registration Statement is filed in accordance with the Registration Rights Agreement;

“**Shelf Registration Statement Effective Date**” means the date on which the Shelf Registration Statement becomes effective in accordance with the Registration Rights Agreement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Subsidiary**” means, in relation to the Issuer at any particular time, any other Person:

- (a) whose affairs and policies the Issuer controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the Issuer;

“**Trading Day**” means a day when the American Stock Exchange is open for business, but does not include a day when (a) no such last transaction price or closing bid and offered prices is/are reported and (b) (if the Shares are not listed or admitted to trading on such exchange) no such closing bid and offered prices are furnished as aforesaid.

“**U.S. dollars**” and “**U.S.\$**” means the lawful currency of the United States;

“**U.S. GAAP**” means accounting principles generally accepted in the United States;

“**United States**” means the United States of America; and

“**Volume Weighted Average Price**” means, in respect of a Share on any Exchange Business Day, the order book volume-weighted price of a Share appearing on or derived from Bloomberg page AQR (or such other source as shall be Determined by an Expert) on such Exchange Business Day, *provided that* (other than for the purpose of the definition of Current Market Price):

- (a) if on any such Exchange Business Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Exchange Business Day on which the same can be so determined; and
 - (b) if any Dividend or other entitlement in respect of the Shares is announced on or prior to the relevant Conversion Date in circumstances where the Record Date in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date and if on any such Exchange Business Day the price as determined as provided above is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or other cash entitlement as at the date of announcement of such Dividend or entitlement per Share (excluding, in the case of a dividend in cash, any associated tax credit and less the tax, if any, falling to be deducted on payment thereof to a resident of the United States).
- (b) *Construction of certain references:* In these Conditions, unless otherwise specified or unless the context otherwise requires:
- (i) a reference to a “**business day**” in any place shall be construed as a reference to a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that place;
 - (ii) references to Notes being “**outstanding**” shall be construed in accordance with the Trust Deed;
 - (iii) references to any issue or offer or grant to Shareholders “**as a class**” or “**by way of rights**” shall be construed so as to include an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any jurisdiction or requirements of any recognised regulatory body or any stock exchange in any jurisdiction or in connection with fractional entitlements, it is determined not to make such issue or offer or grant;
 - (iv) “**equity share capital**” means, in relation to a company, its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution;
 - (v) references to the “**issue**” of Shares shall include the transfer and/or delivery of Shares by the Issuer or any of its Subsidiaries, whether newly issued and allotted or previously existing;
 - (vi) Shares held by the Issuer or any of its Subsidiaries shall not be considered as or treated as “**in issue**”; and
 - (vii) headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

The Debt Security

3. Form, Denomination and Title

The Notes are in registered form in the denomination of U.S.\$ 100,000.

4. Status

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the “**Register**”) in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.
- (c) *Transfers:* Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.
- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.
- (g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

6. Undertakings

- (a) *Negative Pledge:* So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of their respective present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant

Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

- (b) *Change of business:* The Issuer shall not (whether by means of disposals of all or part of its assets or operations or otherwise) make a substantial change to the general nature of the business of the Issuer from that of hydrocarbons exploration and production, being the business carried on by the Issuer at the Issue Date.
- (c) *Disposal of assets:* Without prejudice to Condition 6(b), the Issuer shall not, and shall procure that none of its Subsidiaries will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of more than 20 per cent. of (i) its rights in the Dolinnoe Field as at the Issue Date or (ii) any ownership interest that it has in any company holding rights in the Dolinnoe Field as at the Issue Date.
- (d) *Financial ratio:* The Issuer shall ensure that the Group maintains a Net Debt to Equity ratio of no more than 3:5 *provided that* the Issuer shall not be required to comply with such ratio for up to a maximum of two consecutive financial quarters if the Trustee has confirmed, upon application by the Issuer accompanied by sufficient evidence, that the Issuer has certified to the reasonable satisfaction of the Trustee (upon which certification the Trustee shall be entitled to rely without need of any further enquiry) that its failure to comply with such ratio is principally attributable to an increase in the Issuer's Indebtedness for the purpose of funding a corporate acquisition.
- (e) *Financial statements:* The Issuer has covenanted in the Trust Deed to produce and send to the Trustee and to the Principal Paying and Conversion Agent as soon as practicable after their date of publication and in the case of annual financial statements in any event not more than 180 days after the end of each financial year, two copies of the Issuer's annual report on Form 10-K filed by the Issuer pursuant to the Exchange Act and of each of the Issuer's quarterly reports on Form 10-Q filed by the Issuer pursuant to the Exchange Act, or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to the members or Holders of debentures or creditors (or any class of them) of the Issuer in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof and procure that the same are made available for inspection by Noteholders at the Specified Offices of the Agents as soon as practicable thereafter.
- (f) *Exchange Offer:* The Issuer shall commence, within 30 days from the Issue Date, an offer (the "**Exchange Offer**") to the Noteholders to exchange any or all of the Notes for a like aggregate principal amount of debt securities of the Issuer (the "**Exchange Notes**") that are substantially similar in all material respects to the Notes except that the Exchange Notes will be governed by, and entitled to the benefits of, a New York law-governed trust indenture (the "**Exchange Indenture**") that is substantially similar in all material respects to the Trust Deed except that it:
 - (i) will contemplate the issue of one or more global note(s), in the form attached to the Exchange Indenture (the "**Global Note(s)**"), that will become eligible to be deposited with a custodian for The Depository Trust Company and/or a common depository for Clearstream and Euroclear, Luxembourg upon the Shelf Registration Statement Effective Date; and
 - (ii) will incorporate such other changes as are necessary to comply with the U.S. Trust Indenture Act of 1939, as amended (the "**TIA**"); and
 - (iii) is eligible for qualification under the TIA.

On completion of the Exchange Offer, the Issuer shall procure the delivery of a legal opinion to the trustee of the Exchange Indenture from the Issuer's United States legal counsel, that the Exchange Notes and the Exchange Indenture are legal, valid, binding and enforceable obligations of the Issuer and that the Global Notes will be, on due execution, authentication and delivery, legal, valid, binding

and enforceable obligations of the Issuer. On the Shelf Registration Statement Effective Date, the Issuer shall procure the delivery of the duly executed Global Note(s) to a custodian for The Depository Trust Company and/or a common depository for Euroclear and Clearstream, Luxembourg, as applicable, and shall otherwise comply with its obligations under the Registration Rights Agreement.

The Exchange Offer shall comply with all applicable tender offer rules and regulations under the U.S. Securities Exchange Act of 1934, as amended, and other applicable laws.

7. **Interest**

- (a) *Interest commencement and rate:* The Notes bear interest from the Issue Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*).
- (b) *Cessation of interest accrual:* Each Note will cease to bear interest from the due date for redemption, subject as provided in Condition 7(c) (*Interest - Principal Amount not paid on due date*), Condition 15(d) (*Rights Arising on Conversion - Interest*) and Condition 15(e) (*Rights Arising on Conversion - Interest upon conversion due to early redemption*).
- (c) *Principal Amount not paid on due date:* If, upon due presentation of any Note on the due date for redemption, payment of principal is improperly withheld or refused, such Note will continue to bear interest at the Rate of Interest (both before and after judgment) until the Relevant Date.
- (d) *Interest amount:* The amount of interest payable on each Interest Payment Date shall be U.S.\$ 5,000 in respect of each Note of U.S.\$ 100,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where “**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months).

8. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, converted, or purchased and cancelled, the Notes will be redeemed at a price equal to 107.2 per cent. of its principal amount on the Maturity Date, subject as provided in Condition 9 (*Payments*).
- (b) *Redemption at the option of Noteholders:* The Issuer shall, at the option of the holder of any Note, redeem such Note:
 - (i) in the event that the Initial Shelf Registration Statement has not been filed on or prior to the Filing Deadline Date, on any day following the Filing Deadline Date until, but excluding, the Shelf Registration Statement Filing Date (the “**First Put Exercise Period**”) at a price equal to 110 per cent. of its principal amount together with interest accrued but unpaid to such date; or
 - (ii) in the event that the Shelf Registration Statement Effective Date has not occurred, on any day following the anniversary of the Issue Date (the “**Anniversary**”) until, but excluding, earlier of the day that is 45 days after the Anniversary or the Shelf Registration Statement Effective Date (the “**Second Put Exercise Period**”) at a price equal to 110 per cent. of its principal amount together with interest accrued but unpaid to such date; or
 - (iii) on 13 July 2010 (the “**Third Put Date**” “) at a price equal to 104 per cent. of its principal amount together with interest accrued but unpaid to such date.

In order to exercise the option contained in this Condition 8(b)(i) or Condition 8(b)(ii), the holder of a Note must, during the First Put Exercise Period or the Second Put Exercise Period, as applicable,

deposit with any Paying and Conversion Agent such Note Certificate and a duly completed put option notice (a “**Put Option Notice**”) in the form obtainable from any Paying and Conversion Agent.

In order to exercise the option contained in this Condition 8(b)(iii) the holder of a Note must, not less than 30 nor more than 60 days before the relevant Put Settlement Date, deposit with any Paying and Conversion Agent such Note Certificate and a duly completed Put Option Notice.

The Paying and Conversion Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a “**Put Option Receipt**”) to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(b), may be withdrawn; *provided, however, that* if, prior to the relevant Put Settlement Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying and Conversion Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying and Conversion Agent in accordance with this Condition 8(b), the depositor of such Note and not such Paying and Conversion Agent shall be deemed to be the holder of such Note for all purposes. Should a holder of any Note redeem such Note in accordance with this Condition 8(b), the Issuer shall give notice to Noteholders in accordance with Condition 45 (*Notices*).

The Issuer shall give notice to the Noteholders as soon as practicable following such event of the Shelf Registration Statement Filing Date and the Shelf Registration Statement Effective Date, in accordance with Condition 45 (*Notices*) and, in the absence of such notice, the Shelf Registration Statement Filing Date and the Shelf Registration Statement Effective Date shall be deemed not to have occurred for the purposes of this Condition 8(b).

(c) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 45 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with accrued but unpaid interest to the date fixed for redemption, if:

- (i) the Issuer has or will become obliged to pay additional amounts in excess of any payable on the Issue Date (the “**Excess Additional Amounts**”) as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United States or the Republic of Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 13 July 2007; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion, in form and substance satisfactory to the Trustee, of independent legal advisers of internationally recognised standing to the effect that the Issuer has or

will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above without need of further enquiry and such certification and opinion (in form and substance satisfactory to the Trustee) shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 8(c), the Issuer shall be bound to redeem the Notes in accordance with this Condition 8(c).

Notwithstanding the above, a Noteholder may elect not to accept such redemption in accordance with this Condition 8(c) by giving notice to the Specified Office of any Paying and Conversion Agent within 20 days from publication of the relevant notice by the Issuer. Such Noteholder will continue to receive payments on the Notes but will not be entitled to any Excess Additional Amounts.

- (d) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at 104 per cent. of their principal amount together with accrued but unpaid interest to the date fixed for redemption:
- (i) at any time on or after 13 July 2010, *provided that* the Closing Market Price of the Shares on each of not less than 20 Exchange Business Days in any period of 30 consecutive Exchange Business Days ending not earlier than the seventh day prior to the date on which the relevant notice of redemption is given by the Issuer to the Noteholders shall have exceeded 130 per cent. of the Conversion Price in effect on such Exchange Business Day; or
 - (ii) at any time if prior to the date on which the relevant notice of redemption is given by the Issuer less than 10 per cent. in principal amount of the Notes originally issued (including any further notes consolidated and forming a single series with the Notes at such date) remain outstanding.

In order to exercise such option the Issuer shall give not less than 30 nor more than 60 days' notice to the Trustee and the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the date for redemption specified in such notice). Such notice shall specify (i) the date when the relevant redemption will take place and (ii) the last day on which Conversion Rights may be exercised by a Noteholder. Should the Issuer redeem the Notes in accordance with this Condition 8(d), the Issuer shall give notice to Noteholders in accordance with Condition 45 (*Notices*).

- (e) *Redemption at the option of Noteholders following a Change of Control:* The Issuer shall, at the option of the holder of any Note, redeem such Note on the Change of Control Put Date at a price equal to its Applicable Rate together with accrued but unpaid interest to such date. In order to exercise the option contained in this Condition 8(e), the holder of a Note must, during the Put Option Period, deposit with any Paying and Conversion Agent such Note Certificate and a duly completed put option notice (a "**Put Option Notice**") in the form obtainable from any Paying and Conversion Agent. The Paying and Conversion Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a "**Put Option Receipt**") to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(e), may be withdrawn; provided, however, that if, prior to the Change of Control Put Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the Change of Control Put Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying and Conversion Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying and Conversion Agent in accordance with this Condition 8(e), the depositor of such Note and not such Paying and Conversion Agent shall be deemed to be the holder of such Note for all purposes.

In this Condition 8(e):

“**Change of Control Put Date** “ means the date which is the fourteenth day after the last day of the Put Option Period; and

“**Put Option Period** “ means the period of 60 days starting on the day after the date on which the Issuer gives a Change of Control Event Notice in accordance with Condition 16(d) (*Change of Control - Adjustment to the Conversion Price*).

- (f) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 8(a) (*Redemption and Purchase - Scheduled redemption*), Condition 8(b) (*Redemption and Purchase - Redemption at the option of Noteholders*) Condition 8(c) (*Redemption for tax reasons*), Condition 8(d) (*Redemption and Purchase - Redemption at the option of the Issuer*) and Condition 8(e) (*Redemption at the option of Noteholders following a Change of Control*).
- (g) *Purchase*: Neither the Issuer nor any of its Subsidiaries may purchase any Notes in the period of 15 days before any date fixed for redemption of the Notes. Subject thereto, the Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.
- (h) *Cancellation*: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries, and all Notes which are converted, shall be cancelled and may not be reissued or resold.

9. **Payments**

- (a) *Principal*: Save as provided in Condition 9(c) (*Payments - Payments in New York City*), payments of principal shall be made upon application by a Noteholder to the Specified Office of the Paying and Conversion Agent no later than the fifteenth day before the due date for such payment and (provided that payment is made in full) surrender (or in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying and Conversion Agent outside the United States by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City.
- (b) *Interest*: Save as provided in Condition 9(c) (*Payments - Payments in New York City*), payments of interest shall be made only upon application by a Noteholder to the Specified Office of the Paying and Conversion Agent no later than the fifteenth day before the due date for such payment and (in the case of interest payable on redemption) surrender (or in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying and Conversion Agent outside the United States in the manner described in Condition 9(a) (*Payments - Principal*).
- (c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in U.S. dollars when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days*: If the due date for payment of any amount in respect of any Note is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (f) *Partial payments*: If a Paying and Conversion Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted in the Register and, in the

case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and date of such payment is endorsed on the relevant Note Certificate presented to it for payment, such Paying and Conversion Agent will endorse thereon a statement indicating the amount and date of such payment.

- (g) *Interest Record Date*: Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Interest Record Date.

10. **Taxation**

- (a) *Taxation*: All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United States or the Republic of Kazakhstan or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:
- (i) held by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying and Conversion Agent in a member state of the European Union; or
 - (ii) held by a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the United States or the Republic of Kazakhstan other than the mere holding of the Note; or
 - (iii) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days; or
 - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to confirm to, such Directive.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Principal Paying and Conversion Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 10 or any undertaking given in addition to or in substitution of this Condition 10 pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the United States or the Republic of Kazakhstan references in these Conditions to the United States or (as the case may be)

the Republic of Kazakhstan shall be construed as references to the United States or (as the case may be) the Republic of Kazakhstan and/or such other jurisdiction.

11. Events of Default

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall, provided that it has been indemnified and/or secured to its satisfaction, give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued but unpaid interest without further action or formality:

- (a) *Non-payment*: the Issuer fails to pay any principal amount due in respect of the Notes within 3 business days of the due date for payment thereof or fails to pay any amount of interest due in respect of the Notes within 7 business days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer; or
- (c) *Cross-default of Issuer or Material Subsidiary*:
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay any amount payable by it under any Guarantee of any Indebtedness when due or (as the case may be) within any originally applicable grace period;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above in the aggregate exceeds U.S.\$ 5,000,000 (or its equivalent in any other currency or currencies as determined by the Trustee);

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of any amount is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment *provided that* the amount which is the subject of any such judgment(s) or order(s) in the aggregate exceeds U.S.\$ 5,000,000 (or its equivalent in any other currency or currencies as determined by the Trustee); or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (f) *Insolvency, etc.*: (i) the Issuer or any of its Material Subsidiaries is declared insolvent or is declared unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed, (iii) the Issuer or any of its Material Subsidiaries takes any action for a reduction, reorganisation or deferment of any of its obligations or

makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) without prejudice to Condition 6(d), the Issuer or any of its Material Subsidiaries ceases or publicly announces its intention to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, merger, reorganisation or restructuring whilst solvent); or

- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, merger, reorganisation or restructuring whilst solvent); or
- (h) *Analogous event*: any event occurs which under the laws of the state of Nevada or the United States has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of the state of Utah and of the United States is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed.

The Equity Option

12. Conversion

- (a) *Conversion right*: The holder of each Note has the right to convert such Note into fully-paid Shares at any time during the Conversion Period.
- (b) *Conversion Period*: The “**Conversion Period**” in respect of any Note shall be the period beginning on and including the first to occur of (X) the tenth New York business day following the Shelf Registration Statement Effective Date and (Y) 13 July 2008 and ending on and including the earlier to occur of:
 - (i) the close of business (in the place where the Conversion Notice in respect of the Note is deposited) on 28 June 2012; and
 - (ii) if such Note shall have been called for redemption before the Maturity Date, the close of business (in the place where the Conversion Notice in respect of the Note is deposited) on the day which is 10 days before the date fixed for redemption thereof,

provided, however, that:

 - (A) if the Issuer shall default in making payment in full in respect of such Note on the date fixed for redemption thereof, the relevant Conversion Period shall continue up to and including the date upon which the full amount of the moneys payable in respect of such Note has been duly received by the Trustee or the Principal Paying and Conversion Agent and notice of such receipt has been given to the Noteholders in accordance with Condition 45 (*Notices*) or, if earlier, up to and including 28 June 2012; and
 - (B) in any such case, if the last day of the Conversion Period would otherwise be a day which is not a business day in the place where the Conversion Notice in respect of

the Note is deposited, the last day of the Conversion Period shall be the immediately preceding business day in such place.

In any event the Conversion Period shall end on the date of any notice from the Trustee declaring the Notes to be immediately due and payable pursuant to Condition 11 (*Events of Default*).

Conversion Rights are not exercisable in respect of any Note deposited for redemption under Condition 8(d) (*Redemption and purchase - Redemption at the option of the Issuer*).

- (c) *Conversion ratio*: The number of Shares to be issued upon exercise of the Conversion Right attaching to any Note shall be determined by dividing the principal amount of the Note by the Conversion Price in effect on the Conversion Date.
- (d) *Conversion Price*: The Conversion Price in effect on the Issue Date is U.S.\$ 7.2094. The Conversion Price in effect on any subsequent date shall be the Conversion Price in effect on the Issue Date subject to any subsequent adjustment in accordance with these Conditions and the expression “**Conversion Price** “ shall be construed accordingly. Notwithstanding any provision of the Conditions which permits or requires an adjustment of the Conversion Price, no adjustment of the Conversion Price shall be made that would reduce the adjusted Conversion price to a price that is less than the Minimum Conversion Price. Any such adjustment will result in the Conversion Price being set at the Minimum Conversion Price.
- (e) *No Shares set aside*: Conversion Rights are not exercisable in respect of any specific Shares and no Shares have been or will be charged, placed in custody or otherwise set aside to secure or satisfy the obligations of the Issuer in respect of the Conversion Rights.
- (f) *Fractions of a Share*: Fractions of a Share will not be issued on conversion. However, if more than one Note is to be converted at any one time by the same Noteholder such that the Shares to be issued upon conversion thereof are to be registered in the same name, the number of Shares which shall be issued upon conversion thereof shall be calculated on the basis of the aggregate principal amount of the Notes so to be converted. If a fraction of a Share would otherwise fall to be issued upon conversion, the Issuer shall make or procure that there is made, on or before the seventh London business day after the relevant Conversion Date, a cash payment equal to such fraction of the Current Market Price per Share as at the relevant Conversion Date by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City in accordance with instructions given in the relevant Conversion Notice.

13. **Procedure for Conversion**

- (a) *Deposit of Note*: To exercise the Conversion Right attaching to any Note, the Noteholder must:
 - (i) complete, execute and deposit at the Noteholder’s own expense during normal business hours on any business day during the Conversion Period at the Specified Office of any Paying and Conversion Agent a Conversion Notice (in duplicate);
 - (ii) at the same time deposit the relevant Note at the Specified Office of the same Paying and Conversion Agent; and
 - (iii) pay to the Issuer (or to such person as the Issuer may direct) any applicable Conversion Expenses.

A Conversion Notice once deposited shall not be withdrawn without the consent in writing of the Issuer.

- (b) *Conversion Expenses*: The Issuer will pay all stamp, issue, registration or other similar taxes and duties (if any) arising in the United States on the issue of Shares on conversion of the Notes, their transfer and delivery to or to the order of the converting Noteholder (subject as provided in Condition

14 (*Settlement*)), any expenses of obtaining a listing for such Shares on the American Stock Exchange and all charges of the Paying and Conversion Agents in connection therewith as provided in the Agency Agreement. Subject thereto, as conditions precedent to conversion, the Noteholder must pay to the Issuer (or to such person as the Issuer may direct) all stamp, issue, registration or other similar taxes and duties (if any) (“**Conversion Expenses**”) arising on conversion which may be payable:

- (i) in the country in which the Specified Office of the relevant Paying and Conversion Agent is located (if not the United States); and
- (ii) in any other jurisdiction,

as a result of the issue, transfer or delivery of Shares or any other property or cash upon conversion to or to the order of the converting Noteholder.

- (c) *U.S. certification*: Upon exercising the Conversion Right attaching to any Note, the Noteholder shall be required to represent and agree in the Conversion Notice that at the time of execution and deposit of such Conversion Notice neither it nor any person who has the beneficial interest in that Note is in the United States or a U.S. person (within the meaning of Regulation S) and it, or such person, if applicable, purchased or acquired such Note, or the beneficial interest therein, in a transaction made in accordance with (i) Rule 903 or (ii) Rule 904 and 905 of Regulation S. No Shares will be issued to a Noteholder unless the Noteholder satisfies the foregoing conditions.
- (d) *Conversion Date*: The conversion date in respect of a Note (the “**Conversion Date**”) shall be the New York business day following the satisfaction of the conditions specified in Condition 13(a) (*Procedure for Conversion - Deposit of Note*).
- (e) *Specified account*: Upon exercise of Conversion Rights, a Noteholder shall in the relevant Conversion Notice, specify a U.S. dollar account with a bank in New York City to which any cash amount payable on or in respect of the exercise of Conversion Rights by that Noteholder shall be credited and the Issuer shall pay such sum to the relevant Noteholder in accordance with any such directions.

14. **Settlement**

Shares to be issued on conversion of the Notes will be issued in certificated form and a certificate in respect thereof will be dispatched by mail free of charge (but uninsured and at the risk of the person entitled thereto) to the relevant Noteholder or as it may direct in the relevant Conversion Notice within 28 days following the relevant Conversion Date.

15. **Rights Arising on Conversion**

- (a) *Rights in respect of Shares issued upon conversion*: Shares issued upon exercise of Conversion Rights will be issued fully paid, free from any liens, charges, encumbrances, pre-emptive rights or other third-party rights and, subject as provided in Conditions 15(b) (*Rights Arising on Conversion - Dividends and other distributions*) and (c) (*Rights Arising on Conversion - Voting rights*):
 - (i) such Shares will rank *pari passu* in all respects with all other Shares in issue on the Conversion Date; and
 - (ii) the holders of such Shares will be treated by the Issuer as Shareholders for all purposes with effect from and including the Conversion Date.
- (b) *Dividends and other distributions*: Shares issued upon exercise of Conversion Rights will rank *pari passu* in respect of Dividends and other distributions declared, paid or made, or rights granted, with all other Shares in issue on the Conversion Date except that such Shares will not rank for any Dividend or other distribution declared, paid or made on, or rights granted in respect of, the Shares for which the Record Date precedes the Conversion Date.

- (c) *Voting rights*: Shares issued upon exercise of Conversion Rights will rank pari passu in respect of voting rights with all other Shares in issue on the Conversion Date except that they will not rank for any voting rights where the entitlement to voting rights accrues to Shareholders by reference to a Record Date which precedes the Conversion Date.
- (d) *Interest*: Save as provided in Condition 15(e) (*Rights Arising on Conversion - Interest upon conversion due to early redemption*), upon conversion of any Note:
- (i) if the Conversion Date falls on an Interest Payment Date, the Noteholder shall not be entitled to receive the payment of interest otherwise due on such Interest Payment Date; and
 - (ii) in any other case, the Noteholder shall cease to be entitled to any interest accrued on the relevant Note since the Interest Payment Date immediately preceding such Conversion Date (or, if such Conversion Date falls on or before the first Interest Payment Date, since the Issue Date),

and, in either case, no payment or adjustment shall be made on conversion for any such interest accrued since the Interest Payment Date immediately preceding such Conversion Date (or, if such Conversion Date falls on or before the first Interest Payment Date, since the Issue Date).

- (e) *Interest upon conversion due to early redemption*: If:
- (i) any notice requiring the redemption of any Notes is given pursuant to Condition 8(d) (*Redemption and Purchase - Redemption at the option of the Issuer*) on or after (or within 14 days before) the Record Date (the “**Relevant Record Date**”) in respect of any dividend payable in respect of the Shares;
 - (ii) such notice specifies a date for redemption falling on or before (or within 14 days after) the Interest Payment Date next following the Relevant Record Date; and
 - (iii) the Conversion Date in respect of any Note the subject of any such notice (a “**Relevant Note**”) falls after the Relevant Record Date and on or before the Interest Payment Date next following the Relevant Record Date,

then interest shall accrue on each Relevant Note from and including the preceding Interest Payment Date (or, if the relevant Conversion Date falls on or before the first Interest Payment Date, from and including the Issue Date) to but excluding the Relevant Record Date. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City, in accordance with instructions given by the relevant Noteholder.

Adjustments to the Conversion Price

16. Change of Control

- (a) *Offer*: If an Offer is made in respect of the Shares, the Issuer shall give notice of such Offer to the Noteholders, with a copy to the Trustee, at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) indicating that details concerning such Offer may be obtained from the Specified Offices of the Paying and Conversion Agents.
- (b) *Extension of Offer to Noteholders*: Where an Offer in respect of the Shares has been recommended by the board of directors of the Issuer, or where such an Offer has become or been declared unconditional in all respects, the Issuer shall use its reasonable endeavours to procure that the Offer is extended to the holders of any Shares issued during the period in which such Offer is open for acceptance (as determined in accordance with any relevant laws, rules, regulations and voluntary codes applicable to such Offer) as a result of the exercise of Conversion Rights.

- (c) *Change Of Control Event*: In these Conditions, a “**Change of Control Event** “ occurs if an Offer in respect of the Shares, for which the consideration is or can be received wholly or substantially in cash, has become or been declared unconditional in all respects and the Issuer becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Shareholders has or will become unconditionally vested in the offeror and/or any associates(s) of the offeror, or an event occurs which has a like or similar effect.
- (d) *Adjustment to the Conversion Price*: If and whenever a Change of Control Event shall occur the Issuer shall forthwith give notice to the Noteholders (a “**Change of Control Event Notice** “), with a copy to the Trustee, of such event and, in relation to each Note for which the Conversion Date occurs after the date of such Change of Control Event Notice but on or prior to the 60th day following the date of such Change of Control Event Notice, the Conversion Price shall be the product of (1) the Conversion Price that would otherwise apply on such Conversion Date in the absence of a Change of Control Event and (2) the percentage determined in accordance with the following table:

Conversion Date	Percentage (%)
On or before 13 July 2008 but after the Shelf Registration Statement Effective Date	81.6
Thereafter, but on or before 13 July 2009	86.2
Thereafter, but on or before 13 July 2010	90.9
Thereafter, but on or before 13 July 2011	95.5
Thereafter, and until the Maturity Date	100.0

provided, however, that if, as a result of the application of the foregoing provisions of this Condition 16(d), the Conversion Price would be adjusted to a price, then the Conversion Price shall be the Minimum Conversion Price.

- (e) *Change of Control Event Notice*: Any Change of Control Event Notice shall inform Noteholders of their entitlement to exercise the Conversion Right in accordance with these Conditions and shall specify:
- (i) all information material to Noteholders concerning the Change of Control Event;
 - (ii) the Conversion Price in relation to each Note for which the Conversion Date occurs on the date of such notice to the Noteholders; and
 - (iii) the Conversion Price in relation to each Note during the period ending on or prior to the 60th day following the date of such notice to the Noteholders; and
 - (iv) the amount of the Change of Control Event Premium pursuant to Condition 38 (*Change of Control Event Premium*).

17. Dividends

- (a) *Adjustment Event*: If and whenever the Issuer shall distribute any Dividend to the Shareholders, the Conversion Price shall be subject to adjustment in accordance with this Condition 17.
- (b) *Effective Date*: For the purposes of this Condition 17, the “**Effective Date** “ means the date on which the relevant Dividend is actually distributed.
- (c) *Adjustment to the Conversion Price*: If and whenever the Issuer shall distribute any Dividend to the Shareholders, in relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share (expressed in U.S. dollars) on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of such Dividend; and
- B is the Fair Market Value on the date of such announcement of the portion of the Dividend attributable to one Share.

- (d) *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 17 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment **shall be subject to any subsequent adjustment pursuant to these Conditions.**

18. **Bonus Issues**

- (a) *Adjustment event:* If and whenever the Issuer shall make any Bonus Issue, the Conversion Price shall be subject to adjustment in accordance with this Condition 18.
- (b) *Effective Date:* For the purposes of this Condition 18, the “**Effective Date** “ means the date of issue of the relevant Shares.
- (c) *Adjustment to the Conversion Price:* In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

- A = the number of Shares in issue immediately before the issue of such Shares;
and
- B = the number of Shares in issue immediately after the issue of such Shares.

- (d) *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 18 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

19. **Consolidation or Subdivision**

- (a) *Adjustment event:* If and whenever there shall be any consolidation or subdivision of the Shares, the Conversion Price shall be subject to adjustment in accordance with this Condition 19.
- (b) *Effective Date:* For the purposes of this Condition 19, the “**Effective Date** “ means the date on which such subdivision or consolidation becomes effective.
- (c) *Adjustment to the Conversion Price:* In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

A = the number of Shares in issue immediately before such alteration; and

B = the number of Shares in issue immediately after such alteration.

- (d) *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 19 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

20. Shares, Rights and Share-Related Securities Issued to Shareholders

- (a) *Adjustment event:* If and whenever the Issuer shall issue, grant or offer Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities to all or substantially all of the Shareholders as a class by way of rights as a result of which, in each case, Shareholders have the right to acquire Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the Exchange Business Day immediately preceding the date of the first public announcement of such issue, grant or offer, the Conversion Price shall be subject to adjustment in accordance with this Condition 20.
- (b) *Effective Date:* For the purposes of this Condition 20, the “**Effective Date**” means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the American Stock Exchange.
- (c) *Adjustment to the Conversion Price:* In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;

B = the number of Shares which the Aggregate Consideration would purchase at such Current Market Price; and

C = (1) in the case of an issue, grant or offer of Shares, the number of Shares comprised in the issue, grant or offer; or

(2) in the case of an issue, grant or offer of Share-Related Securities or Rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities or Rights at the initial price or rate.

- (d) *Formula:* If on the date (the “**Specified Date**”) of issue, grant or offer of the relevant Share-Related Securities, Rights in respect of Shares or Rights in respect of Share Related Securities to all or substantially all of the Shareholders as a class by way of rights the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share Related Securities or Rights is to be determined

by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 20, “C “ shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

- (e) *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 20 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

21. **Issue of Other Securities to Shareholders**

- (a) *Adjustment event:* If and whenever the Issuer shall issue any securities (other than Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities) to all or substantially all of the Shareholders as a class by way of rights or the Issuer shall issue or grant any Rights in respect of any securities (other than Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities) or assets to all or substantially all of the Shareholders as a class, the Conversion Price shall be subject to adjustment in accordance with this Condition 21.
- (b) *Effective Date:* For the purposes of this Condition 21, “**Effective Date** “ means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the American Stock Exchange.
- (c) *Adjustment to the Conversion Price:* In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A = the Current Market Price of one Share on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant; and
- B = the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

- (d) *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 21 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

22. **Issues of Shares at Below Current Market Price**

- (a) *Adjustment event:* If and whenever the Issuer shall issue, wholly for cash, any Shares or the Issuer shall issue or grant, wholly for cash or for no consideration, Rights in respect of Shares or Rights in respect of Share-Related Securities as a result of which, in each case, persons to whom the Shares or Rights are issued or granted have the right to acquire Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the Exchange Business Day immediately preceding the date of the first public announcement of such issue or grant, the Conversion Price shall be subject to adjustment in accordance with this Condition 22. However, if any such issue or grant also falls within the terms of Condition 22 (*Shares, Rights and Share-Related Securities Issued to Shareholders*) or constitutes an issue of Shares consequent upon the exercise of Conversion Rights or

on the exercise of any other rights of conversion into, or exchange or subscription for, Shares, the Conversion Price shall not be subject to adjustment in accordance with this Condition 22.

- (b) *Effective Date:* For the purposes of this Condition 22, the “**Effective Date**” means the date of issue of such Shares or, as the case may be, the issue or grant of such Rights.
- (c) *Adjustment to the Conversion Price:* In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = the number of Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = the number of Shares which the Aggregate Consideration would purchase at such Current Market Price; and
- C = (1) in the case of an issue of Shares, the number of Shares issued; or
(2) in the case of an issue or grant of Rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities at the initial price or rate,

provided, however, that if any such adjustment would otherwise result in the Conversion Price being less than the Minimum Conversion Price, then the Conversion Price as adjusted pursuant to this Condition 22 shall be the Minimum Conversion Price.

- (d) *Formula:* If on the date (the “**Specified Date**”) of issue or grant of the relevant Rights in respect of Shares or Rights in respect of Share-Related Securities the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 22, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 22 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

23. **Share-Related Securities Issued Other than to Shareholders**

- (a) *Adjustment event:* If and whenever the Issuer or (pursuant to arrangements with the Issuer) any other person or entity shall issue, wholly for cash or for no consideration, any Share-Related Securities or shall grant to any existing securities so issued such rights as to make such securities Share-Related Securities as a result of which, in each case, persons to whom the Share-Related Securities or such rights are issued or granted have the right to acquire Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of issue of such Share-Related Securities or the

terms of such grant, the Conversion Price shall be subject to adjustment in accordance with this Condition 23. However, if any such issue or grant also falls within the terms of Condition 20 (*Shares, Rights and Share-Related Securities Issued to Shareholders*), Condition 21 (*Issue of Other Securities to Shareholders*) or Condition 22 (*Issues of Shares at Below Current Market Price*), the Conversion Price shall not be subject to adjustment in accordance with this Condition 23.

- (b) *Effective Date*: For the purposes of this Condition 23 the “**Effective Date** “ means the date of issue of the Share-Related Securities or the grant of the relevant rights.
- (c) *Adjustment to the Conversion Price*: In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A = the number of Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = the number of Shares which the Aggregate Consideration would purchase at such Current Market Price; and
- C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate.

provided, however, that if any such adjustment would otherwise result in the Conversion Price being less than the Minimum Conversion Price, then the Conversion Price as adjusted pursuant to this Condition 23 shall be the Minimum Conversion Price.

- (d) *Formula*: If on the date (the “**Specified Date** “) of issue of the relevant Share-Related Securities or date of grant of such rights the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 23, “C “ shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) *Effect of adjustment*: The Conversion Price as adjusted pursuant to this Condition 23 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

24. **Amendment of Terms of Rights or Share-Related Securities**

- (a) *Adjustment event*: If and whenever the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of any Rights or Share-Related Securities are amended (other than in accordance with their terms of issue (including terms as to adjustment of such rights)) so that following such amendment the Consideration per Share is (1) reduced and (2) less than the Current Market Price of the Shares on the Exchange Business Day immediately preceding the date of the first public announcement of the proposals for such amendment, the Conversion Price shall be subject to adjustment in accordance with this Condition 24.

- (b) *Effective Date*: For the purposes of this Condition 24, “**Effective Date** “ means the date of amendment of such rights.
- (c) *Adjustment to the Conversion Price*: In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = is the number of Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = is the number of Shares which the Aggregate Consideration (calculated taking account of the amended rights) would purchase at such Current Market Price; and
- C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities at the amended subscription, purchase or acquisition price or rate (but giving credit in such manner as shall be Determined by an Expert to be appropriate for any previous adjustment under Condition 20 (*Shares, Rights and Share-Related Securities Issued to Shareholders*), Condition 23 (*Share-Related Securities Issued Other than to Shareholders*) or this Condition 24).

provided, however, that if any such adjustment would otherwise result in the Conversion Price being less than the Minimum Conversion Price, then the Conversion Price as adjusted pursuant to this Condition 24 shall be the Minimum Conversion Price.

- (d) *Formula*: If on the date (the “**Specified Date** “) of such amendment the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 24, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) *Effect of adjustment*: The Conversion Price as adjusted pursuant to this Condition 24 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

25. **Other Arrangements to Acquire Securities**

- (a) *Adjustment event*: If and whenever the Issuer or (pursuant to arrangements with the Issuer) any other person or entity shall offer any securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them, the Conversion Price shall be subject to adjustment in accordance with this Condition 25. However, if any such offer also causes the Conversion Price to be adjusted within the terms of Condition 20 (*Shares, Rights and Share-Related Securities Issued to Shareholders*) or Condition 21 (*Issue of Other Securities to Shareholders*) the Conversion Price shall not be subject to adjustment in accordance with this Condition 25.

- (b) *Effective Date*: For the purposes of this Condition 25, the “**Effective Date**” means the first date on which the Shares are traded ex-rights on the American Stock Exchange.
- (c) *Adjustment to the Conversion Price*: In relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A = the Current Market Price of one Share on the Exchange Business Day immediately preceding the date of the first public announcement of such offer; and
- B = the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Share.

- (d) *Effect of adjustment*: The Conversion Price as adjusted pursuant to this Condition 25 shall apply, with effect from and including the Effective Date, to each Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

26. **Other Events; Contemporaneous Events**

- (a) *Adjustment event*: If the Issuer (after consultation with the Trustee) or the Trustee (after consultation with the Issuer) determines that:
- (i) an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in Condition 17 (*Dividends*) to Condition 25 (*Other Arrangements to Acquire Securities*) (even if the relevant event or circumstance is specifically excluded from the operation of Condition 17 (*Dividends*) to Condition 25 (*Other Arrangements to Acquire Securities*)); or
 - (ii) more than one event which gives rise or may give rise to an adjustment to the Conversion Price has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
 - (iii) one event which gives rise or may give rise to more than one adjustment to the Conversion Price has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

the Issuer shall, at its own expense, use all reasonable endeavours to procure that such adjustment (if any) to the Conversion Price as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be Determined by an Expert.

- (b) *Effective Date*: Upon such determination, the Issuer and the Trustee shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination, *provided, however, that* an adjustment shall only be made pursuant to this Condition 26 if the relevant Expert is requested to make such a determination not more than 60 days after the date on which the relevant event occurs or circumstances exist.
- (c) *Certificate of Expert*: If any doubt shall arise as to any appropriate adjustment to the Conversion Price, the Issuer shall use all reasonable endeavours to procure that the appropriate adjustment shall be Determined by an Expert and a certificate from the relevant Expert as to the appropriate

adjustment to the Conversion Price shall, in the absence of manifest error, be conclusive and binding on all concerned.

27. Minor Adjustments and No Adjustments

- (a) *Rounding and adjustments of less than one per cent.* On any adjustment of the Conversion Price, the resultant Conversion Price, if not an integral multiple of one cent, shall be rounded down to the nearest whole cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment but such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.
- (b) *Employee share schemes:* No adjustment shall be made to the Conversion Price where Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees or former employees (including directors holding or formerly holding executive office) pursuant to any employees' share scheme or plan or consultants of the Issuer or any Subsidiary or any associated company of the Issuer pursuant to any other share scheme or plan (including a dividend reinvestment plan).
- (c) *Adjustments not permitted by law:* The Conversion Price may not be adjusted so that exercise of the Conversion Right would require Shares to be issued in circumstances not permitted by applicable law.

28. Adjustments for Conversion near a Record Date

- (a) *Adjustment Event:* If and whenever the Conversion Price is to be adjusted pursuant to any of Condition 17 (*Dividends*) to Condition 25 (*Other Arrangements to Acquire Securities*) and the Conversion Date in relation to any Note is either:
 - (i) after the Record Date for any such issue, distribution, grant or offer as is mentioned in the relevant Condition but before the relevant adjustment becomes effective under the relevant Condition; or
 - (ii) before the Record Date for any such issue, distribution, grant or offer as is mentioned in the relevant Condition but in circumstances where the relevant Noteholder is unable, by the relevant Record Date, to become duly entitled to the Shares for the purpose of receiving the issue, distribution, grant or offer as is mentioned in the relevant Condition,

the Conversion Right attaching to the relevant Note shall be subject to adjustment in accordance with this Condition 28.

- (b) *Adjustment to the Conversion Right:* Upon the relevant adjustment becoming effective under the relevant Condition the Issuer shall procure that there shall be issued to the converting Noteholder or in accordance with the instructions contained in the relevant Conversion Notice (subject to any applicable exchange control or other laws or other regulations) such additional number of Shares as, together with the Shares issued or to be issued on conversion of the relevant Note, is equal to the number of Shares which would have been required to be issued on conversion of such Note if the relevant adjustment to the Conversion Price had in fact been made and become effective immediately before the relevant Conversion Date.
- (c) *Shares in certificated form:* A certificate in respect of such additional Shares will be dispatched by mail free of charge (but uninsured and at the risk of the person entitled thereto) to the relevant Noteholder or as it may direct in the relevant Conversion Notice within 28 days following the relevant Conversion Date or the date of issue of the relevant Shares, if adjustment results from the issue of Shares, whichever is the later.

29. **Aggregate Consideration and Consideration per Share**

- (a) *Applicability of this Condition:* For the purpose of calculating any adjustment to the Conversion Price pursuant to this Condition, in the case of any:
- (i) issue, grant or offer of Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities; or
 - (ii) grant to any existing securities issued of such rights as to make such securities Share-Related Securities; or
 - (iii) amendment of the terms of any Rights or Share-Related Securities (other than in accordance with their terms of issue),

the “**Aggregate Consideration** “ and the “**Number of Shares** “ shall be calculated or determined (if necessary) in accordance with the following provisions of this Condition 29 and the “**Consideration per Share** “ shall, in each case, be the relevant Aggregate Consideration divided by the relevant Number of Shares.

- (b) *Shares for cash:* In the case of an issue, grant or offer of Shares for cash:
- (i) the Aggregate Consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Issuer for any underwriting of the issue or otherwise in connection therewith; and
 - (ii) the Number of Shares shall be the number of Shares so issued, granted or offered.
- (c) *Shares not for cash:* In the case of the issue, grant or offer of Shares for a consideration in whole or in part other than cash:
- (i) the Aggregate Consideration shall be the amount of such cash (if any) plus the consideration other than cash, which shall be deemed to be the Fair Market Value thereof or, if pursuant to applicable law such determination is to be made by application to a court of competent jurisdiction, the value thereof as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof; and
 - (ii) the Number of Shares shall be the number of Shares so issued, granted or offered.
- (d) *Issue of Share-Related Securities:* In the case of the issue, grant or offer of Share-Related Securities or Rights in respect of Share-Related Securities or the grant to any securities issued of such rights as to make such securities Share-Related Securities:
- (i) the Aggregate Consideration shall be:
 - (A) the consideration (if any) received by the Issuer for such Share-Related Securities and (if applicable) Rights or, as the case may be, such grant; plus
 - (B) the additional consideration (if any) to be received by the Issuer upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate,

the consideration in each case to be determined in the same manner as provided in paragraphs (b) and (c) of this Condition 29; and

- (ii) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate.
- (e) *Amendment of Share-Related Securities/Rights in respect of Share-Related Securities:* In the case of the amendment of the terms of any Share-Related Securities and/or Rights in respect of Share-Related Securities (in either case, other than in accordance with their terms of issue):
- (i) the Aggregate Consideration shall be:
 - (A) the consideration (if any) received by the Issuer for such amendment; plus
 - (B) the additional consideration (if any) to be received by the Issuer upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in paragraphs (b) and (c) of this Condition 29; and
 - (ii) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.
- (f) *Rights in respect of Shares:* In the case of the issue, grant or offer of Rights in respect of Shares or the amendment of the terms of any Rights in respect of Shares (other than in accordance with their terms of issue):
- (i) the Aggregate Consideration shall be:
 - (A) the consideration received by the Issuer for any such Rights or, as the case may be, such amendment; plus
 - (B) the additional consideration to be received by the Issuer upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in paragraphs (b) and (c) of this Condition 29; and
 - (ii) the Number of Shares shall be the number of Shares to be issued upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.

- (g) *Currency translation*: If any of the consideration referred to in any of the preceding paragraphs of this Condition 29 is receivable in a currency other than U.S. dollars, such consideration shall be translated into U.S. dollars for the purposes of this Condition 29:
- (i) in any case where there is a fixed rate of exchange between U.S. dollars and the relevant currency for the purposes of the issue, grant or offer of the Shares, Share-Related Securities or Rights, the exercise of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights or the exercise of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities, at such fixed rate of exchange; and
 - (ii) in all other cases, at the Screen Rate on the date as of which the said consideration is required to be calculated.

30. **Notice of Adjustment of the Conversion Price**

The Issuer shall give notice to the Trustee and to the Noteholders in accordance with Condition 45 (*Notices*) of any adjustment of the Conversion Price or the Minimum Conversion Price as soon as is practicable following the determination thereof.

Covenants Relating to the Equity Option

31. **Shares Available**

For so long as any Conversion Right remains exercisable, the Issuer shall keep available for issue free from pre-emptive or other similar rights out of its authorised but unissued share capital such number of Shares as would enable such Conversion Right to be satisfied in full.

32. **Listing of Shares Issued upon Conversion**

The Issuer shall (i) procure, within 30 days after the Issue Date, and at all times thereafter maintain an approval for listing of the Shares to be issued upon exercise of any Conversion Right on the American Stock Exchange in accordance with its rules; (ii) upon issue of the Shares following exercise of any Conversion Right, immediately procure and maintain the listing of the relevant Shares on the American Stock Exchange in accordance with its rules; and (iii) the Issuer shall provide a copy of the approval or confirmation of listing (as applicable) to the Trustee within 5 business days of receipt of the same.

33. **Corporate Reorganisation**

- (a) *Merger; sale of assets*: In the event of any:
- (i) consolidation, amalgamation, statutory arrangement, merger or binding share exchange of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation) (the “**Successor Corporation** “); or
 - (ii) sale or transfer of all or substantially all of the assets of the Issuer,

the Issuer shall immediately notify the Noteholders and the Trustee of such event and use all reasonable endeavours to cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute a trust deed supplemental to the Trust Deed providing that the holder of each Note then outstanding shall have the right (during the Conversion Period) to convert such Note into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares into which such Note would have been converted had the relevant Conversion Date fallen immediately prior to such consolidation, amalgamation, merger, sale or transfer.

- (b) *Other adjustments*: Such supplemental trust deed shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in these Conditions. The undertaking contained in this Condition 33 is without prejudice to the provisions of Condition 16 (*Change of Control*) and shall apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.
- (c) *Notice*: Promptly upon execution and delivery of such supplemental trust deed the Issuer shall give notice to the Trustee and to the Noteholders in accordance with Condition 45 (*Notices*) stating the consideration into which the Notes will be convertible after the execution and delivery of such supplemental trust deed.

34. **Restriction on New Classes of Shares**

For so long as any Conversion Right remains exercisable, the Issuer shall not create or permit there to be in issue any class of equity shares carrying any rights which are more favourable than the rights attaching to the Shares with respect to voting, dividends or liquidation, where “**equity shares**” means any shares in the capital of the Issuer other than shares which neither as respects dividends nor as respect capital carry any right to participate beyond a specified amount in a distribution, whether in a liquidation or otherwise.

35. **Frustration of Conversion Right**

For so long as any Conversion Right remains exercisable, the Issuer shall not take any action which would have the effect, or but for the provisions of Condition 27(c) (*Minor Adjustments and No Adjustments - Adjustments not permitted by law*) would have the effect, that exercise of the Conversion Right would require Shares to be issued in circumstances not permitted by applicable law.

36. **Capitalisation of Profits or Reserves**

For so long as any Conversion Right remains exercisable, the Issuer shall not issue or pay up any securities, in either case, by way of capitalisation of profits or reserves, except:

- (a) where such action gives rise (or would, but for the provisions of Condition 27 (*Minor Adjustments and No Adjustments*), give rise) to an adjustment to the Conversion Price;
- (b) where such action constitutes a Dividend in Shares which does not give rise to an adjustment to the Conversion Price; or
- (c) by the issue of fully paid equity share capital (other than Shares) to the holders of equity share capital of the same class and other persons entitled thereto.

37. **Reduction of Share Capital**

For so long as any Conversion Right remains exercisable, the Issuer shall not reduce its issued share capital except where such reduction:

- (a) gives rise (or would, but for the provisions of Condition 27 (*Minor Adjustments and No Adjustments*), give rise) to an adjustment to the Conversion Price;
- (b) is pursuant to the terms of the relevant share capital; or
- (c) is by means of a purchase or redemption of share capital.

38. **Change of Control Event Premium**

- (a) If and whenever a Change of Control Event shall occur, the Issuer shall give a Change of Control Notice and if a Noteholder shall subsequently exercise its Conversion Right pursuant

to Condition 13(a) (*Procedure for Convention -Deposit of Note*) so that the Conversion Date for any Notes held by such Noteholder occurs after the date of such Change of Control Event Notice but on or prior to the 60th day following the date of such Change of Control Event Notice, then the Issuer shall pay to such Noteholder the following U.S. dollar amounts per U.S. dollar of Notes held by the Noteholder that are to be converted on such Conversion Date (the “**Change of Control Event Premium**”):

Conversion Date	Amount
On or before 13 July 2008 but after the Shelf Registration Statement Effective Date	\$0.12239
Thereafter, but on or before 13 July 2009	\$0.07246
Thereafter, but on or before 13 July 2010	\$0.02250
Thereafter, but on or before 13 July 2011	\$0
Thereafter, and until the Maturity Date	\$0

- (b) Such cash payment shall be made by the Issuer within five (5) business days of the Conversion Date in respect of such Notes by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City in accordance with the instructions given in the relevant Conversion Notice.

Miscellaneous Provisions

39. Determined by an Expert

In relation to any matter required by these Conditions or the Trust Deed to be Determined by an Expert, the Issuer shall promptly appoint an Expert with the prior written approval of the Trustee. If when any matter is required by these Conditions or the Trust Deed to be Determined by an Expert, the Issuer shall within a reasonable time fail to appoint an Expert the Trustee shall be entitled (but not obliged) to make such appointment. In either case, any such appointment shall be for the account of the Issuer.

40. Prescription

Claims for principal shall become void unless the relevant Note Certificates are presented for payment within 10 years (in the case of principal) or within five years (in the case of interest) of the appropriate Relevant Date.

41. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

42. Trustee and Paying and Conversion Agents

- (a) *Role of Trustee:* Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit. In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual

holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction and no Noteholder shall be entitled to claim from the Issuer or the Trustee, any indemnification or other payment in respect of any consequence (including without limitation, any tax consequences) for individual Noteholders of any such exercise.

- (b) *Roles of Agents*: In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- (c) *Changes to Agents*: The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying and conversion agent or registrar and additional or successor paying and conversion agents and transfer agents; provided, however, that the Issuer shall at no time maintain a registrar or transfer agent with a Specified Office within the United Kingdom and further provided that the Issuer will at all times maintain a principal paying and conversion agent and it will ensure that it maintains a paying and conversion agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48.EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any change in any of the Paying and Conversion Agents or in their Specified Offices shall promptly be given to the Noteholders.

43. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders*: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes upon at least 30 day's notice (exclusive of the day on which notice is given and of the day on which the relevant meeting is to be held), in accordance with the Trust Deed. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver*: The Trustee may, without the consent of the Noteholders agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders or Couponholders authorise or waive any proposed breach of breach of the Notes or the Trust Deed (other than a proposed breach or

breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

44. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

45. **Notices**

Notices to the Noteholders shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

46. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Trust Deed and the Notes are governed by, and shall be construed in accordance with, English law.
- (b) *Jurisdiction:* The Issuer has in the Trust Deed (i) agreed for the benefit of the Trustee and the Noteholders that the courts of England and the Courts of the State of New York located in the City and County of New York or the United States District Court for the Southern District of New York shall have jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Notes; (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; and (iii) designated a person in England and New York to accept service of any process on its behalf. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

The Registrar:

The Bank of New York
101 Barclay Street
New York, NY 10286
United States of America

Fax: +1 212 298 1904

Attention: McLean Sarrabo

The Principal Paying and Conversion Agent:

The Bank of New York
One Canada Square
London E14 5AL
United Kingdom

Fax: +44 207 964 2536

Attention: Corporate Trust Administration

Transfer Agent

The Bank of New York
101 Barclay Street
New York, NY 10286
United States of America

Fax: +1 212 298 1904

Attention: McLean Sarrabo

SCHEDULE 2
PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. Definitions

In this Trust Deed and the Conditions, the following expressions have the following meanings:

"Block Voting Instruction" means, in relation to any Meeting, a document in the English language issued by a Registrar:

- (a) certifying that each registered Holder of certain specified Notes (each a "Relevant Note") or a duly authorised person on its behalf has instructed the Registrar that the votes attributable to each Relevant Note held by it are to be cast in a particular way on each resolution to be put to the Meeting and in each case that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (b) listing the total principal amount of the Blocked Notes and the Relevant Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (c) authorising a named individual or individuals to vote in respect of the Blocked Notes and the Relevant Notes in accordance with such instructions;

"Chairman" means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 7 (Chairman);

"Extraordinary Resolution" means a resolution passed at a Meeting duly convened and held in accordance with this Schedule by a majority of not less than [three quarters] of the votes cast;

"Form of Proxy" means, in relation to any Meeting, a document in the English language available from the Registrar signed by a Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Registrar not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Notes held by such Noteholder;

"Meeting" means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

"Proxy" means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Registrar has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and

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- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

"Relevant Fraction" means:

- (a) for all business other than voting on an Extraordinary Resolution, one tenth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, more than half; and

- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, two-thirds;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Notes represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one-third;

"Reserved Matter" means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;
- (b) to effect the exchange, conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under Clause 6.3 of this Trust Deed);
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

"Voter" means, in relation to any Meeting, a Proxy or (subject to paragraph 4 (Record Date)) a Noteholder; provided, however, that (subject to paragraph 4 (Record Date)) any Noteholder which has appointed a Proxy under a Block Voting Instruction or Form of Proxy shall not be a "Voter" except to the extent that such appointment has

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been revoked and the Registrar notified in writing of such revocation at least 48 hours before the time fixed for such Meeting;

"Written Resolution" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Holders of the Notes;

"24 hours" means a period of 24 hours including all or part of a day (disregarding for this purpose the day upon which such Meeting is to be held) upon which banks are open for business in both the place where the relevant Meeting is to be held and in each of the places where the Paying and Conversion Agents have their Specified Offices and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

"48 hours" means 2 consecutive periods of 24 hours.

2. Issue of Block Voting Instructions and Forms Of Proxy

The Holder of a Note may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar) for such Note to be blocked in the Register not later than 48 hours before the

time fixed for the relevant Meeting. The Holder of a Note may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 48 hours before the time fixed for the relevant Meeting. Any Holder of a Note may obtain an uncompleted and unexecuted Form of Proxy from the Registrar. A Block Voting Instruction and a Form of Proxy cannot be outstanding simultaneously in respect of the same Note.

3. Record Date

The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Note is registered in the Register on the record date at close of business in the city in which the Registrar has its Specified Office shall be deemed to be the Holder of such Note for the purposes of such Meeting and notwithstanding any subsequent transfer of such Note or entries in the Register.

4. Convening of Meeting

The Issuer or the Trustee may convene a Meeting at any time, and the Trustee shall be obliged to do so subject to its being indemnified and/or secured to its satisfaction upon the request in writing of Noteholders holding not less than [one tenth] of the aggregate principal amount of the outstanding Notes. Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

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5. Notice

At least 30 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying and Conversion Agents and the Registrar (with a copy to the Issuer) where the Meeting is convened by the Trustee or, where the Meeting is convened by the Issuer, the Trustee. The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that Notes may be blocked in the Register for the purposes of appointing Proxies under Block Voting Instructions until 48 hours before the time fixed for the Meeting and a Noteholder may appoint a Proxy either under a Block Voting Instruction by delivering written instructions to the Registrar or by executing and delivering a Form of Proxy to the Specified Office of the Registrar, in either case until 48 hours before the time fixed for the Meeting.

6. Chairman

An individual (who may, but need not, be a Noteholder) nominated in writing by the Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

7. Quorum

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes; provided, however, that, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by a single Note Certificate, a single Voter appointed in relation thereto or being the Holder of the Notes represented thereby shall be deemed to be two Voters for the purpose of forming a quorum.

8. Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting (unless the Issuer and the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee); provided, however, that:
 - (i) the Meeting shall be dissolved if the Issuer and the Trustee together so decide; and
 - (ii) no Meeting may be adjourned more than once for want of a quorum.

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9. Adjourned Meeting

The Chairman may, with the consent of, and shall if directed by, any Meeting adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

10. Notice following adjournment

Paragraph 6 (Notice) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

11. Participation

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer and the Trustee;
- (c) the financial advisers of the Issuer and the Trustee;
- (d) the legal counsel to the Issuer and the Trustee and such advisers;
- (e) the Registrar; and
- (f) any other person approved by the Meeting or the Trustee.

12. Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this paragraph shall not apply and the resolution will immediately be decided by means of a poll.

13. Poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Trustee or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be

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taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

14. Votes

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, one vote in respect of each U.S.\$100,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way. In the case of a voting tie the Chairman shall have a casting vote.

15. Validity of Votes by Proxies

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Form of Proxy shall be valid even if such Block Voting Instruction or Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Registrar has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction or Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; provided, however, that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction or Form of Proxy to vote at the Meeting when it is resumed.

16. Powers

A Meeting shall have power (exercisable only by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any provisions of this Trust Deed or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) (other than as permitted under Clause 6.3 of this Trust Deed) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of this Trust Deed

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or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;

- (e) to remove any Trustee;
- (f) to approve the appointment of a new Trustee;
- (g) to authorise the Trustee (subject to its being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (h) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Notes;
- (i) to give any other authorisation or approval which under this Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
- (j) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

17. Extraordinary Resolution binds all Holders

An Extraordinary Resolution shall be binding upon all Noteholders, whether or not present at such Meeting, and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and the Paying and Conversion Agents and the Registrar (with a copy to the Issuer and the Trustee) within 14 days of the conclusion of the Meeting.

18. Minutes

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

19. Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

20. Further regulations

Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Issuer or the Noteholders prescribe such further regulations regarding the holding of Meetings of Noteholders and attendance and voting at them as the Trustee may in its sole discretion determine.

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EXECUTION

BMB MUNAI, INC.

By:

BNY CORPORATE TRUSTEE SERVICES LIMITED

By:

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of July 13, 2007, by and among BMB MUNAI, INC., a Nevada corporation (the "Company"), and BAYERISCHE HYPO-UND VEREINSBANK AG, as sole bookrunner (the "Bookrunner"), pursuant to that certain Placement Agreement, dated July 4, 2007 (the "Placement Agreement"), between the Company and the Bookrunner, which provides for, among other things, the issuance by the Company of U.S.\$60,000,000 aggregate principal amount of the Company's 5.0 per cent. Convertible Notes due 2012 (the "Initial Securities"). The Initial Securities are issued under a trust deed, dated July 13, 2007 (as amended or supplemented from time to time, the "Trust Deed"), between the Company and BNY Corporate Trustee Services Limited, as trustee. Pursuant to the Trust Deed, the Company is required to, among other things, commence an offer (the "Initial Offer") to the holders of the Initial Securities to exchange any and all of the Initial Securities for a like aggregate principal amount of debt securities of the Company (the "Notes") that are substantially similar in all material respects to the Initial Securities except that the Notes will be governed by, and entitled to the benefits of, a New York law-governed trust indenture (as amended or supplemented from time to time, the "Indenture") that is substantially similar in all material respects to the Trust Deed, except that it (i) will contemplate the issue of one or more global note(s), in the form attached to the Indenture, that will become eligible to be deposited with a custodian for The Depository Trust Company and/or a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, upon the date on which the Shelf Registration Statement becomes effective in accordance with this Agreement, (ii) will incorporate such other changes as are necessary to comply with the U.S. Trust Indenture Act of 1939, as amended (the "TIA"), and (iii) is eligible for qualification under the TIA.

In order to induce the Bookrunner to enter into the Placement Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the closing under the Placement Agreement. The terms "herein," "hereof," "hereto," "hereinafter" and similar terms, as used in this Agreement, shall in each case refer to this Agreement as a whole and not to any particular section, paragraph, sentence or other subdivision of this Agreement.

The Company agrees with the Bookrunner (i) for its benefit as Bookrunner and (ii) for the benefit of the beneficial owners from time to time of the Covered Securities (as defined herein) (each of the foregoing a "Holder" and, together, the "Holders"), as follows:

1 . Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth in the Placement Agreement. As used in this Agreement, the following terms shall have the following meanings:

- (a) "Additional Filing Deadline Date" has the meaning set forth in Section 2(e) hereof.
 - (b) "additional interest" has the meaning set forth in Section 2(e) hereof.
 - (c) "Additional Interest Accrual Period" has the meaning set forth in Section 2(e) hereof.
 - (d) "Additional Interest Amount" has the meaning set forth in Section 2(e) hereof.
 - (e) "Additional Interest Payment Date" means each January 13 and July 13 of each
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year.

- (f) “Affiliate” means, with respect to any specified person, an “affiliate,” as defined in Rule 144, of such person.
- (g) “Amendment Effectiveness Deadline Date” has the meaning set forth in Section 2(d) hereof.
- (h) “Automatic Shelf Registration Statement” has the meaning ascribed to it in Rule 405.
- (i) “Bookrunner” has the meaning set forth in the preamble hereto.
- (j) “Business Day” means each day other than a Saturday or Sunday or any day on which commercial banking institutions are not required to be open in the State of New York.
- (k) “Claim” has the meaning set forth in Section 8(o) hereof.
- (l) “Common Stock” means the shares of common stock, U.S.\$0.001 par value per share, of the Company.
- (m) “Covered Security” has the meaning set forth in Section 1(pp) hereof.
- (n) “Effectiveness Deadline Date” has the meaning set forth in Section 2(a) hereof.
- (o) “Effectiveness Period” means a period (subject to extension pursuant to Section 3(k) hereof) that terminates when there are no Registrable Securities outstanding.
- (p) “Event” has the meaning set forth in Section 2(e) hereof.
- (q) “Event Date” has the meaning set forth in Section 2(e) hereof.
- (r) “Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.
- (s) “Filing Deadline Date” has the meaning set forth in Section 2(a) hereof.
- (t) “Form S-1” means Form S-1 under the Securities Act.
- (u) “Form S-3” means Form S-3 under the Securities Act.
- (v) “Holder” has the meaning set forth in the preamble hereto.
- (w) “Holder Information” has the meaning set forth in Section 6(b) hereof.
- (x) “Indemnified Party” has the meaning set forth in Section 6(c) hereof.
- (y) “Indemnifying Party” has the meaning set forth in Section 6(c) hereof.
- (z) “Indenture” has the meaning set forth in the preamble hereto.

- (aa) “Initial Securities” has the meaning set forth in the preamble hereto.
- (bb) “Initial Offer” has the meaning set forth in the preamble hereto.
- (cc) “Initial Shelf Registration Statement” has the meaning set forth in Section 2(a) hereof.
- (dd) “Issue Date” means July 13, 2007.
- (ee) “Material Event” has the meaning set forth in Section 3(k) hereof.
- (ff) “NASD Rules” has the meaning set forth in Section 3(u) hereof.
- (gg) “Note Closing Date” means the later of (i) completion of the offering of the Notes contemplated by the Placement Agreement and (ii) completion of the Initial Offer and issuance of the Notes pursuant to the Indenture.
- (hh) “Notes” has the meaning set forth in the preamble hereto.
- (ii) “Notice and Questionnaire” means a written questionnaire containing such information as the Company may reasonably request for use in connection with the Shelf Registration Statement or the Prospectus included therein and in any application to be filed with or under state securities laws, which Notice and Questionnaire shall be provided to the Holders no later than the Note Closing Date.
- (jj) “Notice Holder” means, on a given date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date, provided not all of such Holder’s Registrable Securities that have been registered for resale pursuant to a Notice and Questionnaire have been sold in accordance with a Shelf Registration Statement.
- (kk) “Placement Agreement” has the meaning set forth in the preamble hereof.
- (ll) “Proceeding” has the meaning set forth in Section 6(c) hereof.
- (mm) “Prospectus” means each prospectus relating to any Shelf Registration Statement, including all supplements and amendments to such prospectus, in each case in the form furnished pursuant to this Agreement by the Company to Holders or filed by the Company with the SEC pursuant to Rule 424 or as part of such Shelf Registration Statement, as the case may be, and in each case including all materials, if any, incorporated by reference or deemed to be incorporated by reference in such prospectus.
- (nn) “Record Date” means, (i) December 29, with respect to an Additional Interest Payment Date that occurs on January 13 and (ii) June 28, with respect to an Additional Interest Payment Date that occurs on July 13.
- (oo) “Record Holder” means, with respect to an Additional Interest Payment Date relating to a Registrable Security for which any Additional Interest Amount has accrued, a Notice Holder that was the holder of record of such Registrable Security at the close of business on the Record Date relating to such Additional Interest Payment Date.

(pp) “Registrable Securities” means the Notes, until such Notes have been converted into the Underlying Common Stock, and, at all times, the Underlying Common Stock and any securities into or for which such Underlying Common Stock has been converted or exchanged, and any security issued with respect thereto upon any stock dividend, split or similar event (each of the foregoing, a “Covered Security”) until, in the case of any such security, the earliest of:

(i) the date on which such security has been effectively registered under the Securities Act and disposed of in accordance with the Registration Statement relating thereto;

(ii) the date on which such security may be resold without restriction pursuant to Rule 144(k) or any successor provision thereto;

(iii) the date on which such security (A) is not subject to the restrictions imposed by Rule 903(b)(3)(iii) or any successor provision thereto and (B) may be resold pursuant to Rule 144 or any successor provision thereto without being subject to the restrictions imposed by paragraphs (e), (f) and (h) of Rule 144 or any successor provisions thereto; provided that the requirements set forth in paragraph (c) of Rule 144 or any successor provision thereto are met as of such date; or

(iv) the date on which such security has been publicly sold pursuant to Rule 144 or any successor provision thereto.

(qq) “Registration Expenses” has the meaning set forth in Section 5 hereof.

(rr) “Registration Statement” means each registration statement, under the Securities Act, of the Company that covers any of the Registrable Securities pursuant to this Agreement, including amendments and supplements to such registration statement and including all post-effective amendments to, all exhibits of, and all materials incorporated by reference or deemed to be incorporated by reference in, such registration statement, amendment or supplement.

(ss) “Rule 144” means Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(tt) “Rule 144A” means Rule 144A under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(uu) “Rule 405” means Rule 405 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(vv) “Rule 415” means Rule 415 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(ww) “Rule 424” means Rule 424 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(xx) “Rule 430B” means Rule 430B under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(yy) “Rule 456” means Rule 456 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(zz) “Rule 457” means Rule 457 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(aaa) “Rule 903” means Rule 903 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

(bbb) “SEC” means the U.S. Securities and Exchange Commission.

(ccc) “Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

(ddd) “Shelf Registration Statement” means the Initial Shelf Registration Statement and any Subsequent Shelf Registration Statement.

(eee) “Subsequent Shelf Registration Statement” has the meaning set forth in Section 2(b) hereof.

(fff) “Subsequent Shelf Registration Statement Effectiveness Deadline Date” has the meaning set forth in Section 2(d) hereof.

(ggg) “Suspension Notice” has the meaning set forth in Section 3(k) hereof.

(hhh) “Suspension Period” has the meaning set forth in Section 3(k) hereof.

(iii) “TIA” has the meaning set forth in the preamble hereto.

(jjj) “Trust Deed” has the meaning set forth in the preamble hereto.

(kkk) “Trustee” means the trustee under the Indenture.

(lll) “Underlying Common Stock” means the Common Stock issuable upon conversion of the Notes.

2. Shelf Registration.

(a) The Company shall prepare and file, or cause to be prepared and filed, with the SEC, as soon as practicable but in any event by the date (the “Filing Deadline Date”) that is one hundred (100) days after the Issue Date, a Registration Statement (the “Initial Shelf Registration Statement”) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 registering the resale from time to time by Holders thereof of all of the Registrable Securities (or, if registration of Registrable Securities not held by Notice Holders is not permitted by the rules and regulations of the SEC, then registering the resale from time to time by Notice Holders of their Registrable Securities). The Initial Shelf Registration Statement shall provide for the registration of such Registrable Securities for resale by such Holders in accordance with any reasonable method of distribution elected by the Holders. In no event shall the Initial Shelf Registration Statement be filed with the SEC prior to the Note Closing Date. The Company shall use its best efforts to (i) cause the Initial Shelf Registration Statement to become effective under the Securities Act as promptly as practicable but in any event by the date (the “Effectiveness Deadline Date”) that is two hundred (200) days after the Issue Date and (ii) keep the Initial Shelf

Registration Statement (and any Subsequent Shelf Registration Statement) continuously effective under the Securities Act until the expiration of the Effectiveness Period. At the time the Initial Shelf Registration Statement becomes effective under the Securities Act, each Holder that became a Notice Holder on or before the fifth Business Day immediately preceding the date of such effectiveness shall be named as a selling securityholder in the Initial Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of Registrable Securities in accordance with applicable law.

(b) If, for any reason, at any time during the Effectiveness Period any Shelf Registration Statement ceases to be effective under the Securities Act, or ceases to be usable for the purposes contemplated hereunder, the Company shall use its best efforts to promptly cause such Shelf Registration Statement to become effective under the Securities Act (including obtaining the prompt withdrawal of any order suspending the effectiveness of such Shelf Registration Statement), and in any event shall, within thirty (30) days of such cessation of effectiveness, (i) amend such Shelf Registration Statement in a manner reasonably expected to obtain the withdrawal of any order suspending the effectiveness of such Shelf Registration Statement or (ii) file an additional Registration Statement (a "Subsequent Shelf Registration Statement") for an offering to be made on a delayed or continuous basis pursuant to Rule 415 registering the resale from time to time by Holders thereof of all securities that are Registrable Securities as of the time of such filing (or, if registration of Registrable Securities not held by Notice Holders is not permitted by the rules and regulations of the SEC, then registering the resale from time to time by Notice Holders of their securities that are Registrable Securities as of the time of such filing). If a Subsequent Shelf Registration Statement is filed, the Company shall use its best efforts to (A) cause such Subsequent Shelf Registration Statement to become effective under the Securities Act as promptly as practicable after such filing, but in no event later than the Subsequent Shelf Registration Statement Effectiveness Deadline Date and (B) keep such Subsequent Shelf Registration Statement (or another Subsequent Shelf Registration Statement) continuously effective until the end of the Effectiveness Period. Each such Subsequent Shelf Registration Statement, if any, shall provide for the registration of such Registrable Securities for resale by such Holders in accordance with any reasonable method of distribution elected by the Holders.

(c) The Company shall supplement and amend any Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement, if required by the Securities Act or as reasonably requested by the Bookrunner or by the Trustee on behalf of the Holders of the Registrable Securities covered by such Shelf Registration Statement.

(d)

(i) Each Holder of Registrable Securities agrees that, if such Holder wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(d) and Section 3(k). Each Holder of Registrable Securities wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus agrees to deliver a completed and executed Notice and Questionnaire to the Company prior to any attempted or actual distribution of Registrable Securities under a Shelf Registration Statement. If a Holder becomes a Notice Holder after the fifth Business Day immediately preceding the date the Initial Shelf Registration Statement becomes effective under the Securities Act, the Company shall, as promptly as practicable after the date such Holder became a Notice Holder, and in any event, subject to clause (B) below, within the later of (x) ten (10) Business Days after

such date or (y) ten (10) Business Days after the expiration of any Suspension Period that either (I) is in effect when such Holder became a Notice Holder or (II) is put into effect within five (5) Business Days after the date such Holder became a Notice Holder,

(A) file with the SEC a supplement to the related Prospectus (or, if required by law, a post-effective amendment to the Shelf Registration Statement or a Subsequent Shelf Registration Statement), and all other document(s), in each case as is required or desirable so that such Notice Holder is named as a selling securityholder in a Shelf Registration Statement and the related Prospectus in such a manner as to permit such Notice Holder to deliver a Prospectus to purchasers of the Registrable Securities in accordance with applicable law; provided, however, that, if a post-effective amendment or a Subsequent Shelf Registration Statement is required by the rules and regulations of the SEC in order to permit resales by such Notice Holder, the Company shall have up to thirty (30) days to file such post-effective amendment or Subsequent Shelf Registration Statement and the Company shall not be required to file more than one (1) post-effective amendment or Subsequent Shelf Registration Statement for such purpose in any ninety (90) day period;

(B) if, pursuant to Section 2(d)(i)(A), the Company shall have filed a post-effective amendment to the Shelf Registration Statement or filed a Subsequent Shelf Registration Statement, the Company shall use its best efforts to cause such post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, to become effective under the Securities Act as promptly as practicable, but in any event by the date (the "Amendment Effectiveness Deadline Date," in the case of a post-effective amendment, and the "Subsequent Shelf Registration Statement Effectiveness Deadline Date," in the case of a Subsequent Shelf Registration Statement) that is thirty (30) days after the date such post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, is required by this Section 2(d) to be filed with the SEC; provided, however, that if the Company receives from the SEC a "comment letter" in respect of such post-effective amendment or Subsequent Shelf Registration Statement, the applicable Amendment Effectiveness Deadline Date or Subsequent Shelf Registration Statement Effectiveness Deadline Date, as the case may be, shall be extended to the date that is ninety (90) days after the date such post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, is required by this Section 2(d) to be filed with the SEC;

(C) the Company shall provide such Notice Holder a reasonable number of copies of any documents filed pursuant to clause (A) above;

(D) the Company shall notify such Notice Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment or Subsequent Shelf Registration Statement filed pursuant to clause (A) above;

(E) if such Holder became a Notice Holder during a Suspension Period, or a Suspension Period is put into effect within five (5) Business Days after the date such Holder became a Notice Holder, the Company shall so inform such Notice Holder and shall take the actions set forth in clauses (A), (B), (C) and (D) above within five (5) Business Days after expiration of such Suspension

Period in accordance with Section 3(k); and

(F) if, under applicable law, the Company has more than one option as to the type or manner of making any such filing, the Company shall make the required filing or filings in the manner or of a type that is reasonably expected to result in the earliest availability of a Prospectus for effecting resales of Registrable Securities.

(ii) Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Shelf Registration Statement or related Prospectus; provided, however, that any Holder that becomes a Notice Holder (regardless of when such Holder became a Notice Holder) shall be named as a selling securityholder in a Shelf Registration Statement or related Prospectus in accordance with the requirements of this Section 2(d) or Section 2(a), as applicable.

(e) The parties hereto agree that the Holders of Registrable Securities will suffer damages, and that it would not be feasible to ascertain the extent of such damages with precision, if:

(i) the Initial Shelf Registration Statement has not been filed with the SEC on or prior to the Filing Deadline Date;

(ii) the Initial Shelf Registration Statement has not become effective under the Securities Act on or prior to the Effectiveness Deadline Date;

(iii) either a supplement to a Prospectus, a post-effective amendment or a Subsequent Shelf Registration Statement is required to be filed with the SEC and fails to be filed with the SEC within the prescribed period and in the manner set forth in Section 2(d) (the date such filing is required to be made being an “Additional Filing Deadline Date”) or, in the case of a post-effective amendment or a Subsequent Shelf Registration Statement, such post-effective amendment or Subsequent Registration Statement does not become effective under the Securities Act by the Amendment Effectiveness Deadline Date or the Subsequent Shelf Registration Statement Effectiveness Deadline Date, as the case may be;

(iv) the Initial Shelf Registration Statement or any Subsequent Registration Statement is filed with the SEC and becomes effective under the Securities Act but shall thereafter cease to be effective (without being succeeded immediately by a new Registration Statement that is filed and immediately becomes effective under the Securities Act) or usable for the offer and sale of Registrable Securities in the manner contemplated by this Agreement for a period of time (including any Suspension Period) which shall exceed forty five (45) days in the aggregate in any three (3) month period or ninety (90) days in the aggregate in any twelve (12) month period; or

(v) any Registration Statement or amendment thereto, at the time it becomes effective under the Securities Act, or any Prospectus relating thereto, at the time it is filed with the SEC or, if later, at the time the Registration Statement to which such Prospectus relates becomes effective under the Securities Act, shall fail to name each Holder as a selling securityholder in such a manner as to permit such Holder to sell its Registrable Securities pursuant to such Registration Statement and Prospectus in accordance with

applicable law, which Holder was entitled, pursuant to the terms of this Agreement, to be so named (it being understood that, without limitation, naming such Holder in a manner that permits such Holder to sell only a portion of such Holder's Registrable Securities referenced in such Holder's Notice and Questionnaire shall be deemed to be an "Event" (as defined below) for purposes of this clause (v)).

Each of the events of a type described in any of the foregoing clauses (i) through (v) are individually referred to herein as an "Event," and

- (V) the Filing Deadline Date, in the case of clause (i) above,
- (W) the Effectiveness Deadline Date, in the case of clause (ii) above,
- (X) the Additional Filing Deadline Date, the Amendment Effectiveness Deadline Date or the Subsequent Shelf Registration Statement Effectiveness Deadline Date, as the case may be, in the case of clause (iii) above,
- (Y) the date on which the duration of the ineffectiveness or unusability of the Shelf Registration Statement exceeds the number of days permitted by clause (iv) above, in the case of clause (iv) above, and
- (Z) the date the applicable Registration Statement or amendment thereto shall become effective under the Securities Act, or the date the applicable Prospectus is filed with the SEC or, if later, the time the Registration Statement to which such Prospectus relates becomes effective under the Securities Act, as the case may be, in the case of clause (v) above,

are each herein referred to as an "Event Date." Events shall be deemed to continue until the following dates with respect to the respective types of Events:

- (A) the date the Initial Shelf Registration Statement is filed with the SEC, in the case of an Event of the type described in clause (i) above;
- (B) the date the Initial Shelf Registration Statement becomes effective under the Securities Act, in the case of an Event of the type described in clause (ii) above;
- (C) the date a supplement to a Prospectus, a post-effective amendment or a Subsequent Shelf Registration Statement, whichever is required, is filed with the SEC (in the case of a supplement) or becomes effective under the Securities Act (in the case of a post-effective amendment or a Subsequent Shelf Registration Statement), in the case of an Event of the type described in clause (iii) above;
- (D) the date the Initial Shelf Registration Statement or the Subsequent Shelf Registration Statement, as the case may be, becomes effective and usable again, or the date another Subsequent Shelf Registration Statement is filed with the SEC pursuant to Section 2(b) and becomes effective, in the case of an Event of the type described in clause (iv) above; or
- (E) the date a supplement to the Prospectus is filed with the SEC, or the date a post-effective amendment to the Registration Statement becomes effective under the Securities Act, or the date a Subsequent Shelf Registration Statement becomes effective

under the Securities Act, which supplement, post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, names as selling securityholders, in such a manner as to permit them to sell their Registrable Securities pursuant to the Registration Statement and Prospectus supplement in accordance with applicable law, all Holders entitled as herein provided to be so named, in the case of an Event of the type described in clause (v) above.

Accordingly, commencing on (and including) any Event Date and ending on (but excluding) the next date on which there are no Events that have occurred and are continuing (an "Additional Interest Accrual Period"), the Company agrees to pay, as additional interest ("additional interest") and not as a penalty, an amount (the "Additional Interest Amount") at the rate described below, payable periodically on each Additional Interest Payment Date (or such earlier date as may be specified in the Indenture) to Record Holders, to the extent of, for each such Additional Interest Payment Date, the unpaid Additional Interest Amount that has accrued to (but excluding) such Additional Interest Payment Date (or, if the Additional Interest Accrual Period shall have ended prior to such Additional Interest Payment Date, the day immediately after the last day of such Additional Interest Accrual Period).

The Additional Interest Amount shall accrue at a rate per annum equal to one half of one percent (0.5%) for the ninety (90) day period beginning on, and including, the Event Date and thereafter at a rate per annum equal to one percent (1.0%) of (i) the aggregate principal amount of the Notes of which such Record Holders were holders of record at the close of business on the applicable Record Date or, without duplication, (ii) in the case of Underlying Common Stock, the aggregate principal amount of Notes in respect of which such Common Stock was issued of which such Record Holders were holders of record at the close of business on the applicable Record Date, as the case may be; provided, however, that:

(I) no Additional Interest Amounts shall accrue as to any Covered Security from and after the earlier of (x) the date such Covered Security is no longer a Registrable Security and (y) the expiration of the Effectiveness Period (it being understood that this clause (I) shall not impair any right of any Holder to receive Additional Interest Amounts that have accrued prior to the earlier of (x) the date that such Covered Security is no longer a Registrable Security and (y) the expiration of the Effectiveness Period);

(II) only those Holders (or their subsequent transferees) failing to be named as selling securityholders in the manner prescribed in Section 2(e)(v) above shall be entitled to receive any Additional Interest Amounts that have accrued solely with respect to an Event of the type described in Section 2(e)(v) above (it being understood that this clause (II) shall not impair any right of any Holder to receive Additional Interest Amounts that have accrued with respect to an Event other than an Event of the type described in Section 2(e)(v) above);

(III) only those Holders (or their subsequent transferees) whose delivery of a Notice and Questionnaire gave rise to the obligation of the Company, pursuant to Section 2(d)(i), to file and, if applicable, make effective under the Securities Act the supplement, post-effective amendment or Subsequent Shelf Registration Statement referred to in Section 2(e)(iii) above shall be entitled to receive any Additional Interest Amounts that have accrued solely with respect to an Event of the type described in Section 2(e)(iii) above (it being understood that this clause (III) shall not impair any right of any Holder to receive Additional Interest Amounts that have accrued with respect to an Event other than an Event of the type described in Section 2(e)(iii) above);

(IV) only those Holders (or their subsequent transferees) who became Notice Holders prior to the date referred to in Section 2(e)(D) above shall be entitled to receive any Additional Interest Amounts that have accrued solely with respect to an Event of the type described in Section 2(e)(iv) above (it being understood that this clause (IV) shall not impair any right of any Holder to receive Additional Interest Amounts that have accrued with respect to an Event other than an Event of the type described in Section 2(e)(iv) above; and

(V) if a Note ceases to be outstanding during an Additional Interest Accrual Period for which an Additional Interest Amount would be payable with respect to such Note, then the Additional Interest Amount payable hereunder with respect to such Note shall be prorated on the basis of the number of full days such Note is outstanding during such Additional Interest Accrual Period.

(i) The rate of accrual of the Additional Interest Amount with respect to any period shall not exceed the rate provided for in this Section 2(e) notwithstanding the occurrence of multiple concurrent Events and (ii) following the cure of all Events requiring the payment by the Company of Additional Interest Amounts to the Holders pursuant to this Section, the accrual of Additional Interest Amounts shall cease (without in any way limiting the effect of any subsequent Event requiring the payment of Additional Interest Amounts by the Company). All installments of additional interest shall be paid by wire transfer of immediately available funds to the account specified by the Notice Holder or, if no such account is specified, by mailing a check to such Notice Holder's address shown in the register of the registrar for the Notes or for the Underlying Common Stock, as the case may be.

All of the Company's obligations set forth in this Section 2(e) that are outstanding with respect to any Registrable Security at the time such Registrable Security ceases to be a Registrable Security shall survive until such time as all such obligations with respect to such security have been satisfied in full (notwithstanding termination of this Agreement pursuant to Section 8(n)).

The parties hereto agree that the additional interest provided for in this Section 2(e) constitutes a reasonable estimate of the damages that may be incurred by Holders by reason of an Event, including, without limitation, the failure of a Shelf Registration Statement to be filed, become effective under the Securities Act, amended or replaced to include the names of all Notice Holders or available for effecting resales of Registrable Securities in accordance with the provisions hereof.

(f) The Trustee shall be entitled, on behalf of Holders, to seek any available remedy for the enforcement of this Agreement, including for the payment of any Additional Interest Amount; provided that any Additional Interest Amounts set forth herein shall be the exclusive monetary remedy available to the applicable Holders for any and all Events covered hereby.

3 . Registration Procedures. In connection with the registration obligations of the Company under Section 2 hereof, the Company shall:

(a) Prepare and file with the SEC a Shelf Registration Statement or Shelf Registration Statements in the manner provided in this Agreement and use its best efforts to cause each such Shelf Registration Statement to become effective under the Securities Act and remain effective under the Securities Act as provided herein; provided that, before filing any Shelf Registration Statement or Prospectus or any amendments or supplements thereto with the SEC,

the Company shall furnish to the Bookrunner and counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) copies of all such documents proposed to be filed and reflect in each such document when so filed with the SEC such comments as the Bookrunner or such counsel reasonably shall propose within three (3) Business Days of the delivery of such copies to the Bookrunner and such counsel. Each Registration Statement that is or is required by this Agreement to be filed with the SEC shall be filed on Form S-3 if the Company is then eligible to use Form S-3 for the purposes contemplated by this Agreement, or, if the Company is not then so eligible to use Form S-3, shall be on Form S-1 or another appropriate form that is then available to the Company for the purposes contemplated by this Agreement. Each such Registration Statement that is filed on Form S-3 shall constitute an Automatic Shelf Registration Statement if the Company is then eligible to file an Automatic Shelf Registration Statement on Form S-3 for the purposes contemplated by this Agreement. If, at the time any Registration Statement is filed with the SEC, the Company is eligible, pursuant to Rule 430B(b), to omit, from the prospectus that is filed as part of such Registration Statement, the identities of selling securityholders and amounts of securities to be registered on their behalf, then the Company shall prepare and file such Registration Statement in a manner as to permit such omission and to allow for the subsequent filing of such information in a prospectus pursuant to Rule 424(b) in the manner contemplated by Rule 430B(d).

(b) Prepare and file with the SEC such amendments and post-effective amendments to each Shelf Registration Statement as may be necessary to keep such Shelf Registration Statement or Subsequent Shelf Registration Statement continuously effective until the expiration of the Effectiveness Period; cause the related Prospectus to be supplemented by any required Prospectus supplement and, as so supplemented, to be filed with the SEC pursuant to Rule 424; and comply with the provisions of the Securities Act applicable to it with respect to the disposition of all securities covered by each Shelf Registration Statement during the Effectiveness Period in accordance with the intended methods of disposition by the sellers thereof set forth in such Shelf Registration Statement as so amended or such Prospectus as so supplemented.

(c) If the third anniversary of the initial effective date of any Registration Statement (within the meaning of Rule 415(a)(5) under the Securities Act) shall occur at any time during the Effectiveness Period, file with the SEC, prior to such third anniversary, a new Registration Statement covering the Registrable Securities, in the manner contemplated by, and in compliance with, Rule 415(a)(6), and use its best efforts to cause such new Registration Statement to become effective under the Securities Act as soon as practicable, but in any event within 180 days after such third anniversary. Each such new Registration Statement, if any, shall be deemed, for purposes of this Agreement, to be a Subsequent Shelf Registration Statement.

(d) If, at any time during the Effectiveness Period, any Registration Statement shall cease to comply with the requirements of the Securities Act with respect to eligibility for the use of the form on which such Registration Statement was filed with the SEC (or if such Registration Statement constituted an Automatic Shelf Registration Statement at the time it was filed with the SEC and shall thereafter cease to constitute an Automatic Shelf Registration Statement, or if the Company shall have received from the SEC, a notice, pursuant to Rule 401(g)(2) under the Securities Act, of objection to the use of the form on which such Registration Statement was filed with the SEC), (i) promptly give notice to the Notice Holders and counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) and to the Bookrunner and (ii) promptly file with the SEC a new Registration Statement under the Securities Act, or a post-effective amendment to such Registration Statement, to effect compliance with the Securities Act. The Company shall use its best efforts to cause such new Registration Statement or post-effective amendment to become effective under the Securities Act as soon as practicable and shall

promptly give notice of such effectiveness to the Notice Holders and counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) and to the Bookrunner. Each such new Registration Statement, if any, shall be deemed, for purposes of this Agreement, to be a Subsequent Shelf Registration Statement.

(e) As promptly as practicable, give notice to the Notice Holders, the Bookrunner and counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders):

(i) when any Prospectus, Prospectus supplement, Shelf Registration Statement or post-effective amendment to a Shelf Registration Statement has been filed with the SEC and, with respect to a Shelf Registration Statement or any post-effective amendment, when the same has become effective under the Securities Act,

(ii) of any request, following the effectiveness of a Shelf Registration Statement under the Securities Act, by the SEC or any other governmental authority for amendments or supplements to such Shelf Registration Statement or the related Prospectus or for additional information,

(iii) of the issuance by the SEC or any other governmental authority of any stop order suspending the effectiveness of any Shelf Registration Statement or the initiation or threatening of any proceedings for that purpose,

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose,

(v) after the effective date of any Shelf Registration Statement filed with the SEC pursuant to this Agreement, of the occurrence of (but not the nature of or details concerning) a Material Event, and

(vi) of the determination by the Company that a post-effective amendment to a Shelf Registration Statement or a Subsequent Shelf Registration Statement will be filed with the SEC, which notice may, at the discretion of the Company (or as required pursuant to Section 3(k)), state that it constitutes a Suspension Notice, in which event the provisions of Section 3(k) shall apply.

(f) Use its best efforts to (i) prevent the issuance of, and, if issued, to obtain the withdrawal of, any order suspending the effectiveness of a Shelf Registration Statement and (ii) obtain the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in either case at the earliest possible moment, and provide prompt notice to each Notice Holder and the Bookrunner, and counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders), of the withdrawal or lifting of any such order or suspension.

(g) If requested by the Bookrunner or any Notice Holder, as promptly as practicable incorporate in a Prospectus supplement or a post-effective amendment to a Shelf Registration Statement such information as the Bookrunner, such Notice Holder or counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) shall determine to be required to be included therein by applicable law and make any required filings of such

Prospectus supplement or such post-effective amendment; provided, however, that the Company shall not be required to take any actions under this Section 3(g) that, in the written opinion of counsel for the Company, are not in compliance with applicable law.

(h) As promptly as practicable, furnish to each Notice Holder, counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) and the Bookrunner, without charge, at least one (1) conformed copy of each Shelf Registration Statement and each amendment thereto, including financial statements but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference and all exhibits (unless requested in writing to the Company by such Notice Holder, such counsel or the Bookrunner).

(i) During the Effectiveness Period, deliver to each Notice Holder, counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) and the Bookrunner, in connection with any sale of Registrable Securities pursuant to a Shelf Registration Statement, without charge, as many copies of the Prospectus or Prospectuses relating to such Registrable Securities (including each preliminary prospectus) and any amendment or supplement thereto as such Notice Holder or the Bookrunner may reasonably request; and the Company hereby consents (except during such periods that a Suspension Notice is outstanding and has not been revoked) to the use of such Prospectus and each amendment or supplement thereto by each Notice Holder, in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein.

(j) Prior to any public offering of the Registrable Securities pursuant to a Shelf Registration Statement, use its best efforts to register or qualify or cooperate with the Notice Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Notice Holder reasonably requests in writing (which request may be included in the Notice and Questionnaire); use its best efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period in connection with such Notice Holder's offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the relevant Shelf Registration Statement and the related Prospectus; provided, however, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified; (ii) take any action that would subject it to general service of process in suits, other than those arising out of the offering or sale of Registrable Securities or arising in connection with this Agreement, in any jurisdiction where it is not now so subject; or (iii) take any action that would subject it to taxation in any jurisdiction where it is not then so subject.

(k) Upon: (A) the occurrence or existence of any pending corporate development (a "Material Event") that, in the reasonable discretion of the Company, makes it appropriate to suspend the availability of any Shelf Registration Statement and the related Prospectus; (B) the issuance by the SEC of a stop order suspending the effectiveness of any Shelf Registration Statement or the initiation of proceedings with respect to any Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act; or (C) the occurrence of any event or the existence of any fact as a result of which any Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements

therein, in the light of the circumstances under which they were made, not misleading,

(i) in the case of clause (A) or (C) above, subject to the next sentence, as promptly as practicable, prepare and file, if necessary pursuant to applicable law, a post-effective amendment to such Shelf Registration Statement or a supplement to such Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and so that such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Shelf Registration Statement, subject to the next sentence, use its best efforts to cause it to become effective under the Securities Act as promptly as practicable, and

(ii) give notice to the Notice Holders and counsel for the Holders and for the Bookrunner (or, if applicable, separate counsel for the Holders) and to the Bookrunner that the availability of the Shelf Registration Statement is suspended (a “Suspension Notice”) (and, upon receipt of any Suspension Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to such Shelf Registration Statement until such Notice Holder’s receipt of copies of the supplemented or amended Prospectus provided for in clause (i) above or until such Notice Holder is advised in writing by the Company that the Prospectus may be used).

The Company will use its best efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as soon as, in the reasonable discretion of the Company, such suspension is no longer appropriate, (y) in the case of clause (B) above, as promptly as is practicable, and (z) in the case of clause (C) above, as soon as, in the reasonable judgment of the Company, the Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and the Prospectus does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The period during which the availability of the Shelf Registration Statement and any Prospectus may be suspended (the “Suspension Period”) without the Company incurring any obligation to pay additional interest pursuant to Section 2(e) shall not exceed forty five (45) days in the aggregate in any three (3) month period or ninety (90) days in the aggregate in any twelve (12) month period. The Effectiveness Period shall be extended by the number of days from and including the date of the giving of the Suspension Notice to and including the date on which the Notice Holder received copies of the supplemented or amended Prospectus provided in clause (i) above, or the date on which it is advised in writing by the Company that the Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus.

(l) Make available for inspection during normal business hours by representatives for the Notice Holders and any underwriters participating in any disposition pursuant to any Shelf Registration Statement and any broker-dealers, attorneys and accountants retained by such Notice Holders or any such underwriters, all relevant financial and other records and pertinent corporate

documents and properties of the Company and its subsidiaries, and cause the appropriate officers, directors and employees of the Company and its subsidiaries to make available for inspection during normal business hours all relevant information reasonably requested by such representatives for the Notice Holders, or any such underwriters, broker-dealers, attorneys or accountants in connection with such disposition, in each case as is customary for similar “due diligence” examinations; provided, however, that such persons shall, at the Company’s request, first agree in writing with the Company that any information that is reasonably and in good faith designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of governmental or regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Shelf Registration Statement or the use of any Prospectus referred to in this Agreement) or necessary to defend or prosecute a claim brought against or by any such persons (e.g., to establish a “due diligence” defense), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person or (iv) such information becomes available to any such person from a source other than the Company and such source is not bound by a confidentiality agreement or is not otherwise under a duty of trust to the Company; provided further, that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of all the Notice Holders and the other parties entitled thereto by the counsel, referred to in Section 5, for the Holders in connection with Shelf Registration Statements.

(m) Comply with all applicable rules and regulations of the SEC; and make generally available to its securityholders earnings statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act), which statements shall cover a period of twelve (12) months commencing on the first day of the first fiscal quarter of the Company commencing after the effective date of each Shelf Registration Statement (within the meaning of Rule 158(c) under the Securities Act), and which statements shall be so made generally available to the Company’s securityholders as follows: (i) with respect to an earnings statement which will be contained in one report on Form 10-K (or any other form as may then be available for such purpose), such earnings statement shall be made so generally available no later than the due date by which the Company is required, pursuant to the Exchange Act, to file such report with the SEC; and (ii) with respect to an earnings statement which will be contained in any combination of reports on Form 10-K or Form 10-Q (or any other form(s) as may then be available for such purpose), such earnings statement shall be made so generally available no later than the due date by which the Company is required, pursuant to the Exchange Act, to file the last of such reports which together constitute such earnings statement.

(n) Cooperate with each Notice Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Shelf Registration Statement, which certificates shall not bear any restrictive legends, and cause such Registrable Securities to be in such denominations as are permitted by the Indenture and registered in such names as such Notice Holder may request in writing at least two (2) Business Days prior to any sale of such Registrable Securities.

(o) Provide a CUSIP number (and, in the case of the Notes, ISIN and Common Code numbers) for all Registrable Securities covered by a Shelf Registration Statement not later than the effective date of the Initial Shelf Registration Statement and, in the case of the Notes, provide

the Trustee with certificates for the Notes that are in a form eligible for deposit with The Depository Trust Company or, if requested by the Bookrunner or Holders of a majority of the then outstanding Notes, Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, and take all other action necessary to enable Holders of the Notes to hold their interests in the Notes in book-entry form through such clearance system.

(p) Cooperate and assist in any filings required to be made with the National Association of Securities Dealers, Inc.

(q) Upon the filing of the Initial Shelf Registration Statement, and upon the effectiveness under the Securities Act of the Initial Shelf Registration Statement, announce the same, in each case by release through a reputable national newswire service, subject to applicable law.

(r) In connection with any underwritten offering of Registrable Securities, take all actions and enter into such customary agreements (including, if requested, an underwriting agreement in customary form) as are necessary, or reasonably requested by the Holders of a majority of the Registrable Securities being sold, in order to expedite or facilitate disposition of such Registrable Securities; and in such connection:

(i) the Company shall make such representations and warranties to the Holders of such Registrable Securities and the underwriters, if any, in form, substance and scope as would be customarily made by the Company to underwriters in similar offerings of securities;

(ii) the Company shall obtain opinions of counsel of the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the counsel to the Holders of the Registrable Securities being sold) addressed to each selling Holder and the underwriters, if any, covering the matters that would be customarily covered in opinions requested in sales of securities;

(iii) the Company shall obtain “comfort letters” and updates thereof from the Company’s independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in any Shelf Registration Statement) addressed to the underwriters, if any, and the selling Holders of Registrable Securities (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accounts), such letters to be in customary form and covering matters of the type that would customarily be covered in “comfort letters” to underwriters in connection with similar underwritten offerings;

(iv) the Company shall, if an underwriting agreement is entered into, cause any such underwriting agreement to contain indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 6 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section; and

(v) the Company shall deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the Holders of a majority of the Registrable Securities being sold;

the above to be done at each closing under any underwriting or similar agreement as and to the extent required thereunder.

(s) Cause the Indenture to be qualified under the TIA not later than the effective date of the Initial Shelf Registration Statement; and, in connection therewith, cooperate with the Trustee to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use its best efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner.

(t) Use its best efforts to cause the Underlying Common Stock to be listed on the American Stock Exchange LLC.

(u) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or “participate in a public offering” (within the meaning of the Conduct Rules (the “NASD Rules”) of the National Association of Securities Dealers, Inc.) thereof, whether as a Holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such NASD Rules, including, without limitation, by: (i) if such NASD Rules, including NASD Rule 2720, shall so require, engaging a “qualified independent underwriter” (as defined in NASD Rule 2720) to participate in the preparation of the Shelf Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereof and, if any portion of the offering contemplated by such Shelf Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield or price, as the case may be, of such Registrable Securities; (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof; and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the NASD Rules.

4 . Holder’s Obligations. Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(d) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as the Company may from time to time reasonably request. Any sale of any Registrable Securities by any Holder shall constitute a representation and warranty by such Holder that the Holder Information of such Holder furnished in writing by or on behalf of such Holder to the Company does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in such Holder Information, in the light of the circumstances under which they were made, not misleading.

5 . Registration Expenses. The Company shall bear all fees and expenses incurred in connection with the performance by the Company of its obligations under Section 2 and Section 3 of this Agreement whether or not any of the Shelf Registration Statements are filed or declared effective under

the Securities Act. Such fees and expenses (“Registration Expenses”) shall include, without limitation, (i) all registration and filing fees and expenses (including, without limitation, fees and expenses (x) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and (y) of compliance with federal securities laws and state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of counsel for the Holders in connection with Blue Sky qualifications of the Registrable Securities under the laws of such jurisdictions as the Notice Holders of a majority of the Registrable Securities being sold pursuant to a Shelf Registration Statement may designate), (ii) all printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company and printing Prospectuses), (iii) all duplication and mailing expenses relating to copies of any Shelf Registration Statement or Prospectus delivered to any Holders hereunder, (iv) all fees and disbursements of counsel for the Company, (v) reasonable fees and disbursements of one counsel for all of the sellers of Registrable Securities (selected by the Holders of a majority of the Registrable Securities being sold, which counsel shall be reasonably satisfactory to the Company) in connection with the review of the Shelf Registration Statement and all other documents referred to in this Agreement, (vi) all fees and disbursements of the Trustee and its counsel and of the registrar and transfer agent for the Common Stock and (vii) Securities Act liability insurance obtained by the Company in its sole discretion. In addition, the Company shall pay the internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the fees and expenses incurred in connection with the listing by the Company of the Registrable Securities on any securities exchange or quotation system on which similar securities of the Company are then listed and the fees and expenses of any person, including, without limitation, special experts, retained by the Company. If the Company shall, pursuant to Rule 456(b), defer payment of any registration fees due under the Securities Act with respect to any Registration Statement, the Company agrees that it shall pay the fees applicable to such Registration Statement within the time required by Rule 456(b)(1)(i) (without reliance on the proviso to Rule 456(b)(1)(i)) and in compliance with Rule 456(b) and Rule 457(r).

6. Indemnification, Contribution.

(a) The Company agrees to indemnify, defend and hold harmless the Bookrunner, each Holder, each person (a “Controlling Person”), if any, who controls the Bookrunner or any Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and the respective officers, directors, partners, employees, representatives and agents of the Bookrunner, the Holders or any Controlling Person (each, an “Indemnified Party”), from and against any loss, damage, expense, liability, claim or any actions in respect thereof (including the reasonable cost of investigation) which such Indemnified Party may incur or become subject to under the Securities Act, the Exchange Act or otherwise, insofar as such loss, damage, expense, liability, claim or action arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in any Shelf Registration Statement or Prospectus, including any document incorporated by reference therein, or in any amendment or supplement thereto or in any preliminary prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated in any Shelf Registration Statement or in any amendment or supplement thereto or necessary to make the statements therein not misleading, or arises out of or is based upon any omission or alleged omission to state a material fact necessary in order to make the statements made in any Prospectus or in any amendment or supplement thereto or in any preliminary prospectus, in the light of the circumstances under which such statements were made, not misleading, and the Company shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, damage, expense, liability, claim or action in respect thereof; provided, however, that the Company shall not be required to provide any

indemnification pursuant to this Section 6(a) in any such case insofar as any such loss, damage, expense, liability, claim or action arises out of or is based upon any untrue statement or omission or alleged untrue statement or omission of a material fact contained in, or omitted from, and in conformity with information furnished in writing by or on behalf of the Bookrunner or a Holder to the Company expressly for use in, any Shelf Registration Statement or any Prospectus; provided further, however, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party.

(b) Each Holder, severally and not jointly, agrees to indemnify, defend and hold harmless the Company, its directors, officers, employees, representatives and agents and any person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each, a “Company Indemnified Party”) from and against any loss, damage, expense, liability, claim or any actions in respect thereof (including the reasonable cost of investigation) which such Company Indemnified Party may incur or become subject to under the Securities Act, the Exchange Act or otherwise, insofar as such loss, damage, expense, liability, claim or action arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information (the “Holder Information”) furnished in writing by or on behalf of such Holder to the Company expressly for use in, any Shelf Registration Statement or Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such Holder Information, which material fact was not contained in such Holder Information, and which material fact was either required to be stated in any Shelf Registration Statement or Prospectus or necessary to make such Holder Information not misleading, (B) a sale, by such Holder pursuant to a Shelf Registration Statement in or with respect to which such Holder is named as a selling securityholder, of Registrable Securities during a Suspension Period, provided that the Company shall have theretofore provided such Holder a Suspension Notice in accordance with Section 3(k), or (C) a public sale of Registrable Securities by such Holder without delivery, if required by the Securities Act, of the most recent applicable Prospectus provided to such Holder by the Company pursuant to Section 3(i) or Section 2(d)(i)(C), provided the Company shall have theretofore made available to or provided such Holder copies of such Prospectus in a timely manner so as to permit such delivery; and, subject to the limitation set forth in the immediately preceding clause, each Holder shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, damage, expense, liability, claim or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale, pursuant to the Shelf Registration Statement, of the Registrable Securities giving rise to such indemnification obligation.

(c) If any action, suit or proceeding (each, a “Proceeding”) is brought against any person in respect of which indemnity may be sought pursuant to either Section 6(a) or Section 6(b), such person (the “Indemnified Party”) shall promptly notify the person against whom such indemnity may be sought (the “Indemnifying Party”) in writing of the institution of such Proceeding and the Indemnifying Party shall assume the defense of such Proceeding; provided, however, that the omission to so notify such Indemnifying Party shall not relieve such Indemnifying Party from any liability which it may have to such Indemnified Party or otherwise. Such Indemnified Party shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless the employment of such counsel shall have been authorized in writing by such Indemnifying Party in connection with the defense of such Proceeding or such Indemnifying Party shall not have

employed counsel to have charge of the defense of such Proceeding within thirty (30) days of the receipt of notice thereof or such Indemnified Party shall have reasonably concluded upon the written advice of counsel that there may be one or more defenses available to it that are different from, additional to or in conflict with those available to such Indemnifying Party (in which case such Indemnifying Party shall not have the right to direct that portion of the defense of such Proceeding on behalf of the Indemnified Party, but such Indemnifying Party may employ counsel and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Indemnifying Party), in any of which events such reasonable fees and expenses shall be borne by such Indemnifying Party and paid as incurred (it being understood, however, that such Indemnifying Party shall not be liable for the expenses of more than one separate counsel in any one Proceeding or series of related Proceedings together with reasonably necessary local counsel representing the Indemnified Parties who are parties to such action). An Indemnifying Party shall not be liable for any settlement of such Proceeding effected without the written consent of such Indemnifying Party, but if settled with the written consent of such Indemnifying Party, such Indemnifying Party agrees to indemnify and hold harmless an Indemnified Party from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse such Indemnified Party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then such Indemnifying Party agrees that it shall be liable for any settlement of any Proceeding effected without its written consent if (i) such settlement is entered into more than sixty (60) Business Days after receipt by such Indemnifying Party of the aforesaid request, (ii) such Indemnifying Party shall not have fully reimbursed such Indemnified Party in accordance with such request prior to the date of such settlement and (iii) such Indemnified Party shall have given such Indemnifying Party at least thirty (30) days' prior notice of its intention to settle. No Indemnifying Party shall, without the prior written consent of any Indemnified Party, effect any settlement of any pending or threatened Proceeding in respect of which such Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such Indemnified Party.

(d) If the indemnification provided for in this Section 6 is unavailable to an Indemnified Party under Section 6(a) or Section 6(b), or insufficient to hold such Indemnified Party harmless, in respect of any losses, damages, expenses, liabilities, claims or actions referred to therein, then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, damages, expenses, liabilities, claims or actions (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and by the Holders or the Bookrunner, on the other hand, from the offering of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Holders or the Bookrunner, on the other hand, in connection with the statements or omissions which resulted in such losses, damages, expenses, liabilities, claims or actions, as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Holders or the Bookrunner, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by the Holders or the Bookrunner and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the

losses, damages, expenses, liabilities, claims and actions referred to above shall be deemed to include any reasonable legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any Proceeding.

(e) The Company, the Holders and the Bookrunner agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in Section 6(d) above. Notwithstanding the provisions of this Section 6, no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities giving rise to such contribution obligation and sold by such Holder were offered to the public exceeds the amount of any damages which it has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' respective obligations to contribute pursuant to this Section 6 are several in proportion to the respective amount of Registrable Securities they have sold pursuant to a Shelf Registration Statement, and not joint. The remedies provided for in this Section 6 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 6 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Holder or the Bookrunner or any person controlling any Holder or the Bookrunner, or the Company, or the Company's officers or directors or any person controlling the Company and (iii) the sale of any Registrable Security by any Holder.

7. Information Requirements.

(a) The Company covenants that, if at any time before the end of the Effectiveness Period it is not subject to the reporting requirements of the Exchange Act, it will cooperate with any Holder of Registrable Securities and take such further action as any Holder of Registrable Securities may reasonably request in writing (including, without limitation, making such representations as any such Holder may reasonably request), all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemptions provided by Rule 144, Rule 144A, Regulation S and Regulation D under the Securities Act and customarily taken in connection with sales pursuant to such exemptions. Upon the written request of any Holder, the Company shall deliver to such Holder a written statement as to whether the Company has complied with the reporting requirements of the Exchange Act, unless such a statement has been included in the Company's most recent report filed with the SEC pursuant to Section 13 or Section 15(d) of Exchange Act. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities (other than the Common Stock) under any section of the Exchange Act.

(b) The Company shall file the reports required to be filed by it under the Exchange Act and shall comply with all other requirements set forth in the instructions to Form S-3 in order to allow the Company to be eligible to file registration statements on Form S-3 (or Form S-1 if the Company is not eligible to use Form S-3). The Company shall use its best efforts to remain eligible, pursuant to Rule 430B(b), to omit, from the prospectus that is filed as part of a Registration Statement, the identities of selling securityholders and amounts of securities to be

registered on their behalf.

8. Miscellaneous.

(a) Remedies. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under this Agreement may result in material irreparable injury to the Bookrunner and the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Bookrunner or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under this Agreement. The Company further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate. Notwithstanding the foregoing two sentences, this Section 8(a) shall not apply to the subject matter referred to in and contemplated by Section 2(e), as limited by Section 2(f).

(b) No Conflicting Agreements. The Company is not, as of the date hereof, a party to, nor shall it, on or after the date of this Agreement, enter into, any agreement with respect to the Company's securities that conflicts with the rights granted to the Holders in this Agreement. The Company represents and warrants that the rights granted to the Holders hereunder do not in any way conflict with the rights granted to the holders of the Company's securities under any other agreements. The Company will not take any action with respect to the Registrable Securities that would adversely affect the ability of any of the Holders to include such Registrable Securities in a registration undertaken pursuant to this Agreement. The Company represents and covenants that it has not granted, and shall not grant, to any of its securityholders (other than the Holders in such capacity) the right to include any of the Company's securities in any Shelf Registration Statement filed pursuant to this Agreement.

(c) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority of outstanding Registrable Securities; provided, however, that, no consent is necessary from any of the Holders in the event that this Agreement is amended, modified or supplemented for the purpose of curing any ambiguity, defect or inconsistency that does not adversely affect the rights of any Holders. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Securities whose securities are being sold pursuant to a Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders of Registrable Securities may be given by Holders of at least a majority of the Registrable Securities being sold by such Holders pursuant to such Shelf Registration Statement; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. Each Holder of Registrable Securities outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 8(c), whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(d) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, by telecopier, by courier guaranteeing overnight delivery or by first-class mail, return receipt requested, and shall be deemed given (A) when made, if made by hand delivery, (B) upon confirmation, if made by telecopier, (C) one (1)

Business Day after being deposited with such courier, if made by overnight courier or (D) on the date indicated on the notice of receipt, if made by first-class mail, to the parties as follows:

(i) if to a Holder, at the most current address given by such Holder to the Company in a Notice and Questionnaire or any amendment thereto;

(ii) if to the Company, to:

BMB Munai, Inc.
202, Dostyk Avenue, 4th Floor
Business Centre "Forum"
050051, Almaty
Kazakhstan
Fax: +732 72 375 131
Attention: Askar Tashtitov

and

BMB Munai, Inc.
324 South 400 West, Suite 225
Salt Lake City, Utah 84101
United States of America
Fax: +1 801 355 2990
Attention: Adam Cook

(iii) if to the Bookrunner, to:

Investment Markets and Investment Banking
Bayerische Hypo-und Vereinsbank AG
Moor House
120 London Wall
London EC2Y 5ET
Fax: +44 (0)207 826 1614
Attention: Equity Capital Markets

or to such other address as such person may have furnished to the other persons identified in this Section 8(d) in writing in accordance herewith.

(e) Majority of Registrable Securities. For purposes of determining what constitutes Holders of a majority of Registrable Securities, as referred to in this Agreement, a majority shall constitute a majority in aggregate principal amount of Registrable Securities, treating each relevant holder of shares of Underlying Common Stock of the Notes as a holder of the aggregate principal amount of Notes in respect of which such Common Stock was issued.

(f) Approval of Holders. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its "affiliates" (as such term is defined in Rule 405 under the Securities Act) (other than Holders of Registrable Securities, if such Holders are deemed to be such affiliates solely by reason of their holdings of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(g) Third Party Beneficiaries. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Bookrunner, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder. The Trustee shall be entitled to the rights granted to it pursuant to this Agreement.

(h) Successors and Assigns. Any person who purchases any Covered Security from any Holder shall be deemed, for purposes of this Agreement, to be an assignee of such Holder. This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of each of the parties hereto and shall inure to the benefit of and be binding upon each Holder of any Covered Security.

(i) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

(j) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(k) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(m) Entire Agreement. This Agreement is intended by the parties hereto as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and the registration rights granted by the Company with respect to the Registrable Securities. Except as provided in the Placement Agreement, there are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and undertakings among the parties with respect to such registration rights. No party hereto shall have any rights, duties or obligations other than those specifically set forth in this Agreement.

(n) Termination. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Effectiveness Period, except for any liabilities or obligations under Section 4, Section 5 or Section 6 hereof and the obligations to make payments of and provide for additional interest under Section 2(e) hereof to the extent such additional interest accrues prior to the end of the Effectiveness Period and to the extent any overdue additional interest accrues in accordance with the last paragraph of such Section 2(e), each of which shall remain in effect in accordance with its terms.

(o) Submission to Jurisdiction. Except as set forth below, no claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this Agreement (“Claim”) may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company hereby consents to the jurisdiction of such courts and personal service with respect thereto. The Company hereby consents to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Agreement is brought by any third party against the Bookrunner. THE COMPANY HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT. The Company agrees that a final judgment in any such Proceeding brought in any such court shall be conclusive and binding upon the Company and may be enforced in any other courts in the jurisdiction of which the Company is or may be subject, by suit upon such judgment.

[The Remainder of This Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Very truly yours,

BMB MUNAI, INC.

By: _____
Name: _____
Title: _____

Accepted and agreed to as of the date first above written:

BAYERISCHE HYPO-UND VEREINSBANK AG

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

BMB MUNAI, INC.

and

THE BANK OF NEW YORK

U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012
PAYING AND CONVERSION AGENCY AGREEMENT

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THIS AGREEMENT is made on 13 July 2007

BETWEEN

- (1) BMB MUNAI, INC. (the "Issuer");
- (2) THE BANK OF NEW YORK as registrar (the "Registrar");
- (3) THE BANK OF NEW YORK as principal paying and conversion agent (the "Principal Paying and Conversion Agent"); and
- (4) THE BANK OF NEW YORK as transfer agent (the "Transfer Agent"); and
- (5) BNY CORPORATE TRUSTEE SERVICES LIMITED as trustee (the "Trustee").

WHEREAS

- (A) The Issuer has authorised the creation and issue of U.S.\$60,000,000 in aggregate principal amount of 5.0 per cent. Unsecured Convertible Notes due 2012 (the "Notes") convertible into common shares of U.S.\$ 0.001 par value in the share capital of the Issuer (the "Shares").
- (B) The Notes are being offered outside the United States in reliance on Regulation ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "Securities Act").
- (C) The Notes will be constituted by, be subject to, and have the benefit of, a trust deed dated 13 July 2007 (as amended and/or supplemented from time to time, the "Trust Deed") and made between the Issuer and the Trustee.
- (D) The Notes will be in registered form and in denominations of U.S.\$100,000. The Notes will be represented by note certificates ("Note Certificates") in the form attached in the Schedules to the Trust Deed.
- (E) The Issuer, the Registrar, the Paying and Conversion Agents, the Transfer Agents and the Trustee wish to record certain arrangements which they have made in relation to the Notes.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement the following expressions have the following meanings:

"Agents" means the Principal Paying and Conversion Agent, the Registrar, the Transfer Agents and the Paying and Conversion Agents and "Agent" means any one of the Agents;

"Bookrunner" means Bayerische Hypo-und Vereinsbank AG;

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"Conditions" means the Terms and Conditions of the Notes (as scheduled to the Trust Deed and as modified from time to time in accordance with their terms), and any reference to a numbered "Condition" is to the correspondingly numbered provision thereof;

"Conversion Notice" means a notice of conversion substantially in the form set out in Schedule 3 (Form of Conversion Notice) or such other form as may from time to time be agreed between the Issuer, the Principal Paying and Conversion Agent and the Trustee and distributed to each Paying and Conversion Agent;

"Local Banking Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying and Conversion Agent has its Specified Office;

"Local Time" means the time in the city in which the Principal Paying and Conversion Agent has its Specified Office;

"Noteholders" means the holders of the Notes for the time being;

"Paying and Conversion Agents" means the Principal Paying and Conversion Agent and any other paying and conversion agents appointed from time to time in accordance with Clause 12 (Changes in Agents);

"Principal Paying and Conversion Agent", "Paying and Conversion Agents", "Registrar" and "Transfer Agent" include any successors thereto appointed from time to time in accordance with Clause 12 (Changes in Agents) and "Paying and Conversion Agent" and "Transfer Agent" means any one of the Paying and Conversion Agents and the Transfer Agents, respectively;

"Put Option Notice" means a notice of exercise relating to the put options contained in Condition 8(b) (Redemption and Purchase - Redemption at the option of Noteholders), substantially in the form set out in Schedule 4 (Form of Put Option Notice) or such other form as may from time to time be agreed between the Issuer, the Principal Paying and Conversion Agent and the Trustee and distributed to each Paying and Conversion Agent;

"Regulations" means the regulations concerning the transfer of Notes as the same may from time to time be promulgated by the Issuer and approved by the Registrar and the Trustee (the initial such regulations being set out in Schedule 1) (Regulations concerning transfers and registration of Notes);

"Replacement Agent" means the Principal Paying and Conversion Agent;

"Specified Office" means, in relation to any Agent:

(a) the office specified against its name in Schedule 5 (Specified Offices of the Agents); or

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(b) such other office as such Agent may specify in accordance with Clause 12.8 (Changes in Specified Offices);

"Transfer Agents" means any transfer agents appointed from time to time in accordance with Clause 12 (Changes in Agents);

"Trustee" includes all persons for the time being appointed trustee or trustees under the Trust Deed; and

"U.S.\$" and "U.S. dollars" denote the lawful currency for the time being of the United States of America.

1.2 Clauses and Schedules

Any reference in this Agreement to a Clause or a sub-clause or a Schedule is, unless otherwise stated, to a clause or a sub-clause hereof or a schedule hereto.

1.3 Principal and interest

In this Agreement, any reference to principal or interest includes any additional amounts payable in relation thereto under the Conditions.

1.4 Terms defined in the Conditions and the Trust Deed

Terms and expressions used but not defined herein have the respective meanings given to them in the Conditions and the Trust Deed.

1.5 Legislation

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.6 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. APPOINTMENT OF THE AGENTS

2.1 Appointment

The Issuer and, for the purposes of Clause 7.7 (Agents to act for Trustee) only, the Trustee appoints each Agent as its agent in relation to the Notes for the purposes specified in this Agreement and in the Conditions.

2.2 Acceptance of appointment

Each Agent accepts its appointment as agent of the Issuer and, in respect of Clause 7.7 (Agents to act for Trustee), the Trustee in relation to the Notes and agrees to comply with the provisions of this Agreement and to comply with the obligations expressed to be undertaken

by it in the Conditions.

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3. THE NOTES

3.1 Availability of Note Certificates

The Issuer shall promptly arrange for a stock of Note Certificates (unauthenticated and with the names of the registered Holders left blank but executed on behalf of the Issuer and otherwise complete) to be made available to the Registrar. The Issuer shall also arrange for such Note Certificates as are required to enable the Registrar and the Replacement Agent to perform their respective obligations under Clause 4 (Transfers of Notes) and Clause 5 (Replacement Note Certificates) to be made available to or the order of the Registrar and the Replacement Agent from time to time.

3.2 Authority to Authenticate

Each of the Registrar and the Replacement Agent is authorised by the Issuer to authenticate the Note Certificates by the signature of any of its officers or any other person duly authorised for the purpose by the Registrar or (as the case may be) the Replacement Agent.

3.3 Duties of the Registrar and the Replacement Agent

The Registrar and the Replacement Agent shall hold in safe keeping all unauthenticated Note Certificates delivered to it in accordance with Clause 3.2 (Availability of Note Certificates) and shall ensure that they are authenticated and delivered only in accordance with the terms hereof, of the Note Certificate (if applicable) and of the Conditions.

4. TRANSFERS OF NOTES

4.1 Maintenance of the Register

The Registrar shall maintain in relation to the Notes a register (the "Register"), which shall be kept at its Specified Office in accordance with the Conditions and be made available by the Registrar to the Issuer, the Trustee and the other Agents for inspection and for the taking of copies or extracts therefrom at all reasonable times. The Register shall show the aggregate principal amount, serial numbers and dates of issue of Note Certificates, the names and addresses of the initial Holders thereof and the dates of all transfers to, and the names and addresses of, all subsequent Holders thereof, all cancellations of Note Certificates and all replacements of Note Certificates.

The Register shall at all times be maintained outside of the United Kingdom.

4.2 Registration of transfers in the register

The Registrar shall receive requests for the transfer of Notes in accordance with the Conditions and the Regulations and shall make the necessary entries in the Register.

4.3 Transfer Agents to receive requests for transfers of Notes

Each of the Transfer Agents shall receive requests for the transfer of Notes in accordance with the Conditions and the Regulations and assist, if required, in the issue of new Note Certificates to give effect to such transfers and, in particular, upon any such request being duly made, shall promptly notify the Registrar of:

4.3.1 the aggregate principal amount of the Notes to be transferred;

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4.3.2 the name(s) and addresses to be entered on the Register of the Holder(s) of the new Note Certificate(s) to be issued in order to give effect to such transfer; and

4.3.3 the place and manner of delivery of the new Note Certificate(s) to be delivered in respect of such transfer

and shall forward the Note Certificate(s) relating to the Notes to be

transferred (with the relevant form(s) of transfer duly completed) to the Registrar with such notification.

5. REPLACEMENT NOTE CERTIFICATES

5.1 Delivery of replacements

Subject to receipt of replacement Note Certificates, the Replacement Agent shall, upon and in accordance with the instructions of the Issuer (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity), complete, authenticate and deliver a Note Certificate which the Issuer has determined to issue as a replacement for any Note Certificate which has been mutilated or defaced or which has been or is alleged to have been destroyed, stolen or lost; provided, however, that a Replacement Agent shall not deliver any Note Certificate as a replacement for any Note Certificate which has been mutilated or defaced otherwise than against surrender of the same and shall not issue any replacement Note Certificate until the applicant has furnished the Replacement Agent with such evidence and indemnity as the Issuer and/or the Replacement Agent may reasonably require and has paid such costs and expenses as may be incurred in connection with such replacement.

5.2 Replacements to be numbered

Each replacement Note Certificate delivered hereunder shall bear a unique serial number.

5.3 Cancellation and destruction

Each Replacement Agent shall cancel and destroy each mutilated or defaced Note Certificate surrendered to it in respect of which a replacement has been delivered.

5.4 Notification

Each Replacement Agent shall notify the Issuer, the other Agents and the Trustee of the delivery by it of any Note Certificate, specifying the serial number thereof and the serial number (if any and if known) of the Note Certificate which it replaces and confirming (if such is the case) that the Note Certificate which it replaces has been cancelled and destroyed in accordance with Clause 5.3 (Cancellation and destruction).

6. PAYMENTS TO THE PRINCIPAL PAYING AND CONVERSION AGENT

6.1 Issuer to pay Principal Paying and Conversion Agent

In order to provide for the payment of principal and interest and any other amounts in respect of the Notes as the same becomes due and payable, the Issuer shall pay to the Principal Paying and Conversion Agent, on or before the date which is one Local Banking Day before the day on which such payment becomes due, an amount equal to the relevant

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amount falling due in respect of the Notes on such date. If the Issuer requires the Principal Paying and Conversion Agent to make payments of any cash payment on its behalf, the Issuer shall no later than two Local Banking Days prior to the date on which such cash payment becomes due and payable notify the Principal Paying and Conversion Agent of the amount of such cash payment.

6.2 Manner and time of payment

Each amount payable under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent) shall be paid unconditionally by credit transfer in U.S. dollars and in same day, freely transferable, cleared funds not later than 10.00 a.m. (Local Time) on the relevant day (or by such earlier time as may be determined by the Principal Paying and Conversion Agent in its absolute discretion) to such account with such bank in New York City as the Principal Paying and Conversion Agent may from time to time by notice to the Issuer (with a copy to the Trustee) specify for such purpose. The Issuer shall, before 10.00 a.m. (Local Time) on the second Local Banking Day before the due date of each payment by it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent), procure that the bank effecting payment for it confirms by tested telex or authenticated SWIFT message to the Principal Paying and Conversion Agent the payment instructions relating to such payment. If the

Principal Paying and Conversion Agent determines in its absolute discretion that payment in accordance with this Clause 6.2 is required to be made earlier, it will provide the Issuer with no less than 21 days prior notice in writing of such requirement.

6.3 Exclusion of liens and interest

The Principal Paying and Conversion Agent shall be entitled to deal with each amount paid to it under this Clause 6 (Payments to the Principal Paying and Conversion Agent) in the same manner as other amounts paid to it as a banker by its customers; provided, however, that:

6.3.1 it shall not exercise against the Issuer any lien, right of set-off or similar claim in respect thereof;

6.3.2 it shall not be liable to any person for interest thereon; and

6.3.3 money held by it need not be segregated except as required by law.

6.4 Application by Principal Paying and Conversion Agent

The Principal Paying and Conversion Agent shall apply each amount paid to it hereunder in accordance with Clause 7 (Payments to Noteholders) and shall not be obliged to repay any such amount unless the claim for the relevant payment becomes void under Condition 39 (Prescription), in which event it shall refund at the written request of the Issuer such portion of such amount as relates to such payment by paying the same by credit transfer in U.S. dollars to such account with such bank in New York City as the Issuer has by notice to the Principal Paying and Conversion Agent specified for the purpose.

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6.5 Failure to receive payment instructions

If the Principal Paying and Conversion Agent has not by 10 a.m. (Local Time) on the second Local Banking Day before the due date of any payment to it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent), received the relevant payment instructions referred to in Clause 6.2 (Manner and time of payment), it shall forthwith notify the Issuer and the other Paying and Conversion Agents. If the Principal Paying and Conversion Agent subsequently receives such payment instructions, it shall forthwith notify the Issuer and the other Paying and Conversion Agents.

7. PAYMENTS TO NOTEHOLDERS

7.1 Payments by Paying and Conversion Agents

Each Paying and Conversion Agent acting through its Specified Office shall make payments of principal and interest and any other amounts in respect of the Notes in accordance with the Conditions; provided, however, that:

7.1.1 if any Note Certificate is presented or surrendered for payment to any Paying and Conversion Agent and such Paying and Conversion Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying and Conversion Agent shall forthwith notify, upon request, the Issuer and (if such Paying and Conversion Agent is not the Principal Paying and Conversion Agent) the Principal Paying and Conversion Agent of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and the Principal Paying and Conversion Agent has received the full amount to be so paid;

7.1.2 a Paying and Conversion Agent shall not be obliged (but shall be entitled) to make payments of principal or interest in respect of the Notes, if:

- (a) in the case of the Principal Paying and Conversion Agent, it has not received the full amount of any payment due to it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent) or is not satisfied that such payment will be made; or

- (b) in the case of any other Paying and Conversion Agent, it has been notified by the Principal Paying and Conversion Agent that payment has not been received, unless it is subsequently notified that such payment has been received;

7.1.3 each Paying and Conversion Agent shall cancel each Note Certificate against presentation and surrender of which it has made full payment and shall deliver each Note Certificate so cancelled by it to, or to the order of, the Registrar; and

7.1.4 notwithstanding any other provision of this Agreement, each Paying and Conversion Agent shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future taxes,

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duties or charges if and to the extent so required by applicable law, in which event such Paying and Conversion Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.

7.2 Exclusion of liens and commissions

No Paying and Conversion Agent shall exercise any lien, right of set-off or similar claim against any person to whom it makes any payment under Clause 7.1 (Payments by Paying and Conversion Agents) in respect thereof, nor shall any commission or expense be charged by it to any such person in respect thereof.

7.3 Reimbursement by the Principal Paying and Conversion Agent

If a Paying and Conversion Agent other than the Principal Paying and Conversion Agent makes any payment in accordance with Clause 7.1 (Payments by Paying and Conversion Agents):

7.3.1 it shall notify the Principal Paying Agent of the amount so paid by it and the serial number and principal amount of each Note Certificate in relation to which payment of principal or interest was made; and

7.3.2 subject to and to the extent of compliance by the Issuer with Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent) (whether or not at the due time), the Principal Paying and Conversion Agent shall pay to such Paying and Conversion Agent out of the funds received by it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent), by credit transfer in U.S. dollars to such account with such bank in New York City as such Paying and Conversion Agent has by notice to the Principal Paying and Conversion Agent specified for the purpose, an amount equal to the amount so paid by such Paying and Conversion Agent.

7.4 Appropriation by Principal Paying and Conversion Agent

If the Principal Paying and Conversion Agent makes any payment in accordance with Clause 7.1 (Payments by Paying and Conversion Agents), it shall be entitled to appropriate for its own account out of the funds received by it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent) an amount equal to the amount so paid by it.

7.5 Reimbursement by Issuer

Subject to sub-clauses 7.1.1 and 7.1.2 (Payments by Paying and Conversion Agents), if a Paying and Conversion Agent makes a payment in respect of Notes on or after the due date for such payment under the Conditions at a time at which the Principal Paying and Conversion Agent has not received the full amount of the relevant payment due to it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent) and the Principal Paying and Conversion Agent is not able out of funds received by it under Clause 6.1 (Issuer to pay Principal Paying and Conversion Agent) to reimburse such Paying and Conversion Agent therefor (whether

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by payment under Clause 7.3 (Reimbursement by the Principal Paying and Conversion Agent) or appropriation under Clause 7.4 (Appropriation by the Principal Paying and Conversion Agent), the Issuer shall from time to time on demand pay to the Principal Paying and Conversion Agent for account of such Paying and Conversion Agent the amount so paid by such Paying and Conversion Agent and not so reimbursed and an amount sufficient to indemnify such Paying and Conversion Agent against any cost, loss or expense which it incurs as a result of making such payment and not receiving reimbursement of such amount.

7.6 Partial payments

If at any time and for any reason a Paying and Conversion Agent makes a partial payment in respect of any Note Certificate presented for payment to it, such Paying and Conversion Agent shall enface thereon a statement indicating the amount and the date of such payment. In addition, if, on any due date for payment, less than the full amount of any principal or interest is paid in respect of the Notes, the Registrar will note on the Register a memorandum of the amount and date of any payment then made and, if any Note Certificate is presented for payment in accordance with the Conditions and no payment is then made, the date of presentation of the Note Certificate.

7.7 Agents to act for Trustee

If any Event of Default or Potential Event of Default occurs, the Agents shall, if so required by notice given by the Trustee to the Issuer and the Agents (or such of them as are specified by the Trustee):

7.7.1 act thereafter, until otherwise instructed by the Trustee, as the agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the Trust Deed (save that the Trustee's liability for the indemnification of any of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Note Certificates and all sums, documents and records held by them in respect of the Notes on behalf of the Trustee; and/or

7.7.2 deliver up all Note Certificates and all sums, documents and records held by them in respect of the Notes to the Trustee or as the Trustee shall direct in such notice; provided, however, that such notice shall not be deemed to apply to any document or record which any Agent is obliged not to release by any law or regulation.

8. CONVERSION OF THE NOTES

8.1 Conversion Notices

Promptly upon request from time to time, the Issuer will provide the Paying and Conversion Agents with copies of the forms of Conversion Notice for the time being current.

8.2 Exercise of Conversion Rights in respect of Notes

Subject as provided herein and in the Conditions, Noteholders may exercise Conversion Rights in respect of the whole of the principal amount of a Note during the relevant Conversion Period by delivering

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such Note to the Specified Office of any Paying and Conversion Agent during its usual business hours, together with a duly completed and signed Conversion Notice (the form of which shall be furnished upon request to any Noteholder by any Paying and Conversion Agent) and such Paying and Conversion Agent shall:

8.2.1 accept delivery on behalf of the Issuer of such Note Certificate and such duly completed and signed Conversion Notice; and

8.2.2 require, as a further condition precedent to an exercise of Conversion Rights by or on behalf of a Noteholder (i) compliance by the Noteholder with any applicable fiscal or other laws or

regulations as provided in the Conditions, and (ii) that such Noteholder pays, to the extent required by, and in accordance with Condition 13(b) (Procedure for Conversion - Conversion Expenses) any Conversion Expenses.

8.3 Notification by Paying and Conversion Agents

Upon the conditions referred to in Clause 8.2 (Exercise of Conversion Rights in respect of Notes) being fulfilled, the relevant Paying and Conversion Agent shall:

8.3.1 hold the relevant Conversion Notice together with any relevant Note(s) and any moneys paid in accordance with Condition 13(b) (Procedure for Conversion - Conversion Expenses) as the agent of the Issuer;

8.3.2 endorse the relevant Conversion Notice with the information specified in the Conversion Notice as to be completed by the relevant Paying and Conversion Agent;

8.3.3 notify the Issuer by facsimile transmission of the following:

- (a) the serial numbers and denominations of all the Notes deposited on the same occasion by the same Noteholder and the name and address of such Noteholder;
- (b) the Conversion Date in respect of such exchange;
- (c) the number of Shares to be issued and the Conversion Price in respect of such conversion;
- (d) the amount of any cash payment equal to the fraction of a Share that would fall to be delivered on conversion;
- (e) the name(s) and address(es) of the persons to whom the Shares are to be delivered showing against each such name the number of Shares which are to be delivered to that person and the account(s) to which the Shares are to be delivered, or the name(s) and account(s) of the person(s) to whom the cash payments in respect of the exercise of the Conversion Rights are to be paid pursuant to the Conditions, as the case may be, in accordance with the Conversion Notice; and

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- (f) the principal amount of Notes outstanding following exercise of the relevant Conversion Rights; and

8.3.4 cancel promptly after the relevant Conversion date each Note delivered with the Conversion Notice and deliver each Note Certificate so cancelled by it to, or to the order of, the Registrar; and in the case of a Paying and Conversion Agent other than the Principal Paying and Conversion Agent, such Paying and Conversion Agent shall deliver each Note Certificate so cancelled by it to, or to the order of, the Registrar.

8.4 Notification of Adjustment to Conversion Price

The Issuer shall, whenever there is an adjustment to the Conversion Price pursuant to the Conditions, as soon as reasonably practicable following such adjustment notify the Principal Paying and Conversion Agent and the Trustee of both the previous and the new Conversion Price (with a brief statement of the facts requiring such adjustment) and the date as from which the new Conversion Price has become or will become effective.

8.5 Identification Codes

Each Conversion Notice and each facsimile transmission sent in respect of a Conversion Notice pursuant to the provisions of this Clause 8 (Conversion of the Notes) by any Paying and Conversion Agent shall indicate the identification code designated below for that Paying and Conversion Agent, and shall bear for identification the lowest number previously unused by that Paying and Conversion Agent in the sequence of

whole numerals starting from one and continuing in uninterrupted sequence upwards. All confirmatory or subsequent communications (regardless of the identity of the sender or the recipient thereof) with regard to such Conversion Notice shall bear the same identifying serial number as well as the identification code of the relevant Paying and Conversion Agent.

The identification code of the Paying and Conversion Agents shall be as follows:

Name Of Paying And Conversion Agent	Identification Code
The Bank of New York	BNYO1

9. MISCELLANEOUS DUTIES OF THE AGENTS

9.1 Cancellation

The Issuer may from time to time deliver to, or to the order of, the Registrar, Note Certificates of which it or any of its Subsidiaries is the Holder for cancellation, whereupon the Registrar shall cancel the same and shall make the corresponding entries in the Register.

9.2 Notes in issue

As soon as practicable (and in any event within three months) after each date on which Notes fall due for redemption, the Registrar shall notify the Issuer and the Trustee of the serial numbers and principal amount of

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any Note Certificates against surrender of which payment has been made and of the serial numbers and principal amount of any Note Certificates (and the names and addresses of the Holders thereof) which have not yet been surrendered for payment.

9.3 Forwarding of communications

Each Agent shall promptly forward to the Issuer a copy of any notice or communication addressed to the Issuer by any Noteholder which is received by such Agent.

9.4 Maintenance of records

Each of the Agents shall maintain records of all documents received by it in connection with its duties hereunder and shall make such records available for inspection at all reasonable times by the Issuer, the Trustee and the other Agents and, in particular the Registrar shall (a) maintain a record of all Note Certificates delivered hereunder and of their redemption, payment, cancellation, mutilation, defacement, alleged destruction, theft, loss and replacement and (b) make such records available for inspection at all reasonable times by the Issuer, the Trustee and the other Agents.

9.5 Delivery of notices

The Registrar shall, upon and in accordance with the instructions of the Issuer and/or the Trustee received at least 10 days before the proposed date for posting of notices, arrange for the delivery of any notice which is to be given to the Noteholders and shall supply a copy thereof to each other Agent and the Trustee.

9.6 Documents available for inspection

The Issuer shall provide to each Agent and the Trustee:

9.6.1 conformed copies of this Agreement and the Trust Deed;

9.6.2 such documents as may be specified as so available at the Specified Offices of the Paying and Conversion Agents in the Conditions; and

9.6.3 if the provisions of Condition 8(c) (Redemption for taxation reasons) become relevant in relation to the Notes, the documents contemplated under Condition 8(c) (Redemption for taxation reasons); and

Each of the Agents shall make available for inspection during normal business hours at its Specified Office the documents referred to above

and, upon reasonable request, will allow copies of such documents to be taken.

9.7 Forms of Proxy

The Registrar shall, at the request of the Holder of any Note, make available uncompleted and unexecuted Forms of Proxy and issue Block Voting Instructions in a form and manner which comply with the provisions of Schedule 2 Provisions for Meetings of the Noteholders) to the Trust Deed. The Registrar shall keep a full record of completed and executed Forms of Proxy received by it and will give to the Issuer and the Trustee, not less than 24 hours before the time appointed for any

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meeting or adjourned meeting, full particulars of duly completed Forms of Proxy received by it and of Block Voting Instructions issued by it in respect of such meeting or adjourned meeting.

9.8 Exercise of put option

Each Paying and Conversion Agent shall make available to Noteholders during the periods specified in Condition 8(b) (Redemption and Purchase - Redemption at the option of Noteholders) or Condition 8(e) (Redemption and Purchase -- Redemption at the option of Noteholders Following a Change of Control) for the deposit of Put Option Notices forms of Put Option Notice upon request during usual business hours at its Specified Office. Upon receipt by a Paying and Conversion Agent of a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Notes evidenced by an Note Certificate, such Note Certificate in accordance with Condition 8(b) (Redemption and Purchase - Redemption at the option of Noteholders) or Condition 8(e) (Redemption and Purchase - Redemption at the option of Noteholders Following a Change of Control), such Paying and Conversion Agent shall notify the Issuer and (in the case of a Paying and Conversion Agent other than the Principal Paying and Conversion Agent) the Principal Paying and Conversion Agent thereof indicating the certificate or serial numbers (if any) and principal amount of the Notes in respect of which the Put Option is exercised. Any such Paying and Conversion Agent with which an Note Certificate is deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder and shall hold such Note Certificate on behalf of the depositing Noteholder (but shall not, save as provided below or in the Conditions, release it) until the relevant Put Settlement Date, when it shall present such Note Certificate to itself for payment of the redemption moneys therefor and interest (if any) accrued to such date in accordance with the Conditions and Clause 7 (Payments to Noteholders) and pay such amounts in accordance with the directions of the Noteholder contained in the Put Option Notice; provided, however, that if, prior to such Put Settlement Date, the Notes evidenced by such Note Certificate become immediately due and payable or upon due presentation of such Note Certificate payment of such redemption moneys is improperly withheld or refused, the relevant Paying and Conversion Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note Certificate is held by a Paying and Conversion Agent in accordance with the preceding sentence, the depositor of the relevant Note Certificate, and not the relevant Paying and Conversion Agent, shall be deemed to be the bearer of such Note Certificate for all purposes. Any Paying Agent which receives a Put Option Notice in respect of Notes represented by the Note Certificate shall make payment of the relevant redemption moneys and interest accrued to the Put Settlement Date in accordance with the Conditions, Clause 8 (Payments to Noteholders) and the terms of the Note Certificate.

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9.9 Exercise of Call Option

If the Issuer intends to redeem the Notes pursuant to Condition 8(c) (Redemption for tax reasons) or Condition 8(d) (Redemption and Purchase - Redemption at the Option of the Issuer), it shall, at least 14 days

before the latest date for delivery of the notice of redemption required to be given to Noteholders, give notice to the Principal Paying and Conversion Agent and the Trustee of its intention to redeem the Notes pursuant to this Condition stating the date on which it anticipates such Notes may be redeemed. The Principal Paying and Conversion Agent shall at the expense of the Issuer deliver the notice required in connection with such redemption on behalf of the Issuer. Such notice shall specify:

9.9.1 the date when the relevant redemption will take place; and

9.9.2 the last day on which Conversion Rights may be exercised by a Noteholder.

10. FEES AND EXPENSES

10.1 Fees

The Issuer shall pay to the Principal Paying and Conversion Agent for the account of the Agents such fees as may be separately agreed between the Issuer and the Principal Paying and Conversion Agent in respect of the services of the Agents hereunder (plus any applicable value added tax).

10.2 Front-end expenses

The Issuer shall on demand reimburse the Principal Paying and Conversion Agent for all expenses properly incurred by it in the negotiation, preparation and execution of this Agreement, and shall on demand reimburse each Agent for all expenses (including, without limitation, legal fees and any publication, advertising, communication, courier, postage and other out-of-pocket expenses) properly incurred in connection with its services hereunder (plus any applicable value added tax), other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 10.1 (Fees).

10.3 Taxes

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Agreement, and the Issuer shall jointly and severally indemnify each Paying and Conversion Agent on demand against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same. All payments

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by the Issuer under this Clause 10 (Fees and Expenses) or Clause 11.4 (Indemnity in favour of the Agents) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom, the United States of America or the Republic of Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Agent of such amounts as would have been received by it if no such withholding or deduction had been required.

11. TERMS OF APPOINTMENT

11.1 Rights and powers

Each Agent may, in connection with its services hereunder:

11.1.1 except as ordered by a court of competent jurisdiction or otherwise required by law and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating to any Note by any person (other than a duly executed form of transfer) or any notice of any previous loss or theft thereof, but subject to sub-clause 7.1.1 (Payments by Paying and Conversion Agents), treat the registered Holder of any Note as its absolute owner for all purposes and make payments thereon accordingly;

11.1.2 assume that the terms of each Note Certificate as issued are correct;

11.1.3 rely upon and shall be protected against liability for acting on the terms of any notice, communication or other document believed by it to be genuine and from the proper party; and

11.1.4 engage and pay for the advice or services of any lawyers or other experts whose advice or services it considers necessary and rely upon any advice so obtained (and such Agent shall be protected and shall incur no liability as against the Issuer in respect of any action taken, or permitted to be taken, in accordance with such advice and in good faith).

11.2 Extent of duties

Each Agent shall only be obliged to perform the duties set out herein. No Agent shall:

11.2.1 be under any fiduciary duty or other obligation towards or have any relationship of agency or trust for or with any person other than the Issuer and the Trustee; or

11.2.2 be responsible for or liable in respect of the legality, validity or enforceability of any Note Certificate (other than in respect of authentication of Note Certificates by it in accordance with this Agreement) or any act or omission of any other person (including, without limitation, any other Agent).

11.3 Freedom to transact

Each Agent may purchase, hold and dispose of Notes and may enter into any transaction (including, without limitation, any depository, trust or agency transaction) with any Holders of Notes or with any other person in the same manner as if it had not been appointed as the agent of the Issuer in relation to the Notes.

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11.4 Indemnity in favour of the Agents

The Issuer shall indemnify each Agent on demand against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees properly incurred and any applicable value added tax) which it incurs, other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 10.1 (Fees) and otherwise than by reason of its own negligence or wilful default or bad faith, as a result or arising out of or in relation to its acting as the agent of the Issuer in relation to the Notes. Notwithstanding the foregoing, under no circumstances will any Agent be liable to the Issuer or any other party to this Agreement for any consequential loss (being loss of business, goodwill, opportunity or profit) of any kind whatsoever, even if advised of the possibility of such loss or damage. The indemnity contained in this Clause 11 shall survive the termination or expiry of this Agreement.

12. CHANGES IN AGENTS

12.1 Resignation

Any Agent may resign its appointment upon not less than 30 days' notice to the Issuer (with a copy to the Trustee and, in the case of an Agent other than the Principal Paying and Conversion Agent, to the Principal Paying and Conversion Agent); provided, however, that:

12.1.1 if such resignation would otherwise take effect less than 30 days before or after the maturity date or other date for redemption of the Notes or any interest payment date in relation to the Notes, it shall not take effect until the thirtieth day following such date; and

12.1.2 in the case of the Registrar or Principal Paying and Conversion Agent, such resignation shall not take effect until a successor has been duly appointed consistently with Clause 12.4 (Additional and successor agents) or Clause 12.5 (Agents may

appoint successors) and notice of such appointment has been given to the Noteholders.

12.2 Revocation

The Issuer may (with the prior written approval of the Trustee) revoke its appointment of any Agent by not less than 30 days' notice to such Agent (with a copy, in the case of an Agent other than the Principal Paying and Conversion Agent, to the Principal Paying and Conversion Agent); provided, however, that, in the case of the Registrar or the Principal Paying and Conversion Agent, such revocation shall not take effect until a successor has been duly appointed consistently with Clause 12.4 (Additional and successor agents) or Clause 12.5 (Agents may appoint successors) and previously approved in writing by the Trustee and notice of such appointment has been given to the Noteholders.

12.3 Automatic termination

The appointment of any Agent shall terminate forthwith if (a) such Agent becomes incapable of acting, (b) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of such Agent, (c) such

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Agent admits in writing its insolvency or inability to pay its debts as they fall due, (d) an administrator or liquidator of such Agent or the whole or any part of the undertaking, assets and revenues of such Agent is appointed (or application for any such appointment is made), (e) such Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness, (f) an order is made or an effective resolution is passed for the winding-up of such Agent or (g) any event occurs which has an analogous effect to any of the foregoing. If the appointment of the Registrar or the Principal Paying and Conversion Agent is terminated in accordance with the preceding sentence, the Issuer shall forthwith appoint a successor in accordance with Clause 12.4 (Additional and successor agents).

12.4 Additional and successor agents

The Issuer may (with the prior written approval of the Trustee) appoint a successor registrar or principal paying and conversion agent, additional or successor paying and conversion agents or additional or successor transfer agents provided that the Specified Office of any such additional or successor registrar or transfer agent must be outside of the United Kingdom, and shall forthwith give notice of any such appointment to the continuing Agents, the Noteholders and the Trustee, whereupon the Issuer, the continuing Agents, the Trustee and the additional or successor registrar or principal paying and conversion agent or paying and conversion agent or transfer agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form mutatis mutandis of this Agreement.

12.5 Agents may appoint successors

If the Registrar or Principal Paying and Conversion Agent gives notice of its resignation in accordance with Clause 12.1 (Resignation) and by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with Clause 12.4 (Additional and successor agents), the Registrar or Principal Paying and Conversion Agent which is resigning may itself, following such consultation with the Issuer as is practicable in the circumstances and with the prior written approval of the Trustee, appoint as its successor any reputable and experienced financial institution and give notice of such appointment to the Issuer, the remaining Agents, the Trustee and the Noteholders, whereupon the Issuer, the remaining Agents, the Trustee and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form mutatis mutandis of this Agreement.

12.6 Release

Upon any resignation or revocation taking effect under Clause 12.1 (Resignation) or 12.2 (Revocation) or any termination taking effect

under Clause 12.3 (Automatic termination), the relevant Agent shall:

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- 12.6.1 be released and discharged from its obligations under this Agreement (save that it shall remain entitled to the benefit of and subject to Clause 10.3 (Taxes), Clause 11 (Terms of Appointment) and Clause 12 (Changes in Agents));
- 12.6.2 in the case of the Registrar, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Registrar, of the records maintained by it in accordance with Clause 4.1 (Maintenance of the Register);
- 12.6.3 forthwith (upon payment to it of any amount due to it in accordance with Clause 10 (Fees and Expenses) or Clause 11.4 (Indemnity in favour of the Agents) transfer all moneys and papers (including any unissued Note Certificates held by it hereunder and any documents held by it pursuant to Clause 9.6 (Documents available for inspection)) to its successor and, upon appropriate notice, provide reasonable assistance to its successor for the discharge of its duties and responsibilities hereunder.

12.7 Merger

Any legal entity into which any Agent or the Trustee is merged or converted or any legal entity resulting from any merger or conversion to which such Agent or (as the case may be) the Trustee is a party or any legal entity to which any Agent or (as the case may be) Trustee sells all or substantially all of its corporate, trust and agency business, shall, to the extent permitted by applicable law, be the successor to such Agent or, as the case may be, the Trustee without any further formality, whereupon the Issuer, the other Agents, the Trustee (if applicable) and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form mutatis mutandis of this Agreement. Notice of any such merger or conversion shall forthwith be given by such successor to the Issuer, the Trustee (if applicable) and the other Agents and, by the Issuer at its own expense, the Noteholders.

12.8 Changes in Specified Offices

If any Agent decides to change its Specified Office (which may only be effected within the same city unless the prior written approval of the Issuer and the Trustee has been obtained provided that the Specified Offices of the Transfer Agent and the Registrar must at all times be outside the United Kingdom), it shall give notice to the Issuer (with a copy to the Trustee and the other Agents) of the address of the new Specified Office stating the date on which such change is to take effect, which date shall be not less than 30 days after the date of such notice. The Issuer shall at its own expense not less than 14 days prior to the date on which such change is to take effect (unless the appointment of the relevant Agent is to terminate pursuant to any of the foregoing provisions of this Clause 12 (Changes in Agents) on or prior to the date of such change) give notice thereof to the Noteholders.

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13. NOTICES

13.1 Addresses for notices

All notices and communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

13.1.1 if to the Issuer, to it at:

BMB Munai, Inc.

Fax: +7 3272 375 131

Attention: Askar Tashtitov

13.1.2 if to an Agent, to it at the address or fax number specified against its name in Schedule 5 (Specified Offices of the Agents) (or, in the case of an Agent not originally a party hereto, specified by notice to the parties hereto at the time of its appointment) for the attention of the person or department specified therein;

13.1.3 if to the Trustee, to it at:

BNY Corporate Trustee Services Limited

Fax: +44 207 964 2351

Attention: Manager, Trustee Administration

or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose.

13.2 Effectiveness

Every notice or communication sent in accordance with Clause 13.1 (Addresses for notices) shall be effective, if sent by letter or fax, upon receipt by the addressee, and provided, however, that any such notice or communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13.3 Notices to Noteholders

Any notice required to be given to Noteholders under this Agreement shall be given in accordance with the Conditions and at the expense of the Issuer.

13.4 Notices in English

All notices and other communications hereunder shall be made in the English language or shall be accompanied by a certified English translation thereof. Any certified English translation delivered hereunder shall be certified a true and accurate translation by a professionally qualified translator or by some other person competent to do so.

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14. LAW AND JURISDICTION

14.1 Governing law

This Agreement is governed by, and shall be construed in accordance with, English law.

14.2 English courts and New York courts

The courts of (a) England and (b) the State of New York located in the City and County of New York or the United States District Court for the Southern District of New York have exclusive jurisdiction to settle any dispute (a "Dispute"), arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) or the consequences of its nullity.

14.3 Appropriate forum

The parties agree that the courts referred to in Clause 15.2 (English courts and New York courts) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

14.4 Rights of the Agents to take proceedings outside England and the State of New York Clause 15.2 (English courts and New York courts) is for the benefit of the Agents only. As a result, nothing in this Clause 15 (Law and jurisdiction) prevents the Agents from taking proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, the Agents may take concurrent Proceedings in any number of jurisdictions.

14.5 Process agent

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings

may be served on it by being delivered (a) in connection with any Proceedings in England, to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985 and (b) in connection with any Proceedings in the County of New York to CT Corporation System at 111 Eighth Avenue, 13th Floor, New York, New York 10011 or, if different, its principal place of business in the County of New York for the time being. If either such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Agent addressed and delivered to the Issuer appoint a further person in England or (as the case may be) the County of New York to accept service of process on its behalf and, failing such appointment within 15 days, any Agent shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Agent to serve process in any other manner permitted by law. This clause applies to Proceedings in England and in the County of New York and to Proceedings elsewhere.

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15. MODIFICATION

This Agreement may be amended by further agreement among the parties hereto and without the consent of the Noteholders.

The Principal Paying and Conversion Agent will not be responsible for determining material prejudice to the Noteholders.

16. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing any such counterpart.

17. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

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Schedule 1

REGULATIONS CONCERNING TRANSFERS AND REGISTRATION OF NOTES

1. The Notes are in the denomination of U.S.\$100,000. Notes may only be held in holdings in the aggregate principal amount of U.S.\$100,000 and integral multiples of U.S.\$100,000 in excess thereof (each, an "Authorised Holding").
2. Subject to paragraph 4 and paragraph 11 below, Notes may be transferred by execution of the relevant form of transfer together with the subscription or transferee's letter (as applicable) in the form specified in Schedule 2 under the hand of the subscriber, transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. Where the form of transfer is executed by an attorney or, in the case of a corporation, under seal or under the hand of two of its officers duly authorised in writing, a copy of the relevant power of attorney certified by a financial institution in good standing or a notary public or in such other manner as the Registrar may require or, as the case may be, copies certified in the manner aforesaid of the documents authorising such officers to sign and witness the affixing of the seal must be delivered with the form of transfer. In this Schedule, "transferor" shall, where the context permits or requires, include joint

transferors and shall be construed accordingly.

3. Each original subscriber of the Notes that purchases from the Issuer must sign a subscription letter substantially in the form of Schedule 2 Part A for non-U.S. persons who purchase pursuant to Rule 903(b)(3)(iii) of Regulation S. Investors that purchase the Notes in the secondary market must sign a transferee's letter substantially in the form of Schedule 2 Part B attached hereto for non-U.S. persons who purchase pursuant to Rule 904 of Regulation S. The Issuer shall retain the right to void any transfer for any inaccuracy made in, or any failure to provide in writing, such representations and warranties.
4. The Note Certificate issued in respect of the Notes to be transferred must be surrendered for registration, together with the form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed thereon, and the relevant purchaser's letter or transferee letter (as applicable) duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, and together with such evidence as the Registrar or (as the case may be) the relevant Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. The signature of the person effecting a transfer of a Note shall conform to any list of duly authorised specimen signatures supplied by the Holder of such Note or be certified by a financial institution in good standing, notary public or in such other manner as the Registrar or such Transfer Agent may require.
5. No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of such Note.

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6. No Noteholder which has executed a Form of Proxy in relation to a Meeting may require the transfer of a Note covered by such Form of Proxy to be registered until the earlier of the conclusion of the Meeting and its adjournment for want of a quorum.
7. The executors or administrators of a deceased Holder of a Note (not being one of several joint Holders) and, in the case of the death of one or more of several joint Holders, the survivor or survivors of such joint Holders, shall be the only persons recognised by the Issuer as having any title to such Note.
8. Any person becoming entitled to any Notes in consequence of the death or bankruptcy of the Holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Registrar or the relevant Transfer Agent may require (including legal opinions), become registered himself as the Holder of such Notes or, subject to the provisions of these Regulations, the Notes and the Conditions as to transfer, may transfer such Notes. The Issuer, the Transfer Agents, the Registrar and the Paying Agents shall be at liberty to retain any amount payable upon the Notes to which any person is so entitled until such person is so registered or duly transfers such Notes.
9. Unless otherwise required by him and agreed by the Issuer and the Registrar, the Holder of any Notes shall be entitled to receive only one Note Certificate in respect of his holding.
10. The joint Holders of any Note shall be entitled to one Note Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint Holder whose name appears first in the Register in respect of the joint holding.
11. Where there is more than one transferee (to hold other than as joint Holders), separate forms of transfer (obtainable from the Specified Office of the Registrar or any Transfer Agent) must be completed in respect of each new holding.
12. A Holder of Notes may transfer all or part only of his holding of Notes

provided that both the principal amount of Notes transferred and the principal amount of the balance not transferred are an Authorised Holding. Where a Holder of Notes has transferred part only of his holding of Notes, a new Note Certificate in respect of the balance of such holding will be delivered to him.

13. The Issuer, the Transfer Agents and the Registrar shall, save in the case of the issue of replacement Notes pursuant to Condition 40 (Replacement of Note Certificates), make no charge to the Holders for the registration of any holding of Notes or any transfer thereof or for the issue of any Notes or for the delivery thereof at the Specified Office of any Transfer Agent or the Registrar or by uninsured post to the address specified by the Holder, but such registration, transfer, issue or delivery shall be effected against such indemnity from the Holder or the transferee thereof as the Registrar or the relevant

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Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery.

14. Provided a transfer of a Note is duly made in accordance with all applicable requirements and restrictions upon transfer and the Note(s) transferred are presented to a Transfer Agent and/or the Registrar in accordance with the Agency Agreement and these Regulations, and subject to unforeseen circumstances beyond the control of such Transfer Agent or the Registrar arising, such Transfer Agent or the Registrar will, within five business days of the request for transfer being duly made, deliver at its Specified Office to the transferee or despatch by uninsured post (at the request and risk of the transferee) to such address as the transferee entitled to the Notes in relation to which such Note Certificate is issued may have specified, a Note Certificate in respect of which entries have been made in the Register, all formalities complied with and the name of the transferee completed on the Note Certificate by or on behalf of the Registrar; and, for the purposes of this paragraph, "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the cities in which the Registrar and (if applicable) the relevant Transfer Agent have their respective Specified Offices.

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Schedule 2

Part A Form of Subscription Letter for Regulation S Investor

BMB Munai, Inc.
202, Dostyk Avenue, 4th Floor
Business Centre "Forum"
050051, Almaty
Kazakhstan

Bayerische Hypo-und Vereinsbank AG
Moor House
120 London Wall
London EC2Y 5ET

Dear Sirs:

The undersigned, to enable Bayerische Hypo-und Vereinsbank AG (the "Bookrunner") to make offers and sales of BMB Munai, Inc.'s (the "Company") U.S.\$ 60,000,000 5.0 per cent. Convertible Notes due 2012 (the "Notes") convertible into common shares, currently of U.S.\$ 0.001 par value each, in the share capital of the Company (the "Shares"), of the Company pursuant to Regulation S ("Regulation S") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), agrees, confirms and certifies as follows:

1. The undersigned, on the undersigned's own behalf and on behalf of each

Account (defined below), if any, hereby agrees and gives a binding commitment to subscribe for the total number of Notes specified on the signature page hereto on the terms provided for herein and in the Term Sheet (defined below). The subscription amount for the Notes so subscribed will be paid pursuant to the instructions to be provided by the Bookrunner on or before the business day preceding the Closing Date (as such term is defined in the Placement Agreement to be entered into between the Company and the Bookrunner). The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, understands and agrees that the Bookrunner reserve the right to accept or reject the undersigned's and/or any Account's subscription for the Notes for any reason or for no reason, in whole or in part, at any time prior to its acceptance by the Bookrunner. To the extent that the actual number of Notes subscribed for and received by the undersigned (and/or any Account) is different than the number subscribed for, the Company and the Bookrunner may amend this letter to reflect the actual number of Notes subscribed for and received by the undersigned (and/or any Account). In the event of rejection of the entire subscription by the Bookrunner, the undersigned's and any Account's payment hereunder will be returned to the undersigned and this letter shall have no force or effect.

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2. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, hereby represents and warrants that it is not a "U.S. person" (as defined in Rule 902(k) under the Securities Act) and understands and agrees that (i) the undersigned is acquiring the Notes in an offshore transaction in accordance with Rule 904 of Regulation S, (ii) the undersigned is not acquiring, and has not entered into any discussions regarding the undersigned's acquisition of, the Notes while the undersigned was in the United States of America or any of its territories or possessions, (iii) the Notes are being issued without registration under the Securities Act by reason of an exemption that depends, in part, on the accuracy of these representations and (iv) the Notes may not, absent an applicable exemption, be transferred without registration and/or qualification under the Securities Act and applicable state securities laws and the laws of any other applicable jurisdiction.
3. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, understands and agrees that the Notes and the Shares to be issued on conversion of the Notes are being offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the Notes and the underlying Shares have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, agrees that, if in the future the undersigned or any Account decides to offer, sell, pledge or otherwise transfer such Notes and/or the underlying Shares prior to the date which is two years after the date of purchase (the "Resale Restriction Termination Date"), such Notes or the underlying Shares may be offered, resold, pledged or otherwise transferred only (a) to the Company or a subsidiary thereof, (b) pursuant to a registration statement that has been declared and is effective under the Securities Act, (c) pursuant to offers and sales to non-U.S. persons⁽¹⁾ that occur outside the United States within the meaning of and in accordance with Regulation S, or (d) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of the undersigned's property or such Account's property be at all times within the undersigned's or such

(1) In order to qualify as a non-U.S. person under Regulation S, (a) the proposed transferee's principal address must be outside the United States, (b) the proposed transferee was located outside the United States at the time any offer to buy the Notes was made to it and at the time that the buy order was originated by it, and (c) the proposed transferee is not a "U.S. person" (as defined in Rule 902(k) under the Securities Act).

Account's control and subject to compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, understands that the registrar and transfer agent for the Notes will not be required to accept for registration of transfer any Note acquired by the undersigned or any Account, except upon presentation of evidence satisfactory to the Company and the transfer agent that an exemption to the registration requirement under the Securities Act and the rules and regulations thereunder have been complied with. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, further understands that any certificates, if any, representing the Notes acquired by the undersigned or any Account will bear a legend reflecting the substance of this paragraph and the paragraph immediately below. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, acknowledges that the Company and the Bookrunner reserve the right to restrict any offer, sale or other transfer of the Notes (i) pursuant to clauses (c) or (d) above prior to the Resale Restriction Termination Date, or (ii) prior to the end of the one-year restricted period within the meaning of Rule 903(b)(3)(iii) Regulation S under the Securities Act (the "Distribution Compliance Period"), to require the completion, execution and delivery of a letter from the transferee substantially in the form of the Transferee's Letter attached hereto as Part B and certifications and other information satisfactory to the Company and the registrar and transfer agent and an opinion of counsel approved by the Company and the registrar and transfer agent to ensure compliance with the Securities Act and the rules and regulations thereunder.

4. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, hereby understands and agrees during the Distribution Compliance Period, hedging transactions involving such Notes may not be conducted unless in compliance with the Securities Act.
5. The undersigned has been furnished with all information that the undersigned requested regarding the Notes.
6. The undersigned and each Account, if any, has such knowledge in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Notes, and the undersigned has sought such accounting, legal and tax advice as the undersigned has considered necessary to make an informed investment decision, and the undersigned and any Account is able to bear the economic risk of such investment and can afford a complete loss of such investment.
7. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, hereby makes the representations, warranties, covenants and agreements deemed to have been made by each investor under the section of the Term Sheet entitled "Notice to Investors," and agrees to be bound by the restrictions set forth in such section.
8. [The undersigned represents that it and each Account, if any, is either: (A) a natural person with individual net worth, or joint net worth with his/her spouse, at the time of purchase in excess of U.S.\$1,000,000, or (B)(i) a bank, insurance company, investment company or other entity or institution having total assets in excess of U.S.\$5,000,000 or (ii) an entity all of whose equity owners are investors satisfying the standards set forth in clause (A) or clause (B)(i).]
9. The undersigned (check applicable box):
 is subscribing for Notes only on its own behalf and not for the account of any other person or entity, or

- is acting and subscribing for (or proposes to subscribe for) Notes on behalf of itself and/or other persons, entities or accounts (each, an "Account" and collectively, "Accounts"). The

undersigned, on the undersigned's own behalf and on behalf of each Account, if any, represents and warrants that each Account is not a "U.S. person" (as defined in Rule 902(k) under the Securities Act) and was located outside the United States at the time any offer to buy the Notes was made and at the time the subscription order was originated by the undersigned or any such Account.

10. The undersigned has received a copy of the Term Sheet relating to the offering of the Notes and the underlying Shares described therein (the "Term Sheet").
11. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, acknowledges that the Bookrunner, the Company and others will rely on the acknowledgments, representations and warranties contained in this letter. The undersigned agrees to promptly notify the Bookrunner and the Company if any of the acknowledgments, representations and warranties set forth herein are no longer accurate. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, agrees that each subscription by the undersigned of securities from the Company will constitute a reaffirmation of the acknowledgments, representations and warranties herein (as modified by any such notice) as of the time of such subscription.
12. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, agrees to notify the Bookrunner and the Company of any change in the certifications herein, and each subscription by the undersigned of Notes from or through the Bookrunner will constitute a reaffirmation of the certifications herein (as modified by any such notice) as of the time of such subscription. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, also agrees to provide to the Bookrunner, promptly upon request, such additional information that the Bookrunner may request relating to the above certifications.
13. If the undersigned is acting on behalf of an Account, the undersigned represents and warrants that the undersigned exercises sole investment discretion with respect to and is authorized to make the representations, and enter into the agreements, contained in this letter on behalf of each Account.
14. The Bookrunner and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, ENGLISH LAW, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD OTHERWISE REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER STATE.

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IN WITNESS WHEREOF, the undersigned, on the undersigned's own behalf and on behalf of each Account, if any, has caused this Subscription Letter to be executed by its duly authorized representative as of the date set forth below.

[INVESTOR]

By:

Name:

Title:

Date:

Total Number of Notes subscribed for: _____
(The subscription amount for the Notes shall be paid pursuant to the instructions to be provided by the Bookrunner. To the extent the actual number of Notes subscribed for and received by the undersigned (and/or any Account) is different than the number subscribed for, the Company and the Bookrunner may amend this letter to reflect the actual number of Notes subscribed for and

received by the undersigned (and/or any Account).

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Part B
Transferee's Letter

BMB Munai, Inc.
202, Dostyk Avenue, 4th Floor
Business Centre "Forum"
050051, Almaty
Kazakhstan

Dear Sirs:

In connection with the undersigned's proposed purchase of [BMB Munai, Inc.'s (the "Company") U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012 (the "Notes") into common shares, currently of U.S.\$ 0.001 par value each in the share capital of the Company (the "Shares"), the Company from ("Seller"), the undersigned confirms that:

1. The undersigned understands and agrees that the Notes and the Shares to be issued on conversion of the Notes have been offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and that the Notes and the underlying Shares have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. The undersigned agrees, on the undersigned's own behalf and on behalf of each Account (defined below), if any, that, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes and/or the underlying Shares prior to the date which is two years after the date of initial purchase from the Company (the "Resale Restriction Termination Date"), such Notes or underlying Shares may be offered, resold, pledged or otherwise transferred only (a) to the Company or a subsidiary thereof, (b) pursuant to a registration statement that has been declared and is effective under the Securities Act, (c) pursuant to offers and sales to non-U.S. persons(2) that occur outside the United States within the meaning of and in accordance with Regulation S ("Regulation S") under the Securities Act, or (d) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of the undersigned's property or such Account's property be at all times within the undersigned's or such Account's control and subject to compliance with any applicable state securities laws. The

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- (2) In order to qualify as a non-U.S. person under Regulation S, (a) the proposed transferee's principal address must be outside the United States, (b) the proposed transferee was located outside the United States at the time any offer to buy the Notes was made to it and at the time that the buy order was originated by it, and (c) the proposed transferee is not a "U.S. person" (as defined in Rule 902(k) under the Securities Act).

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foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, understands that the registrar and transfer agent for the Notes will not be required to accept for registration of transfer any Notes acquired by the undersigned or any Account, except upon presentation of evidence satisfactory to the Company and the transfer agent that an exemption to the registration requirement under the Securities Act and the rules and regulations thereunder have been complied with. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, further understands that any certificates, if any, representing Notes acquired by the undersigned or any Account will bear a legend reflecting the substance of this paragraph and the paragraph immediately below. The

undersigned, on the undersigned's own behalf and on behalf of each Account, if any, acknowledges that the Company reserves the right to restrict any offer, sale or other transfer of the Notes (i) pursuant to clauses (c) or (d) above prior to the Resale Restriction Termination Date, or (ii) prior to the end of the one-year restricted period within the meaning of Rule 903(b)(3)(iii) of Regulation S under the Securities Act (the "Distribution Compliance Period"), to require the completion, execution and delivery of a letter from the transferee substantially in the form hereof and certifications and other information satisfactory to the Company and the registrar and transfer agent and an opinion of counsel approved by the Company and the registrar and transfer agent to ensure compliance with the Securities Act and the rules and regulations thereunder.

2. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, hereby understands and agrees during the Distribution Compliance Period, hedging transactions involving such Notes may not be conducted unless in compliance with the Securities Act.
3. [The undersigned is an Accredited Investor as defined in Rule 501(a) under the Securities Act.]
4. The undersigned and each Account, if any, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Notes, and each of the undersigned and Account is able to bear the economic risk of such investment and can afford the complete loss of such investment.
5. The undersigned and each Account, if any, is acquiring the Notes for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. The undersigned and each Account, if any, was not formed for the specific purpose of acquiring the Notes.
6. The undersigned is acquiring the Notes for the undersigned's own account or for one or more accounts (each of which is an Accredited Investor as defined in Rule 501(a) under the Securities Act) as to each of which the undersigned exercises sole investment discretion and is authorized to make the representations, and enter into the agreements, contained in this letter (each, an "Account" and collectively, "Accounts").
7. The undersigned has received such information as the undersigned deems necessary in order to make an investment decision on the undersigned's own behalf and on behalf of each Account, if any, with respect to the Notes. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, acknowledges that the undersigned and the undersigned's advisor(s), if any, have had the right to ask questions of and receive answers from the Company and its officers and directors, and to obtain such information concerning the terms and conditions of this offering of the Notes, as the undersigned and the undersigned's

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advisor(s), if any, deem necessary to verify the accuracy of any information that the undersigned deems relevant to making an investment in the Notes. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, represents and agrees that prior to the undersigned's agreement to purchase Notes, the undersigned and the undersigned's advisor(s), if any, will have asked such questions, received such answers and obtained such information as the undersigned deems necessary to verify the accuracy of any information that the undersigned deems relevant to making an investment in Notes. The undersigned became aware of this offering of the Notes and the Notes was offered to the undersigned solely by direct contact between the undersigned and Seller. The undersigned did not become aware of, nor were the Notes offered to the undersigned by any other means, including, in each case, by any form of general solicitation or general advertising. In making the decision to purchase the Notes, the undersigned relied solely on the information filed with the Securities and Exchange Commission or obtained by the undersigned directly from the Company as a result of any inquiries by the undersigned or the undersigned's advisor(s).

8. The undersigned (check applicable box):

is:

is not:

an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company or acting on behalf of an affiliate of the Company.

9. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, agrees to notify the Company and Seller of any change in the certifications herein, and each purchase by the undersigned of the Notes from or through Seller will constitute a reaffirmation of the certifications herein (as modified by any such notice) as of the time of such purchase. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, also agrees to provide to the Company, promptly upon request, such additional information that the Company may request relating to the above certifications.
10. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, acknowledges that the Company, Seller and others will rely on the acknowledgments, representations and warranties contained in this letter. The undersigned agrees to promptly notify the Company and Seller if any of the acknowledgments, representations and warranties set forth herein are no longer accurate. The undersigned, on the undersigned's own behalf and on behalf of each Account, if any, agrees that each purchase by the undersigned of securities from Seller will constitute a reaffirmation of the acknowledgments, representations and warranties herein (as modified by any such notice) as of the time of such purchase.

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11. The Company and Seller are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, ENGLISH LAW, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER STATE.

Date: _____
Very truly yours,
By: _____
Print Name: _____
Company Name: _____
Title: _____
Address: _____

Notes to be purchased:

_____ Notes.

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Schedule 3
Form of Conversion Notice

To:

BMB MUNAI, INC.
(incorporated with limited liability under
the laws of the State of Nevada)

U.S.\$60,000,000
5.0 per cent. Convertible Notes due 2012

CONVERSION NOTICE

(Please read the notes overleaf before completing this Conversion Notice)

Name: _____ Date: _____

Address: _____

Email: _____ Fax: _____

Signature: _____

Terms used in this Conversion Notice and not otherwise defined have the meanings given to them in the Paying and Conversion Agency Agreement dated 13 July 2007 between the Issuer, the Registrar, the Principal Paying and Conversion Agent, the Transfer Agents, the other paying and conversion agents named therein and the Trustee.

I/We, being the holders of the Note(s) specified below, hereby elect to convert the principal amount of such Notes as specified below of which I/We are the holders(s) or in which I/we have an interest (as specified below) for such number of Shares as is calculated by dividing the principal amount of the Notes by the Conversion Price in effect on the Conversion Date in accordance with the Conditions.

1. Total principal amount and the serial numbers of Notes to which this notice applies:

Number of Notes: _____

Total principal amount (must be a multiple of U.S.\$100,000): _____

Serial numbers of Notes: _____

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2. I/we hereby request that:

the certificate(s) for the Shares which are to be delivered as a result of this Conversion Notice be despatched (at my/our risk and, if sent at my/our request otherwise than by ordinary mail, at my/our expense) to the person whose name and address is given below and in the manner specified below or any other cash amounts payable as a result of this Conversion Notice be made in the manner specified below:

Name: _____

Address: _____

Manner of despatch: _____

Accounts for other cash amounts payable as a result of this Conversion Notice, if any:

Account no: _____

Account name: _____

Bank: _____

Branch: _____

Sort Code: _____

[I/We hereby certify that at the time of execution and deposit of this Conversion Notice, neither I/we nor any person who has the beneficial interest in the Notes specified above is/are in the United States or a U.S. person (within the meaning of Regulation S ("Regulation S") under the US Securities Act of 1933, as amended) and that I/we, or such person, if applicable, purchased such Notes, or the beneficial interest therein, in a transaction made in accordance with Rule 903 (b)(3)(iii) or Rule 904 of Regulation S.*]

- -----
* No Shares will be issued to a Noteholder unless the Noteholder satisfies the

foregoing conditions.

Notes

- (1) This Conversion Notice will be void unless the introductory details and Sections 1 and 2 are duly completed.
- (2) Your attention is particularly drawn to Condition 12 (Conversion) through to Condition 15 (Rights Arising on Conversion) of the Notes with respect to the conditions relating to conversion of the Notes.

The following to be completed by the Paying and Conversion Agent:

- (A) Note conversion identification reference:

- (B) Date of delivery of Conversion Notice to Paying and Conversion Agent:

- (C) Conversion Date:

- (D) Conversion Price on Conversion Date:

- (E) Number of Shares to be delivered:

- (F) Amount of any other cash payments in respect of Conversion Rights, pursuant to the Conditions:

Schedule 4
Form of Put Option Notice

To: []

BMB MUNAI, INC.
(incorporated with limited liability under
the laws of the State of Nevada)

U.S.\$60,000,000
5.0 per cent. Convertible Notes due 2012

PUT OPTION NOTICE

By depositing this duly completed Notice with the above Paying and Conversion Agent for the above Notes (the "Notes") in accordance with [Condition 8(b) (Redemption and Purchase - Redemption at the option of Noteholders)] [Condition 8(e) (Redemption and Purchase - Redemption at the option of Noteholders Following a Change of Control)], the undersigned Holder of the principal amount of Notes specified below and evidenced by the Note Certificate(s) referred to below exercises its option to have such principal amount of Notes redeemed in accordance with [Condition 8(b) (Redemption and Purchase - Redemption at the option of Noteholders)] Condition 8(e) (Redemption and Purchase - Redemption at the option of Noteholders Following a Change of Control) on [relevant Put Settlement Date].

This Notice relates to the Note(s) in the aggregate principal amount of U.S.\$ _____ evidenced by Note Certificates bearing the following serial numbers:

Payment should be made by:

-- [U.S. dollars cheque drawn on a bank in New York City or London and in favour of [name of payee] and mailed at the payee's risk by uninsured airmail post to [name of addressee] at [addressee's address].]

OR

-- [transfer to [details of the relevant account maintained by the payee] with [name and address of the relevant bank].]

If the Note Certificates referred to above are to be returned to the undersigned in accordance with the Conditions and the Agency Agreement relating to the Notes, they should be returned by post to:

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The undersigned acknowledges that any Note Certificates so returned will be sent by uninsured airmail post at the risk of the registered Holder.

Name of holder: _____
Signature of holder: _____
Date: _____

[To be completed by Paying and Conversion Agent:]

Received by: _____

[Signature and stamp of Paying and Conversion Agent:]

At its office at: _____

On: _____

THIS NOTICE WILL NOT BE VALID UNLESS ALL OF THE PARAGRAPHS REQUIRING COMPLETION HAVE BEEN DULY COMPLETED.

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Schedule 5
Specified Offices of the Agents

The Registrar:

THE BANK OF NEW YORK
101 Barclay Street
New York, NY 10286
United States of America

Fax: +1 212 298 1904
Attention: McLean Sarrabo

The Principal Paying and Conversion Agent:

THE BANK OF NEW YORK
One Canada Square
London E14 5AL
United Kingdom

Fax: +44 207 964 2536
Attention: Corporate Trust Administration

The Transfer Agent:

THE BANK OF NEW YORK
101 Barclay Street
New York, NY 10286
United States of America

Fax: +1 212 298 1904
Attention: McLean Sarrabo

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SIGNATURES

The Issuer

BMB MUNAI, INC.

By:

The Principal Paying and Conversion Agent

THE BANK OF NEW YORK

By:

The Registrar

THE BANK OF NEW YORK

By:

The Trustee

BNY CORPORATE TRUSTEE SERVICES LIMITED

By:

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CLIFFORD
CHANCE

CLIFFORD CHANCE, LLP
CONFORMED COPY

BMB MUNAI, INC.

U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012

PLACEMENT AGREEMENT

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THIS AGREEMENT is made on 4 July 2007

BETWEEN

- (1) BMB MUNAI, INC. (the "Issuer"); and
- (2) BAYERISCHE HYPO-UND VEREINSBANK AG as sole bookrunner (the "Bookrunner").

WHEREAS

- (A) The Issuer has authorised the creation and issue of U.S.\$60,000,000 in aggregate principal amount of 5.0 per cent. Convertible Notes due 2012 (the "Notes") convertible into common shares, currently of U.S.\$0.001 par value each, in the share capital of the Issuer (the "Shares").
- (B) The Notes are being offered outside the United States in reliance on Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "Securities Act").
- (C) The Notes will be issued in registered form and in the denomination of U.S.\$100,000. The Notes will be represented by individual note certificates (the "Note Certificates"). Each Note Certificate will bear the legend set forth in "Investor Restrictions" in the Term Sheet, as defined herein.

- (D) The Notes will be constituted by a trust deed (the "Trust Deed"), a draft of which is in the agreed form and to which will be scheduled the forms of the Note Certificates. The Trust Deed will be made between the Issuer and BNY Corporate Trustee Services Limited (the "Trustee") as trustee for the holders of the Notes from time to time.
- (E) The Issuer will, in relation to the Notes, enter into an agency agreement (the "Agency Agreement") with The Bank of New York as registrar (the "Registrar"), The Bank of New York as principal paying and conversion agent (the "Principal Paying and Conversion Agent"), the transfer agents named therein (the "Transfer Agents"), the other paying and conversion agents named therein and the Trustee.
- (F) The Issuer will also, in relation to the Notes, enter into a registration rights agreement (the "Registration Rights Agreement") with the Bookrunner.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement the following expressions have the following meanings:

"American Stock Exchange" means the American Stock Exchange LLC;

"Amex Listing Approval" means the approval of the American Stock Exchange for the listing of the Shares to be issued on exercise of any Conversion Right;

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"Closing Date" means, subject to Clause 8.2 (Postponed closing), 10 July 2007;

"Commission" means the Securities and Exchange Commission;

"Conditions" means the terms and conditions of the Notes as scheduled to the agreed form of the Trust Deed as the same may be modified prior to the Closing Date, and any reference to a numbered "Condition" is to the correspondingly numbered provision thereof;

"Conversion Date" has the meaning given to such term in Condition 13(d) (Procedure for Conversion-Conversion Date);

"Conversion Price" has the meaning given to such term in Condition 12(d) (Conversion Price);

"Conversion Right" has the meaning given to such term in Condition 2 (Interpretation);

"Event of Default" means one of those circumstances described in Condition 11 (Events of Default);

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"FSMA" means the Financial Services and Markets Act 2000;

"Group" means the Issuer and the Subsidiaries of the Issuer taken as a whole;

"Issue Documents" means the Trust Deed, the Agency Agreement and the Registration Rights Agreement;

"Issue Price" means 100 per cent. of the aggregate principal amount of the Notes;

"Loss" means any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses and any value added tax thereon);

"person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Related Party" means, in respect of any person, any affiliate of that person or any officer, director, employee or agent of that person or any such affiliate or any person by whom any of them is controlled (where the terms "affiliate" and "controlled" have the meanings given to them by the Securities Act and the regulations thereunder);

"Regulation D" means Regulation D under the Securities Act;

"Rules and Regulations" means the rules and regulations of the Commission;

"Securities Laws" means, collectively, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), the Securities Act, the Exchange Act, the Rules and Regulations, the auditing principles, rules, standards and practices applicable to auditors of "issuers" (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board

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and, as applicable, the rules of the American Stock Exchange, the New York Stock Exchange and the NASDAQ Stock Market ("Exchange Rules").

"Subsidiary" means, in respect of any person (the "first person") at any particular time, any other person (the "second person"):

- (a) Control: whose affairs and policies the first person controls or has the power to control (directly or indirectly), whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
- (b) Consolidation: whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;

"Term Sheet" means the indicative term sheet for the Notes dated 28 June 2007;

"U.S.\$" and "U.S. dollars" denote the lawful currency for the time being of the United States of America; and

"U.S. GAAP" means accounting principles generally accepted in the United States;

"United States" means the United States of America.

1.2 Clauses and Schedules

Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.

1.3 Legislation

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.4 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

1.5 Agreed Form

Any reference herein to a document being in "agreed form" means that the document in question has been agreed between the proposed parties thereto, subject to any amendments that the parties may agree upon prior to the Closing Date.

2. ISSUE OF THE NOTES

2.1 Undertaking to issue

The Issuer undertakes to the Bookrunner that:

2.1.1 Issue of Notes: subject to and in accordance with the provisions of this Agreement, the Notes will be issued on the Closing Date, in accordance with this Agreement and the Trust Deed; and

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2.1.2 Issue documentation: it will on or before the Closing Date, execute the Issue Documents.

2.2 Undertaking to procure subscribers for the Notes

The Bookrunner undertakes to the Issuer that, subject to and in accordance with the provisions of this Agreement, it will use all reasonable efforts to procure subscribers for the Notes on the Closing Date at the Issue Price.

3. REPRESENTATIONS AND WARRANTIES BY THE ISSUER

3.1 Issuer's representations

The Issuer represents and warrants to the Bookrunner that:

3.1.1 Incorporation, capacity and authorisation: the Issuer is duly incorporated and is existing and in good standing under the laws of the State of Nevada with power and authority (corporate and other) to own its property and assets and conduct its business; and the Issuer is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification; all of the issued and outstanding capital stock of the Issuer has been duly authorised and validly issued and is fully paid and nonassessable; the Issuer has full power and capacity to create and issue the Notes, to execute this Agreement and the Issue Documents and to undertake and perform the obligations expressed to be assumed by it herein and therein, and the Issuer has taken all necessary action to approve and authorise the same;

3.1.2 No winding-up, etc.: no meeting has been convened and no order has been made or resolution passed for the winding-up, amalgamation, reconstruction, reorganisation, administration, dissolution, liquidation, demerger or consolidation or analogous procedure of the Issuer or any other member of the Group, and no notice of appointment of a liquidator, receiver, administrative receiver, administrator or special officer has been served under any applicable law in respect of the Issuer or any other member of the Group and no such steps are intended as at the date hereof in respect of or by the Issuer or any other member of the Group;

3.1.3 Subsidiaries: each Subsidiary of the Issuer has been duly incorporated and is existing and in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its property and assets and conduct its business; and each Subsidiary of the Issuer is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification; all of the issued and outstanding capital stock of each Subsidiary of the Issuer has been duly authorised and validly issued and is fully paid and nonassessable; and the capital stock of each Subsidiary owned by the Issuer, directly or through Subsidiaries, is owned free from liens, encumbrances and defects;

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3.1.4 No Finder's Fee: with the exception (for the avoidance of any

doubt) of any agreement between the Bookrunner and Aton Capital, there are no contracts, agreements or understandings between the Issuer and any person that would give rise to a valid claim against the Issuer or the Bookrunner for a brokerage commission, finder's fee or other like payment in connection with this offering;

- 3.1.5 Registration Rights: with the exception of the Registration Rights Agreement, there are no contracts, agreements or understandings between the Issuer and any person granting such person the right to require the Issuer to file a registration statement under the Securities Act with respect to any securities of the Issuer owned or to be owned by such person or to require the Issuer to include such securities in the securities registered pursuant to a registration statement or in any securities being registered pursuant to any other registration statement filed by the Issuer under the Securities Act (collectively, "registration rights");
- 3.1.6 Absence of Defaults and Conflicts Resulting from Transaction: the execution, delivery and performance of this Agreement, and the issuance and sale of the Notes and Shares will not result in a breach or violation of any of the terms and provisions of, or constitute a default or a Debt Repayment Triggering Event (as defined below) under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Issuer or any other member of the Group pursuant to, the charter or by-laws of the Issuer or any other member of the Group, any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Issuer or any other member of the Group or any of their properties, or any agreement or instrument to which the Issuer or any other member of the Group is a party or by which the Issuer or any other member of the Group is bound or to which any of the properties of the Issuer or any other member of the Group is subject; a "Debt Repayment Triggering Event" means any event or condition that gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture, or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Issuer or any other member of the Group;
- 3.1.7 Absence of Existing Defaults and Conflicts: neither the Issuer nor any other member of the Group is in violation of its respective charter or by-laws or in default (or with the giving of notice or lapse of time would be in default) under any existing obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument to which any of them is a party or by which any of them is bound or to which any of the properties of any of them is subject, except such defaults that would not, individually or in the aggregate, result in a material adverse effect on the condition (financial or otherwise), results of operations, business, properties or prospects of the Issuer and other member of the Group taken as a whole ("Material Adverse Effect");
- 3.1.8 Compliance with OFAC: none of the Issuer, any other member of the Group, or any director, officer, agent, employee or affiliate of the Issuer or any other member of the Group is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"); and none of the Issuer or other member of the Group will directly or indirectly use the proceeds of the offering of the Notes hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

- 3.1.9 Legal, valid, binding and enforceable: this Agreement constitutes and, upon due execution by or on behalf of the Issuer, the Issue Documents will constitute and upon due execution of the Trust Deed and the Note Certificates by or on behalf of the Issuer and due authentication of the Note Certificates, the Notes will constitute legal, valid, binding and enforceable obligations of the Issuer;
- 3.1.10 Status: the Notes will constitute direct, general and unconditional obligations of the Issuer which (i) rank pari passu among themselves and (ii) will at all times rank at least pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application;
- 3.1.11 Approvals in connection with the Notes: all filings, authorisations, consents and approvals required by the Issuer in connection with the creation, issue and sale of the Notes, the execution of this Agreement and the Issue Documents, the performance by the Issuer of the obligations expressed to be undertaken by it herein and therein have been (or will, in the case of the Amex Listing Approval only, within 30 days after the Closing Date, be) obtained and are (or will, in the case of the Amex Listing Approval only, within 30 days after the Closing Date, be) in full force and effect;
- 3.1.12 Taxation: all payments in respect of the Notes and all payments by the Issuer under this Agreement and the Issue Documents will be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of the United States or the Republic of Kazakhstan, or any political subdivision or authority thereof or therein having power to tax;
- 3.1.13 Stamp duty: no stamp, registration or other taxes, duties, assessments or governmental charges of whatsoever nature are payable in the United States or the Republic of Kazakhstan, upon or in connection with (a) this Agreement or the Issue Documents or their execution or delivery; (b) the creation, issue, offering, sale or conversion of the Notes; or (c) the creation and issue of the Shares;
- 3.1.14 Financial Statements: the Issuer's consolidated audited financial statements for the years ending 31 March 2006 and 31 March 2007 and the related notes thereto, present fairly the

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financial position of the Issuer and any other member of the Group as of the dates indicated and their respective results of operations and statements of changes in financial position, for the periods specified; and such financial statements have been prepared in conformity with U.S. GAAP applied on a consistent basis;

- 3.1.15 Material Adverse Change: since 31 March 2007, there has not been any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, prospects, management, financial position, stockholders' equity or results of operations of either the Issuer or any other member of the Group and, since 31 March 2007, neither the Issuer nor any other member of the Group has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to either the Issuer or any other member of the Group and, in the context of an investment in the Notes;
- 3.1.16 Contingent liabilities: there are no outstanding guarantees or

contingent payment obligations of the Issuer or any other member of the Group in respect of indebtedness of third parties and the Issuer and each other member of the Group is in compliance with all of its obligations under any outstanding guarantees or contingent obligations;

- 3.1.17 Off-balance Sheet Arrangements: as at the date hereof, there are no material off-balance sheet transactions, arrangements and obligations that the Issuer has not disclosed to the Bookrunner and neither the Issuer nor any other member of the Group has any material relationships with unconsolidated entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets by the Issuer, such as structured finance entities and special purpose entities that are reasonably likely to have a material effect on the liquidity of the Issuer or the requirements of the Issuer for capital resources;
- 3.1.18 Related Party Transactions: no transaction has been entered into between the Issuer and its affiliates that was not on an arm's length basis on normal commercial terms;
- 3.1.19 Environmental compliance: the Issuer and each other member of the Group is (i) in compliance with any and all applicable Environmental Laws, (ii) has received and is in compliance with all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its respective businesses; and (iii) has not received notice of any actual or potential liability under any Environmental Laws, except where such non compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), prospects, results of operations, general affairs or properties of the Group taken as a whole;

In the ordinary course of its business, the Issuer and each other member of the Group periodically reviews the effect of Environmental Laws on the business, operations and properties of the Group, in the course of which it identifies and evaluates

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associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties); on the basis of such review, the Issuer has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, be material in the context of the offering of the Notes;

For the purpose of this sub clause, "Environmental Laws" means any and all national, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the protection of the environment (including, without limitation, human, animal and plant life, ambient air, surface water, ground water, or land), the protection of property and proprietary rights or for the compensation of harm to the environment whether by clean up, remediation, containment or other treatment or the payment of monies to any competent authority;

- 3.1.20 Insurance: (i) as at the date hereof, the material assets employed to conduct the principal business activities of the Issuer and each other member of the Group have been furnished by independent subcontractors or leased by the Issuer or its Subsidiaries, with the exception of a gas utilisation facility and pipeline system currently under construction by a third-party contractor; (ii) the Issuer or its relevant

Subsidiary will obtain, on or before completion and operation of the gas utilisation facility and pipeline, adequate insurance coverage against accident, damage, injury and third party loss in such amounts as are prudent and customary in the business in which the Group is engaged; and (iii) the Issuer has no reason to believe that it or any other member of the Group will not be able to obtain such insurance coverage at a cost that would not have a material adverse effect on the condition (financial or otherwise), prospects, results of operations, general affairs or properties of the Group taken as a whole;

3.1.21 Borrowings: no event of default or any other event or circumstance which would entitle any person to call for the early repayment under any agreement relating to any material borrowing or material indebtedness of any member of the Group (or, in either case, any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance) has occurred and is continuing;

3.1.22 The Shares:

- (a) the Shares to be issued on conversion of the Notes have been duly authorised and will be validly issued, will be fully paid and non-assessable and will be listed on the American Stock Exchange;
- (b) all filings, consents and approvals required by the Issuer in connection with the issue of the Shares upon conversion of the Notes in accordance with the Conditions have been (or will, in the case of the Amex

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Listing Approval only, within 30 days after the Closing Date, be) obtained and are (or will, in the case of the Amex Listing Approval only, within 30 days after the Closing Date, be) in full force and effect;

- (c) there are no restrictions on the voting of the Shares under the laws of the United States; nor are there any restrictions under the laws or regulations of the United States on the holding of such Shares by persons resident or domiciled outside the United States,
- (d) except as specified in Schedule 2 or in relation to the Issuer's Stock Incentive Plan in favour of the Issuer's employees, there are no outstanding securities convertible into or exchangeable for, or warrants, rights or options to purchase from the Issuer, or obligations or commitments of the Issuer to create, issue, sell or otherwise dispose of, any Shares, or other securities (or any such shares, warrants, rights, options or obligations) of the Issuer;
- (e) neither of the Notes, nor the Shares to be issued upon conversion of the Notes in accordance with the Conditions, will be issued in violation of the preemptive rights of any holder of Shares;
- (f) the Shares to be delivered on conversion of the Notes will, subject as provided in the Conditions, rank pari passu with the other outstanding fully paid Shares of the Issuer in issue on the relevant Conversion Date (as defined in the Conditions); the Shares to be issued upon conversion of the Notes will be issued credited as fully paid and will not be subject to calls for further funds;

3.1.23 Dividends: (a) there are no restrictions under United States law or the rules and regulations thereunder or any approvals currently required in the United States (including any foreign exchange or foreign currency approvals) in order for the Issuer

to pay dividends or other distributions declared by the Issuer to the holders of Shares;

3.1.24 Properties: (i) the Issuer and each other member of the Group has good and marketable title to all properties and to all assets owned by it in each case free from liens, encumbrances and title defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by it; and (ii) any real property and buildings held under lease by the Issuer or any other member of the Group is held by it under valid, existing and enforceable leases with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Issuer or such other member of the Group;

3.1.25 Litigation: except as described in the Issuer's quarterly report for the period ended 31 March 2007 on Form 10-K filed by the Issuer pursuant to the Exchange Act on 14 June 2007, there are no pending actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) against or affecting the Issuer, any other member of the Group or any of their respective properties that, if determined adversely to the Issuer or any

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other member of the Group, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Issuer to perform its obligations under this Agreement, or which are otherwise material in the context of the sale of the Notes; and no such actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) are threatened or, to the Issuer's knowledge, contemplated;

3.1.26 No material change: since 31 March 2007, (i) there has been no change, nor any development or event involving a prospective change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Issuer or any other member of the Group, taken as a whole that is material and adverse, (ii) there has been no dividend or distribution of any kind declared, paid or made by the Issuer on any class of its capital stock and (iii) there has been no material adverse change in the capital stock, short-term indebtedness, long-term indebtedness, net current assets or net assets of the Issuer or any other member of the Group;

3.1.27 No immunity: neither the Issuer nor any other member of the Group is entitled to immunity, whether characterised as sovereign immunity or otherwise, from suit, attachment, or other legal process in the United States;

3.1.28 No Event of Default: no event has occurred which is or would (with the passage of time, the giving of notice or the making of any determination) become an Event of Default or require an adjustment to the initial Conversion Price;

3.1.29 No market manipulation: none of the Issuer, any of its affiliates or any person acting on behalf of the Issuer or any affiliate of the Issuer has, directly or indirectly, carried out any act or engaged in any course of conduct, or will carry out, directly or indirectly, any act or engage in any course of conduct, (i) which creates a false or misleading impression as to the market in or the value of the Shares and the Notes and any associated securities; or (ii) the purpose of which is to create actual or apparent active trading in or to raise the price of the Shares and/or the Notes;

3.1.30 Internal Controls and Compliance with the Sarbanes-Oxley Act: the Issuer, any other member of the Group and the Issuer's Board of Directors (the "Board") are in compliance with Sarbanes-Oxley

and all applicable Exchange Rules. The Issuer maintains a system of internal controls, including, but not limited to, disclosure controls and procedures, internal controls over accounting matters and financial reporting, an internal audit function and legal and regulatory compliance controls (collectively, "Internal Controls") that comply with the Securities Laws and are sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorisations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific

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authorisation and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Internal Controls are, or upon consummation of the offering of the Notes and the underlying Shares will be, overseen by the Audit Committee (the "Audit Committee") of the Board in accordance with Exchange Rules. The Issuer has not publicly disclosed or reported to the Audit Committee or the Board, and within the next 90 days the Issuer does not reasonably expect to publicly disclose or report to the Audit Committee or the Board, a significant deficiency, material weakness, change in Internal Controls or fraud involving management or other employees who have a significant role in Internal Controls (each, an "Internal Control Event"), any violation of, or failure to comply with, the Securities Laws, or any matter which, if determined adversely, would have a Material Adverse Effect;

- 3.1.31 Investment Company Act: the Issuer is not and, after giving effect to the offering and sale of the Notes and the application of the proceeds thereof, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");
- 3.1.32 Ratings: no "nationally recognised statistical rating organisation" as such term is defined for purposes of Rule 436(g)(2) (i) has imposed (or has informed the Issuer that it is considering imposing) any condition (financial or otherwise) on the Issuer's retaining any rating assigned to the Issuer or any securities of the Issuer or (ii) has indicated to the Issuer that it is considering any of the following actions: downgrading in the rating of any debt securities of the Issuer by any "nationally recognised statistical rating organisation" (as defined for purposes of Rule 436(g)), or any public announcement that any such organisation has under surveillance or review its rating of any debt securities of the Issuer (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that the Issuer has been placed on negative outlook;
- 3.1.33 PFIC Status: the Issuer was not a "passive foreign investment company" ("PFIC") as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended, for its most recently completed taxable year and, based on the Issuer's current projected income, assets and activities, the Issuer does not expect to be classified as a PFIC for any subsequent taxable year;
- 3.1.34 Tax Status: the Issuer and any other member of the Group have filed all federal, state, local and non-U.S. tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect); and the Issuer and any other member of the Group have paid all taxes (including any assessments, fines or penalties) required to be paid by them, except for any such taxes, assessments, fines or penalties

currently being contested in good faith or as would not, individually or in the aggregate, have a Material Adverse Effect; and

3.1.35 Covenants: there has been no breach of Condition 6 (Negative Pledge).

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3.2 Change in matters represented

The Issuer shall forthwith notify the Bookrunner of anything which at any time prior to the Closing Date has or may have rendered, or will or may render, untrue or incorrect in any respect any representation and warranty by the Issuer in this Agreement as if it had been made or given at such time with reference to the facts and circumstances then subsisting.

3.3 Representations repeated

The representations and warranties in Clause 3.1 (Issuer's representations) shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) on each date falling on or before the Closing Date.

4. UNDERTAKINGS BY THE ISSUER

4.1 No announcements

From the date of this Agreement to (and including) the Closing Date, the Issuer shall not, without the prior written consent of the Bookrunner, make:

4.1.1 any announcement which might reasonably be expected to have an adverse effect on the marketability of the Notes or the Shares;
or

4.1.2 any communication which might reasonably be expected to prejudice the ability of the Bookrunner lawfully to procure subscribers for the Notes in accordance with the provisions set out in the Schedule.

4.2 Delivery of Note Certificates

The Issuer shall make arrangements reasonably satisfactory to the Bookrunner to ensure that the Note Certificates are delivered to the Registrar for authentication in the form required by, and otherwise in accordance with, the Trust Deed and the Agency Agreement.

4.3 Listing of the Shares

The Issuer shall use all reasonable efforts to maintain the listing of the Shares on the American Stock Exchange until none of the Notes is outstanding; provided, however, that, if it is impracticable or unduly burdensome to maintain such listing, the Issuer shall use all reasonable endeavours to procure and maintain as aforesaid the admission to listing, trading and/or quotation for the Shares by such other listing authorities, stock exchanges and/or quotation systems as it may (with the approval of the Bookrunner and the Trustee) decide and, further, the Issuer shall be responsible for any fees incurred in connection therewith.

4.4 Listing of Shares issued upon conversion

The Issuer shall use all reasonable endeavours to procure and maintain a listing on the American Stock Exchange (and/or such other listing authorities, stock exchanges and/or quotation systems by which the Shares are then admitted to listing, trading and/or quotation) of any Shares issued upon conversion of the Notes in accordance with the Conditions.

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4.5 Notification of changes

The Issuer will notify the Bookrunner promptly of any change affecting any of its representations, warranties, agreements and indemnities herein at any time prior to payment being made to the Issuer on the

Closing Date and take such steps as may be reasonably requested by the Bookrunner to remedy and/or publicise the same.

4.6 Filings

The Issuer will promptly make all required notifications, registrations and filings and obtain, comply with and maintain in force all approvals as may from time to time be required in relation to the Notes and the Shares.

So long as any of the Notes remains outstanding, the Issuer will furnish to the Bookrunner copies of each document filed by it with the American Stock Exchange or any other stock exchange on which the Shares are for the time being listed, and copies of financial statements and other periodic reports that the Issuer may furnish generally to holders of its debt securities or to holders of its Shares.

4.7 Use of net proceeds

The Issuer will use the net proceeds received by it from the issue of the Notes predominately for investment purposes.

4.8 Lock-up

For a period of 90 days after Closing Date the Issuer shall not, and the Issuer shall procure that none of its respective Subsidiaries or affiliates over which it exercises management or voting control will:

- 4.8.1 Shares: issue, offer, sell, transfer, pledge or otherwise dispose of any Shares, whether directly or indirectly, or enter into any agreement to do so;
- 4.8.2 Rights to Shares: issue or offer any other securities which confer a right to Shares (or any interest therein) or enter into any agreement to do so;
- 4.8.3 Economic ownership of Shares: enter into any agreement that transfers or might transfer any of the economic consequences of ownership of the Shares (including, but not limited to, stock lending, derivative or hedging transactions); or
- 4.8.4 publicly announce any intention to do any one or more things described in sub-clauses 4.8.1 to 4.8.3,

other than, in each case:

- (a) with the prior consent of the Bookrunner;
- (b) grants of employee stock options in respect of the Shares pursuant to the terms of any plan or arrangement, or issuance of Shares pursuant to the exercise of such options;
- (c) to satisfy the Issuer's obligations arising upon conversion of any Note in accordance with the Conditions; or

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- (d) the issue of Shares to shareholders electing to receive annual dividends in the form of Shares.

4.9 Adjustments to Conversion Price

From the date of this Agreement to (and including) the Closing Date, the Issuer shall not, without the prior written consent of the Bookrunner, do anything which would result in an adjustment to the Conversion Price (as defined in the Conditions).

4.10 Compliance with Regulation S

The Issuer acknowledges and covenants that (i) the offering of the Notes and the underlying Shares are being coordinated in compliance with Rule 903(b)(3)(i) and Rule 903(b)(3)(iii) of Regulation S and (ii) during the one year distribution compliance period mandated by Rule 903(b)(3)(iii), it will refuse to register any transfer of the Notes not made in accordance with the provisions of Regulation S (Rule 901 through 905,

and Preliminary Notes), pursuant to registration under the Securities Act, or pursuant to an available exemption from registration.

4.11 No Resales by the Issuer

The Issuer will not, and will not permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Notes or the underlying Shares that have been acquired by any of them, except for the Notes or the underlying Shares purchased by the Issuer or any of its affiliates (as defined in Rule 144 under the Securities Act) and resold in a transaction registered under the Securities Act.

4.12 No Integration

Neither the Issuer nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security, that is or will be integrated with the sale of the Notes in a manner that would require registration of the Notes under the Securities Act.

4.13 No General Solicitation or Directed Selling Efforts

Neither of the Issuer nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) or any other person acting on its or their behalf (other than the Bookrunner, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Notes or the underlying Shares by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S.

4.14 Absence of Manipulation

The Issuer will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, stabilisation or manipulation of the price of any securities of the Issuer to facilitate the sale or resale of the Notes.

5. SELLING RESTRICTIONS

Each of the parties to this Agreement represents, warrants and undertakes as set out in the Schedule 1.

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6. INDEMNIFICATION

6.1 Indemnity by Issuer

The Issuer undertakes to the Bookrunner that if the Bookrunner or any of the Bookrunner's Related Parties incurs any Loss arising out of, in connection with or based on:

6.1.1 Misrepresentation: any inaccuracy or alleged inaccuracy of any representation and warranty by the Issuer in this Agreement (on the date of this Agreement or on any date when it is deemed to be repeated); or

6.1.2 Breach: any breach or alleged breach by the Issuer of any of its undertakings in this Agreement;

the Issuer shall pay to the Bookrunner on demand an amount equal to such Loss. The Bookrunner shall not have any duty or other obligation, whether as fiduciary or trustee for any of its Related Parties or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause.

6.2 Conduct of claims

If any claim, demand or action is brought or asserted in respect of which one or more persons (each, an "Indemnified Person") is entitled to be paid by another person (the "Indemnifier") under Clause 6.1 (Indemnity by Issuer) (each a "Claim"), the following provisions shall apply:

6.2.1 Notification: each Indemnified Person shall promptly notify the

Indemnifier in writing (but failure to do so shall not relieve the Indemnifier from liability);

6.2.2 Assumption of defence: the Indemnified Person shall procure that the Indemnifier shall, subject to Clause 6.3 (Conduct by Indemnified Person), be entitled to assume the defence of the relevant Claim including the retention of legal advisers approved by each Indemnified Person, subject to the payment by the Indemnifier of all legal and other expenses of such defence;

6.2.3 Separate representation: if the Indemnifier assumes the defence of the relevant Claim, each Indemnified Person and its Related Parties shall be entitled to retain separate legal advisers and to participate in such defence but the legal or other expenses incurred in so doing shall, subject to Clause 6.3 (Conduct by Indemnified Person), be borne by such Indemnified Person or Related Party (as the case may be) unless the Indemnifier has specifically authorised such retention or participation.

6.3 Conduct by Indemnified Person

Notwithstanding Clause 6.2 (Conduct of claims), an Indemnified Person and/or its Related Parties may retain separate legal advisers in each relevant jurisdiction and direct the defence of the relevant Claim and the Indemnifier shall reimburse such Indemnified Person for any legal or other expenses reasonably so incurred if:

6.3.1 Indemnifier's failure: the Indemnifier (having assumed such defence) fails properly to make such defence or to retain for such purpose legal advisers approved by such Indemnified Person;

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6.3.2 Conflict of interest: such Indemnified Person has reasonably concluded that the use of any legal advisers chosen by the Indemnifier to represent such Indemnified Person and/or Related Party may present such legal advisers with a conflict of interest; or

6.3.3 Different defences: the actual or potential defendants in, or targets of, such Claim include both the Indemnifier and such Indemnified Person and/or Related Party and such Indemnified Person has reasonably concluded that there may be legal defences available to it which are different from or additional to those available to the Indemnifier.

6.4 Settlement

The Indemnifier shall not, without the prior written consent of each Indemnified Party, settle or compromise, or consent to the entry of judgement with respect to, any pending or threatened Claim (irrespective of whether any Indemnified Person is an actual or potential defendant in, or target of, such Claim) unless such settlement, compromise or consent includes an unconditional release of each Indemnified Person and each of its Related Parties from all liability arising out of the matters which are the subject of such Claim. The Indemnifier shall not be liable to indemnify any Indemnified Person where the relevant Claim has been settled or compromised without its prior written consent (which shall not be unreasonably withheld or delayed).

7. FEES AND EXPENSES

7.1 Base fee

The Issuer shall, on the Closing Date, pay to the Bookrunner a base fee of 3.75 per cent. of the aggregate principal amount of the Notes.

Such fee shall be deducted from the Issue Price of the Notes.

7.2 Success Fee

The Issuer shall (at its sole discretion) on the Closing Date, pay to the Bookrunner a success fee of 0.5 per cent. of the aggregate principal amount of the Notes. Such fee (if payable) shall be deducted from the Issue Price of the Notes.

7.3 Transaction costs and expenses
The Issuer is responsible for paying:

- 7.3.1 Professional advisers: the fees and expenses of the legal and other professional advisers instructed by the Issuer in connection with the creation and issue of the Notes and the preparation of the Conditions;
- 7.3.2 Legal documentation: the costs incurred in connection with the preparation and execution of this Agreement and the Issue Documents;
- 7.3.3 Printing: the cost of setting, proofing, printing and delivering the Note Certificates;
- 7.3.4 Trustee and Agents: the fees and expenses of the other parties to the Issue Documents; and

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- 7.3.5 Advertising and Roadshow: the cost of any advertising and roadshow agreed between the Issuer and the Bookrunner.

If the Bookrunner incurs any of such fees, costs and expenses on behalf of the Issuer, the Issuer shall on demand reimburse the Bookrunner for the same. Any amount due to the Bookrunner under this sub-clause may be deducted from the Issue Price.

7.4 Management expenses

In addition, the Issuer shall reimburse the Bookrunner on demand for all legal fees and expenses and any travelling, communication, courier, postage and other out-of-pocket expenses incurred by it (with the prior approval of the Issuer if any such expenses shall exceed (pound)5,000) in connection with the placing of the Notes, completion of the Exchange Offer as defined in clause 6 of the Conditions (the "Exchange Offer") and all matters in connection with the Registration Rights Agreement. Any amount due to the Bookrunner under this sub-clause may (at the discretion of the Bookrunner) be deducted from the Issue Price.

7.5 Trustee Expenses

In addition, the Issuer shall reimburse the Trustee on demand for all legal fees and expenses and any travelling, communication, courier, postage and other out-of-pocket expenses incurred by it in connection with the placing of the Notes and completion of Exchange Offer. Any amount due to the Trustee under this sub-clause may (at the discretion of the Trustee) be deducted from the Issue Price by the Bookrunner who will pay the same to the Trustee.

7.6 Taxes

All payments in respect of the obligations of the Issuer under this Agreement shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United States or the Republic of Kazakhsatan, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bookrunner of such amounts as would have been received by it if no such withholding or deduction had been required.

7.7 Stamp duty

The Issuer will pay any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties in the United States or the Republic of Kazakhstan, and all other relevant jurisdictions payable on or in connection with the creation, issue, offering, sale or conversion of the Notes or the creation or issue of the Shares or the execution or delivery of this Agreement or the Issue Documents; and any value added, turnover or similar tax payable in respect thereof (and references in this Agreement to such amount shall be deemed to include any such taxes so payable in addition to it).

8. CLOSING

8.1 Closing

Subject to Clause 8.3 (Conditions precedent), the closing of the issue shall take place on the Closing Date, whereupon:

8.1.1 Note Certificates: the Issuer shall:

- (a) Registration: cause each individual holding of the Notes to be registered in the name of the person designated for the purpose by the Bookrunner, provided that each such holding must be in a principal amount of U.S. \$100,000 or a higher integral multiple thereof; and
- (b) Delivery: cause a Note Certificate in respect of each initial holding of the Notes, each duly executed on behalf of the Issuer and authenticated in accordance with the Agency Agreement and the Trust Deed, to be delivered to, or to the order of, the Bookrunner; and

8.1.2 Payment of net issue proceeds: against such delivery, and provided and to the extent that the Bookrunner has received the full amount due, to be paid by the subscribers in respect of the Notes to be subscribed for by them, for value prior to the Closing Date, the Bookrunner shall procure the payment of the net proceeds of the issue of the Notes (namely the Issue Price less the fees and expenses referred to in Clause 7) to the Issuer by credit transfer in U.S. dollars for same day value to such account as the Issuer has designated to the Bookrunner.

8.2 Postponed closing

The Issuer and the Bookrunner may agree to postpone the Closing Date to another date not later than 31 July 2007, whereupon all references herein to the Closing Date shall be construed as being to that later date.

8.3 Conditions precedent

The Bookrunner shall only be under obligation to make payment of the issue proceeds in respect of the Notes if:

8.3.1 Closing documents: the Bookrunner receives on the Closing Date:

- (a) Legal opinions: legal opinions dated the Closing Date and addressed to the Bookrunner and the Trustee from legal counsel, approved by the Bookrunner, as to the laws of Kazakhstan, Poulton & Yordan, Attorneys at Law as to the laws of the State of Nevada and the federal laws of the United States and Clifford Chance LLP as to English law, each in a form acceptable to the Bookrunner;
- (b) Closing certificate: a closing certificate dated the Closing Date, addressed to the Bookrunner and signed by a duly authorised signatory on behalf of the Issuer in a form acceptable to the Bookrunner; and

- (c) Process agents' acceptances: evidence that the persons mentioned in Clause 13.5 (Process Agents) have agreed to receive process in the manner specified therein.
- (d) No registration opinion: no registration opinion dated the Closing Date and addressed to the Bookrunner from Clifford Chance LLP, legal advisors to the Bookrunner, in a form acceptable to the Bookrunner;
- (e) Incumbency certificate: a certificate dated the Closing Date from the Issuer setting out the names and

signatures of the persons authorised to sign, on behalf of the Issuer, this Agreement, the Issue Documents and any other documents to be delivered by the Issuer in connection with the offering of the Notes.

- 8.3.2 Issue documentation: the Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto;
- 8.3.3 Accuracy of representations: the representations and warranties by the Issuer in this Agreement are true and correct on the date of this Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the Closing Date with reference to the facts and circumstances then subsisting; and
- 8.3.4 Regulatory approvals: all required government and/or regulatory approvals having been obtained as necessary for the Issuer to issue and offer the Notes and meet its obligations under this Agreement, the Issue Documents and the Notes;
- 8.3.5 Board and shareholder approvals: on or before the Closing Date, there shall have been delivered to the Bookrunner certified copies of the resolutions of the board of directors and the shareholders of the Issuer approving the issue of the Notes
- 8.3.6 Lock-up Letter: the Issuer shall have executed a lock-up letter, in the form set out in Schedule 3 (Form of Lock-Up Letter) (the "Lock-Up Letter") and delivered a copy of the same to the Bookrunner on or prior to the Closing Date;
- 8.3.7 Other obligations: the Issuer is in compliance with all of its obligations under this Agreement and the Issue Documents,
- 8.3.8 No material adverse change: there has in the reasonable opinion of the Bookrunner, since the date of this Agreement, been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer or any other member of the Group that is material in the context of the issue of the Notes;

provided, however, that the Bookrunner may, at its discretion, waive satisfaction of any of the conditions specified in this Clause 8.3.

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9. TERMINATION

- 9.1 Bookrunner' right to terminate
The Bookrunner may give a termination notice to the Issuer at any time prior to the payment to the Issuer of the net proceeds of the issue of the Notes on the Closing Date if:
- 9.1.1 Inaccuracy of representation: any representation and warranty by the Issuer in this Agreement is or proves to be untrue or incorrect on the date of this Agreement or on any date on which it is deemed to be repeated;
- 9.1.2 Breach of obligation: the Issuer fails to perform any of its obligations under this Agreement;
- 9.1.3 Failure of condition precedent: any of the conditions in Clause 8.3 (Conditions precedent) is not satisfied or waived by the Bookrunner on the Closing Date; or
- 9.1.4 Force majeure: since the date of this Agreement:
- (a) there has been, in the reasonable opinion of the Bookrunner, such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the subscription of the Notes or dealings in the Notes in

the secondary market.

- (b) (i) trading in the Shares or any depositary receipts exchangeable for Shares shall have been suspended by the American Stock Exchange (and/or such other listing authorities, stock exchanges and/or quotation systems by which such securities are then admitted to listing, trading and/or quotation); (ii) trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on any such exchanges; (iii) a banking moratorium shall have been declared either by U.S. federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Bookrunner, impractical or inadvisable to proceed with the offering or delivery of the Notes.

9.2 Consequences

Upon the giving of a termination notice under Clause 9.1 (Bookrunner's right to terminate) and subject to Clause 9.3 (Saving):

9.2.1 Discharge of Issuer: the Issuer shall be discharged from performance of its obligations under Clauses 2.1 (Undertaking to issue) sub-clause 7.1 (Placement Fee) and sub-clause 8.1.1 (Note Certificates); and

9.2.2 Discharge of Bookrunner: the Bookrunner shall be discharged from performance of its obligations under Clause 2.2 (Undertaking to procure subscribers for the Notes) and sub-clause 8.1.2 (Payment of issue proceeds).

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9.3 Saving

A discharge pursuant to Clause 9.2 (Consequences) shall not affect the other obligations of the parties to this Agreement and shall be without prejudice to accrued liabilities.

10. SURVIVAL

The provisions of this Agreement shall continue in full force and effect notwithstanding the completion of the arrangements set out herein for the issue of the Notes and regardless of any investigation by any party to this Agreement.

11. TIME

Any date or period specified herein may be postponed or extended by mutual agreement among the parties but, as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

12. NOTICES

12.1 Addresses for notices

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

12.1.1 Issuer: if to the Issuer, to it at:

BMB Munai, Inc.
202, Dostyk Avenue, 4th Floor
Business Centre "Forum"
050051, Almaty
Kazakhstan

Fax: +7 3272 375 131
Attention: Askar Tashtitov

12.1.2 Bookrunner: if to the Bookrunner, to it at:

Investment Markets and Investment Banking
Bayerische Hypo-und Vereinsbank AG
Moor House
120 London Wall
London EC2Y 5ET

Fax: +44 (0)207 826 1614
Attention: Equity Capital Markets

12.2 Effectiveness

Every notice or other communication sent in accordance with Clause 12.1 (Addresses for notices) shall be effective upon receipt by the addressee; provided, however, that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

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13. LAW AND JURISDICTION

13.1 Governing law

This Agreement is governed by, and shall be construed in accordance with, English law.

13.2 English courts and New York courts

The courts of (a) England and (b) the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York have exclusive jurisdiction to settle any dispute (a "Dispute"), arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) or the consequences of its nullity.

13.3 Appropriate forum

The parties agree that the courts referred to in Clause 13.2 (English courts and New York courts) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

13.4 Rights of the Bookrunner to take proceedings outside England and the State of New York Clause 13.2 (English courts and New York courts) is for the benefit of the Bookrunner only. As a result, nothing in this Clause 13 (Law and jurisdiction) prevents the Bookrunner from taking proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, the Bookrunner may take concurrent Proceedings in any number of jurisdictions.

13.5 Process agent

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to (a) in connection with any Proceedings in England, to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London EC14 5JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985 and (b) in connection with any Proceedings in the County of New York to CT Corporation System at 111 Eighth Avenue, 13th Floor, New York, New York 10011 or, if different, its principal place of business in the County of New York for the time being. If either such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the Bookrunner addressed to the Issuer and delivered to the Issuer appoint a further person in England or (as the case may be) the County of New York to accept service of process on its behalf and, failing such appointment within 15 days, the Bookrunner shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of the Bookrunner to serve process in any other manner permitted by law. This clause applies to Proceedings in

England and in the County of New York and to Proceedings elsewhere.

14. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

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15. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

AS WITNESS the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

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SCHEDULE 1 SELLING RESTRICTIONS

1. GENERAL

1.1 No action to permit public offering

The Bookrunner acknowledges that no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

1.2 Bookrunner's compliance with applicable laws

The Bookrunner undertakes to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes such offering material, in all cases at its own expense.

2. UNITED STATES

2.1 No registration under Securities Act

The Notes, and the Shares to be issued on conversion of the Notes, have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

2.2 Compliance by Issuer with United States securities laws

The Issuer represents, warrants and undertakes to the Bookrunner that neither it nor any of its affiliates (including any person acting on behalf of the Issuer or any of its affiliates) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act or the qualification of the Trust Deed as an indenture under the United States Trust Indenture Act of 1939 and, in particular, that:

2.2.1 No General Solicitation or Directed Selling Efforts: Neither, the Issuer nor any person acting on its behalf (other than the Bookrunner, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Notes by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S, and all such persons have complied with the offering restrictions requirement of

Regulation S.

2.2.2 Compliance with Regulation S: The offering of the Notes and the Shares are (i) being coordinated (i) in an "offshore transaction" within the meaning of Regulation S and (ii) in accordance with Rule 903(b)(3)(i) and Rule 903(b)(3)(iii) of Regulation S.

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2.3 Bookrunner's compliance with United States securities laws

2.3.1 The Bookrunner acknowledges that the Notes and the underlying Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

2.3.2 The Bookrunner represents, warrants and undertakes to the Issuer that:

2.3.2.1 it has not offered or sold the Notes, and will not offer or sell the Notes prior to the expiration of a one-year "Distribution Compliance Period" within the meaning of Regulation S, to a "U.S. Person" within the meaning of Regulation S, or for the account or benefit of a U.S. Person.

2.3.2.2 Offshore Transaction: neither it nor any of its affiliates (including any person acting on behalf of the Bookrunner or any of its affiliates) has made or will make any offer to a person in the United States and at the time the buy order for the Notes is originated, the buyer will be outside of the United States or the Bookrunner and each of its affiliates (including any person acting on behalf of the Bookrunner or any of its affiliates) will have a reasonable belief that the buyer is outside the United States;

2.3.2.3 No directed selling efforts: neither it nor any of its affiliates (including any person acting on behalf of the Bookrunner or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes or the Shares; and

2.3.2.4 No solicitation: neither it nor any of its affiliates (including any person acting on behalf of the Bookrunner or any of its affiliates) has solicited or will solicit any offer to buy or offer to sell the Notes by any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in the United States.

2.3.3 The Bookrunner acknowledges and agrees that (A) the offer and sale of the Notes prior to the expiration of the Distribution Compliance Period shall be made only (i) in accordance with the provisions of (a) Rule 903 (b)(3)(iii) or (b) Rule 904 and Rule 905; (ii) pursuant to registration of the Notes under the Securities Act; or (iii) pursuant to an available exemption from the registration requirements of the Securities Act; (B) it will not engage in hedging transactions with regard to such Notes prior to the expiration of the Distribution Compliance Period unless in compliance with the Securities Act; and (C) all offering materials and documents (other than press releases) used in connection with offers and sales of the Notes prior to the expiration of the Distribution Compliance Period shall include statements to the effect that (i) the Notes have not been registered under the Securities Act and may not be offered or sold in the United States or to U.S. Persons (other than

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distributors) unless the Notes are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available and (ii) hedging transactions involving these Notes may not be conducted unless in compliance with the Securities Act.

2.3.4 Prescribed form of confirmation: undertakes to the Issuer that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period a confirmation or notice in substantially the following form:

"The securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act") and are being offered outside the United States in accordance with Rule 903(b)(3)(iii) ("Category 3") of the Securities Act. Accordingly, (A) the securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time except in accordance with Regulation S under the Securities Act or (b) otherwise until one year after the later of the commencement of the offering and the closing date, except in accordance with the provisions of Regulation S (Rule 901 through Rule 905, and Preliminary Notes), pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; (B) hedging transactions involving such securities may not be conducted unless in compliance with the Securities Act; and (C) during the Distribution Compliance Period each purchaser or acquirer of the securities covered hereby must provide a certificate to the Issuer that (i) it is not a U.S. Person, as defined in Regulation S under the Securities Act and is not acquiring the securities for the account or benefit of any U.S. Person; (ii) (a) it agrees to resell such securities only in accordance with the provisions of Regulation S (Rule 901 through Rule 905, and Preliminary Notes), pursuant to registration under the Securities Act, or pursuant to an available exemption from registration and (b) it agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act; and (iii) and that it acknowledges and agrees that it will provide a substantially similar form of certificate as set forth herein to any person that acquires or purchases such security from it."

2.4 Interpretation

Terms used in clauses 2.2 and 2.3 above have the meanings given to them by Regulation S under the Securities Act.

3. UNITED KINGDOM

The Bookrunner represents, warrants and undertakes to the Issuer that:

3.1 Financial promotion: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

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3.2 General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

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WARRANTS AND OPTIONS GRANTED BY THE ISSUER

Options outstanding as of 31/03/07	Issue Date	# of shares	Date of expiry
Gary Lerner - stock options	12-Nov-04	52,800	12-Nov-09
Stock options issued on July 18, 2005	18-Jul-05	820,783	18-Jul-10
Anuar Kulmagambetov - stock options	1-Feb-06	100,000	1-Feb-09
Stock options on June 20, 2006	20-Jun-06	200,000	20-Jun-09
		1,173,583	

Warrants outstanding as of 31/03/07	Date		
Warrants aggr. #1 for merger	26-Nov-03	142,857	26-Nov-08

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SCHEDULE 3
FORM OF LOCK-UP LETTER

Unicredit Markets & Investment Banking
Bayerische Hypo - und Vereinsbank AG
Moor House
120 London Wall
London EC2Y 5ET
United Kingdom

[Insert date]

Dear Sirs

BMB Munai, Inc. U.S.\$60,000,000 5.0 per cent. Convertible Notes due 2012

I/We refer to the placement agreement dated 4 July 2007 and entered into between BMB Munai, Inc. and Bayerische Hypo-und Vereinsbank AG in respect of the above Notes (the "Placement Agreement"). Expressions which are given defined meanings in the Placement Agreement shall have the same meanings in this letter.

For good and valuable consideration received, this letter is to confirm that neither I/we nor any person acting on our behalf will:

- (a) issue, offer, sell, contract to sell, transfer, pledge or otherwise dispose of any Shares, whether directly or indirectly, or enter into any agreement to do so;
- (b) issue or offer any other securities which confer a right to Shares (or any interest therein) or enter into any agreement to do so;
- (c) enter into any agreement that transfers or might transfer any of the economic consequences of ownership of the Shares (including, but not limited to, stock lending, derivative or hedging transactions); or
- (d) publicly announce any intention to enter into any of the aforementioned transactions,

except, in each case, to the extent that any such action or transaction is permitted under Clause 4.8 (Lock-Up) of the Placement Agreement.

This letter is being furnished to you by me/us as a condition precedent to the closing of the Notes pursuant to Clause 8.3.7 (Lock-Up Letters) of the Placement Agreement.

This letter shall be governed by, and construed in accordance with, English law and we agree that this letter shall be construed as if Clause 13 (Law and Jurisdiction) of the Placement Agreement were set out in this letter in full but with references to the Placement Agreement being deemed to be references to this letter and references to the Issuer being deemed to be references to me/us.

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Yours faithfully

BMB MUNAI, INC.

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SIGNATURES

BMB MUNAI, INC.

By:

BAYERISCHE HYPO-UND VEREINSBANK AG

By:

By:

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