



**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): **February 23, 2011**

BMB MUNAI, 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 (727) 237-51-25
(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 a Material Definitive Agreement.

On February 23, 2011, BMB Munai, Inc. (the "Company") entered into a Supplemental Indenture No. 5, dated as of February 23, 2011, between the Company and The Bank of New York Mellon, as trustee ("Supplemental Indenture No. 5"). Supplemental Indenture No. 5 amends and supplements the Indenture dated as of September 19, 2007 between the Company and The Bank of New York Mellon, as trustee, as previously amended by Supplemental Indenture No. 1, dated as of June 1, 2010, Supplemental Indenture No. 2, dated as of September 10, 2010, Supplemental Indenture No. 3, dated as of December 22, 2010 and Supplemental Indenture No. 4, dated as of January 26, 2011 (the "Indenture"). The Indenture was entered into in connection with the U.S. \$60,000,000 aggregate principal amount of 9.0% Convertible Senior Notes due 2012 (the "Notes") issued by the Company in 2007. Supplemental Indenture No. 5 was entered into pursuant to ongoing negotiations between the Company and the holders of the Notes (the "Noteholders") on terms and conditions for restructuring the Notes.

The Indenture provided for seven put dates that allow the Noteholders to redeem the Notes prior to their 2012 maturity date. The first six put dates passed unexercised. The seventh put date commenced on January 31, 2011 and expires on February 28, 2011. Supplemental Indenture No. 5 grants the Noteholders an eighth put date that commences on February 28, 2011 and expires on March 15, 2011. In exchange for the eighth put date, the Noteholders separately agreed they will not exercise their put options for the seventh put date and they will not exercise their put options for the eighth put date that would be effective prior to March 15, 2011; provided, however, the Noteholders may exercise such put options at any time prior to their respective expiration dates upon the occurrence of any of the following: (i) a default occurs under the Indenture excluding certain defaults that occurred prior to February 23, 2011, (ii) failure by the Company or any of its material subsidiaries to timely pay any Indebtedness (as defined in the Indenture) or any guarantee of any Indebtedness that exceeds U.S. \$1,000,000, or any Indebtedness becomes due and payable prior to its stated maturity other than at the option of the Company or any of its material subsidiaries, or (iii) the Noteholders holding a majority in outstanding principal amount of the Notes provide notice to the Company and the other Noteholders that negotiations with respect to the restructuring of the Notes have terminated. Therefore, it is possible the Noteholders could exercise a put option with respect to the Notes prior to March 15, 2011 if any of the foregoing events occur.

Prior to entering into Supplemental Indenture No. 5, the Company was in default of certain covenants contained in Article 9 of the Indenture requiring the Company to maintain a minimum net debt to equity ratio and to comply with certain notice, delivery and other provisions. The Noteholders separately agreed to waive these defaults until the March 15, 2010, the eighth put date, with the understanding that such waiver shall not constitute a waiver of any default under the Indenture that remains ongoing as of March 15, 2011 or occurs after February 23, 2011. The Company currently believes it will not be able to remedy the net debt to equity ratio covenant by March 15, 2011 and, therefore, anticipates it will be in default under the Indenture at that time unless a future waiver is obtained from the Noteholders.

Although the Company and the Noteholders have reached an agreement in principle as to the general terms of the proposed restructure, there is no assurance the parties will enter into definitive agreements regarding the plan of restructure or that the parties will successfully close and consummate a plan of restructure regarding the Notes. Moreover, there is no assurance the Noteholders will provide any future waiver or any further extension of their redemption put rights under the Indenture.

The description of Supplemental Indenture No. 5 in this Current Report on Form 8-K is only a summary of that agreement and is qualified in its entirety by reference to the terms of Supplemental Indenture No. 5, a copy of which is attached as an exhibit to this Current Report on Form 8-K.

Item 8.01 Other Events.

On February 23, 2011 the Company issued a press release announcing that it had entered into Supplemental Indenture No. 5. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 10.36 Supplemental Indenture No. 5, dated February 23, 2011, between BMB Munai, Inc. and The Bank of New York Mellon, as trustee

Exhibit 99.1 Press Release of BMB Munai, Inc. dated February 25, 2011

SIGNATURE

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: February 25, 2011

By: /s/ Gamal Kulumbetov
Gamal Kulumbetov
Chief Executive Officer





SUPPLEMENTAL INDENTURE NO. 5

THIS SUPPLEMENTAL INDENTURE NO. 5 (“**Supplemental Indenture No. 5**”), dated as of February 23, 2011, is entered into between BMB MUNAI, INC., a corporation duly organized and existing under the laws of the State of Nevada (the “**Issuer**”) and THE BANK OF NEW YORK MELLON, a banking corporation organized under the laws of the State of New York, as trustee (the “**Trustee**”).

WHEREAS, the Issuer and the Trustee entered into an indenture dated as of September 19, 2007, as amended by Supplemental Indenture No. 1 dated as of June 1, 2010, as further amended by Supplemental Indenture No. 2 dated as of September 10, 2010, as further amended by Supplemental Indenture No. 3 dated as of December 22, 2010, and as further amended by Supplemental Indenture No. 4 dated as of January 26, 2011 (as may be further amended, supplemented or replaced from time to time, the “**Indenture**”), providing for the issuance by the Issuer of U.S. \$60,000,000 aggregate principal amount of 9.0% Convertible Senior Notes due 2012 (the “**Notes**”);

WHEREAS, pursuant to Section 7.1(a)(vii) of the Indenture, the Issuer is permitted to make any change that would provide additional rights or benefits to the Holders provided that such modification does not adversely affect the interests of the Holders in any material respect, without the consent of the Holders;

WHEREAS, the Issuer wishes to amend the Indenture for the benefit of each of the Holders by adding an additional option for the Holders to require the Issuer to redeem the Notes on the Eighth Put Date (as defined below) and providing for related acceleration and exercise mechanics without in any way limiting or affecting the existing redemption or other rights relating to the Notes;

WHEREAS, the Issuer and Counsel have confirmed by Opinion of Counsel that this amendment does not adversely affect the interests of the Holders in any material respect;

WHEREAS, the Issuer and 100% of the Holders have been in discussions regarding a possible restructuring;

WHEREAS, 100% of the Holders are aware that the Company is or may be currently in default under certain covenants (specifically Sections 9.7, 9.8, 9.10-12, 9.21 and 9.24) and have waived the Company’s compliance with those covenants until the earlier to occur of (i) March 15, 2011 and (ii) the Eighth Put Date (as defined below); and

WHEREAS, this Supplemental Indenture No. 5 is supplemental to the Indenture.

NOW, THEREFORE, it is mutually covenanted and agreed as follows:

ARTICLE I

AMENDMENTS

SECTION 1.1 *Supplemental Indenture*. Upon execution of this Supplemental Indenture No. 5, the Indenture shall henceforth be read and construed as one document with this Supplemental Indenture No. 5.

SECTION 1.2 *Definitions*. For all purposes of this Supplemental Indenture No. 5:

(a) All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture; and

(b) As used in Section 10.2, the term “**Put Settlement Date**” shall mean, (i) in relation to the options described in Sections 10.2(a) and 10.2(b) hereof, the date that is 10 New York Business Days following the date on which the Holder validly deposits a Put Option Notice with the Paying and Conversion Agent; (ii) in relation to the option described in Section 10.2(c)(i) hereof, the Third Put Date as defined in Section 10.2(c)(i) hereof, (iii) in relation to the option described in Section 10.2(c)(ii) hereof, the Fourth Put Date as defined in Section 10.2(c)(ii) hereof, (iv) in relation to the option described in Section 10.2(c)(iii) hereof, the Fifth Put Date as defined in Section 10.2(c)(iii) hereof, (v) in relation to the option discussed in Section 10.2(c)(iv) hereof, the Sixth Put Date as defined in Section 10.2(c)(iv), (vi) in relation to the option discussed in Section 10.2(c)(v) hereof, the Seventh Put Date as defined in Section 10.2(c)(v), and (vii) in relation to the option discussed in Section 10.2(c)(vi) hereof, the Eighth Put Date as defined in Section 10.2(c)(vi).

ARTICLE II

REDEMPTION AT THE OPTION OF NOTEHOLDERS

SECTION 2.1 *Amendment of Redemption at the Option of Noteholders*. Section 10.2 of the Indenture is hereby amended and restated to read in its entirety as follows:

10.2 The Issuer shall, at the option of the Holder of any Note, redeem such Note:

(a) 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% of its principal amount together with interest accrued but unpaid to such date; or

(b) in the event the Shelf Registration Statement Effective Date has not occurred, on any day following the one (1) year anniversary of the Original Issue Date (the “**Anniversary**”) until, but excluding, the 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% of its principal amount together with interest accrued but unpaid to such date; or

(c) on either (i) July 13, 2010 (the “**Third Put Date**”), (ii) such date that is two (2) New York Business Days after the date of a Put Option Notice given by a Noteholder after June 13, 2010 but on or before September 13, 2010 (the “**Fourth Put Date**”), (iii) such date that is two (2) New York Business Days after the date of a Put Option Notice given by a Noteholder after September 13, 2010 but on or before December 31, 2010 (the “**Fifth Put Date**”), (iv) such date that is two (2) New York Business Days after the date of a Put Option Notice given by a Noteholder after December 31, 2010 but on or before January 31, 2011 (the “**Sixth Put Date**”), (v) such date that is two (2) New York Business Days after the date of a Put Option Notice given by a Noteholder after January 31, 2011 but on or before February 28, 2011 (the “**Seventh Put Date**”), or (vi) such date that is two (2) New York Business Days after the date of a Put Option Notice given by a Noteholder after February 28, 2011 but on or before March 15, 2011 (the “**Eighth Put Date**”), in each case at a price equal to 105% of its principal amount together with interest accrued but unpaid to such date.

In order to exercise the option contained in clause (a) or (b) above, the Holder of a Note must, during the First Put Exercise Period or the Second Put Exercise Period, as applicable, deposit with the Paying and Conversion Agent such Note Certificate and a duly completed Put Option Notice.

In order to exercise the option contained in clause (c)(i) above, the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Put Settlement Date, deposit with the Paying and Conversion Agent a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Notes evidenced by a Note Certificate, such Note Certificate.

In order to exercise the option contained in clause (c)(ii) above, the Holder of a Note must, after June 13, 2010 and on or before September 13, 2010, deposit with the Paying and Conversion Agent a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Notes evidenced by a Note Certificate, such Note Certificate.

In order to exercise the option contained in clause (c)(iii) above, the Holder of a Note must, after September 13, 2010 and on or before December 31, 2010, deposit with the Paying and Conversion Agent a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Notes evidenced by a Note Certificate, such Note Certificate.

In order to exercise the option contained in clause (c)(iv) above, the Holder of a Note must, after December 31, 2010 and on or before January 31, 2011, deposit with the Paying and Conversion Agent a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Notes evidenced by a Note Certificate, such Note Certificate.

In order to exercise the option contained in clause (c)(v) above, the Holder of a note must, after January 31, 2011 and on or before February 28, 2011, deposit with the Paying and Conversion Agent a duly completed Put Option Note and, in the case of a Put Option Notice relating to Notes evidenced by a Note Certificate, such Note Certificate.

In order to exercise the option contained in clause (c)(vi) above, the Holder of a note must, after February 28, 2011 and on or before March 15, 2011, deposit with the Paying and Conversion Agent a duly completed Put Option Note and, in the case of a Put Option Notice relating to Notes evidenced by a Note Certificate, such Note Certificate.

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 Section 10.2, 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 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 the Paying and Conversion Agent in accordance with this Section 10.2, 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 Section 10.2, the Issuer shall give notice to Noteholders in accordance with Section 12.2 hereof.

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 Section 12.2 hereof 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 Section 10.2.

SECTION 2.2 *Notice*. The Issuer shall provide notice to the Trustee and each Noteholder in accordance with the Indenture within three (3) Business Days of the receipt of any Put Option Notice.

SECTION 2.3 *Amendments with Respect to the Indenture*. Except as amended hereby, the Indenture shall remain in full force and effect and is hereby ratified, adopted and confirmed in all respects. All references to “this Indenture,” “hereunder,” “hereof,” “herein,” or words of like import, and all references to the Indenture in any other agreement or documents shall hereafter be deemed to refer to the Indenture as amended hereby.

ARTICLE III

PROVISIONS OF GENERAL APPLICATION

SECTION 3.1 *Severability*. In case any provision in or obligation under this Supplemental Indenture No. 5 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.

SECTION 3.2 *The Trustee*. The recitals and statements in this Supplemental Indenture No. 5 shall be taken as the statements of the Issuer and the Trustee assumes no responsibility for their accuracy or correctness. The Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or sufficiency of the Supplemental Indenture No. 5.

SECTION 3.3 *Effect of headings.* The Clause headings herein are for convenience only and shall not affect the construction hereof.

SECTION 3.4 *Governing Law.* The Internal law of the State of New York will govern and be used to construe this Supplemental Indenture No. 5, the Indenture (as supplemented and amended hereby) and the Notes (as supplemented and amended hereby).

SECTION 3.5 *Consent to Jurisdiction and Service.* The Issuer agrees that any suit, action or proceeding against the Issuer brought by any Holder or the Trustee arising out of or based upon this Supplemental Indenture No. 5, the Indenture or the Notes may be instituted in any state or Federal court in the Borough of Manhattan, New York, and any appellate court from any thereof, and each of them irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. The Issuer irrevocably waives, to the fullest extent permitted by law, any objection to any suit, action, or proceeding that may be brought in connection with this Supplemental Indenture No. 5, the Indenture or the Notes, including such actions, suits or proceedings relating to securities laws of the United States of America or any state thereof, in such courts whether on the grounds of venue, residence or domicile or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment; *provided*, that service of process is effected upon the Issuer in the manner provided by the Indenture.

SECTION 3.6 *Counterparts.* This Supplemental Indenture No. 5 may be executed in any number of counterparts, and by the different parties hereto in separate counterparts, and each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Supplemental Indenture No. 5 shall become effective upon the execution of a counterpart hereof by each of the parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture No. 5 to be duly executed by their respective officers duly authorized, all as of the day and year first written above.

BMB MUNAI, INC.,
in its capacity as Issuer

By: /s/ Askar Tashtitov
Name: Askar Tashitov
Title: President

THE BANK OF NEW YORK MELLON,
in its capacity as Trustee

By: /s/ Marco Thuo
Name: Marco Thuo
Title: Vice President





PRESS RELEASE

www.bmbmunai.com

BMB MUNAI, INC. ENTERS AGREEMENT TO EXTEND NOTEHOLDERS' REDEMPTION RIGHTS

ALMATY, KAZAKHSTAN – February 25, 2011 - BMB Munai, Inc. (NYSE Amex: KAZ) today announced that in connection with its ongoing negotiations to restructure its U.S. \$60,000,000 aggregate principal amount of 9.0% Convertible Senior Notes due 2012 (the "Notes"), it has entered into Supplemental Indenture No. 5 with The Bank of New York Mellon, as trustee for the holders of the Notes (the "Noteholders") extending the terms of the redemption rights available to the Noteholders.

Pursuant to the terms of the original Indenture, as amended and supplemented by Supplemental Indenture No. 1, Supplemental Indenture No. 2, Supplemental Indenture No. 3 and Supplemental Indenture No. 4, the Noteholders had the right to redeem the Notes until February 28, 2011. Supplemental Indenture No. 5 grants the Noteholders an additional right to require redemption of the Notes upon two days notice any time after February 28, 2011 but on or before March 15, 2011.

In exchange for the extension of the redemption right, the Noteholders separately agreed they will not exercise any redemption right that would be effective prior to March 15, 2011, except in certain circumstances. The Noteholders also separately agreed to waive existing defaults under the Indenture until the earlier of March 15, 2011 or the date they may exercise the new redemption right.

For a more detailed description of the terms and conditions of Supplemental Indenture No. 5 and related information, please refer to the Current Report on Form 8-K of the Company filed with the United States Securities and Exchange Commission on February 25, 2011.

NYSE Amex has neither approved nor disapproved of the contents of this press release.

Contacts:

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This release contains "forward-looking" statements regarding BMB Munai's negotiations with its Noteholders regarding a restructuring of the Notes and the Noteholders' extended redemption rights. All such forward-looking statements are subject to future action by the Company and the Noteholders, of which there can be no assurance. Moreover, all forward-looking statements are not guarantees of future results or performance and involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Such forward-looking statements are made only as of the date of this release and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.
