

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): **September 19, 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 No.)

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 or 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 (see General Instruction A.2 below):

- 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 2.01 Completion of Acquisition or Disposition of Assets.

On September 19, 2011, BMB Munai, Inc., a Nevada corporation (the “Company”), closed the transactions contemplated by the previously disclosed Participation Interest Purchase Agreement, dated February 14, 2011 (the “Purchase Agreement”), among the Company, MIE Holdings Corporation, a company with limited liability organized under the laws of the Cayman Islands (“Parent”), and its subsidiary, Palaeontol B.V., a company organized under the laws of the Netherlands (the “Buyer”), as amended by the First Amendment and Waiver to the Purchase Agreement, dated August 31, 2011, among the Company, Parent and Buyer, pursuant to which the Company agreed to sell to the Buyer (i) all of its interest in its wholly-owned operating subsidiary, Emir Oil LLP (“Emir”), and (ii) certain loan agreements, pursuant to which the Company has made loans to Emir (the “Sale”). Interested parties are urged to read the full text of the Purchase Agreement and the First Amendment and Waiver to the Purchase Agreement, which were filed as Exhibits 2.1 and 2.1 to the Company’s Current Report on Form 8-K filed on February 18, 2011 and August 31, 2011, respectively, because they contain important information about the Sale.

On September 21, 2011, in connection with the Sale, the Company completed its mandatory redemption (the “Redemption”) of its \$61.4 million in principal amount of 10.75% Convertible Senior Notes due 2013 (the “Senior Notes”), pursuant to the Amended and Restated Indenture (the “Indenture”), dated as of March 4, 2011, between the Company and The Bank of New York Mellon, as trustee. Pursuant to the Indenture, the Redemption was triggered by the closing of the Sale. The total amount paid in connection with the Redemption was \$62,646,557.05, representing 100% of the Senior Notes’ outstanding principal amount, plus all accrued and unpaid interest thereon through the date of the Redemption. Upon the Redemption, all of the Company’s obligations arising under the Indenture, which governed the terms of the Senior Notes, were satisfied and discharged as of September 21, 2011. The foregoing description of the provisions of the Indenture is a summary and is qualified in its entirety by reference to the full text of the Indenture, a copy of which was filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on March 14, 2011.

The Company’s board of directors expects to meet promptly to determine the amount of the first of two anticipated cash distributions to the Company’s stockholders from the Sale proceeds, such amount to be determined after giving effect to the estimated closing adjustments and escrow amount and the repayment of the Senior Notes and after providing for the payment of or reserve for other anticipated liabilities and transaction costs. The Company intends to make a second distribution to its stockholders following termination of the escrow expected on or about the first year anniversary of the closing date, subject to the availability of funds to be released from the escrow, actual costs incurred and other factors.

On September 19, 2011, the Company issued a press release announcing the closing of the Sale. A copy of the press release is attached hereto as exhibit 99.1 to this Current Report on Form 8-K, and is incorporated herein by reference.

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The information regarding the mandatory Redemption of the Senior Notes resulting from the Sale included in response to Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

(d) On September 19, 2011, in connection with the completion of the Sale, the Company filed with the Securities and Exchange Commission a Form 25 to effect its previously announced voluntary delisting from the NYSE Amex (the “Amex”), which is expected to be effective following the close of business on September 29, 2011. Thereafter, the Company’s shares will no longer be listed on the Amex. Upon delisting from Amex, the Company believes that its common stock will be eligible for quotation on the OTCQB, part of the OTC Market Group, formerly known as Pink Sheets LLC. While the common stock may be quoted over-the-counter on the OTCQB, there can be no assurance that a market for the Company’s common stock will develop on the OTCQB or otherwise. Notwithstanding the voluntary delisting from the Amex, the Company intends to continue to file periodic and other reports and make other required filings with the Securities and Exchange Commission pursuant to the requirements of the Securities Exchange Act of 1934, as amended.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking” statements regarding the Company’s intention to make distributions from the Sale proceeds, the delisting of its common stock from the Amex and the timing thereof, the eligibility for and possible quotation of its common stock on the OTCQB, and the continuation of Securities and Exchange Commission filings. All such forward-looking statements are subject to uncertainty and changes in circumstances. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions 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. Factors that could materially affect such forward-looking statements include certain economic, business and regulatory risks and factors identified in the Company’s periodic reports filed with the Securities and Exchange Commission. All forward-looking statements are made only as of the date of this Current Report on Form 8-K 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.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Not applicable.

(b) Pro forma financial information.

The unaudited pro forma condensed consolidated statements of operations for the three months ended June 30, 2011 and the year ended March 31, 2011 and the unaudited pro forma condensed consolidated balance sheet as of June 30, 2011 are attached hereto as Exhibit 99.2 and incorporated herein by reference.

(c) Shell company transactions.

Not applicable.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press release dated September 19, 2011
99.2	The unaudited pro forma financial information of the Company

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: September 23, 2011

By: /s/ Askar Tashtitov

Askar Tashtitov
President

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press release dated September 19, 2011
99.2	The unaudited pro forma financial information of the Company



PRESS RELEASE

www.bmbmunai.com

BMB Munai, Inc. Completes the Sale of Emir Oil LLP to MIE Holdings Corporation

ALMATY, Kazakhstan, September 19, 2011 /PRNewswire/ -- BMB Munai, Inc. (NYSE Amex: KAZ) (the "Company") today announced that it has completed the sale of all of its interests in Emir Oil LLP to a subsidiary of MIE Holdings Corporation (HKEx: 1555), following its receipt of necessary regulatory approvals and satisfaction of the necessary conditions to closing the transaction. In connection with the closing of the transaction, the Company repaid in full the outstanding principal and accrued interest on its 10.75% convertible Senior Notes due 2013.

In the coming weeks, the Company's board of directors will meet to determine the amount of the first of two anticipated cash distributions to the Company's stockholders from the transaction proceeds, such amount to be determined after giving effect to the estimated closing adjustments and escrow amount and the repayment of the convertible senior notes and after providing for the payment of or reserve for other anticipated liabilities and transaction costs. The Company intends to make a second distribution to stockholders following termination of the escrow on the first year anniversary of the closing date, subject to the availability of funds to be released from the escrow, actual costs incurred and other factors.

As previously announced, today the Company expects to file with the Securities and Exchange Commission a Form 25 to effect its voluntary delisting from the NYSE Amex, which is expected to be effective on September 29, 2011. Thereafter, the Company's shares will no longer be listed on the NYSE Amex. Upon delisting from NYSE Amex, the Company believes that its common stock will be eligible for quotation on the OTCQB, part of the OTC Market Group, formerly known as Pink Sheets LLC. While the common stock may be quoted over-the-counter on the OTCQB, there can be no assurance that a market for the Company's common stock will develop on the OTCQB or otherwise.

Cautionary Note Regarding Forward-Looking Statements

This release contains "forward-looking" statements regarding the Company's anticipated cash distributions to stockholders and the filing of various information with the SEC. All such forward-looking statements are subject to uncertainty and changes in circumstances, and there is no assurance the statements will prove correct. Moreover, no forward-looking statements are guarantees of future results or performance and involve risks, assumptions 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. Factors that could materially affect such forward-looking statements include economic, business and regulatory risks and factors identified in the Company's periodic reports filed with the SEC. All 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.

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

SOURCE BMB Munai, Inc.

Unaudited Pro Forma Condensed Consolidated Financial Information

The following unaudited pro forma condensed consolidated financial statements have been prepared from the Company's historical consolidated financial statements and give effect to the Sale. The unaudited pro forma condensed consolidated statements of operations for the three months ended June 30, 2011 and the year ended March 31, 2011 reflect adjustments as if the Sale had occurred on the first day of each period, respectively. The unaudited pro forma condensed consolidated balance sheet as of June 30, 2011 reflects adjustments as if the Sale had occurred on June 30, 2011.

Pro forma information is intended to provide investors with information about the continuing impact of a transaction by showing how a specific transaction might have affected historical financial statements, illustrating the scope of the change in the historical financial position and results of operations. The adjustments made to historical financial information give effect to events that are directly attributable to the Sale, and expected to have a continuing impact.

The unaudited pro forma condensed consolidated financial statements set forth below are not fact and there can be no assurance that our actual results will not differ significantly from those set forth below or that the impact of the Sale will not differ significantly from those presented below. Accordingly, the unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and do not purport to represent, and are not necessarily indicative of, what our actual financial position and results of operations would have been had the Sale occurred on the dates indicated, nor are they indicative of our future financial position or results of operations. Readers of this Form 8-K filing are cautioned not to place undue reliance on such information and no one makes any representation regarding the information set forth below or our ultimate performance compared to it.

The unaudited pro forma condensed consolidated financial statements do not purport to present the financial position or results of operations of the Company had the transactions and events assumed therein occurred on the dates specified, nor are they necessarily indicative of the results of operations that may be achieved in the future.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of the Company, including the related notes, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference to this Form 8-K filing.

Unaudited Pro Forma Condensed Consolidated Statement of Operations

	For Three Months Ended June 30, 2011		
	Historical BMB Munai, Inc.	Pro Forma Adjustments	Pro Forma BMB Munai, Inc.
REVENUES	\$ -	\$ -	\$ -
COSTS AND OPERATING EXPENSES			
General and administrative	2,184,939	28,001,260(b)	30,186,199
Interest expense	2,118,147	1,428,601(c)	3,546,748
Amortization and depreciation	13,479	-	13,479
Total costs and operating expenses	<u>4,316,565</u>	<u>29,429,861</u>	<u>33,746,426</u>
LOSS FROM OPERATIONS	(4,316,565)	(29,429,861)	(33,746,426)
OTHER INCOME (EXPENSE):			
Foreign exchange loss, net	(10,371)	-	(10,371)
Interest income, net	7,603	-	7,603
Other income/(expense), net	(9,500)	6,846,084(d)	6,836,584
Total other income/(expense)	<u>(12,268)</u>	<u>6,846,084</u>	<u>6,833,816</u>
LOSS BEFORE INCOME TAXES	<u>(4,328,833)</u>	<u>(22,583,777)</u>	<u>(26,912,610)</u>
INCOME TAX BENEFIT	-	-	-
LOSS FROM CONTINUING OPERATIONS	(4,328,833)	(22,583,777)(k)	(26,912,610)
INCOME FROM DISCONTINUED OPERATIONS	8,654,065	(8,654,065)(a)	-
NET INCOME/(LOSS)	<u>\$ 4,325,232</u>	<u>\$ (31,237,842)</u>	<u>\$ (26,912,610)</u>
BASIC AND DILUTED NET LOSS PER COMMON SHARE FROM CONTINUING OPERATIONS	\$ (0.08)	\$ (0.40)	\$ (0.48)
BASIC AND DILUTED NET INCOME PER COMMON SHARE FROM DISCONTINUED OPERATIONS	\$ 0.16	\$ (0.16)	\$ -
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – BASIC AND DILUTED	<u>55,787,554</u>	<u>55,787,554</u>	<u>55,787,554</u>

See the accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Unaudited Pro Forma Condensed Consolidated Statement of Operations

	For the Year Ended March 31, 2011		
	Historical BMB Munai, Inc.	Pro Forma Adjustments	Pro Forma BMB Munai, Inc.
REVENUES	\$ -	\$ -	\$ -
COSTS AND OPERATING EXPENSES			
General and administrative	10,037,072	28,001,260(b)	38,038,332
Interest expense	5,977,640	3,038,038(c)	9,015,678
Amortization and depreciation	89,575	-	89,575
Total costs and operating expenses	<u>16,104,287</u>	<u>31,039,298</u>	<u>47,143,585</u>
LOSS FROM OPERATIONS	(16,104,287)	(31,039,298)	(47,143,585)
OTHER INCOME (EXPENSE):			
Foreign exchange loss, net	(415,803)	-	(415,803)
Interest income, net	11,388	-	11,388
Other income/(expense), net	7,974	3,230,850(d)	3,238,824
Total other income/(expense)	<u>(396,441)</u>	<u>3,230,850</u>	<u>2,834,409</u>
LOSS BEFORE INCOME TAXES	<u>(16,500,728)</u>	<u>(27,808,448)</u>	<u>(44,309,176)</u>
INCOME TAX BENEFIT	1,366,631	-	1,366,631
LOSS FROM CONTINUING OPERATIONS	(15,134,097)	(27,808,448)(l)	(42,942,545)
INCOME FROM DISCONTINUED OPERATIONS	20,015,870	(20,015,870)(a)	-
NET INCOME/(LOSS)	<u>\$ 4,881,773</u>	<u>\$ (47,824,318)</u>	<u>\$ (42,942,545)</u>
BASIC AND DILUTED NET LOSS PER COMMON SHARE FROM CONTINUING OPERATIONS	\$ (0.28)	\$ (0.53)	\$ (0.81)
BASIC AND DILUTED NET INCOME PER COMMON SHARE FROM DISCONTINUED OPERATIONS	\$ 0.38	\$ (0.38)	\$ -
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – BASIC AND DILUTED	<u>53,284,666</u>	<u>53,284,666</u>	<u>53,284,666</u>

See the accompanying notes to the unaudited pro forma condensed consolidated financial statements.

Unaudited Pro Forma Condensed Consolidated Balance Sheet

	As of June 30, 2011		
	Historical BMB Munai, Inc.	Pro Forma Adjustments	Pro Forma BMB Munai, Inc.
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 247,525	\$ 48,170,139(f)	\$ 48,417,664
Promissory notes receivable and related interest	192,090	-	192,090
Prepaid expenses and other assets, net	92,127	-	92,127
Current assets from discontinued operations	<u>17,253,448</u>	<u>(17,253,448)(e)</u>	<u>-</u>
Total current assets	<u>17,785,190</u>	<u>30,916,691</u>	<u>48,701,881</u>
LONG TERM ASSETS			
Other fixed assets, net	302,315	-	302,315
Convertible notes issue cost	658,150	(658,150)(g)	-
Restricted cash	-	36,000,000(h)	36,000,000
Long term assets from discontinued operations	<u>308,145,196</u>	<u>(308,145,196)(e)</u>	<u>-</u>
Total long term assets	<u>309,105,661</u>	<u>(272,803,346)</u>	<u>36,302,315</u>
TOTAL ASSETS	<u>\$ 326,890,851</u>	<u>\$ (241,886,655)</u>	<u>\$ 85,004,196</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 353,096	\$ -	\$ 353,096
Taxes payable, accrued liabilities and other payables	252,697	-	252,697
Accrued coupon payment	3,061,898	(3,061,898)(i)	-
Current liability from discontinued operations	<u>27,988,501</u>	<u>(27,988,501)(e)</u>	<u>-</u>
Total current liabilities	<u>31,656,192</u>	<u>(31,050,399)</u>	<u>605,793</u>
LONG TERM LIABILITIES			
Convertible notes issued, net	62,110,173	(62,110,173)(j)	-
Deferred taxes	3,977,385	-	3,977,385
Deferred consulting agreement	-	5,000,000(b)	5,000,000
Long term liability from discontinued operations	<u>6,209,010</u>	<u>(6,209,010)(e)</u>	<u>-</u>
Total long term liabilities	<u>72,296,568</u>	<u>(63,319,183)</u>	<u>8,977,385</u>
TOTAL LIABILITIES	<u>103,952,760</u>	<u>(94,369,582)</u>	<u>9,583,178</u>
COMMITMENTS AND CONTINGENCIES			
	-	-	-
SHAREHOLDERS' EQUITY			
Common stock outstanding	55,788	-	55,788
Additional paid in capital	164,118,640	-	164,118,640
Retained earnings	58,763,663	(124,933,296)(e)	(88,753,410)
	<u></u>	<u>(22,583,777)(k)</u>	<u></u>
Total shareholders' equity	<u>222,938,091</u>	<u>(147,517,073)</u>	<u>75,421,018</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 326,890,851</u>	<u>\$ (241,886,655)</u>	<u>\$ 85,004,196</u>

See the accompanying notes to the unaudited pro forma condensed consolidated financial statements.

BMB MUNAI, INC.
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

PRO FORMA ADJUSTMENTS

- (a) Represents adjustments to eliminate the discontinued operations of Emir for the year ended March 31, 2011 and the three months ended June 30, 2011. The Company believes these adjustments are directly attributable to the Sale, and will not continue after the Sale.
- (b) Reflects the estimated and budgeted amount of transaction costs borne by the Company related to the Sale. The transaction costs for the Sale include a finder's fee and legal opinion fee to Grata in the aggregate amount of \$ 2.95 million and a fairness opinion and success fee to UBS in the aggregate amount of \$2.00 million. The Company has also budgeted amounts of \$12.90 million for severance payments under executive contracts triggered by the Sale (\$5.00 million of which is deferred and held in escrow). The remaining \$10.15 million is accrued for other budgeted general and administrative expenses through the end of the indemnification period required by the transaction. See the Estimated Net Cash Proceeds note.
- (c) Represents estimated interest expense on the Company's Senior Notes as if repayment of the notes will occur, based on management's estimate, on September 19, 2011.
- (d) Represents the gain (loss) on the Sale resulting from the purchase price less book value of Emir and canceling the premium and issuance costs of the issued Senior Notes.

	June 30, 2011	March 31, 2011
Gain on Sale of Emir	\$ 3,732,163	\$ 2,235,076
Gain on canceling coupon payment liability	3,061,898	1,430,108
Loss on canceling Senior Note issuance costs	(658,150)	(738,062)
Gain on canceling Senior Note	710,173	303,728
Other income/(expense), net	\$ 6,846,084	\$ 3,230,850

- (e) Represents adjustments to eliminate assets and liabilities and shareholder's equity of Emir transferred to the Buyer at the Sale.
- (f) Represents adjustments for the estimated net cash proceeds less cash placed in escrow for the indemnification period. See the Estimated Net Cash Proceeds note.
- (g) Represents the expensing of the Senior Notes issuance costs upon repayment.
- (h) Represents the cash amount placed in escrow as required by the indemnification clause of the Purchase Agreement. See the Estimated Net Cash Proceeds note.
- (i) Represents payment of the accrued coupon payment along with the repayment of the Senior Notes.
- (j) Represents the canceling of the Senior Notes upon repayment from cash proceeds from the Sale.

- (k) Represents the total estimated loss on both the Sale of Emir and the repayment of the Senior Notes for the period ending June 30, 2011.
- (l) Represents the total estimated loss on both the Sale of Emir and the repayment of the Senior Notes for the period ending March 31, 2011.

ESTIMATED NET CASH PROCEEDS

The estimated net cash proceeds from the Sale as if the Sale had occurred on June 30, 2011 based on the pro forma adjustments described above, are as follows:

	June 30, 2011
Gross proceeds from sale	\$ 170,000,000
Transaction costs	(4,950,000)
Repayment of convertible notes	(61,400,000)
Interest expense	(1,428,601)
Severance payments	(7,895,801)
General and administrative expenses	(10,155,459)
Estimated net cash proceeds	84,170,139
Less cash placed in escrow	(36,000,000)
Estimated unrestricted net cash proceeds	\$ 48,170,139

