

Press Release

For: Chagala Group (LSE Ticker Symbol: CHGG)

Date: 18th January 2012

Chagala Group and ADM Capital launch JV to develop commercial and residential properties in Kazakhstan

Chagala International Holding B.V., (“Chagala Group”), today announced a binding agreement to co-invest in a joint venture with leading international fund manager ADM Capital through its ADM Kazakhstan Capital Restructuring Fund (“ADM KCRF”). The majority of this joint venture will be held by the ADM KCRF fund and will look to deploy up to USD60mm focused on the development of commercial and residential properties in Kazakhstan.

To date, initial projects have been identified in Atyrau and Almaty. Further projects, will be sought where the joint venture identifies special situations where it can create value. The parties anticipate deploying capital in the first quarter of 2012.

Francisco Parrilla, CEO of the Chagala Group, noted “This joint venture represents an innovative financing structure to fund the development of a number of projects in our commercial and residential project pipeline. Partnering with ADM Capital enables us to put in value assets in our balance sheet, without diluting the Group’s existing shareholding. We continue to explore various ways of financing our numerous development projects. ADM Capital’s strength in financial structuring presented this opportunity to realise a mutually valuable partnership.”

Patrick O’Brien, partner of ADM Capital, stated “We are delighted to be able to partner with the Chagala Group in this venture and see very strong synergies going forward. The Chagala Group has a long and successful track record in Kazakhstan and this investment vehicle will allow us to capitalise on the excellent sourcing, development and management of assets as the market recovers.”

The Chagala Group

The Chagala Group’s business is focused on creating a diversified portfolio of services and property solutions, predominantly targeting oil and gas companies and their service providers operating in the Caspian Region, one of the biggest geographical exploration and production areas worldwide. In particular, Chagala provides residential and business accommodation, associated catering, leisure, transport, warehousing and logistics support to all of the major companies involved in the oil and gas industry in Kazakhstan. The Group works closely with these clients in planning and developing properties to meet their long-term needs and its own growth and development is directly related to that of the oil and gas industries in Kazakhstan.

ADM Capital

ADM Capital an investment management business that has been investing in emerging markets for over 13 years.

ADM Capital, Almaty

ADM Capital established its Almaty office 2010 with the launch of ADM Kazakhstan Capital Restructuring Fund sponsored by EBRD and Kazyna Capital Management. ADM Capital's specialization is to invest with operationally good companies offering complex or structured investment opportunities.

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