THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

Application has been made for the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on the AIM Market of the London Stock Exchange ("AIM"). **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.** The Company's existing Ordinary Shares are not admitted to trading on any recognised investment exchange and apart from the application for Admission, no such other applications have been or are intended to be made.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules. This document does not constitute an offer to the public in accordance with the provisions of section 85 of FSMA and is not a prospectus for the purposes of the Prospectus Rules made under section 73A of FSMA. Accordingly, this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the Financial Services Authority (the "FSA") pursuant to section 85 of FSMA and a copy has not been delivered to the FSA under regulation 3.2 of the Prospectus Rules. The Directors, whose names appear on page 3 of this document, accept full responsibility, collectively and individually, for the Company's compliance with the AIM Rules for Companies and the Company and the Directors accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ IN PARTICULAR, PART I "INFORMATION ON THE GROUP" AND THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

ROXI PETROLEUM PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05966431)

Placing of 102,444,332 new Ordinary Shares at 38p per Ordinary Share and Admission to trading on AIM by

W.H. IRELAND LIMITED

Nominated Adviser & Broker

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION AND THE PLACING

Number of Issued and fully paid Ordinary Shares of 10p each

168,207,490

The Placing Shares will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares and rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 22 May 2007.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of the Republic of South Africa, Australia, Canada, Japan or the Republic of Ireland. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, the Republic of South Africa, Australia, Canada, Japan or the Republic of Ireland or to or for the account or benefit of any national, resident or citizen of the Republic of South Africa, Australia, Canada, Japan or the Republic of Ireland or any person located in the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law. In particular, this document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, the United States of America, the Republic of South Africa, Australia, Canada, Japan or the Republic of Ireland. No action has been taken by the Company or by W.H. Ireland Limited that would permit an offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

W.H. Ireland Limited, is authorised and regulated in the United Kingdom by the Financial Services Authority and is a member of London Stock Exchange plc and is acting as Nominated Adviser and Broker for the purposes of the AIM Rules exclusively for the Company in connection with the Placing and Admission and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of W.H. Ireland Limited, or for advising any other person in connection with the Placing and Admission. The responsibilities of W.H. Ireland Limited, as Nominated Adviser, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or Shareholders or to any other subsequent purchaser of Ordinary Shares and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by W.H. Ireland Limited as to, and no liability whatsoever is accepted by W.H. Ireland Limited in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of W.H. Ireland Limited at 24 Martin Lane London EC4R 0DR from the date of this document and for a period of at least one month from Admission.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	Clive Nathan Carver *(Non-Executive Chairman)* Jean Joseph Louis Robert Schoonbrood *(Chief Executive Officer)* David Robert Barker *(Chief Operating Officer)* Kuat Rafikuly Oraziman *(Non-Executive Director)* all of: 11 Gough Square, London, EC4A 3DE
Company Secretary	Paul Benedict Puxon, Solicitor
Registered Office	11 Gough Square London EC4A 3DE
Principal Place of Business and telephone numbers	142 Zhamakayev Street Almaty 050059 Kazakhstan +7 327 2635081/(82)
Website	www.roxipetroleum.com
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4Y 0DZ
Solicitors to the Company as to English Law	McCarthy Tétrault Registered Foreign Lawyers and Solicitors 2nd Floor 5 Old Bailey London EC4M 7BA
Solicitors to the Company as to Kazakh Law and provider of legal opinions as to Kazakh Law	Denton Wilde Sapte Kazakhstan Limited 96 Baitursyrov St. Almaty 050022 Kazakhstan
Solicitors to the Placing	Trowers & Hamlins Sceptre Court 40 Tower Hill London EC3N 4DX
Auditors and Reporting Accountant	BDO Stoy Hayward LLP Chartered Accountants 8 Baker Street London W1U 3LL
Competent Person	McDaniel & Associates Consultants Ltd. 2200, 255 5th Avenue SW Calgary, Alberta T2P 3G6

Bankers	Citibank, N.A. London Branch Citigroup Centre Canada Square London E14 5LB
Consultant Environmentalist	Caspi Ecology Environmental Services LLP 142 Zhamakayev Street Almaty 050059 Kazakhstan
Registrars	CAPITA Registrars plc Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA
Financial Public Relations	College Hill Associates Limited 78 Cannon Street London EC4N 6HH

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"Act"	the Companies Act 1985 (as amended)
"Admission"	the admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"AIM"	a market operated by the London Stock Exchange
"AIM Rules"	together the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"AIM Rules for Companies"	the AIM Rules for Companies, together with the guidance notes set out in Part Two thereof and the Guidance Note, issued by the London Stock Exchange
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers issued by the London Stock Exchange
"Articles"	the articles of association of the Company, further details of which are set out in paragraph 5 of Part V of this document
"Beibars Acquisition Agreement"	has the meaning set out in paragraph 11.5(b) of Part V of this document
"Beibars Contract Area"	the geographic area as described in paragraph 4.2 of Part I of this document, in respect of which the Beibars SSUC has been concluded
"Beibars Investment Agreement"	the investment agreement entered into between the participants of Beibars Munai dated 3 May 2007, further details of which are set out in paragraph 11.5(c) of Part V of this document
"Beibars Munai"	Beibars Munai LLP, a limited liability partnership organised under the laws of Kazakhstan with re-registration number 71135-1910-TOO-NY, and whose registered office is at 17, Kurmangalieva str., Almaty, Republic of Kazakhstan, 50 per cent. of the Participation Interests of which are owned by Sytero 2
"Beibars SSUC"	the SSUC concluded between the MEMR and Beibars Munai as contractor, registration No. 2287, dated 31 January 2007, further details of which are set out in paragraph 9.2(a) of Part I of this document
"Central Asia"	a large landlocked region of Asia, with close historical ties to its nomadic people and the Silk Road, geopolitically covering the states of Afghanistan, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Turkmenistan
"City Code"	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel
"Contracts"	together, the Beibars SSUC, the North Karamandybas SSUC and the Ravninnoe SSUC, and "Contract" means any of them
"Contract Areas"	together, the Beibars Contract Area, the Ravninnoe Contract Area and the North Karamandybas Contract Area, and "Contract Area" means any of them
"Combined Code"	the revised code on the principles of good governance and best practice published by the Financial Reporting Council in June 2006
"Company" or "Roxi"	Roxi Petroleum plc

"Competent Person's Report"	the report prepared by McDaniel & Associates Consultants Ltd., a copy of which is reproduced at Part III of this document
"CREST"	the computerised settlement system to facilitate the holding of and transfer of title to or interests in securities in uncertificated form, operated by CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
"Directors" or "Board"	the directors of the Company whose names are set out on page 3 of this document
"DTR"	the Disclosure and Transparency Rules published by the FSA from time to time
"Dutchcos"	together, Sytero, Sytero 2 and Sytero 3, and "Dutchco" means any of them
"Enlarged Share Capital"	the issued ordinary share capital of the Company as at Admission, comprising the Existing Ordinary Shares, the Vendor Shares and the Placing Shares
"Existing Ordinary Shares"	the 60,500,000 issued and fully paid Ordinary Shares in issue as at the date of this document
"FSA"	the Financial Services Authority of the United Kingdom
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Government"	the Government of Kazakhstan
"Group"	the Company and its subsidiary undertakings including for the avoidance of doubt the Kazakh LLP's
"Guidance Note"	the guidance note dated 16 March 2006 entitled "Guidance for Mining and Oil & Gas Companies", as published by the London Stock Exchange by way of AIM Notice 16
"HMRC"	Her Majesty's Revenue and Customs
"Investment Agreements"	together, the Beibars Investment Agreement, the Ravninnoe Investment Agreement and the RS Munai Investment Agreement, and "Investment Agreement" means any of them
"Kazakh Acquisition Agreements"	the agreements referred to at paragraph 11.5(b) of Part V of this document
"Kazakh LLPs"	together, Beibars Munai, Ravninnoe Oil and RS Munai and "Kazakh LLP" means any of them
"KZT" or "Tenge"	Tenge, the lawful currency of Kazakhstan
"LoEP"	Ecological Code of Kazakhstan No. 212-111 dated 9 January 2007
"London Stock Exchange"	London Stock Exchange plc
"MEMR"	the Ministry of Energy and Mineral Resources of the Government
"MEP"	the Ministry of Environmental Protection of the Government
"North Karamandybas Acquisition Agreement"	has the meaning set out in paragraph 11.5(b) of Part V of this document

"North Karamandybas SSUC"	the SSUC concluded between the MEMR and KPP Aktau JSC as contractor, registration No. 550 dated 14 October 2000 with Amendment No. 1 dated 24 February 2005 and Amendment No. 2 dated 15 June 2006, further details of which are set out in paragraph 9.2(c) of Part I of this document
"North Karamandybas Contract Area"	the geographic area as described in paragraph 4.3 of Part I of this document, in respect of which the North Karamandybas SSUC has been concluded
"Official List"	the Official List of the UKLA
"Ordinary Shares"	ordinary shares of 10p each in the capital of the Company
"Panel"	the Panel on Takeovers and Mergers
"Participation Interest"	a participation interest in the charter capital of any of Beibars Munai, Ravninnoe Oil or RS Munai, as the case may be
"Pinegrove"	Pinegrove Equities Inc., a company incorporated under the laws of the British Virgin Islands with registered number 1009087 and whose registered office is at 24 De Castro Street, Wickhams Cay 1, PO Box 3136, Road Town, Tortola, British Virgin Islands
"Placees"	subscribers for Placing Shares pursuant to the Placing
"Placing"	the conditional placing by WH Ireland, as agent for the Company, of the Placing Shares at the Placing Price, pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 16 May 2007 and made between the Company, the Directors and WH Ireland relating to the Placing, further details of which are set out in paragraph 11.1 of Part V of this document
"Placing Price"	38 pence per Placing Share
"Placing Shares"	the 102,444,332 new Ordinary Shares to be issued at the Placing Price by the Company and subscribed for pursuant to the Placing
"Ravninnoe Acquisition Agreement"	has the meaning set out in paragraph 11.5(b) of Part V of this document
"Ravninnoe Oil"	Ravninnoe Oil LLP, a limited liability partnership organised under the laws of Kazakhstan with re-registration number 60824-1910-TOO-NY, and whose registered office is at 17, Kurmangalieva str., Almaty, Kazakhstan, 50 per cent. of the Participation Interests of which will, on Completion of the Ravninnoe Acquisition Agreement, be owned by Sytero 3
"Ravninnoe Contract Area"	the geographic area as described in paragraph 4.1 of Part I of this document, in respect of which the Ravninnoe SSUC has been concluded
"Ravninnoe Investment Agreement"	the investment agreement entered into between the participants of Ravninnoe Oil dated 3 May 2007, further details of which are set out at paragraph 11.5(c) of Part V of this document
"Ravninnoe SSUC"	the SSUC concluded between the MEMR and Ravninnoe Oil as contractor, registration No. 1390, dated 16 April 2004 with Amendment No. 1 dated 22 April 2004, further details of which are set out in paragraph 9.2(b) of Part I of this document

"RS Munai"	RS Munai LLP, a limited liability partnership organised under the laws of Kazakhstan with registered number 81512-1910-TOO-NY and whose registered office is at 87, Dostyk av., Office 12, Almaty, Kazakhstan, 50 per cent. of the Participation Interests of which are held by Sytero
"RS Munai Investment Agreement"	the investment agreement between the participants of RS Munai dated 4 May 2007, further details of which are set out at paragraph 11.5(c) of Part V of this document
"Shareholder"	a holder of Ordinary Shares
"Share Option Scheme"	the unapproved share option scheme of the Company details of which are set out in paragraph 8 of Part V of this document
"Sub-Soil Use Contract" or "SSUC"	a contract for the exploration, production or both of hydrocarbons situated in Kazakhstan concluded between a party as contractor and the MEMR on behalf of the Government
"State" or "Kazakhstan"	the Republic of Kazakstan
"Subsoil Law"	the Law of Kazakhstan on Subsoil and Subsoil use No. 2828 dated 27 January 1996 (as amended)
"Sytero"	Sytero BV, a corporation incorporated under the laws of the Netherlands with registered number 34253630 and whose registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, being a wholly owned subsidiary of the Company
"Sytero 2"	Sytero 2 BV, a corporation incorporated under the laws of the Netherlands with registered number 34257786 and whose registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, being a wholly owned subsidiary of the Company
"Sytero 3"	Sytero 3 BV, a corporation incorporated under the laws of the Netherlands with registered number 34257787 and whose registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, being a wholly owned subsidiary of the Company
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the United Kingdom Listing Authority, being the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"uncertificated" or "in uncertificated form"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
"US$"	US dollars, the lawful currency of the United States
"£" and "p"	respectively, pounds and pence sterling, the lawful currency of the United Kingdom
"VAT"	UK value added tax
"Vendor Shares	the 5,263,158 Ordinary Shares to be issued by the Company as referred to in paragraph 11.5(a) of Part V of this document
"WH Ireland"	WH Ireland Limited, the Company's nominated adviser and broker, a member of the London Stock Exchange and authorised and regulated in the United Kingdom by the FSA

GLOSSARY OF TECHNICAL TERMS

The following technical terms are used in this document. Grammatical variations of these terms should be interpreted in the same way.

"2D Seismic"	seismic data acquired in a grid of lines that is relatively broad spaced, and is processed in two dimensions
"3D Seismic"	seismic data acquired in a grid that is relatively close-spaced and dense, and is processed in three dimensions
"abandonment" (of well)	a term to describe the sealing of a well with cement plugs, and removing the wellhead with no intention of re-entering the well
"anticlinal"	a hydrocarbon trap where the reservoir has a convex geometry
"appraisal well"	a well drilled as part of an appraisal drilling programme which is carried out to determine the physical extent, reserves and likely production rate of a field
"assignment"	an instrument whereby one party sells or transfers an interest or property to another
"barrel"	a unit of volume measurement used for petroleum and its products (6.29 barrels = 1 cubic metre)
"bbl"	one barrel of oil; 1 barrel = 35 Imperial gallons (approx.), or 159 litres (approx.); 7.5 barrels = 1 tonne (approximately depending upon the oil density); 6.29 barrels = 1 cubic metre
"block"	term commonly used to describe contract areas or tract, as in "block of land"
"blow-out"	when well pressure exceeds the ability of the wellhead valves to control it, oil and gas "blow wild" at the surface
"bopd" or "b/d"	barrels of oil production per day
"bounding fault"	a fault that defines the limit of a prospect of hydrocarbon accumulation
"bubble point"	the pressure at which the first bubble of gas comes out of solution from in the oil
"Carboniferous"	geological period between 354 and 295 million years ago
"cement squeeze"	the process of setting cement in a well bore, by pumping cement under pressure in to perforations and behind casing
"clastic sequence"	rock series consisting of predominantly sedimentary rock made up of clasts (fragments) derived from pre-existing rocks transported and re-deposited before becoming lithified
"commercial discovery"	discovery of hydrocarbons which the Company determines to be commercially viable for appraisal and development
"completion"	the operation of perforating, stimulating and equipping an oil or gas well
"condensate"	hydrocarbons which are in the gaseous state under reservoir conditions and which become liquid when temperature or pressure is reduced. A mixture of pentanes and higher hydrocarbons

"Cretaceous"	geological strata formed during the period 140 million to 65 million years ago
"Devonian"	a geological strata/period depicted between 354 million and 417 million years ago
"dip"	the inclination of a horizontal structure from the horizontal
"discovery"	an exploration well which has encountered hydrocarbons
"downthrown"	relative movement of one fault block against another
"exploration drilling"	drilling carried out to determine whether hydrocarbons are present in a particular area or structure
"exploration phase"	the phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys followed up where appropriate by exploratory drilling
"exploration well"	a well in an unproven area or prospect, may also be known as a "wildcat well"
"extended production test"	producing a well or formation for a long period of time in order to determine production performance
"fades"	sedimentological description of rock
"fault"	a break in the earth's crust where there has been displacement of one side relative to the other. Sometimes a layer of non-porous rock may be next to an oil-bearing porous interval along a fault and form a trap for the oil
"field"	a geographical area under which an oil or gas reservoir lies
"formation"	a unit of rock
"formation damage"	damage done to a reservoir formation by exposure to borehole fluids such as drilling mud, brine of fresh water
"gas field"	a field containing natural gas but no oil
"gas lift"	the introduction of gas into a well to assist lifting fluids from the well bore
"geophysical"	the measurement of the earths physical properties to explore and delineate hydrocarbons, including electrical, seismic, gravity, magnetics, but not including drilling
"graben"	a normally faulted elongate trough or block of rock, down-thrown on both sides
"gross pay"	the total thickness of hydrocarbon bearing sediments
"hydrocarbon"	a compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term is mainly used in a catch-all sense for oil, gas and condensate
"Jurassic"	geological strata (or period) formed during the period from 144 million to 205 million years ago
"LAS files"	"Log ASCII Standard", a global file format for wireline log data
"mD"	milli Darcy (permeability)
"M"	thousands
"MM"	millions

"Mesozoic"	the secondary or reptilian age, from 250 million to 65 million years ago
"milling"	the process of drilling and grinding an obstacle that is lodged in the well bore
"mud"	a mixture of base substance and additives used to lubricate the drill bit and to counteract the natural pressure of the formation
"natural gas"	gas, occurring naturally, and often found in association with crude petroleum
"net pay"	the total thickness of hydrocarbon bearing sediments that is classified as reservoir
"oil field"	a geographic area under which an oil reservoir lies
"oil"	a mixture of liquid hydrocarbons of different molecular weights
"operator"	the company that has legal authority to undertake petroleum operations.
"packer"	a device which is run into a well bore which expands to seal and isolate one section of the well bore from another
"Palaeozoic"	geological era between 540 and 250 million years ago. Includes the Permian, Carboniferous, Devonian, Silurian, Ordovician and Cambrian periods
"permeability"	the property of a formation which quantifies the flow of a fluid through the pore spaces and into the wellbore
"Permian"	a geological period between 250 to 295 million years ago
"Permo-Triassic"	geological period between 205 to 295 million years ago
"petroleum"	a generic name for hydrocarbons, including crude oil, natural gas liquids, natural gas and their products
"Pilot Production Project"	an early production scheme, which requires the approval of the Kazakhstan State Authorities
"plugging" (of well)	the process setting cement, or other plug in a well in order to make it safe, from any blow-out and cross flow or environmental impact
"pool"	a individual and separate accumulation of petroleum in a reservoir
"porosity"	the percentage of void in a porous rock compared to the total rock volume
"pour point"	the lowest temperature at which crude oil behaves as a fluid as set by the ASTM D-97 pour point test
"Pre-Caspian Basin"	the sedimentary basin at the North end of the Caspian extending from Astrakhan in Russia to Aktubinsk in West Kazakhstan. Sometimes called Pre-Caspian, and Peri Caspia
"probabilistic"	a method of estimating an uncertain outcome whereby a range of values is used for each parameter in a calculation. Results are generally expressed as a range with an associated probability of occurrence

"prospect"	a defined geological or geophysical feature or anomaly that has been surveyed and defined, usually by seismic data, to a degree that its configuration is fairly well established and that is considered potentially to have a hydrocarbon accumulation
"Proterozoic"	geological era between 2,500 and 800 million years ago
"recompletion"	to repeat the initial "completion" of a well, at a later stage, to either enhance production from the existing "zone", or to allow production from a new zone
"reserves"	generally the amount of economically recoverable oil or gas in a particular reservoir that is available for production
"reservoir"	the underground formation where oil and gas has accumulated It consists of a porous and permeable rock to hold the oil or gas, and a cap rock that prevents its escape
"saturated oil"	an oil at reservoir conditions that is at its "bubble point"
"sediment drape"	rock formations which appear in section to drape themselves over structural highs
"stratigraphic trap"	a mode of trapping hydrocarbons which is not dependent on structural entrapment
"structural high"	an area where rocks have been elevated due to tectonic activity
"swabbing"	the process of mechanically producing a pressure drop in the wellbore by rapidly pulling out of the hole, usually with a cup shaped tool
"TD"	total depth of a well, when drilling has finished
"Triassic"	geological period between 250 and 205 million years ago
"up-dip"	at a structurally higher elevation within dipping strata
"under-saturated oil"	an oil at reservoir conditions that is at a pressure above its "bubble point" (compare with "saturated oil"). Reductions in pressure can cause the oil to become saturated
"well log"	a record of geological formation penetrated during drilling, including technical details of the operation
"zone"	a general term meaning an interval or unit of rock. A zone in a well would be an interval typically defined by a top and bottom depth. A fault zone would be the unit of rock associated and the area around a fault

KEY INFORMATION

PLACING STATISTICS

Placing Price	38 pence
Number of Existing Ordinary Shares	60,500,000
Number of Placing Shares being issued pursuant to the Placing	102,444,332
Number of Vendor Shares	5,263,158
Number of Ordinary Shares in issue immediately following the Placing and Admission	168,207,490
Placing Shares as a percentage of the Enlarged Share Capital	60.9 per cent.
Gross proceeds of the Placing	£38.9m
Net proceeds of the Placing to be received by the Company	£36.1m
Market capitalisation of the Company following Admission at the Placing Price	£63.9m

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and dealings expected to commence in the Ordinary Shares on AIM	22 May 2007
CREST accounts expected to be credited by	22 May 2007
Despatch of definitive share certificates (where applicable) expected by	1 June 2007

PART I
INFORMATION ON THE GROUP

1. Introduction

Roxi was formed on 13 October 2006 to acquire controlling interests in and develop oil and gas assets in Central Asia, initially Kazakhstan.

The Company's senior management team has extensive exploration, operational, production and trading experience across a diversified array of countries and climates including Kazakhstan, the Middle East, Europe, the former Soviet Union, Russia, Africa and the United States and major oil companies including Royal Dutch Shell, BP, Mobil, PetroKazakhstan and a variety of joint venture operations. Further details of the Company's senior management team are provided in this Part I.

The Company's strategy is to build within three to five years a diversified portfolio of oil and gas exploration and production assets in Central Asia which, in the opinion of the Directors, have potential for near term production and substantial increases in the stated reserves. The Company's focus is currently on Kazakhstan as a result of the numerous niche on shore opportunities available under the current contract regime and the extensive operational experience of the management of the Company in the country. The Company intends to enlarge the portfolio on an ongoing basis to become a significant sized oil and gas concern.

Following Admission and completion of the Kazakh Acquisition Agreements, the Company will hold a fifty per cent. economic interest and contractual and operational control over three Contract Areas located in the Caspian region of Kazakhstan, each of which is at a different stage of its exploration programme. In aggregate, the Contract Areas cover approximately 262 square kilometres and have proven, probable and possible gross reserves of approximately 25 MMbbls of oil as well as contingent resources of up to 10 MMbbls of oil.

The Directors believe there are significant opportunities to acquire additional interests in further fields in Central Asia and aim to take advantage of their management, operational and transportation expertise in addition to the Directors' acquisition experience in the region to become a significant oil and gas concern.

The Company has interests in the following areas:

The Ravninnoe Contract Area covers approximately 121 km^2, located approximately 100 km northeast of the Tengiz field in the south Emba sub-basin of the Pre-Caspian Basin, in the Atyrau Oblast of West Kazakhstan.

North Karamandybas Contract Area covers approximately 7.2 km^2 and is situated in the South Mangishlak Basin, Karakigansky Rayon of the Mangistau Oblast approximately 120 km east of Aktau.

Beibars Contract Area covers approximately 167 km^2 and is situated on the coastline of the Caspian sea approximately 40 kilometres south of Aktau in the Mangistau Oblast.

Completion of the Ravninnoe Acquisition Agreement and the Beibars Acquisition Agreement will occur following Admission and payment of the consideration thereunder. The North Karamandybas Acquisition Agreement will complete at the discretion of the Company dependent upon the successful resolution of legal proceedings in connection with the title to the North Karamandybas Contract Area and the receipt of Government waivers as referred to in paragraph 8.2 of this Part I.

Further details on these properties are given below and also in the Competent Person's Report which is set out in Part III of this document.

Map of Kazakhstan showing the location of the Contract Areas in the West of Kazakhstan

2. Strategy

The Company's strategy is to build, within three to five years, a diversified portfolio of oil and gas exploration and production assets in Central Asia which, in the opinion of the Directors, have potential for near term production and substantial increases in the stated reserves. The Company's focus is currently on Kazakhstan as a result of numerous niche on shore opportunities available under the prevailing contract regime and the extensive operational experience of the management of the Company in the country. The Company intends to enlarge the portfolio on an ongoing basis to become a significant sized oil and gas concern. To date the Company has appraised 23 assets.

The key components of the Company's strategy are summarised as follows:

- The Company seeks to optimise the value of its strong management team which has extensive and diverse experience in oil and gas. The team has a commercial and operational track record worldwide including Kazakhstan, the former Soviet Union, the Middle East, Russia, the United States and Europe;
- The Company will interact with Kazakh joint venture partners which are well established in the country, and who have excellent local connections, to obtain exposure to acquisition opportunities and who can assist in commercial, operational and regulatory matters;
- The Company will continuously evaluate and aim to accumulate other under-developed oil and gas assets located in Central Asia;
- The Company will maintain a flexible corporate structure which can be easily expanded to accommodate other acquisition opportunities and is designed to protect each of its assets;
- Through the acquisition and accumulation of a number of oil and gas fields, the Company will seek to diversify its geologic and operational risks in respect of the development of individual oil and gas fields;
- As an initial step, the Company on Admission and completion of the Kazakh Acquisition Agreements will have controlling interests in two oil fields with clear potential for further development and also in one exploration block.

The Company intends to use conservative criteria for choosing additional fields to add to the portfolio to help to generate attractive cashflows including:

- Acquiring fields with low acquisition costs compared to the upside potential of the field;
- Acquiring fields that are close to the end of their appraisal phases and can be placed into long term production in the near future to accelerate investment payback;
- Acquiring fields with significant upside in the development of the reserve base;
- Entering into joint ventures with local owners who will have an interest up to 50 per cent. of each field; and
- Retaining control over the development and the operations of the joint ventures.

The Group's near-term strategy in relation to the Contract Areas includes:

- Re-entering five or six previously drilled wells to test the reserve base and to add production in a relatively short time frame at low costs compared to drilling new wells;
- Re-evaluating existing seismic and acquiring new 2D Seismic and 3D Seismic on all three Contract Areas;
- Drilling between two and five new wells dependent on the results of the re-entries and the evaluation of new and existing seismic data; and
- Constructing field facilities to allow for near term production to generate cash flow.

3. Area of Operation – Kazakhstan

3.1 Introduction

Kazakhstan, located south of Russia, northwest of China and east of the Caspian Sea, is the world's ninth largest country with a total area of over 1.049 million square miles and is approximately the size of Western Europe. Kazakhstan is an ethnically diverse republic which gained political independence from the Soviet Union on 16 December 1991. Kazakhstan has a population of approximately 15.3 million citizens and is surrounded by Russia, China, Kyrgyzstan, Uzbekistan and Turkmenistan.

Kazakhstan is Central Asia's largest developed economy that is politically stable and influential throughout the region. GDP is expected to double by 2008 from its 2000 level and to treble by 2015. Average growth of real GDP has exceeded 9 per cent. per annum for the past five years. In 2000, Kazakhstan was the first of the former Soviet republics to repay all of its debts to the IMF, and in 2002 it was the first CIS country to receive an investment grade credit rating and became a "market economy" according to US trade law. The Government's monetary policy is considered well managed and the economy exhibits strong macro-economic performance and financial health with Government debt as a ratio to GDP declining significantly in the past few years.

Kazakhstan has introduced large-scale political and economic reforms together with the Government's policies aimed at seeking to attract foreign investment by creating a stable, transparent and consistent investment environment.

Since 1993, the development of petroleum and natural gas, and mineral extraction, have attracted most of the $40 billion in foreign investment in Kazakhstan and account for some 57 per cent. of the nation's industrial output (including 20.2 per cent. oil and gas, 8.6 per cent. ferrous metallurgy and 11.6 per cent. non ferrous metallurgy). In terms of exports, Kazakhstan's main trading partners in 2005 included Russia (12.4 per cent.), Germany (12 per cent.), China (11.2 per cent.), Italy (8.9 per cent.), France (8.6 per cent.), Romania (5.1 per cent.) and the US (4.5 per cent.).

Kazakhstan's leading economic sector is energy which in 2003 accounted for 65 per cent. of total exports and 24 per cent. of GDP. Apart from oil and gas, Kazakhstan also has significant and diverse deposits of minerals and raw materials. Nearly 500 hundred fields presently exist which contain 1,225 kinds of minerals. Kazakhstan is ranked second in the world in respect of its reserves of uranium, chromium, lead and zinc, third in respect of manganese, fifth in terms of copper and in the top ten in regards to coal, iron and gold.

In 2005 Kazakhstan produced approximately 1.29 million barrels of oil per day and consumed approximately 222,000 barrels of oil leaving approximately 1 million barrels of oil per day for export. This figure is expected to grow to 3.5 million barrels of oil per day by 2015 placing Kazakhstan in the top ten crude oil export countries in the world alongside Iran, Mexico, Norway and Venezuela, with revenues exceeding US$12 billion. Most of this additional production will come from offshore fields in the North Caspian Sea, principally Kashaghan which is the world's largest field outside the Middle East and the fifth largest field in the world. The Pre-Caspian Basin, in which the Group's interests are located, has 4 super-giant oil fields including Tengiz (estimated recoverable crude oil reserves of between six and nine billion barrels), Kashagan (estimated reserves in excess of seven billion barrels) and Kurmangazy (estimated recoverable reserves of in excess of seven billion barrels). At present there are over two hundred producing fields in Kazakhstan with recoverable reserves of oil estimated to be approximately 7.8 billion tonnes and 7.1 billion cubic metres of gas.

4. The Contract Areas

Map of North East Caspian Sea Region and Location of Ravninnoe Contract Area

4.1 Ravninnoe Contract Area

4.1.1 Introduction

The Ravninnoe Contract Area covers 121 km^2, having recently been extended by 33 km^2 since the date to which the Competent Person reported, and is located approximately 100 km north east of the Tengiz field in the south Emba region of the Pre-Caspian Basin, in the Atyrau Oblast of West Kazakhstan. The Ravninnoe field was discovered in the early1980s when twelve wells were drilled in and around the Ravninnoe Contract Area to depths of between 3,500 and 4,000 metres.

The Ravninnoe Contract Area is located approximately 30 km from existing infrastructure at the nearby town of Opornaya. The infrastructure includes electricity mains, water, oil and gas pipelines and railway. The transportation of oil from Opornaya would be via rail or ultimately the KazTransOil pipeline located at Opornaya.

Geologically, the Ravninnoe Contract Area sits on the southern edge of the Pre-Caspian Basin in a string of structures running north east from the Tengiz field. The stratigraphy is typical of the pre and post-salt sequences of the South Emba region. Overlying Permian (Kungurian) salt overlies the Carboniferous sequence, thinning significantly to the south. Undrilled Devonian sequences underlie the Carboniferous at depths of up to 5,500 metres. No potential has been identified in the flat-lying post-salt clastic sequences of the Permo-Triassic, Jurassic and Cretaceous.

The Middle Carboniferous reservoir is at a depth of some 3,000-3,500 metres within the Ravninnoe Contract Area. Existing data acquired in the 1980s are insufficient to fully evaluate this reservoir sequence. The Company intends to establish that the reservoir parameters and pressures are sufficient to enable commercial production rates from a naturally fractured reservoir. Once good quality log, core and test data have been acquired, the potential for high angle and horizontal drilling will then be assessed.

There are potentially five useable wells within the Ravninnoe Contract Area, each drilled before 1987. All of these wells currently show oil from the well heads, and the Directors believe that, given the lack of data,it is reasonable to expect a 50-60 per cent. success rate on such work and therefore, the Directors believe three of these wells could be brought into production, at rates of between 200-350 bopd per well. In addition a sixth well has potential by being drilled deeper to the reservoir, and then being brought into production.

The Directors believe there is significant opportunity for reserves growth within the Ravninnoe Contract Area through the reactivation of wells and the drilling of new wells with modern exploration and production technologies

4.1.2 Contract

The Ravninnoe SSUC was issued on 16 April 2004 and is valid for a period of 25 years until 15 April 2029. The original three year exploration period granted under the Ravninnoe SSUC was due to expire in April 2007. On 21 March 2007 Ravninnoe Oil was granted a two year extension to the Ravninnoe SSUC's exploration period which will now expire on 16 April 2009.

The Ravninnoe SSUC provides for work programme contributions to be made by Ravninnoe Oil of US$17.35 million over the exploration period of which the Directors understand approximately US$3.5 million has been spent to date. The Directors expect that the remaining work programme contributions under the Ravninnoe SSUC will be required to be spent over the next two years.

Under the Ravninnoe Investment Agreement, Sytero 3, a wholly owned subsidiary, of the Company is liable for contributions to the work programme of up to US$15 million. Following such expenditures, the other participants of Ravninnoe Oil collectively and Sytero 3 will then be responsible on a 50/50 basis for any other work program expenditures required.

4.1.3 Reserves

Based on existing data acquired in the 1980s, the Competent Person's Report has estimated gross probable reserves of 1.3 MMbbls, and gross possible reserves of 2.4 MMbbls. The Competent Person's Report has assigned further best estimate contingent resources of 4.9 MMbbls but given the poor quality of such data and the lack of evaluation, the Directors believe that the Ravninnoe Contract Area has significant further exploration potential. Kazakh Institute reserves are estimated at 2.6 MMbbls CI reserves and 4.0 MMbbls of C1 and C2 reserves.

4.1.4 Appraisal and Development

The Company intends to carry out a work programme consisting of re-entering the existing five wells showing hydrocarbons at surface, to provide the initial production from the Ravninnoe Contract Area. Seismic data will be acquired to plan further appraisal on the Ravninnoe Contract Area. This could result in a significant increase in production in the near term. Once sufficient reserves have been proven, the Company intends to apply for a Pilot Production Project. The oil recovered to date has low sulphur, and has been readily sold.

4.2 Beibars Contract Area

Map of Mangyshlak Basin Showing the Location of the Beibars Contract Area and North Karamandybas Contract Area

4.2.1 Introduction

The Beibars SSUC was granted on 31 January 2007 to Beibars Munai. The Beibars Contract Area covers approximately 167 km^2 on the Caspian Sea coastline approximately 40 km south of the industrial town of Aktau.

Geologically, the Beibars Contract Area lies on a Palaeozoic high directly north of the producing Oimasha field. The Palaeozoic section is composed of a weathered granite intrusion with surrounding thermal metamorphics, which extend westward under the Caspian Sea.

Kazakh state publications describe Oimasha wells flowing at tested rates of up to 1,500 bopd. Rates of up to 750 bopd are also reported from Triassic fractured limestones and volcanic tuffs. In addition the nearby Alatube field, 70 km to the north east of Beibars, has reported rates of 1,100 bopd from dolomitised Triassic limestones which are likely to be fractured.

The Beibars Contract Area is close to good infrastructure served by the town of Aktau including operational services, oil storage, export pipelines, a port and a railway.

Structurally, the Mesozoic (Jurassic and Triassic) is draped in low relief over the weathered granite intrusion. All the surrounding fields are associated with long north-south faults which swing southwest-northeast into the Beibars Contract Area and the Oimasha field. This faulting is postulated to be the source of related fracturing in the reservoirs, which gives rise to improved reservoir productivity.

Although not extensively explored, the Beibars Contract Area is adjacent to the Oimasha oil field where the key elements of hydrocarbon entrapment (source rock, migration, reservoir, flap and seal) are proven.

The Directors understand that one well has been drilled on the Beibars Contract Area. However, no verifiable data is currently available for this well.

The Directors consider the highly productive Triassic and Palaeozoic reservoirs as attractive exploration targets within the Beibars Contract Area.

4.2.2 Contract

The Beibars SSUC is an exploration contract that expires on 31 January 2012 with the potential for two further extensions, each of two years, until January 2016. If a commercial discovery is made on the Beibars Contract Area, Beibars Munai will have an exclusive right to enter into a production contract for 25 years the terms of which would be separately negotiated with the MEMR at the time of such discovery.

The Beibars Munai SSUC provides for work programme contribution to be made by Beibars Munai of US$22.36 million over the initial exploration period.

Under the Beibars Munai Investment Agreement, Sytero 2, a wholly owned subsidiary of the Company, is liable to contributions to the work programme on a 50/50 basis with the remaining participants of Beibars Munai collectively of up to US$18.5 million, with the remaining participants of Beibars Munai being responsible for the residual US$3.86 million the contribution to which is spread out over the initial exploration period.

Following such expenditures, the other participants of Beibars Munai collectively and Sytero 2 will then be responsible on a 50/50 basis for any other work programme expenditures required.

4.2.3 Reserves

The Beibars Contract Area is an exploration block, and no reserves have been assigned to it.

4.2.4 Exploration, Appraisal and Development

The Company intends acquiring seismic and geophysical surveys in the first 24 months of the SSUC, prior to commencing exploration drilling.

4.3 North Karamandybas Contract Area

4.3.1 Introduction

The North Karamandybas Contract Area is located in the South Mangishlak sub-basin, approximately 100 km east of Aktau and covers an area of approximately 7.2 km^2. The North Karamandybas Contract Area is served by existing infrastructure owned by the operators of the Karamandybas and Uzen fields including roads, oil and gas transport, waste disposal and utilisation facilities. In addition, the regional centre of Aktau, with its oil exporting port and railway, is approximately 2 hours away by tarmac road.

Geologically, the North Karamandybas Contract Area is a gentle compressional anticline similar to surrounding fields on the Uzen-Zhetabay Terrace. The field was discovered with the No. 3 well in 1987, which encountered pay in stacked Middle Jurassic deltaic sandstones between 1,400m and 2,000m depth and was tested on pump at commercial rates of approximately 200 bopd.

The North Karamandybas Contract Area is typical of surrounding oilfields in the Mangishlak Basin. The sandstones are normally pressured, have low permeability and do not flow naturally to the surface at commercial rates. The oil is heavily gas under-saturated and very waxy (with a pour point of 34°C). It will therefore be necessary to install artificial lift for any production well and treat the oil with a pour point depressant. It is also likely that pressure maintenance will be required. These characteristics will be addressed by standard industry techniques of hot water injection, heating and additives, and do not significantly affect the development of the North Karamandybas Contract Area.

4.3.2 Contract

The North Karamandybas subsoil use rights arise from a previous regime utilised by the Government until 1991 whereby both a licence and a SSUC were issued to the contractor. The North Karamandybas licence was issued on 4 December 1997 with a SSUC being issued on 14 October 2000 which was subsequently amended on 24 February 2005 and again on 15 June 2006 and is due to expire on 4 December 2007.

The North Karamandybas SSUC pursuant to its second amendment provides for work programme contribution to be made of US$2.97 million by the contractor. The Directors believe that this sum will be required to be spent prior to the expiration of the SSUC on 4 December 2007. The Directors believe that these are the only sums remaining to be spent in respect of the work programme associated with the North Karamandybas SSUC.

Under the North Karamandybas Investment Agreement, Sytero, a wholly owned subsidiary of the Company, is liable for 50 per cent. of all contributions to the amended work programme of US$2.97 million. Following such expenditures, the other participant of RS Munai and Sytero will be responsible on a 50/50 basis for any other work programme expenditures required.

4.3.3 Reserves

The Competent Person's Report has estimated that the North Karamandybas Contract Area has gross probable reserves of 9.3 MMbbls and gross possible reserves of 11.8 MMbbls and total probable and possible reserves of 21.1 MMbbls. Kazakh Institute reserves are estimated at 5.3 MMbbls C1 reserves and 8.0 MMbbls C1 and C2 reserves.

The Directors believe that the lack of official documentation of long term production from well No. 3 has resulted in the reserves being categorised as probable and possible by the Competent Person. However, the Directors believe it is reasonable to assume that the productivity of the North Karamandybas reservoir is similar to surrounding fields, and that early appraisal and development of the North Karamandybas Contract Area is justified.

4.3.4 Appraisal and Development

The Company intends to appraise the North Karamandybas Contract Area in 2007 by re-entering well No. 3, drilling three wells and acquiring 3D Seismic. Following a successful appraisal the Company intends to apply for a Pilot Production Project. As part of Competent Person's Report, a total of 25 wells (including 8 injectors) have been modelled over a 4 year period. The initial average production per well is estimated at just under 200 bopd. The depth is between 1,400 and 2,000 metres.

5. Company's Operations and Work Programme

5.1 Operational Matters

Rig, well logging and work-over service contracts are currently in place with Ravninnoe Oil to undertake the re-entry and testing of the well No. 8 on Ravninnoe Contract Area. These contracts will continue until the completion of well No. 8 work-over. As work has not been started in the other Contract Areas, no other contracts have been engaged at this time. The Company's management has made an initial investigation into service and equipment availability and forsee no significant delay in commencing such operations.

5.2 Work Programme

The Group's near term strategy in relation to the Contract Areas is designed to maximise reserves growth and early production. The Company will pursue accelerated drilling, re-entry and seismic work programmes in the first twelve months to appraise the North Karmandybas Contract Area and the Ravninnoe Contract Area.

Well re-entry

Six well re-entries are planned on potentially producing wells for 2007, five wells on the Ravninnoe Contract Area and one on North Karamandybas Contract Area. The first re-entry is currently in progress at a depth of approximately 3,250 metres on the Ravninnoe Contract Area. Further evaluation of existing well and seismic data will be carried out in conjunction with future well re-entries.

Drilling

A three well drilling programme is planned in 2007-2008 on the North Karamandybas Contract Area. The wells will appraise multiple Jurassic reservoirs between 1,400 metres and 2,000 metres, offset from the discovery well No. 3.

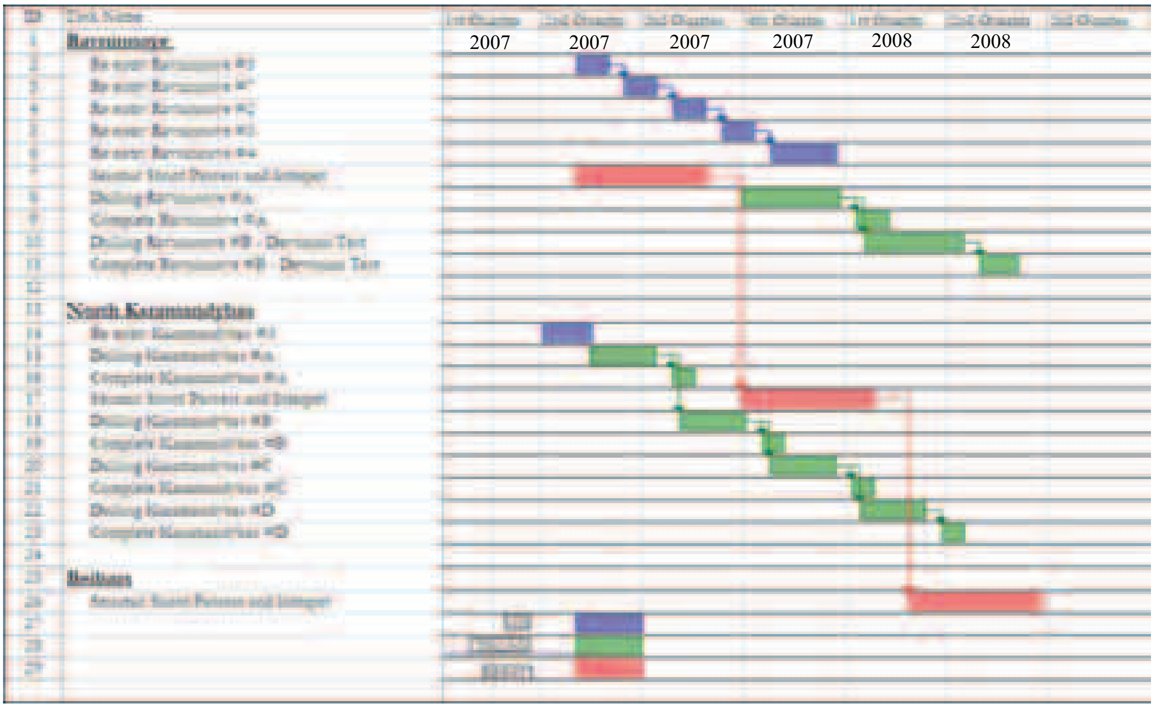
A deeper well (3,500 metres) is planned on the Ravninnoe Contract Area to be spudded in the first twelve months. This well will appraise the reservoir deliverability of the Middle Carboniferous reservoirs.

Seismic Acquisition

Simultaneously with the well re-entry and drilling programme, the Company will be acquiring 2D and 3D Seismic in a rolling programme, starting with seismic acquisition on the Ravninnoe Contract Area, then the North Karamandybas Contract Area, and finally the Beibars Contract Area.

Work Programme Timeline 2007-2008

The following is a timeline of the intended work programme:



6. Summary of the Competent Person's Report

The Competent Person's Report assigned crude oil reserves to the North Karamandybas and Ravninnoe Contract Areas as follows:

	Proved	*Probable*	*Proved Plus Probable*	*Possible*	*Proved Plus Probable Plus Possible*
Crude Oil Reserves					
Roxi Gross, Mbbl(1)	—	5,265	5,265	7,103	12,369
Roxi Net, Mbbl(2)	—	5,160	5,160	6,961	12,121

(1) Gross reserves include Roxi's 50 per cent. working interest reserves before deductions of royalties payable to others.

(2) Net reserves include gross reserves after royalties payable to others.

In addition to crude oil reserves Contingent Resource estimates were also assigned to the Ravninnoe Contract Area.

Contingent Resources

	Property Gross Mbbl	*Roxi Gross Mbbl*
Low Estimate	1,103	552
Best Estimate	4,926	2,463
High Estimate	10,613	5,307

The net present values of the reserves were based on future production and revenue analyses. No value has been assigned to Contingent Resources. Roxi's share of the net present values of the reserves based on forecast prices and costs assumptions as of 31 December 2006 were estimated to be as follows:

	Net Present Values at 31 December 2006 (US$1,000) Discounted At				
	0%	*5%*	*10%*	*15%*	*20%*
Before Income Taxes(1),(2),(3)					
Proved Reserves	—	—	—	—	—
Probable Additional Reserves	59,082	34,815	20,508	11,629	5,879
Total Proved + Probable Reserves	59,082	34,815	20,508	11,629	5,879
Possible Reserves	133,164	83,588	55,820	39,143	28,512
Total Proved + Probable + Possible Reserves	192,246	118,403	76,328	50,772	34,391
After Income Taxes(1),(2),(3)					
Proved Reserves	—	—	—	—	—
Probable Additional Reserves	36,903	19,272	9,046	2,826	(1,105)
Total Proved + Probable Reserves	36,903	19,272	9,046	2,826	(1,105)
Possible Reserves	70,061	41,429	25,876	16,828	11,247
Total Proved + Probable + Possible Reserves	106,964	60,701	34,922	19,653	10,143

(1) Based on forecast prices and costs at 31 December 2006 (see Section 2 of Part III of this document).

(2) The net present values may not necessarily represent the fair market value of the reserves.

(3) The value of all wells and facilities are included in the net present value estimates.

A detailed analysis of the Prospective Resource potential was not prepared for the Competent Person's Report since the Company did not define specific drilling prospects. However, a cursory review of the general exploration potential was prepared for each of the Contract Areas. The exploration potential for the North Karamandybas and the Ravninnoe Contract Areas lies in the adjacent areas to the existing reserves or in deeper un-penetrated pools. Due to the limited data on the Beibars Contract Area, an evaluation of the exploration potential was not undertaken as part of the Competent Person's Report.

7. Management Group Structure

7.1 The Board

Brief biographies of the Directors are set out below. Paragraph 9 of Part V of this document contains further details of the current and past directorships and certain other important information regarding the Directors of the Company on Admission.

Clive Nathan Carver, non-executive Chairman, age 46

Clive Carver qualified as a chartered accountant with Coopers and Lybrand in London in 1986. Since then he has focused on the corporate finance and corporate broking arena, including working for Kleinwort Benson and Price Waterhouse Corporate Finance.

He spent five years at Seymour Pierce, where he was a director and head of corporate finance and five years at Williams de Broë, where he was head of corporate finance and corporate sales. At Williams de Broë he led the team floating and fund raising for a number of natural resource companies. Clive is a qualified corporate treasurer.

Jean Joseph Louis Robert Schoonbrood, Chief Executive Officer, age 62

Rob Schoonbrood has nearly 40 years energy sector experience, primarily in oil and gas, having spent the first 30 years of his career with the Royal Dutch Shell Group. He has held a variety of positions including Business Development Manager of Oil Products East for Shell International Petroleum Company in London and Chief Executive of Shell Markets Middle East/Shell Trading Middle East in Dubai.

Mr Schoonbrood left the Royal Dutch Shell Group in 1999 and since then has acted as an independent business consultant, advising on a number of deals and for a variety of companies in Kazakhstan. This includes initiating and implementing a Crude Oil swap agreement between Kazakhstan and Iran on behalf of CJSC Munai Impex and acting as a Senior Advisor to the management of PetroKazakhstan, with an emphasis on business with Iran, Kazakhstan and China.

He also acted as President of Unioil AG, an independent oil transport and trading company focusing on niche business around the Caspian Sea, from 2002-2003 and was Operations Director of Cobalt Energy Group, a US based wholesale company, from 2004-2005.

David Robert Barker, Chief Operating Officer, age 52

David Barker has nearly 30 years experience in the oil and gas industry. His early career included petroleum operations and production engineering positions with Mobil Oil Corporation and Mitchell Energy Corporation. He has served in senior management positions in publicly traded companies for over 15 years including President of an oil and gas company in the United States.

More recently he has direct experience in Kazakhstan initially as an oil and gas consultant advising the Kazakh government in improving its management of natural resources. He has also served as the General Director of Operations in Kazakhstan and as the director of the local subsidiaries for Big Sky Energy Corporation.

Kuat Rafikuly Oraziman, non-executive Director, age 45

Kuat Oraziman has nearly 20 years of business experience in Kazakhstan and abroad and nearly 10 years of oil and gas experience in Kazakhstan. Kuat Oraziman's experience has included the operation of import and export businesses, the establishment and operation of an international brewery in Kazakhstan, and the Kazakhstan representative of Phillips and Stork.

Since 1991 Kuat Oraziman has been a director of ADA OIL LLP a joint venture oil and gas partnership with LG International which owns and operates exploration and production oil and gas assets located in Kazakhstan. Kuat Oraziman also holds a doctorate in science and is a trained geologist.

7.2 Other Senior Management

Duncan McDougall, Technical Director, age 48

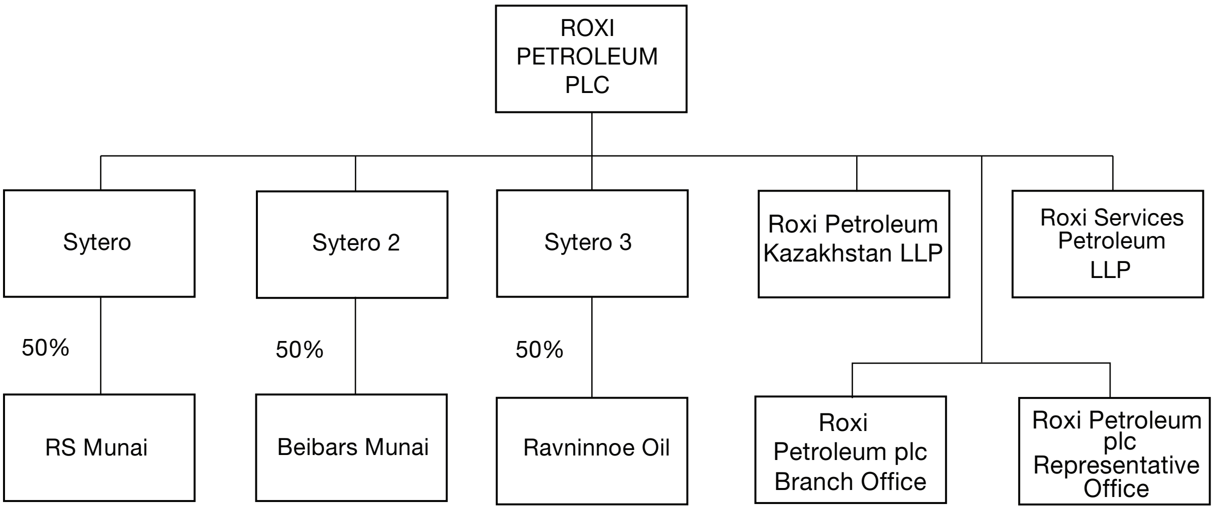
Duncan McDougall has 25 years international experience of exploration, appraisal and development of oilfields in a variety of environments. He began his career in the North Sea with Charterhouse Petroleum and BP Exploration as exploration and development geologist. For the past 15 years, he has been advising, through his firm Saxford Limited, a large variety of companies on the purchase and development of oil and gas assets in Africa, Europe, the Far East and Asia, with the large majority in the former Soviet Union.

Brian Martin Paul Garvey CIMA, Group Financial Manager, age 55

Brian Garvey is a member of the Chartered Institute of Management Accountants (C.I.M.A). He has over 30 years of financial and management accounting experience. Over the last 12 years he has worked in Kazakhstan, Russia and other areas of the former Soviet Union as Financial Controller/Director of publicly traded and private companies.

7.3 Group Structure

The following chart sets out the corporate structure of the Group, as it will be following Admission and completion of the Ravninnoe Acquisition Agreement.



Through the Investment Agreements, and the constituent documents of each Kazakh LLP, the Company has operational control over each Kazakh LLP which is or proposed to be the contractor under the relevant SSUC. Further details regarding the structure and establishment of the Group are set out in Part V of this document.

8. Regulation of Oil and Gas Industry in Kazakhstan

8.1 Regulatory Matters In Kazakhstan

The main regulatory bodies that will be relevant to the Group's operations in Kazakhstan will include:

- *Ministry of Energy and Mineral Resources.* MEMR is the central executive body of the Government with responsibility for the regulation of the energy industry, including mineral resources and petrochemical industries. MEMR's functions include regulating the exploration, development and use of subsoil resources including the preparation of contracts for subsoil use and monitoring the production, transportation and processing of hydrocarbons and sales of oil products. There is additional regulation through MEMR's Committee of Geology and Subsoil Use as well as through the organisational and territorial departments of MEMR and its committees.
- *Ministry of Environmental Protection.* MEP is the central executive body of the Government performing intra-industry coordination and the functions of state regulation and control in the area of environmental protection. Its functions include approving or coordinating requirements, establishing limits on discharges of polluting substances, disposal of production and consumption waste and issuing permits and licences for certain ecologically dangerous activities and nature use.
- *Ministry of Labour and Social Protection.* The Ministry of Labour and Social Protection is the central executive body of the Government regulating and coordinating industry in the areas of labour and social protection.

Other

Other regulatory requirements which the Group will be subject to include:

- Import and export of goods with customs authorities;
- Inflows and outflows of capital with the currency authorities;
- Land use and construction permits with regional authorities;
- Statistical reporting with the Statistical Agency; and
- Licensed activities associated with operating mining facilities.

8.2 Article 71 of the Subsoil Law

Article 71 of the Subsoil Law ("Article 71") provides, amongst other things, that, in respect of both newly concluded SSUCs and SSUCs concluded before the coming into effect of Article 71 (other than contracts in respect of underground water and commonly occurring minerals), the State has a priority right over the other party to the contract or over participants in a legal entity which possesses the subsoil right, and over other persons, to acquire (on conditions no worse than those offered to other buyers): (i) all or any part of a subsoil right which is being alienated; and/or (ii) the shares in the legal entity possessing a subsoil right and also in a legal entity which can directly and/or indirectly determine the decisions and/or influence decisions to be taken by the subsoil user, if the main business of the latter is connected with subsoil use in Kazakhstan.

The Company has applied for Article 71 waivers in respect of any rights the Government may have in respect of the issue of Ordinary Shares pursuant to the Placing. The Government issued its waiver of any such rights on 16 May 2007.

Ravninnoe Oil has applied, and, conditional on the successful resolution of legal proceedings over title to the North Karamandybas Contract Area, RS Munai will apply, for an Article 71 waiver in respect of any rights the Government may have in respect of the acquisition by Sytero 3 of Participation Interests in Ravninnoe Oil and by RS Munai of the North Karamandybas SSUC respectively. The Ravninnoe Oil waiver was issued by the Government on 23 April 2007. No such waiver was required in respect of the acquisition by Sytero 2 of Participation Interests in Beibars Munai.

9. Sub-soil use Contracts

9.1 Overview

The State owns the crude oil and gas in the subsoil of Kazakhstan. It grants hydrocarbon contracts, being SSUCs, in the form of exploration, production or exploration and production contracts for fixed periods of time. Although the exploration may be conducted without an exploration contract, an explorer that does not possess an exploration contract does not have exclusive rights to conduct exploration activities within the explored area and is not entitled to enter into negotiations with MEMR for a production contract until an exploration contract is obtained. When commercial discoveries are made, the holder of an exploration contract has an exclusive right to obtain a production contract through direct negotiations with MEMR. Hydrocarbons may only be extracted and sold if the producer has entered into a production contract with MEMR, except for limited production made for trial purposes. The production contract defines the subterranean zones (for example, the Triassic Zone) from which the holder may extract hydrocarbons. Production contracts may govern the production rights for more than one block or field.

The negotiation of a hydrocarbon contract is a complex process requiring the agreement of a number of governmental ministries, including MEMR, and requires the preparation of economic models with financial expenditure commitments. In the event a hydrocarbon contract cannot be negotiated, an explorer or producer risks losing all rights to its exploration and/or production for the geography in question. In addition, the explorer or producer and a department of the Government, known as a research and design institute, must formulate a development plan for each field specifying detailed drilling and production targets once commercial discovery is made. The development plan may be periodically modified with the approval of MEMR in order to reflect changing circumstances. Default by a producer under the terms of a hydrocarbon contract or development plan can result in the loss of a hydrocarbon contract and, accordingly, all production rights.

Prior to 1999, subsurface use rights in Kazakhstan were granted through issuance of an exploration and/or production licence and a related contract which was negotiated after the issuance of a licence. A contract would set forth the specific terms of the exploration and/or production activities based upon the licence terms. Contract terms could not contradict the licence as the latter had prevailing force over the contract. In 1999, Kazakhstan law changed such that licences were no longer separately required. Licences granted prior to the change in law remain in force until they expire. Since 1999, exploration and/or production rights are granted pursuant to a contract only.

9.2 Summary of the Group's SSUC

The following is a summary of the key terms of the SSUCs that govern the Contract Areas:

(a) Beibars SSUC

Contract Type:	Exploration
Date of Grant/Amendment	31 January 2007
Registration Number	2287
Contract Area:	Within Block XXXVII-10 (partially) in the Mangistau Oblast covering approximately 167 km^2
Percentage held by Beibars Munai	100 per cent.
Term:	Five years from the date of registration, two possible extensions each of two years' duration with consent of MEMR
Work Programme:	US$22,361,690 over the Term: year 1 US$3,035,000, year 2 US$3,350,000, year 3 US$5,352,230, year 4 US$5,282,230 and year 5 US$5,342,230. The Group's share of the work programme is 50 per cent. of $18.5 million
Signing Bonus:	US$1,500,000 paid in March 2007 by Beibars Munai
Commercial Discovery:	Parties to SSUC will enter into a future production agreement if a commercial discovery is made
Commercial Discovery Bonus:	If commercial discovery occurs bonus will be reflected in production agreement and shall be in accordance with the Tax Code of Kazakhstan
Royalties:	Determined in the production agreement if a commercial discovery is made
Customs Duties:	Pursuant to the customs legislation of Kazakhstan in effect at the time of accrual of payment liabilities
Training:	Not less than five per cent. of the annual capital expenditure on Exploration per annum
Social Programmes:	US$2,000,000; US$200,000 per annum over the Term and US$1,000,000 in year 2 to the Astana Budget
Pilot Production:	One hundred per cent. of oil produced from pilot production must be supplied to local refineries
Employment:	One hundred per cent. local Kazakhstani personnel for all works performed under the SSUC
Environment:	Obligations pursuant to SSUC, international treaties to which Kazakhstan is a party and legislation of Kazakhstan
Termination:	Material breach of terms of SSUC and associated work programmes, material violations of Kazakhstan laws on subsoil use, environmental protection, or occupational safety, suspension of work programme without cause for more than ninety (90) days, bankruptcy, and failure to remedy breach of SSUC within stipulated time frame will result in recission of SSUC according to Subsoil laws of Kazakhstan
Language:	Kazakh and Russian with the latter to prevail
Historical Costs:	US$1,426,499.79, of which 1.5 per cent. must be paid within 30 days of signing the SSUC and the balance to be paid pursuant to future production contract if a commercial delivery is made

(b) Ravninnoe SSUC

Contract:	Exploration and Production
Date of Grant/ Amendment	16 April 2004 and Amendment No 1 to Contract 22 April 2004

Registration Number	1390
Contract Area:	The Ravninnoe oil deposit situated within the scopes of block XXVIII-17D (partially) E (partially); XXIX-17A (partially) B (partially) Atyrau Oblast, Kazakhstan covering approximately 88 km^2
Percentage held by Ravninnoe	100 per cent.
Term:	25 years commencing 16 April 2004, 3 years exploration (expired on 16 April 2007 with two extension periods possible each of two years duration; first extension was granted on 21 March 2007 for 2 years now expires on 16 April 2009) and 22 years production
Work Programme:	Exploration 3 years US$17,350,000. Year 1 US$350,000; year 2 US$8,000,000; year 3 US$9,000,000.
Signing Bonus:	US$500,000 was paid in February 2005 by Ravninnoe Oil
Commercial Discovery:	Parties to SSUC will enter into a future production agreement if a commercial discovery is made
Commercial Discovery Bonus:	0.1 per cent. of the calculation base payable in the event of commercial discovery in accordance with the Tax Code of Kazakhstan and the SSUC and to be valued on the volume of approved recoverable reserves calculated based on stock exchange prices of minerals on the London Stock Exchange and is payable within ninety (90) days from the date the reserves are approved
Royalties:	Sliding scale depending on production per annum: 2 million tons 2 per cent., 2 to 3 million tons 3 per cent., 3 to 4 million tons 4 per cent., 4 to 5 million tons 5 per cent., and over 5 million tons 6 per cent. for Crude Oil and also for gaseous hydrocarbons based on 1000 cubic metres of gas being equal to 0.857 tons of crude oil
Customs Duties:	Pursuant to the customs legislation of Kazakhstan in effect at the time of accrual of payment liabilities
Training:	Not less than one per cent. of the annual capital expenditure on exploration and production per annum
Social Programmes:	During exploration period US$300,000 to Atyrau Oblast Budget, US$300,000 to Astana Budget
Pilot Production:	One hundred per cent. of oil produced from pilot production and twenty per cent. during production period must be supplied to local refineries
Employment:	Priority to be afforded to local Kazakh personnel for all works performed under the SSUC
Environment:	Obligations pursuant to SSUC, international treaties to which Kazakhstan is a party and Kazakhstan legislation
Termination:	Material breach of terms of SSUC and associates works programme, violations of Kazakhstan laws on subsoil use, environmental protection, or occupational safety, suspension of work programme without cause for more than ninety (90) days, bankruptcy, and failure to remedy breach of SSUC within stipulated time frame will result in recission of SSUC according to Subsoil laws of Kazakhstan
Language:	Kazakh and Russian with the latter to prevail

Historical Costs:	US $12,146,030.00 less US$ 60,730 (which was paid in 2005 by Ravninnoe Oil) with the balance payable only if a commercial discovery occurs and then subject to further agreement with the MEMR through a production agreement

(c) North Karamandybas SSUC

Contract:	Exploration
Date of Grant/Amendment:	4 December 1997 (Licence) 14 October 2000 (SSUC) Amendment No.1 to SSUC 24 February 2005 Amendment No.2 to SSUC 15 June 2006
Registration Number:	550
Contract Area:	covering approximately 7.2 km^2
Percentage held by RS Munai	100 per cent
Term:	4 December 2007
Work Programme:	2006 – US$1,720,000 2007 – US$1,250,000
Signing Bonus:	US$500,000 paid in 2000
Commercial Discovery:	Parties to SSUC will enter into a future production agreement if a commercial discovery is made
Commercial Discovery Bonus:	0.1 per cent. of the calculation base payable in the event of commercial discovery in accordance with the Tax Code of Kazakhstan and 0.05 per cent. according to the SSUC and to be valued on the volume of approved recoverable reserves calculated based on stock exchange prices of minerals on the London Stock Exchange and is payable within ninety (90) days from the date the reserves are approved
Royalties:	Sliding scale depending on production per annum: 0.5 million tons 2 per cent., 0.5 to 1 million tons 2.5 per cent., 13 to 4 million tons 4 per cent., 4 to 1.5 million tons 3 per cent., 1.5 to 2 million tons 3.5 per cent., 2 to 2.5 million tons 4 per cent., 2.5 to 3.5 million tons 4.5 per cent., 3.5 to 4.5 million tons 5 per cent., 4.5 to 5 million tons 5.5 per cent. and over 5 million tons 6 per cent. for crude oil and also for gaseous hydrocarbons based on 1,000 cubic metres of gas being equal to 0.857 tons of crude oil
Custom Duties:	Pursuant to the customs legislation of Kazakhstan in effect at the time of accrual of payment liabilities
Training:	Not less than one per cent. of the annual capital expenditure on exploration and production per annum according to Amendment No.1 to the SSUC
Social Programmes:	Not applicable
Pilot Production:	Not applicable
Employment:	Priority shall be afforded to local Kazakhstani personnel
Environment:	Obligations pursuant to SSUC, international treaties to which Kazakhstan is a party and Kazakhstan legislation

Termination:	Material breach of terms of SSUC and associated work programmes, material violations of Kazakhstan laws on subsoil use, environmental protection, or occupational safety, suspension of work programme without cause for more than ninety (90) days, bankruptcy, and failure to remedy breach of SSUC within stipulated time frame will result in rescission of SSUC in accordance with Subsoil laws of Kazakhstan
Language:	Kazakh and Russian with the latter to prevail
Historical Costs:	Total amount is US$1,110,140 of which 0.5 per cent. (US$5,551) payable. The balance will be payable within production period under a new subsoil use contract for production

10. Environmental Matters

10.1 Introduction

The Company has commissioned the Consultant Environmentalist to prepare preliminary environmental social baseline assessments for each of the Contract Areas. A summary of these assessments are as follows:

North Karamandybas Contract Area: Overall the environmental and social conditions of the North Karamandybas Contract Area do not raise major concerns and the risks related to the identified issues are well defined and manageable. The vegetation and natural environment of the well areas should also be preserved to the extent that is possible.

Ravninnoe Contract Area: Overall the environmental and social conditions of the Ravninnoe Contract Area do not raise any significant concerns. There are five wells with oil showing at the surface. This will not be viewed by the authorities as non compliant provided Ravninnoe Oil can show continuous improvement effort. The treatment of historically contaminated ground is manageable and inexpensive. The only sizeable capital investment suggested by the report is a properly engineered and monitored landfill for hazardous waste.

Beibars Contract Area: Overall the environmental and social conditions of the Beibars Contract Area are within a manageable level of risk. The most significant issue is the presence of the Karkol Lake Nature reserve. The importance of this issue will depend on the specific constraints set in the reserve passport, their interpretation by the local authorities and the pattern of the development of the Beibars Contract Area. This may impact the Company's plans to develop the Beibars Contract Area.

10.2 Compliance with Kazakhstan Requirements

The Group will be subject to a variety of Kazakhstan environmental laws, regulations and requirements that govern air emissions, water use and disposal, waste management and impact on wildlife as well as land use and reclamation. In addition, the Group's SSUCs will require that all its operations be carried out in conformity with applicable environmental laws and regulations. SSUC's may be suspended and/or cancelled if these requirements are not addressed.

Environmental regulations in Kazakhstan remain at a developmental stage, and accordingly, current regulations may be amended, changed or re-interpreted. The Company will monitor these changes to the extent possible and seeks to adjust its operations to ensure continual compliance with the regulations. MEP, at a national level, conducts inspections on an annual basis and, if violations are found, issues orders requiring that corrective actions be taken. Regional MEP environmental authorities also conduct inspections on a regular basis.

Under LoEP, the Group will be obliged to obtain an annual permit in respect of the contamination of the environment and will be required to observe all requirements set out in such permit.

Pursuant to the LoEP and the resolution of the Government "On the Approval or the Rules for Issuing Environmental Contamination Permits", the Group will be required to apply to the MEP for an environmental permit specifying maximum levels of air emissions, waste water disposal and municipal and industrial waste permitted to be discharged by the Group.

11. Current Trading and Prospects

The Company and the Group have only been recently established in order to acquire the SSUCs associated with the Contract Areas. Consequently, whilst the Company has no trading record, the Directors believe it has acquired interests over attractive development and exploration properties, and are confident that it has the ability to derive significant value from them. The Directors are focused on seeking early production from the Contract Areas. In addition, the Directors believe they will be able to secure additional properties in the near future that meet the investment criteria outlined in paragraph 2 of this Part I.

12. Key Strengths

The Directors believe that the Company's strengths will enable it to pursue a strategy to become a significant independent oil company in Central Asia. The Directors believe the Company's key strengths include:

- Experienced Team

The Company benefits from an experienced team of proven oil and gas executives who also have in depth experience of operating in Kazakhstan and who have extensive contacts in the region. The Company intends to utilise these contacts through their joint venture partners to maximise the benefit to the Company's operations and acquisitions.

- Significant near term production

The Directors believe the Company's existing reserves can be exploited to achieve near term production that will drive early cashflows and will allow the business to achieve profitability and the continued expansion of the Group's business. The Company is targeting output of 1,500 bopd in 2008.

- Significant possibility of additional reserves

In addition to existing reserves, the Directors consider there is a high chance that the actual recoverable reserves prove to be significantly higher, and that the Contract Areas have historically been inadequately and/or poorly explored, and moreover that the Contract Areas offer outstanding development potential.

- Further acquisition opportunities

The Directors consider that the establishment of the Group demonstrates the capabilities of the Directors to access and successfully negotiate interests in oil and gas assets in Kazakhstan at competitive prices. The Directors believe that there is significant opportunity for the Group to further add to its portfolio of oil assets.

13. Details of the Placing

The Company is seeking to raise approximately £38.9 million (before expenses) by way of a placing of the Placing Shares at the Placing Price. The Company, the Directors and WH Ireland have entered into the Placing Agreement pursuant to which WH Ireland has agreed to use its reasonable endeavours, as agent for the Company, to procure subscribers for the Placing Shares at the Placing Price. The Placing has not been underwritten. The Placing Agreement is conditional, *inter alia*, on Admission occurring by no later than 8:00 a.m. on 22 May 2007 or such later time as the Company and WH Ireland may agree, being not later than 8:00 a.m. on 31 May 2007.

The Placing will raise approximately £36.1 million (net of expenses) for the Company. On Admission the Company will have 168,207,490 Ordinary Shares in issue and a market capitalisation of £63.9 million at the Placing Price. The Placing Shares will be in registered form and will be issued credited as fully paid and will, when issued, rank in full for all dividends and other distributions declared paid or made on the Ordinary Shares after Admission.

Further details of the Placing Agreement are set out in paragraph 11.1 of Part V of this document.

14. Reasons for Admission and Use of Proceeds

The Directors believe that Admission will be beneficial to the Group as it will:

- Provide access to the capital markets.
- Provide the Company with the ability to offer shares as acquisition consideration.
- Enhance the profile of the business and enable the Group to attract and retain key personnel.

The net proceeds of the Placing are estimated to be approximately £36.1 million and will be used by the Company to:

- Finance the consideration payable in connection with the acquisition of interests in the Contracts.
- Provide capital for the Group's work programmes set out in paragraphs 4 and 5 of this Part I and for general working capital purposes.
- Finance the repayment of approximately £1 million of loans.

15. Dividend Policy

The Directors do not intend to declare or pay a dividend in the immediate foreseeable future but, subject to the availability of sufficient distributable profits, intend to commence the payment of dividends when it becomes commercially prudent to do so and will adopt a progressive dividend policy thereafter.

16. Share Options and Warrants

The Directors consider that an important part of the Group's remuneration policy should include equity incentives through the grant of share options to Directors and employees. Accordingly, the Company has adopted the Share Option Scheme, as described in paragraph 8 of Part V of this document.

Certain grants of options to the Directors and other management over an aggregate of 13,456,599 Ordinary Shares, representing 8 per cent. of the Enlarged Share Capital, have been made pursuant to the Share Option Scheme, as set out in paragraph 6 of Part V of this document. It is the intention of the Directors to grant further options to current and future employees of the Group.

Additionally, the Company has granted warrants over an aggregate of 7.5 million Ordinary Shares representing 4.5 per cent. of the Enlarged Share Capital as set out in paragraph 6.3 of Part V of this document.

The Company has granted warrants over 2,523,112 Ordinary Shares, representing 1.5 per cent. of the Enlarged Share Capital, to WH Ireland.

The maximum number of Ordinary Shares which will be subject to options granted to Directors and employees under the Share Option Scheme and any other share schemes adopted by the Company or other option grants will not exceed 11 per cent. of the Company's issued share capital from time to time.

17. Lock-in and Orderly Market Arrangements

Upon Admission, the Directors and Senior Management will have options over an aggregate of 13,456,599 Ordinary Shares representing 8 per cent. of the Enlarged Share Capital.

The Directors and senior management have undertaken to the Company and WH Ireland that they will not sell or dispose of, and will provide that no associated party will sell or dispose of, except in certain circumstances, any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission. For the period of 12 months immediately following the expiry of such 12 month period, except in certain circumstances, the Directors and their associated parties will not make any such sale or disposal except through the broker of the Company for the time being, who may in its discretion, acting reasonably, refuse or impose restrictions with a view to maintaining an orderly market in the Ordinary Shares.

Certain other existing Shareholders have undertaken to the Company and WH Ireland that they will not sell or dispose of, except in certain circumstances, their respective interests in Ordinary Shares for a period of 12 months from Admission except through the broker of the Company for the time being, who may in its discretion, acting reasonably, refuse or impose restrictions with a view to maintaining an orderly market in the Ordinary Shares. An aggregate of 60,500,000 Ordinary Shares, representing 36.0 per cent. of the Enlarged Share Capital, are subject to such orderly market arrangements.

18. Corporate Governance and Internal Controls

The Directors recognise the importance of sound corporate governance and the guidelines set out in the Combined Code. Whilst AIM companies are not obliged to comply with the Combined Code, the Directors do intend to comply with the Combined Code so far as is appropriate having regard to the size and nature of the Group and the size and constitution of the Board.

The Group also intends to comply with the principles of the Corporate Governance Guidelines for AIM Companies published by the Quoted Companies Alliance in 2005.

The Company has two non-executive Directors. The Board retains full and effective control over the Company. The Company intends to hold quarterly Board meetings at which financial and other reports are considered and, where appropriate, voted on. Apart from regular meetings, additional meetings will be arranged when necessary to review strategy, planning, operational, financial performance, risk and capital expenditure and human resource and environmental management. The Board is also responsible for monitoring the activities of the executive management.

The Directors have established an audit committee and a remuneration committee with formally delegated duties and responsibilities to operate with effect from Admission.

The audit committee, which will initially comprise Clive Carver and Kuat Oraziman with Clive Carver acting as chairman, will determine and examine any matters relating to the financial affairs of the Company including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit. The audit committee will receive and review reports from the management and the external auditors of the Group relating to the annual and interim amounts and the accounting and internal control systems of the Group. In addition it will consider the financial performance, position and prospects of the Company and ensure they are properly monitored and reported on.

The remuneration committee, which will initially comprise Clive Carver, Rob Schoonbrood and Kuat Oraziman with Clive Carver acting as chairman, will review the performance of the executive Directors and senior management and set and review their remuneration and the terms of their service contracts, determine the payment of bonuses to the executive Directors and consider the Group's bonus and option schemes.

The Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealing and will take all reasonable steps to ensure compliance by the Company's applicable employees. The Company has adopted and will operate a share dealing code for Directors and employees in accordance with the AIM Rules.

19. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that

Admission will become effective and dealings will commence in the Ordinary Shares on 22 May 2007. No application has or will be made for the Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

No temporary documents of title will be issued. All documents sent by or to a Placee, or at his direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

20. Taxation

Information regarding UK taxation with regard to certain holders of the Ordinary Shares is set out in paragraph 15 of Part V of this document. That information is intended only as a general guide to the current tax position under UK law. If you are in any doubt as to your tax position, you should contact your independent professional adviser.

21. Further information

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Parts III to V of this document which contain further additional information on the Company and the Group.

PART II

Risk Factors

The Directors believe that the following risk factors should be considered.

If any of the circumstances identified in the risk factors, together with possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Company's business, were to materialise, the Company's business, financial condition and results of operation could be materially and adversely affected. It should be noted that this list is not exhaustive and that certain other risk factors may apply.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

Risk Factors Relating to the Company's Business

Dependence on key employees

The Company's future success is substantially dependent on the continued services and performance of its senior management and other key personnel in the various areas of the Group's business. The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre, could have a significant adverse effect of the business of the Group.

Requirement for further funding

In the opinion of the Directors, having made due and careful enquiry and taking into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission. However, it is possible that the Company will need to raise further funds in the future for working or development capital for its existing assets. Also it is likely that the Company will need to raise further funds to complete an acquisition or acquisitions of further assets. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

Growth management

The Directors anticipate that further expansion will be required to address the anticipated growth in the business. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place significant demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

Price of crude oil

The sale of oil is likely to be the Company's primary source of revenue and such revenues are linked to the price of crude oil is affected by a variety of factors beyond the Company's control. Therefore the Company's business, prospects, financial condition and results of operations are heavily dependent on prevailing crude oil prices. Historically, crude oil prices have been highly volatile. Any declines in oil prices could adversely affect the Company's business, prospects, financial condition and results of operations.

Lower crude oil prices may reduce the amount of oil that the Company is able to produce economically or may reduce the economic viability of the production levels of specific wells or of projects planned or in development because production costs would exceed anticipated income from such production.

Prices for oil are subject to large fluctuations in response to a variety of factors beyond the Company's control, including:

- changes in the supply of and demand for oil;
- market uncertainty and speculative activities by those who buy and sell oil on the world markets;
- effects of the world economy and of geo-political events;
- general economic conditions;
- the actions of the Organisation of Petroleum Exporting Countries;
- governmental regulation;
- political stability in Kazakhstan, neighbouring countries and other oil producing regions; and
- the availability of alternate fuel sources.

Oil reserve estimates

The oil reserves data contained in this document are taken from the Competent Person's Report. There are numerous uncertainties inherent in estimating the quantity and the quality of reserves and in projecting future rates of production, including many factors beyond the Company's control. Estimating the amount and quality of oil and gas reserves is a subjective process and estimates made by different experts often vary significantly. In addition, results of drilling, testing and production subsequent to the date of an estimate may result in revisions to that estimate. Accordingly, reserves estimates may be different from the quantity or quality of crude oil and gas that is ultimately recovered and, consequently, the revenue therefrom could be less than that currently expected. The significance of such estimates is highly dependent upon the accuracy of the assumptions on which they are based, the quality of the information available and the ability to verify such information against industry standards.

The reserves data contained herein are estimates only and should not be construed as representing exact quantities. These estimates are based on production data, prices, costs, ownership, geological and engineering data, and other information assembled by the Company. These assumptions may prove to be incorrect and potential investors should not place undue reliance on the forward-looking statements contained herein concerning the Company's reserves or future production levels.

If the assumptions upon which the estimates of the Company's reserves of crude oil or gas have been based are wrong, the Company may be unable to produce the estimated levels or quality of crude oil or gas set out in this document and the Company's business, prospects, financial condition or results of operations could be materially and adversely affected. In addition, if oil prices fall some of the Company's reserves may not be commercially viable to extract.

Royalties and taxes

The Company is required under general law and the terms of its production contracts and licences to pay royalties (whether in cash or in kind) and various taxes, including excess profit tax, corporate income tax and VAT, to the Government and in certain cases incur costs in respect of social infrastructure expenditure. There is also a possibility that the Government may increase taxes as oil prices increase.

An increase in any of these costs could materially and adversely affect the Company's business, prospects, financial condition or results of operations.

Drilling and production risks

The Company's future success will depend, in part, on its ability to develop existing oil reserves in a timely and cost-effective manner using secondary, enhanced recovery and well stimulation techniques.

The Company's drilling activities may be unsuccessful and the actual costs incurred of drilling, operating wells and completing well workovers may exceed budget. The Company may be required to curtail, delay or cancel any drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. The occurrence of any of these events could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company's production operations are also subject to all the production hazards typically associated with the production of crude oil and gas resources. These risks include natural catastrophe, fire, explosion, blowouts, encountering formations with abnormal pressure, the use of secondary recovery techniques, the level of water cut, cratering and oil spills, each of which could result in substantial damage to oil wells, producing facilities, other property and the environment or in personal injury. Any of these risks could result in loss of crude oil and gas or could lead to environmental pollution and other damage to the Company's properties or surrounding areas and increase costs.

Government Procurement Risk

The Government has the ability to require additional deliveries of crude oil to domestic refineries and these may be at prices that are materially below international market prices.

The Government has the power to require producers to supply a portion of their crude oil production to domestic refineries to meet domestic energy requirements.

Transportation Risks and Access

The crude oil to be produced by the Company is expected to be transported via infrastructure owned or operated by third parties.

Kazakhstan has no direct access to the open sea, and any crude oil to be exported must use routes through other countries. Kazakhstan crude oil for export must be transported through pipelines, by rail or by the Caspian sea. The Company is therefore dependent upon the enforcement of the intergovernmental agreement between Kazakhstan and Russia on the supply of crude oil through such pipelines and upon the maintenance of stable relations between Kazakhstan and Russia. Any reduction or cessation in the availability of these pipelines, whether due to serious malfunctions, security issues, political developments or "acts of God", could impair the ability of the Company to export its crude oil.

Crude oil production in Kazakhstan is increasing which means that access to export routes is increasingly competitive. The Company cannot guarantee that it can agree with the operators for the use of its pipelines and this could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Obligations under its licences

The Company's operations must be carried out in accordance with the terms of the exploration and production contracts, field development plans and annual working programmes and budgets agreed with MEMR. The law provides that fines may be imposed and hydrocarbon contracts may be suspended, amended or terminated if a contractor fails to comply with its obligations under such documents or fails to make timely payments of levies and taxes for the sub-soil use, provide the required geological information or meet other reporting requirements. Failure to comply may also lead to suspension, revocation or termination of a SSUC.

There is the possibility of past technical breaches by the then owners of its SSUC. The Company believes that any such breaches are unlikely to be considered material, or unlikely to lead to a suspension or withdrawal of the relevant licence. However, there can be no assurance of this.

In addition, the Company has obligations to develop the fields and blocks in accordance with the specific requirements under the Company's exploration and production contracts. The Company's obligations under the SSUCs are summarised in paragraph 9.2 of Part I. If the Company were to fail to satisfy such obligations with respect to a specific field, the SSUC for that field may be suspended, revoked or terminated. There can be no assurance that the views of the Government agencies regarding the development of the Company's fields or compliance with the terms of its exploration and production contracts and hydrocarbon will coincide with the Company's views, which might lead to disagreements that cannot be resolved.

The suspension, revocation or termination of any of the Company's contracts could have a material adverse effect on the Company's business, prospects, financial condition or results of operations.

Title Matters

Title to oil and gas assets in jurisdictions such as Kazakhstan can be complex, and may be disputed. The Group has investigated title to each of the Contact Areas and the following matters have come to the Company's attention:

(i) North Karamandybas Contract Area: there have been a number of administrative inconsistencies and errors in the granting of extensions of the licence and the SSUC.

In addition, there are, as at the date of this document, legal proceedings concerning title to the North Karamandybas Contract Area as referred to in paragraph 1 of Part I of this document.

(ii) Ravninnoe Contract Area: a number of documents evidencing the tender process, approvals of transfers of interests and changes to ownership of the property are missing. Further, the original applicant for the SSUC was a Kazakh joint stock company, whilst the SSUC was granted to a Kazakh limited liability partnership of the same name. The Directors believe, following legal advice, that it its reasonable to assume that the LLP was the legal successor to the JSC but it cannot be ruled out that these are separate legal entities, which could potentially jeopardise the chain of title.

In addition, a change of ownership requires re-registration with the Kazakh authorities prior to title passing to new owners. This is a condition of completion of the Ravninnoe Acquisition Agreement.

The Directors, having regard to legal advice, consider that the risk of a successful challenge to title of this property is remote; however, title cannot be guaranteed.

Environmental Liabilities

The Company and its predecessors could have generated environmental liabilities that the Company is required to remediate at its cost.

The Company's operations are subject to the environmental risks inherent in the oil and gas exploration and production industries.

The Company is unable to accurately predict the extent of any potential environmental liabilities under current legislation or the effect of any additional laws or regulations that may be adopted in the future, including whether any such laws or regulations would increase its environmental costs. Although the measures taken by the Company in relation to environmental regulations for its ongoing operations have not had a material adverse effect on its financial condition and results of operations to date, no assurance can be given that the costs of such measures in the future and liability due to any environmental damage that may be caused by the Company will not be material. Moreover, future actions and fines imposed upon the Company by the environmental protection agencies in Kazakhstan or by the Government cannot be predicted and could have a material adverse effect on the Company's business, prospects, financial condition or results of operations. In particular, the legal framework for environmental protection and operational safety is not yet fully developed in Kazakhstan and it is expected that stricter environmental requirements will be adopted in the near future, such as those governing discharges to air and water, the handling and disposal of solid and hazardous wastes, land use and reclamation and remediation of contamination, and that the environmental authorities may move towards a stricter interpretation of existing legislation.

Although the Company is obliged to comply with all applicable environmental laws and regulations, it cannot, given the changing nature of environmental regulations, guarantee that it will be in compliance at all times. Any failure to comply with these environmental requirements could subject the Company to, among other things, civil liabilities and penalty fees and possibly temporary or permanent shutdown of the Company's operations. The Company can provide no assurance that it will not be required to strictly comply with the current environmental legislation or that future fines will not be higher than historical amounts, which could materially adversely affect the Company's business, prospects, financial condition or results of operations.

Exchange rate risk

The majority of the Group's revenue is expected to be in US dollars. However certain of the Group's revenue and expenses are to be incurred in Tenge.

If the value of the US dollar falls against the Tenge, then the Company will have less Tenge available to pay its Tenge expenses and its results as expressed in Tenge will be adversely affected, as will all financial assets denominated in US dollars. This could have a material and adverse affect on the Company's financial condition or results of operations.

There is no significant forward market in the Tenge and as a result the Company does not enter into hedging contracts to protect against its exposure to fluctuations in the US dollar/Tenge exchange rate.

Social programmes

The Company is required to invest in social programmes for the benefit of local communities the costs of which may increase.

As a condition of certain of its subsoil use contracts and pursuant to certain agreements with local authorities, the Company is obliged to maintain certain social programmes for the benefit of local communities. Such obligations include those amounts summarised in paragraph 9.2 of Part I of this document. Furthermore, the Company is obliged under its subsoil use contracts to invest in training the local workforce, upgrade the qualifications of its employees and provide educational grants.

Tax risks

The Company is subject to local and national tax regimes in Kazakhstan. The local and national tax environment in Kazakhstan changes frequently and the rules implementing those changes are usually not established on a timely basis. Non-compliance with Kazakhstan tax laws and regulations can lead to the imposition of substantial penalties and interest.

VAT, excess profit and social taxes

The Company is exposed to VAT, excess profits tax ("EPT") and social tax risks resulting from uncertain provisions of tax legislation. Risks related to VAT, EPT and social taxes are uncertain because of the nature of the relevant legislation.

Insurance coverage

The Company believes the level of its insurance to be appropriate based on the cost of cover, the risks associated with its business and industry practice. The Company's insurance currently includes certain production assets, insurance for control of wells (including coverage of environmental damage caused thereby), insurance for environmentally hazardous activities for third party liability coverage (including employer's liability insurance, hazardous facilities and motor vehicles owners' insurance) and directors and officers liability insurance. The Company does not carry business interruption, key-man, terrorism or sabotage insurance. The Company can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover increased expenses relating to these losses or liabilities. Accordingly, the Company may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage.

Risk Factors Relating to the Republic of Kazakhstan

All of the Company's assets are currently located in Kazakhstan and the Company is therefore susceptible to country specific risk factors such as political, social and economic instability.

Kazakhstan's creation as an independent state in 1991 resulted from the break-up of the Soviet Union. As such, it has a relatively short history as an independent nation. All of the Company's assets are currently located in Kazakhstan and the Company is therefore susceptible to social, political, economic, legal and fiscal instability and civil disturbance.

The occurrence of any such events could have a material adverse effect on the business, prospects, financial condition and results of operations of the Company.

Kazakhstan has actively pursued a programme of economic reform and inward foreign investment designed to establish a free market economy, but there can be no assurance that in the future such reforms and other reforms will continue.

Emerging markets such as Kazakhstan change rapidly and, therefore, the information set out in this document may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significant risks involved. Investors are urged to consult their own legal and financial advisers before making an investment in the Company's securities.

As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Kazakhstan and adversely affect the Kazakhstan economy. In addition, during such times, emerging market companies can face severe liquidity constraints as foreign funding resources are withdrawn. Thus, even if the Kazakhstan economy remains relatively stable, financial turmoil in any emerging market country, in particular countries in the Caspian Sea or Central Asian regions, which recently have experienced significant political instability (including terrorism or internal conflicts), could seriously disrupt the Company's business, which would have a material and adverse effect on the Company's business, prospects, financial condition and results of operations.

Political and country risks

The oil and gas industry is central to Kazakhstan's economy and its future prospects for development, and thus can be expected to be the focus of continuing political and social attention and debate. In other developing countries, petroleum companies have faced the risks of expropriation or re-nationalisation, breach or abrogation of project agreements, application to such companies of laws and regulations from which they were intended to be exempt, denials of required permits and approvals, increases in royalty rates and taxes that were intended to be stable, application of exchange or capital controls, and other risks. In addition, the Company faces risks arising from political instability in the region and the difficulties of operating in a political, legal and business environment characterised by rapidly changing law, inconsistent application of law and regulation, corruption and an unpredictable judicial system.

Any of the foregoing risks could have a material adverse effect on the Company's business, prospects, financial condition and results of operations or the Company's ability to operate its business in line with its strategy.

Any changes in the existing policies of the Government, or a change in the Government or the president of Kazakhstan, may adversely affect the Company's ability to operate its business.

Since independence in 1991, Kazakhstan has had only one president and the country has been largely free from political violence. The Company could face enhanced risk and uncertainty in the event of a change in Government, including the possibility that a successor Government would seek to reopen or challenge the tax, legal or other arrangements affecting the Company's operations.

The laws and regulations of Kazakhstan

The laws and regulations of Kazakhstan relating to foreign investment, subsoil use, licensing, companies, customs, currency, capital markets, banking, taxation and competition are still developing. Many such laws provide regulators and officials with substantial discretion in their application, interpretation and enforcement. Furthermore, the judicial system may not be fully independent of social, economic and political forces. Court decisions can be difficult to predict and enforce, and the Company's best efforts to comply with applicable law may not always result in compliance as determined by regulators and/or the courts. Furthermore, because the Subsoil Law does not define the course of action available to the Government by reference to the gravity of a breach, a minor breach could conceivably lead to harsh consequences, such as suspensions or termination of the subsoil user rights. Because of the relative newness of the Subsoil Law, there are few precedents that would make the consequences of a breach more predictable.

Given Kazakhstan's short legislative, judicial and administrative history, it is not possible to predict the effect of current and future legislation on the Company's business. The ongoing rights of the Company under its subsoil contracts and other agreements may be susceptible to revision or cancellation, and legal redress in relation to such revocation or cancellation may be uncertain.

As tax legislation in Kazakhstan has been in force for only a relatively short time, Kazakhstan's tax laws may not always be clearly determinable which means that they are not always applied in a consistent manner. In addition, the tax laws continue to evolve. Instances of divergent opinions among local, regional and national tax authorities are not unusual. Tax legislation is evolving and is subject to different and changing interpretations, as well as inconsistent enforcement. The uncertainty of application and the evolution of tax laws create a risk of additional and substantial payments of tax by the Company, which could have a material adverse effect on the Company's business, prospects, financial position and results of operations. Tax regulation and compliance is subject to review and investigation by the authorities who may conceivably impose material fines, penalties and interest charges which could be disputed unsuccessfully by the Company either with the tax authorities or through the courts.

The Company is required to obtain, on an ongoing basis, all permits as required by the laws of Kazakhstan. Failure to obtain all such permits could materially and negatively impact the Company's production, its business, financial condition or results of operations.

Risks associated with the Shares

Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List and traded on the London Stock Exchange's market for listed securities. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Potentially volatile share price and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their Ordinary Shares may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

PART III

Competent Person's Report

Roxi Petroleum PLC

Competent Person's Report

May 2007

McDaniel
& Associates Consultants Ltd.

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16 May 2007

Roxi Petroleum PLC
11 Gough Square
London, EC4A 3DE

WH Ireland Limited
24 Martin Lane
London, EC4Y 0DZ

Reference: **Roxi Petroleum PLC**
Competent Persons Report as of December 31, 2006

Dear Sirs:

Pursuant to your request we have prepared an evaluation of the crude oil reserves and an assessment of the crude oil resources for the North Karamandybas, Ravninnoe and Beibars Contract Areas of Western Kazakhstan for Roxi Petroleum PLC ("Roxi") as of December 31, 2006. This evaluation was prepared to support an admission by Roxi to the AIM market in London.

The future net revenues and net present values presented in this report were calculated using forecast prices and costs using McDaniel & Associates opinion of future crude oil prices at December 31, 2006 and are presented in United States dollars. The reserves and resource estimates and future net revenue forecasts have been prepared in accordance with the 1997 Society of Petroleum Engineers (SPE) and the World Petroleum Congresses (WPC) reserves definitions and the 2000 SPE/WPC/AAPG resource classification system. The format and content of this report follows the guidance set out in the March 2006 Guidance Note for Mining, Oil and Gas Companies published by the London Stock Exchange.

This evaluation was prepared during the period from October 2006 to April 2007 and was based on technical and financial data to the end of December 2006. Roxi has provided McDaniel with a representation letter that stated there has been no material change since December 31, 2006, and the date of this report which would materially impact on the opinions in this report. All of the basic information employed in the preparation of this report was obtained from Roxi. The data was generally of fair quality, consistent with the type and quality of information usually available in Kazakhstan. McDaniel & Associates personnel visited the offices of Roxi in Almaty, Kazakhstan at the end of October 2006 and again in mid-December 2006 to gather all available technical data and to review geological interpretations with company engineers and geologists. A field visit has not been carried out as part of this report since there is very limited development in the properties to date.

1. Corporate Summary

A summary of the Contract Areas owned, or in the process of being acquired, by Roxi in Western Kazakhstan are summarized below:

Contract Area	*Operator*	*Interest*	*Status*	*License Expiry*	*License Area*	*Comment*
North Karamandybas	RSMunai LLP	50%	Appraisal	Dec 4, 2007	7.2 km^2	Work ongoing
Ravninnoe	Ravninnoe Oil LLP	50%	Appraisal	Apr 15, 2029	88 km^2	Work ongoing
Beibars	Beibars Munai LLP	50%	Exploration	Jan 31, 2012	167 km^2	New Contract

Roxi recently acquired a 50 per cent. ownership of the Beibars and the Ravninnoe Contract Areas. Roxi has reported that the Kazakh Government has approved the acquisition and that Roxi is awaiting official notification of that approval.

Roxi had recently concluded an agreement for the acquisition of a 50 per cent. interest in the North Karamandybas Contract, however control of the vendor of the Contract was being challenged in the Kazakh courts as of the date of this report. Roxi's ownership of the Contract and its reserves is therefore conditional upon a successful outcome of the legal proceedings and on Government approval of the transaction.

1.1 Reserves

Crude oil reserves were assigned to the North Karamandybas and Ravninnoe Contract Areas in this report. Roxi's share of the remaining crude oil reserves assigned to these areas as of December 31, 2006 was estimated to be as follows:

	Proved	*Probable*	*Proved Plus Probable*	*Possible*	*Proved Plus Probable Plus Possible*
Crude Oil Reserves					
North Karamandybas	—	4,628	4,628	5,914	10,543
Ravninnoe	—	637	637	1,189	1,826
Roxi Gross, Mbbl(1)	—	5,265	5,265	7,103	12,369
North Karamandybas	—	4,535	4,535	5,796	10,331
Ravninnoe	—	625	625	1,165	1,790
Roxi Net, Mbbl(2)	—	5,160	5,160	6,961	12,121

(1) Gross reserves include Roxi's 50 per cent. working interest reserves before deductions of royalties payable to others.

(2) Net reserves include gross reserves after royalties payable to others.

1.2 Net Present Values of the Reserves

The net present values of the reserves were based on future production and revenue analyses. Roxi's share of the net present values of the reserves based on forecast prices and costs assumptions as of December 31, 2006 were estimated to be as follows:

	Net Present Values at December 31, 2006 (US$1000) Discounted At				
	0%	*5%*	*10%*	*15%*	*20%*
Before Income Taxes (1), (2), (3)					
Proved Reserves	—	—	—	—	—
Probable Additional Reserves	59,082	34,815	20,508	11,629	5,879
Total Proved + Probable Reserves	59,082	34,815	20,508	11,629	5,879
Possible Reserves	133,164	83,588	55,820	39,143	28,512
Total Proved + Probable + Possible Reserves	192,246	118,403	76,328	50,772	34,391
After Income Taxes (1), (2), (3)					
Proved Reserves	—	—	—	—	—
Probable Additional Reserves	36,903	19,272	9,046	2,826	(1,105)
Total Proved + Probable Reserves	36,903	19,272	9,046	2,826	(1,105)
Possible Reserves	70,061	41,429	25,876	16,828	11,247
Total Proved + Probable + Possible Reserves	106,964	60,701	34,922	19,653	10,143

(1) Based on forecast prices and costs at December 31, 2006 (see Section 2).

(2) The net present values may not necessarily represent the fair market value of the reserves.

(3) The value of all wells and facilities are included in the net present value estimates

1.3 Contingent Resources

Contingent resource estimates were also assigned to the Ravninnoe Contract Area. A summary of the resource estimates is presented below:

Contingent Resources	*Property Gross Mbbl*	*Roxi Gross Mbbl*
Low Case	1,103	552
Best Estimate	4,926	2,463
High Case	10,613	5,307

1.4 Exploration Upside

A detailed analysis of the prospective resource potential was not prepared for this evaluation since Roxi has not defined specific drilling prospects. However, a cursory review of the general exploration potential was prepared for each of the three Contract Areas.

Most of the exploration potential for the North Karamandybas and Ravninnoe Contract Areas lies in improved quality of marginal zones elsewhere on the Contract Areas or in deeper, un-penetrated pools. Further discussion of this potential is presented in Section 7 of this report.

Due to the limited data on the Beibars Contract Area, an evaluation of the exploration potential could not be undertaken as part of this report. The Oimasha field is located just to the south of Beibars and it maybe that the reservoirs in this field extend into the Beibars Contract Area.

2. Reserves and Resources Definitions

The definitions employed in this evaluation conform to the 1997 Society of Petroleum Engineers (SPE) and the World Petroleum Congresses (WPC) Petroleum Reserves Definitions and the 2000 SPE/WPC/AAPG Petroleum Resources Definitions.

2.1 Resources

The SPE/WPC/AAPG resources classification system is summarized in Figure 1 and a summary of the definitions are given below.

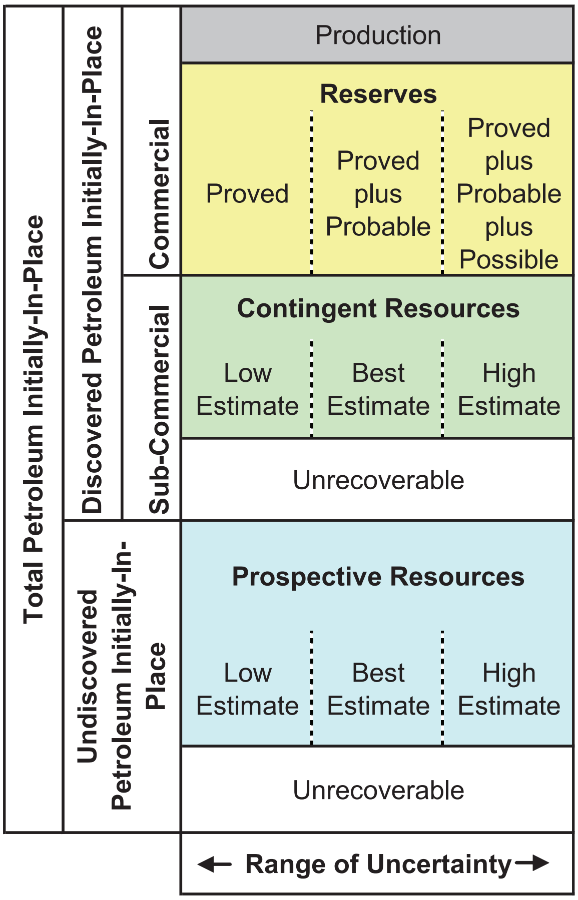

Figure 1 – Resource Classification System

The quantities estimated to be initially-in-place are defined as Total Petroleum-initially-in-place, Discovered Petroleum-initially-in-place and Undiscovered Petroleum-initially-in-place, and the recoverable portions are defined separately as Reserves, Contingent Resources, and Prospective Resources. Reserves constitute a subset of resources, being those quantities that are discovered (i.e. in known accumulations), recoverable, commercial and remaining.

Reserves

Reserves are defined as those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. The reserve classification system is covered in Section 2.2.

Contingent Resources

Contingent Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable.

Contingent Resources may include, for example, accumulations for which there is currently no viable market, or where commercial recovery is dependent on the development of new technology, or where evaluation of the accumulation is still at an early stage.

Prospective Resources

Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.

The Range of Uncertainty, as shown in Figure 1, reflects a reasonable range of estimated potentially recoverable volumes for an individual accumulation. Any estimation of resource quantities for an accumulation is subject to both technical and commercial uncertainties, and should, in general, be quoted as a range. Uncertainty in the case of reserves is discussed in Section 2.2. For other resource categories, the terms Low Estimate, Best Estimate and High Estimate are recommended.

The term "Best Estimate" is used here as a generic expression for the estimate considered to be the closest to the quantity that will actually be recovered from the accumulation between the date of the estimate and the time of abandonment. If probabilistic methods are used, this term would generally be a measure of central tendency of the uncertainty distribution (most likely/mode, median/P50 or mean). The terms "Low Estimate" and "High Estimate" should provide a reasonable assessment of the range of uncertainty in the Best Estimate.

For undiscovered accumulations (Prospective Resources) the range will, in general, be substantially greater than the ranges for discovered accumulations. In all cases, however, the actual range will be dependent on the amount and quality of data (both technical and commercial) which is available for that accumulation. As more data become available for a specific accumulation (e.g. additional wells, reservoir performance data) the range of uncertainty in the resource estimates for that accumulation should be reduced.

2.2 Reserves

The crude oil reserve estimates in this report were classified into proved, probable and possible categories. The definitions employed conform to the 1997 SPE/WPC Reserves Definitions which are summarized as follows:

Proved Reserves

Proved reserves are those quantities of petroleum, which by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 per cent. probability that the quantities actually recovered will equal or exceed the estimate.

Unproved Reserves

Unproved reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic or regulatory uncertainties preclude such reserves being classified as proved. Unproved reserves may be further classified as probable reserves and possible reserves.

Probable Reserves

Probable reserves are those unproved reserves which analysis of geological and engineering data suggest are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50 per cent. probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

Possible Reserves

Possible reserves are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10 per cent. probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves.

Reserves status categories define the development and producing status of wells and reservoirs.

Developed

Developed reserves are expected to be recovered from existing wells including reserves behind pipe. Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be subcategorized as producing or non-producing.

Producing

Reserves subcategorized as producing are expected to be recovered from completion intervals which are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Non-producing

Reserves subcategorized as non-producing include shut-in and behind-pipe reserves. Shut-in reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not started producing, (2) wells which were shut-in for market conditions or pipeline connections, or, (3) wells not capable of production for mechanical reasons. Behind-pipe reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future recompletion prior to the start of production.

Undeveloped Reserves

Undeveloped reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

3. Price Forecasts

The net present value estimates were based on the McDaniel & Associates December 31, 2006 price forecast. A summary of the reference crude oil price forecasts, price differentials from the reference prices to the field and the field prices for each of the North Karamandybas and Ravninnoe fields is presented below:

Year	*Brent Crude Oil Price $US/bbl*	*North Karam. Export Different $US/bbl*	*North Karam. Export Price $US/bbl*	*North Karam Domestic Price $US/bbl*	*Ravnin Export Different $US/bbl*	*Ravnin Export Price $US/bbl*	*Ravnin Domestic Price $US/bbl*	*Inflation Forecast %*
2007	60.50	14.00	46.50	20.00	17.00	43.50	22.50	2.00
2008	59.20	14.00	44.92	20.40	17.00	42.20	22.95	2.00
2009	57.70	14.00	43.13	20.81	17.00	40.70	23.41	2.00
2010	56.30	14.00	41.44	21.22	17.00	39.30	23.88	2.00
2011	54.60	14.00	39.45	21.65	17.00	37.60	24.35	2.00
2012	55.80	14.00	40.34	22.08	17.00	38.80	24.84	2.00
2013	56.80	14.00	41.03	22.52	17.00	39.80	25.34	2.00
2014	58.00	14.00	41.92	22.97	17.00	41.00	25.85	2.00
2015	59.20	14.00	42.80	23.43	17.00	42.20	26.36	2.00
2016	60.30	14.00	43.57	23.90	17.00	43.30	26.89	2.00
2017	61.60	14.00	44.53	24.38	17.00	44.60	27.43	2.00
2018	62.80	14.00	45.39	24.87	17.00	45.80	27.98	2.00
2019	64.10	14.00	46.34	25.36	17.00	47.10	28.54	2.00
2020	65.30	14.00	47.19	25.87	17.00	48.30	29.11	2.00
2021	66.70	14.00	48.23	26.39	17.00	49.70	29.69	2.00
2022	68.03	14.00	49.19	26.92	17.00	51.03	30.28	2.00

Year	Brent Crude Oil Price $US/bbl	North Karam. Export Different $US/bbl	North Karam. Export Price $US/bbl	North Karam Domestic Price $US/bbl	Ravnin Export Different $US/bbl	Ravnin Export Price $US/bbl	Ravnin Domestic Price $US/bbl	Inflation Forecast %
2023	69.39	14.00	50.18	27.46	17.00	52.39	30.89	2.00
2024	70.78	14.00	51.18	28.00	17.00	53.78	31.51	2.00
2025	72.20	14.00	52.20	28.56	17.00	55.20	32.14	2.00
2026	73.64	14.00	53.25	29.14	17.00	56.64	32.78	2.00

Pricing Assumptions:

Brent price forecast based on the McDaniel & Associates December 31, 2006 price forecast.

The domestic price excludes VAT

4. Property Overview

The Contract Areas in which Roxi either owns and interest, or is in the process of acquiring an interest, are all located in Western Kazakhstan as shown in Figure 2. The North Karamandybas and Ravninnoe Contract Areas both contain discovered oil fields. However, the Beibars Contract Area is an exploration block with one well drilled to date. Each of the Contract Areas is described separately in the following sections.

Figure 2 – Location Map showing the Roxi Petroleum Contracts

4.1 North Karamandybas Contract Area

The North Karamandybas Contract Area is located in the Mangistau region of the Republic of Kazakhstan approximately 100 kilometres east of the city of Aktau. Aktau is a major oil industry centre and an export terminal for shipping crude across the Caspian Sea and on to international markets.

The Contract Area lies within the South Mangyshlak Basin where a large number of oil and gas fields have been discovered. The large fields, such as Tenge, Uzen and Zhetybai, were discovered in the 1960s within the Lower-Middle Jurassic clastic sequence. North Karamandybas is situated approximately 10 kilometres northwest of the Uzen field on the same structural terrace, known as the Zhetybai-Uzen step. A map showing the location of the oil and gas fields in the area is shown in Figure 3. Given North Karamandybas is close to other fields, there is good access to oil field services and infrastructure including oil and gas pipelines, railways, power lines and roads.

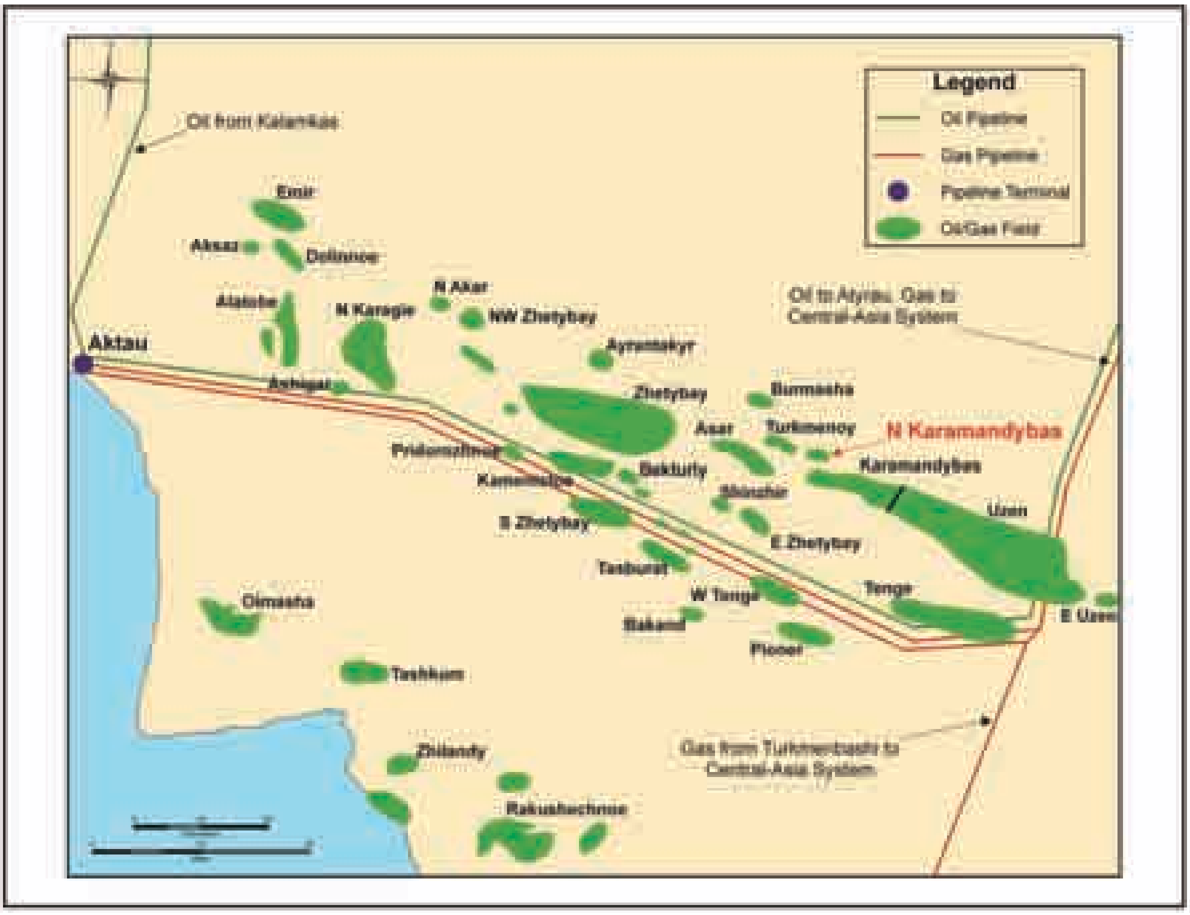

Figure 3 – Oil and Gas Fields of the South Mangyshlak Basin

The North Karamandybas structure was first identified on a 2D seismic survey shot in 1979. Three exploration wells were then drilled between 1987 and 1988. Oil reserves were discovered by Well 3, which penetrated 25 metres of net oil pay within the Middle Jurassic section. Previously Wells 1 and 2 were drilled lower down on the flanks of the structure finding reservoir quality sands, but were water bearing. Well 3 tested three different zones, the J-7, J-8 and J-9. The J-7 zone flowed at 90 bopd of oil, which subsequently increased to 190 bopd after installing a pump down-hole. The J-9 flowed at 1 bopd without a pump. The J-8 did not flow oil to surface, but, based on the changes in fluid level within the well, a rate of 34 bopd was calculated.

The field was then left undeveloped, presumably because there were larger fields, such as Uzen, close by that were being developed. However, on December 4, 1997 an exploration contract was issued for the area covering 7.2 square kilometres and the total depth range. This contract was issued for a term of 4 years with options to extend twice for 2 years each.

The original contract holder, MABS LLP, transferred their contractual rights to a company called KPP Aktau in 1999. The transfer was endorsed by the Government in 2000 and the existing North Karamandybas Sub-Soil User Contract ("North Karamandybas SSUC") was signed with an associated minimum work programme of US$1.95 million. A further extension was then granted in June 2006 resulting in the current expiry date of December 4, 2007 and a new work programme commitment of US$2.97 million.

KPP Aktau recently signed an agreement to transfer the contract rights for the North Karamandybas SSUC to RSMunai LLP, a new joint venture company. However, the control of KPP Aktau has been disputed and is currently being challenged by a third party in the Kazakh courts. Provided the transfer goes through and the necessary Government approvals are obtained, Roxi intends to indirectly acquire 50 per cent. of RSMunai LLP and thus own a 50 per cent. working interest in the Contract Area.

Roxi intends to shoot 3D seismic and drill two wells during 2007 prior to the contract expiry in December 2007. If Roxi is successful, they will be able to apply for a contract extension for a pilot production project, which would allow continued testing of the wells and further appraisal drilling. A pilot period typically lasts two years and, if successful, would lead to a development project and the establishment of a production and development contract in which the fiscal terms for the subsequent phase are specified.

It should be pointed out however that if the seismic and drilling plans are not successfully completed by the end of 2007, there is some risk that a contract extension would not be granted.

4.2 Ravninnoe Contract Area

The Ravninnoe Contract Area lies within the Atyrau administrative area approximately 100 kilometres northeast of the Tengiz field and covers an area of 88 square kilometres (see Figure 2). The Opornaya railway station is located approximately 30 kilometres to the southwest of the field and has an oil loading facility. The railway runs between the towns of Kulsary to the north and Beyneu to the south and ultimately connects through to Atyrau or Aktau. Oil production from several fields in the area is loaded onto railcars at Opornaya and this would be the most likely export route for Ravninnoe. The main Mangyshlak-Atyrau oil pipeline also runs through Opornaya and would give access to the Atyrau-Samara export route. Access to the field from Opornaya is via unpaved roads that are generally passable except after heavy rain. Opornaya also acts as the base for several oilfield service companies that support the nearby fields.

The Ravninnoe Sub-Soil User Contract ("Ravninnoe SSUC") was issued in 2004 to Ravninnoe Oil LLP. The Ravninnoe SSUC is an exploration and production contract and has a term of 25 years, with a 3 year exploration period and two possible two year extensions for the exploration period. The Ravninnoe SSUC will enter the first two year extension period on April 7, 2007. Roxi indicated that the area associated with the Ravninnoe SSUC has recently been extended by the Government to include Well 7, however, the new coordinates are being finalized and so could not be incorporated in this report.

Roxi indirectly acquired a 50 per cent. interest in Ravninnoe Oil LLP. Roxi has reported that the Kazakh Government has approved the acquisition.

A total of twelve wells were drilled during the 1980s of which two (Wells 7 and 12) lie just outside the original Contract Area. Well 8, which was drilled in 1983, was the only well to successfully test hydrocarbons. Wells 1, 4, 9, and 10 were not drilled deep enough to encounter the reservoir section. The other wells either tested water, water with a trace of oil, or failed to recover any fluids.

In April 2006, Ravninnoe Oil re-entered Well 8. Anecdotal, un-documented accounts suggest the well initially flowed although no reliable rate information could be obtained. The well was then worked over to try and re-open and test some deeper perforation intervals. Up until November 2006 a number of cement plugs were drilled and a packer was milled out. During these operations the well is described as intermittently flowing on daily well reports, although no actual production rates are recorded. Five sets of perforations were re-opened by the milling and drilling operations. Subsequently in December 2006, with Roxi personnel on site, an attempt was made to verify that the well was capable of flowing. Some oil was recovered during swabbing, but natural flow was not established. Roxi believes the well is heavily damaged and is undertaking a cement squeeze and re-perforation of the pay intervals. Due to equipment left in the well from previous operations, this work has been more complicated and taken longer than anticipated. Roxi now expect to finish the recompletion sometime in Q2 2007.

Roxi intends to re-enter some of the old wells during 2007 to see if they can establish productivity. A new well will be drilled at year end 2007 and more seismic acquisition is planned over the field. This would lead to a State reserves submission in 2008 and the establishment of the remaining fiscal terms.

4.3 Beibars Contract Area

The Beibars Contract Area lies within the Mangistau administrative area approximately 40 kilometres south of Aktau and covers approximately 167 km^2 (see Figures 2 and 4).

Figure 4 – Beibars Contract Area

Roxi indirectly acquired a 50 per cent. interest in Beibars Munai LLP which holds the Beibars Sub-Soil User Contract (“Beibars SSUC”). Roxi has reported that the Kazakh Government has approved the acquisition and that Roxi is awaiting official notification of that approval. The Beibars SSUC was signed on January 31, 2007 and is an exploration contract with a term of 5 years, with two possible two year extensions. A $1.5 million signature bonus was paid in March 2007. The work programme consists of shooting 200 kilometres of 2D seismic and drilling 3 wells at a total cost $22.362 million. There is a relinquishment requirement of 10 per cent. of the total Contract Area at the end of year two, 20 per cent. at the end of year three, and 20 per cent. at the end of year four, with the remainder relinquished after five years, if no commercial discovery occurs.

Four 2D seismic lines were available together with a base Jurassic and a top Carbonate (Triassic) depth structure map. The seismic lines are photographs of old time sections and consequently their quality is poor. The maps show two potential low relief structures, which due to the limited amount of seismic data cannot be closed to the west. Anecdotal information suggests that one of the structures was drilled during the 1980s and may have found oil, however, no actual data is available to confirm or refute this. The maps also show that two other wells may have been drilled just outside the southeast corner of the Contract Area, but again no information is available.

The Beibars Contract Area lies to the north of the Oimasha oil field which contains light oil (38̧API) in Jurassic clastics, Triassic carbonates and Paleozoic weathered granites. Approximately 90 per cent. of the oil is within the Paleozoic and in 2002 the Kazakhstan State Balance carried 25 MMbbl of reserves for the field. The play concept for Beibars is that the zones in Oimasha could also be prospective in the Beibars Contract Area.

5. Reserves Estimates

5.1 North Karamandybas Field

The North Karamandybas field is located within the North Karamandybas Contract Area. The reservoir section within the North Karamandybas field comprises Jurassic sands within an overall 600 metre sand-shale sequence at a depth of 1,400 to 2,000 metres. The sands are of reasonable quality with the porosity interpreted to be in the range of 17 to 19 per cent. and are thought to have been deposited in a continental, mostly fluvial-deltaic environment. Neighbouring fields suggest some sands can be laterally continuous, but other intervals will be more shale prone and discontinuous. The potential reservoirs within the Jurassic are designated as the J-1, J-2, etc. down to J-9 zones.

Paper copies of the logs were available for all three wells. In Well 3 the net oil pay thickness varies from less than 2.2 metres in the J-2 zone up to approximately 10 metres in the J-8 zone. Net sand thickness also varies across the field with Well 1 encountering 37 metres of net, wet sand in the J-7 zone. The J-2, J-7, J-8 and J-9 zones are interpreted to be oil bearing however no reserves were assigned to J-2 zone due to insignificant net pay thickness. No oil water contacts can be identified from the logs in any of the oil bearing zones.

A number of seismic sections were provided across the field and they indicate the field is a faulted anticline structure about 5 by 2 kilometres in size. Seismic quality is poor and further faults may subdivide the field into a number of blocks. A structure map on the top of J-7 zone is presented in Figure 5.

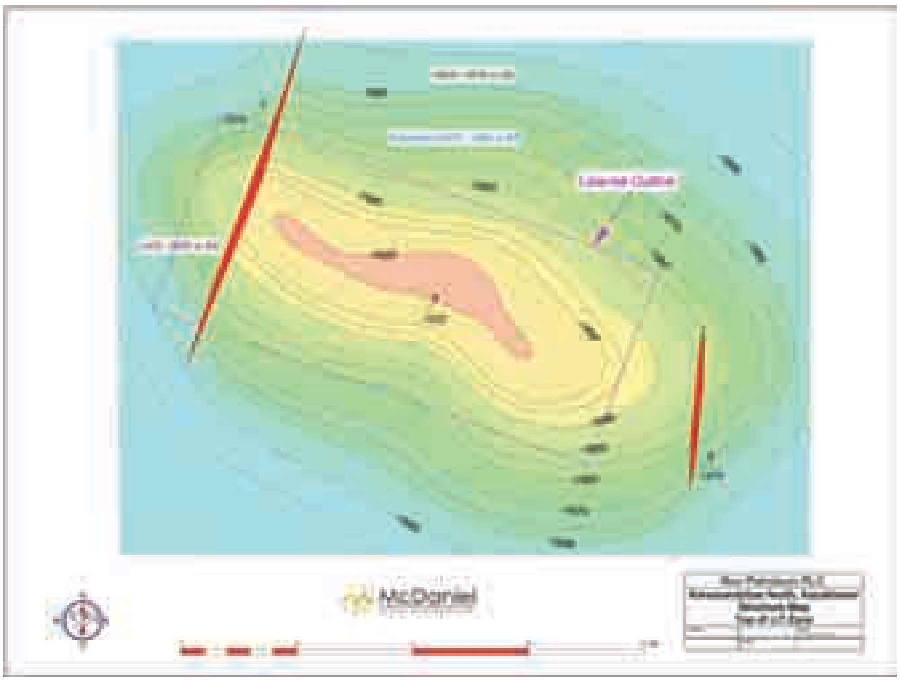

Figure 5 – North Karamandybas Top of J-7 Zone Structure Map

The J-7 zone in Well 3 tested at a rate of 190 bopd while pumping, however, the J-8 and J-9 zones tested with only minor inflow at rates between 1 and 6 bopd. Oil samples show the oil to be around 35°API, waxy (pour point of 34°C), and under-saturated with a solution GOR of 200 scf/bbl.

Since being drilled, Well 3 has apparently produced intermittently. No official records appear to have been kept of the oil, water and gas rates, and the cumulative production, but field notes indicate the well had a productivity of 125 to 250 bopd. In 2003 the well was re-entered for a workover, but during the operations to repair some damaged casing, a gamma ray tool was lost downhole and the well can no longer be produced.

Due to the uncertainty over the longer term productivity of the J-7 zone in Well 3, as well as the poor test results on the J-8 and J-9 zones, proved reserves were not assigned and only probable and possible reserves were assigned to the J-7, J-8 and J-9 zones. A summary of the crude oil reserves for each of the three zones in the North Karamandybas field, prior to total field economic cutoffs, is presented below:

	Crude Oil Reserves at Dec 31, 2006 Mbbl(1)		
	Proved	*Proved Plus Probable*	*Proved + Probable + Possible*
Jurassic J-7 Zone	—	4,922	12,248
Jurassic J-8 Zone	—	3,858	7,714
Jurassic J-9 Zone	—	476	1,116
Total North Karamandybas Field	—	9,256	21,077

(1) Property Gross Reserves prior to the deduction of royalties.

The original oil in place estimates for each zone were based on volumetric calculations using McDaniel & Associates prepared geological maps and petrophysical interpretations. Net oil pay maps for the Jurassic J-7, J-8 and J-9 zones are presented in Figures 6, 7 and 8 below.

The rock volume used in the original oil in place calculation for the probable reserves estimate was based on the net pay maps presented below, however due to the limited well control and the resulting uncertainty over the distribution of the net pay across each pool, the rock volume estimates for the probable plus possible reserves case were increased by 50 per cent. for the J-7 zone and 20 per cent. for the J-8 and J-9 zones. Since the total sand thickness for the J-7 zone in Wells 1 and 2 is much thicker than in Well 3, the average net pay could be much greater than shown in the J-7 net pay map presented in Figure 6.

Figure 6 – Net Oil Pay Map for the North Karamandybas J-7 Zone

Figure 7 – Net Oil Pay Map for the North Karamandybas J-8 Zone

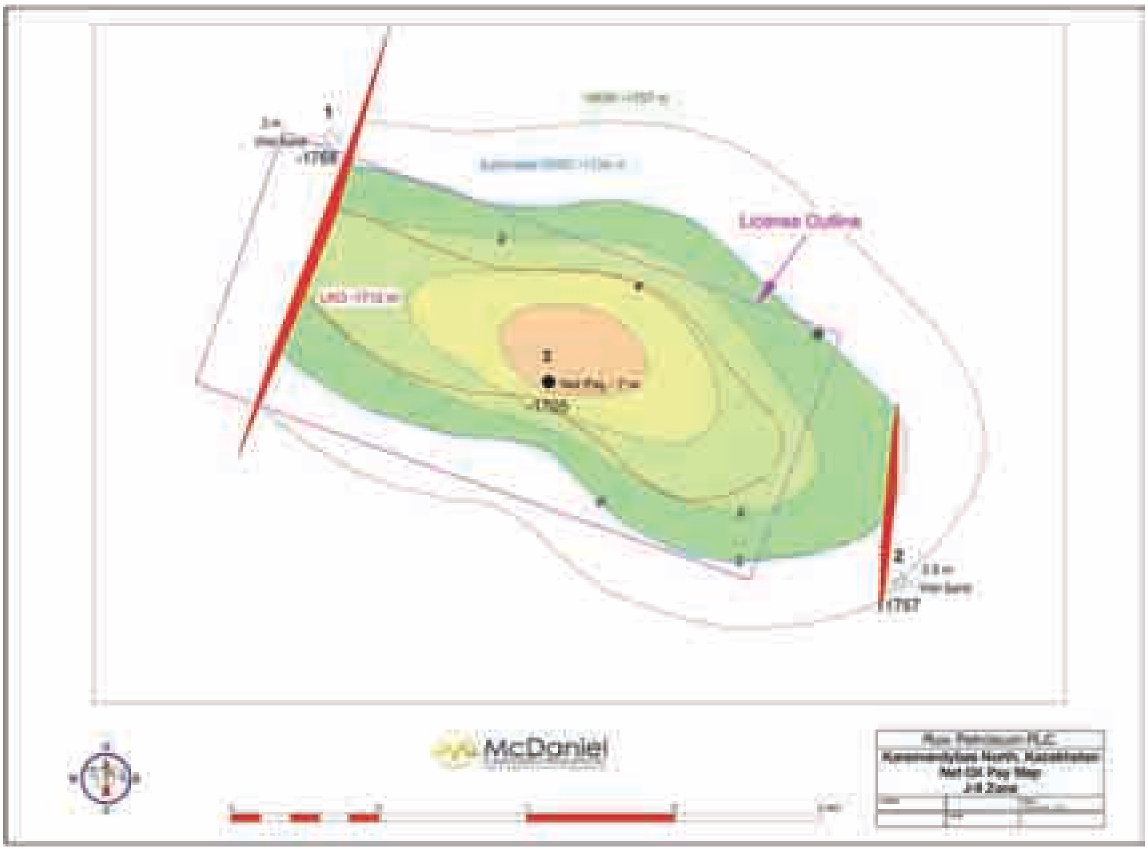

Figure 8 – Net Oil Pay Map for the North Karamandybas J-9 Zone

Recovery factors were based on a combination of factors including recovery efficiencies in analogous reservoirs, production performance of the existing wells and the benefits expected from future drilling. It was assumed that all zones will be water flooded and the production wells will be drilled on 500 by 500 metre well spacing. The probable reserves case included an allowance for 26 production wells and 8 water injection wells and the probable plus possible reserves case included an allowance for 36 production wells and 14 water injection wells. The resulting recovery factors for the probable reserves case were estimated to be 25, 20 and 15 per cent. for the J-7, J-8 and J-9 zones respectively. The recovery factors for the probable plus possible reserves case were estimated to be 30, 25 and 20 per cent. for the J-7, J-8 and J-9 zones respectively. Detailed calculations of the reserves for the North Karamandybas Contract Area are presented in the Appendix.

5.2 Ravninnoe Field

The Ravninnoe field is located within the Ravninnoe Contract Area which in turn lies in the southeast area of the Pre-Caspian basin. The deepest penetrated sequence in the area is of Lower Carboniferous age. Unlike most Carboniferous reservoirs in the Pre-Caspian basin which consist of limestone and dolomite, the Ravninnoe reservoir is interpreted to consist of a clastic sequence.

The top of productive reservoir ranges from 3,219 metres to 3,397 metres over the field area as shown in Figure 9 below. The average porosity was estimated to be 10 per cent.

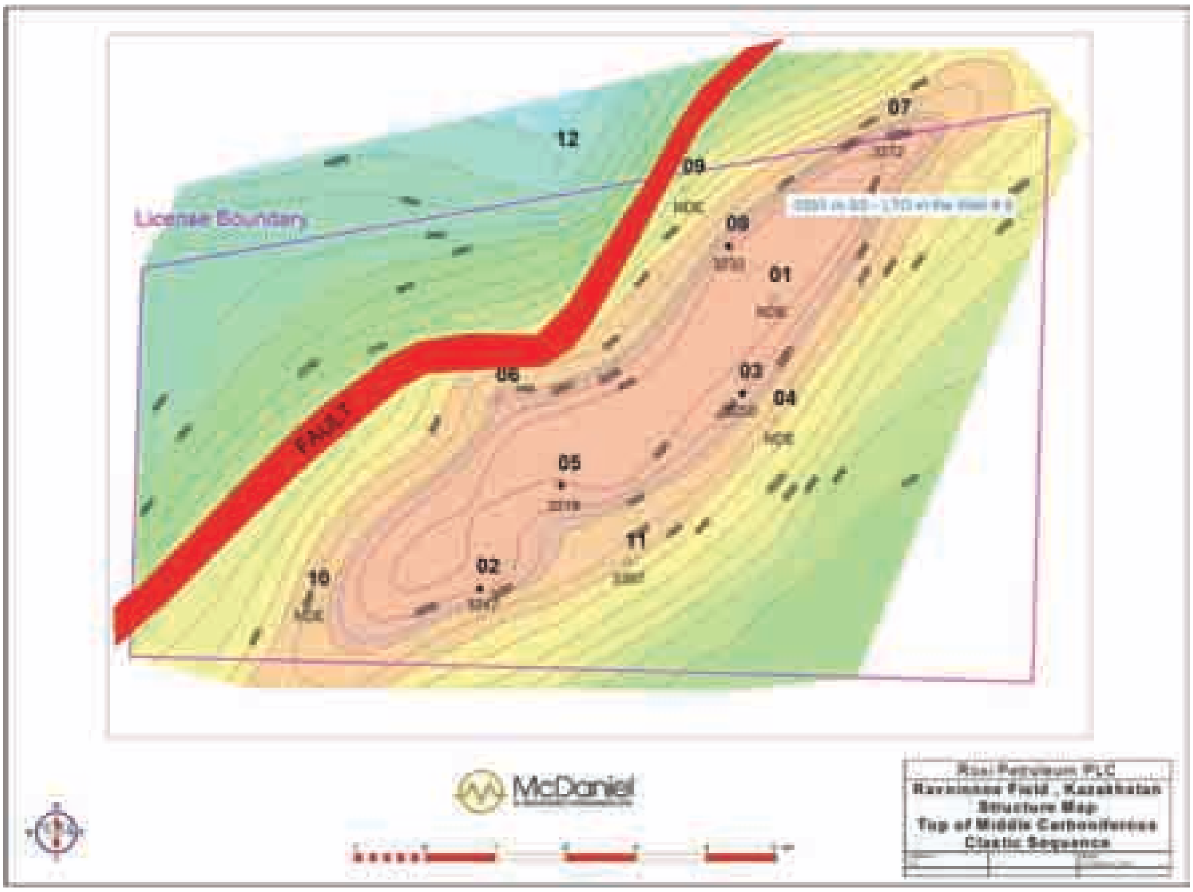

Figure 9 – Structure Map on the Top of the Middle Carboniferous Sand

The structure appears to be a faulted anticline which trends northeast-southwest. A major fault cuts the structure in the northern part, as shown in Figure 9. A small number of paper seismic sections were available to confirm this general structural configuration.

The quality of the data provided for the field was fairly poor. Only sections of paper copy logs were available for inspection. There appears to be no oil property measurements and the solution gas content is not known. The oil formation volume factor has been estimated using correlations and regional knowledge. The oil was assumed to be undersaturated however given the lack of PVT data it is possible that there may be a gas cap.

Well 8 encountered 18.2 metres of net pay within the Carboniferous and produced 26̧API (897 kg/m3) oil. A number of tests appear to have been carried out on the interval, but the reports are of poor quality. One report states the well produced at a rate of 604 bopd during an open-hole test, but this is not verified by the well documentation. An initial cased-hole test states the interval flowed at 136 bopd, but that this declined rapidly to 28 bopd. A subsequent test then flowed at 321 bopd with no mention of a decline. Ten other intervals were tested in Well 8 with only two showing some inflow and traces of oil, the other six tests were all tight.

One interpretation is that the field consists of a single well pool centred around Well 8. The well has not shown to be capable of sustaining production and therefore proved reserves were not assigned. This may be due to significant formation damage caused by very poor workover practices and if a workover can remove the damage, or if a new sidetracked is drilled from the existing wellbore, it is likely that oil can be produced at commercial rates. Probable reserves have therefore been assigned assuming a sidetrack of Well 8 and that a new offset producer is drilled. In addition, a further two producers were assumed to be drilled together with a water injector in the probable plus possible reserves case.

There is evidence that the oil pool has a much larger areal extent. There have been number of other wells drilled in the field as shown in Figure 9 but none of these wells successfully tested oil. However, oil is leaking to the surface at Wells 2, 3, 5 and 7 which has been documented in a baseline environmental assessment that Roxi undertook during 2006 and it may be that these wells are all part of a larger single accumulation that has either very poor reservoir quality and hence failed to test when drilled, or was so badly damaged during drilling that it was unable to produce. The blue contour line shown in Figure 9 corresponds to the lowest tested oil in well 8 and encompasses all the wells that have seen oil leaking to the surface.

The uncertainty over the productivity raises questions over whether new wells can be economically drilled. With well depths up to 3,500 metres, production rates of at least 200 bopd would be required to justify the estimated $6 million drilling costs. Due to the very limited data available, any further potential outside the area around Well 8 was classified as contingent resources. A summary of the resource estimates is presented in Section 6.2. With further drilling and testing it may be possible to re-classify some of these resources as reserves.

A summary of the remaining crude oil reserves for each reserves category, prior to total field economic cutoffs, is presented below:

	Crude Oil Reserves at Dec 31, 2006 Mbbl[(1)]		
	Total Proved	*Proved Plus Probable*	*Proved + Probable + Possible*
Middle Carboniferous Zone	—	1,275	3,653

(1) Property Gross Reserves prior to the deduction of royalties.

The reserves estimates were based on volumetric calculations using McDaniel & Associates prepared geological maps and petrophysical interpretations. The rock volume in the probable case was based on the net pay in Well 8 and approximately 160 acres for each of two wells. The rock volume in the probable plus possible case was based on approximately 180 acres for each of four wells.

Recovery factors were based on a combination of factors including recovery efficiencies in analogous reservoirs and the anticipated performance of the wells. The resulting recovery factor for the probable reserves case was estimated to be 20 per cent. and for the probable plus possible reserves case 25 per cent. It was assumed that a water injection well would be drilled in the probable plus possible reserves case. Detailed calculations of the reserves for the Ravninnoe Contract Area are presented in the Appendix.

5.3 Beibars Contract Area

No well data was available for the Beibars Contract Area and thus no reserves were assigned.

6. Contingent Resource Estimates

6.1 North Karamandybas Contract Area

No contingent resources were assigned to North Karamandybas.

6.2 Ravninnoe Contract Area

As discussed in Section 5.2 crude oil reserves were only assigned to the area around Well 8. However, oil shows at surface in several wells indicate that the field probably contains oil over a much larger area so contingent resources for this additional area. Estimates of these resources were estimated probabilistically to determine the in-place volumes and associated recoverable volumes. The total pool original oil in place was estimated then the assigned reserves were subtracted to determine the volumes that could be classified as resources. Detailed calculations of the contingent resources for the Ravninnoe Contract Area are presented in the Appendix.

In summary, the total resources and the contingent resources are as follows:

Ravninnoe Contract Resources at Dec 31, 2006, Mbbl[(1)]	*Low Estimate*	*Best Estimate*[(2)]	*High Case*
Original Oil in Place	26,602	66,471	118,329
Total Recoverable Resources	1,103	6,532	14,266
Reserves	—	1,606	3,653
Contingent Resources	1,103	4,926	10,613

(1) Property Gross Reserves prior to the deduction of royalties.

(2) The 'best estimate' is taken as the mean of the respective distribution. For the reserves category this was calculated as the Swanson's Mean of the 3 deterministic cases (1P, 2P, 3P).

6.3 Beibars Contract Area

No well data was available for the Beibars Contract Area and thus no contingent resources were assigned.

7. Exploration Upside

A detailed analysis of the prospective resource potential was not prepared for this evaluation since Roxi has not defined specific drilling prospects. However, a cursory review of the general exploration potential was prepared for each of the three Contract Areas.

7.1 North Karamandybas Contract Area

Most of the resource potential for the North Karamandybas Contract Area lies in identifying areas of the main Jurassic structure where the thin J-1 and J-2 sands seen in well 3 may become thicker.

7.2 Ravninnoe Contract Area

There is exploration potential for the Ravninnoe Contract Area in deeper Lower Carboniferous or Devonian deposits underlying the productive Middle Carboniferous reservoir interval. The lithology of these intervals in this area is not known and they may consist of carbonates or clastics. The Lower Carboniferous and Devonian in the Pre-Caspian basin usually consist of clastic rocks however in the Tengiz-Kashagan area and the northern part of Pre-Caspian basin the Lower Carboniferous and Devonian consist of carbonate build-ups and carbonate platform deposits.

The Lower Carboniferous and Devonian in the Pre-Caspian basin has not been extensively explored to date since they are usually quite deep. Only two fields have been discovered to date in Kazakhstan including the Karachaganak field which is productive from Upper Devonian carbonate reservoirs (as well as middle Carboniferous carbonates) and the Prigranichnoe field, also in the northern part of Pre-Caspian basin, productive in clastic reservoirs of the Middle and Upper Devonian.

In terms of a hydrocarbon source, the United States Geological Survey (USGS) reports that there are potential hydrocarbon source rocks in the Devonian sequence in the Pre-Caspian basin. The source rocks are currently within a gas generating window, but, as the burial history and source rock maturity is not well understood in this area, any accumulations could contain oil and/or gas-condensate.

In general, potential reservoirs are expected to have low permeability but the reservoir quality could be better close to faults zones where secondary fractures and vuggy porosity could have developed. Better reservoir quality may exist in the Ravninnoe area as the depth of the Lower Carboniferous or Devonian formations are shallower than in most other areas at roughly 4,000 to 5,000 metres.

Potential reservoirs in the Ravninnoe field are likely to be faulted anticlines as the Lower Carboniferous or Devonian likely follow the structure of the overlying Middle Carboniferous. The major fault in the northwestern part of the Contract Area shown in Figure 9, could be transformed to a thrust at the Devonian level. Block movements on the thrust surface could also have led to fracture development and hence improved reservoir quality.

Visean age shale and tight siltstones already penetrated by the existing wells in Ravninnoe could act as an effective seal for any potential reservoirs.

All the components of a successful petroleum system within the Lower Carboniferous and Devonian could therefore be present at Ravninnoe and as such it represents a reasonable exploration play. More seismic needs to be run to be to be able to assess this potential.

7.3 Beibars Contract Area

Very limited data was available for the Beibars Contract Area and for the nearby Oimasha field, thus no evaluation of the exploration potential could be undertaken as part of this report. All that can be said at this stage is that the three hydrocarbon bearing reservoirs in the Oimasha field (Jurassic clastics, fractured Triassic carbonates and weathered Paleozoic granites) could have potential in the Beibars Contract Area. These zones all tested oil at good rates in Oimasha and in other fields to the northeast but a detailed review of the existing data and possibly additional seismic will be required to be able to assess this potential.

8. Net Present Value Estimates

The net present values of the crude oil reserves were based on future production and revenue analyses. All of the net present value estimates presented in this report are presented in US dollars and include an allowance for Kazakhstan taxes. The future production forecasts were based on detailed calculations including allowances for the benefits of future drilling or recompletions. Future crude oil revenue was derived by employing the forecast production and the forecast Brent crude oil price less an estimate of the price differential between the Brent reference price and the field price. A summary of the calculation of the field price is presented in Section 3 of this report.

An allowance for royalties and income taxes was made according to the terms of each contract. In the case of North Karamandybas, the production and development terms have yet to be fixed and are therefore subject to change from the ones currently in force. Operating and capital costs are based on our estimates in consultation with Roxi. An allowance was made for well abandonment costs at the end of each respective forecast. The capital costs do not meet the minimum work programme requirements laid down in the North Karamandybas SSUC, as these are largely exploration related and not directly applicable to the reserves case being evaluated. The cost of the work programme contained in the North Karamandybas SSUC is $1.95 million.

The Ravninnoe SSUC defines the majority of the fiscal terms. However, the tax on exporting crude will be subject to whatever the tax clause states at the time the field is declared commercial. Operating and capital costs were based on our estimates in consultation with Roxi. An allowance was made for well abandonment costs at the end of each respective forecast. The capital costs do not meet the minimum work programme requirements laid down in the contract, as these are largely exploration related and not directly applicable to the reserves case being evaluated. The cost of the work programme contained in the Ravninnoe SSUC is $17.35 million.

Detailed production and revenue forecasts for the North Karamandybas and Ravninnoe Contract Areas as well as a corporate summary are presented in the Appendix. A summary of the economic parameters used to generate the forecasts is also presented in the Appendix.

9. Professional Qualifications

McDaniel & Associates Consultants Ltd. has over 50 years of experience in the evaluation of oil and gas properties. McDaniel is registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA). All of the professionals involved in the preparation of this report have in excess of 5 years of experience in the evaluation of oil and gas properties. Mr. Bryan Emslie, Senior Vice President, Mr. Paul Taylor, Senior Petroleum Engineer and Mr. Anatoli Tchernavskikh, Manager International Geology, all with McDaniel & Associates, were responsible for the preparation of this report. Mr. Emslie has over 25 years of experience in the evaluation of oil and gas properties Mr. Taylor has over 20 years of experience and Mr. Anatoli Tchernavskikh has in excess of 10 years. All of the persons involved in the preparation of this report and McDaniel & Associates are independent of Roxi.

In preparing this report, we relied upon factual information including ownership, technical well and seismic data, contracts, and other relevant data supplied by Roxi. The extent and character of all factual information supplied were relied upon by us in preparing this report and has been accepted as represented without independent verification. We have relied upon representations made by Roxi as to the completeness and accuracy of the data provided and that all data proved to us was lawfully acquired.

This report was prepared by McDaniel & Associates Consultants Ltd. for the exclusive use of Roxi and is not to be reproduced, distributed or made available, in whole or in part, to any person, company or organization other than Roxi without the knowledge and consent of McDaniel & Associates Consultants Ltd. We reserve the right to revise any opinions provided herein if any relevant data existing prior to preparation of this report was not made available or if any data provided is found to be erroneous.

Sincerely,

McDANIEL & ASSOCIATES CONSULTANTS LTD.

B. H. Emslie, P. Eng.

P. M. Taylor, MEI CEng

A. Tchernavskikh, P. Geol.

PERMIT TO PRACTICE
McDANIEL & ASSOCIATES CONSULTANTS LTD.

Signature ______________________

Date May 16, 2007

PERMIT NUMBER: P 3145
The Association of Professional Engineers, Geologists and Geophysicists of Alberta

APPENDIX

Tables

Table 1

Roxi Petroleum plc
Total Kazakhstan
Summary of Reserves and Net Present Values
Effective as of December 31, 2006

Summary of Remaining Reserves (1)

	Crude Oil Reserves - Bbls			Crude Oil Reserves - Tonnes		
	Property	Company	Company	Property	Company	Company
	Gross	Gross	Net	Gross	Gross	Net
Reserve Category	Mbbl	Mbbl	Mbbl	MT	MT	MT
Proved Developed Producing Reserves	-	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-	-
Probable Reserves	10,531	5,265	5,160	1,436	718	703
Proved + Probable Reserves	10,531	5,265	5,160	1,436	718	703
Possible Reserves	14,207	7,103	6,961	1,941	971	951
Proved + Probable + Possible Reserves	24,737	12,369	12,121	3,377	1,688	1,655

Summary of Company Share of Net Present Values Before Income Taxes

	$M US Dollars				
Reserve Category	0.0%	5.0%	10.0%	15.0%	20.0%
Proved Developed Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-
Probable Reserves	59,082	34,815	20,508	11,629	5,879
Proved + Probable Reserves	59,082	34,815	20,508	11,629	5,879
Possible Reserves	133,164	83,588	55,820	39,143	28,512
Proved + Probable + Possible Reserves	192,246	118,403	76,328	50,772	34,391

Summary of Company Share of Net Present Values After Income Taxes

	$M US Dollars				
Reserve Category	0.0%	5.0%	10.0%	15.0%	20.0%
Proved Developed Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-
Probable Reserves	36,903	19,272	9,046	2,826	(1,105)
Proved + Probable Reserves	36,903	19,272	9,046	2,826	(1,105)
Possible Reserves	70,061	41,429	25,876	16,828	11,247
Proved + Probable + Possible Reserves	106,964	60,701	34,922	19,653	10,143

(1) Company Gross reserves are based on Company working interest share of the reserves for each property.
Company Net reserves are based on Company working interest share of reserves after royalties.

Roxi Petroleum plc

Table 2

Total Kazakhstan

Forecast of Production and Revenues

Total Proved + Probable Reserves

Effective as of December 31, 2006

Property Gross Share of Production and Gross Revenues

Year	Producing Well Count	Crude Oil Daily Rate Bopd	Crude Oil Annual Volume Mbbl	Crude Oil Annual Volume MT	Crude Oil Price US$/bbl	Total Sales Revenue US$M
2007	2	173	63	9	39.92	2,513
2008	10	1,508	550	76	41.83	23,017
2009	16	2,689	982	134	40.57	39,816
2010	19	3,222	1,176	160	39.21	46,115
2011	19	2,999	1,094	149	37.50	41,043
2012	19	2,476	904	123	38.38	34,682
2013	19	2,045	747	102	39.07	29,171
2014	19	1,691	617	84	39.95	24,651
2015	19	1,533	560	76	40.83	22,847
2016	18	1,614	589	80	41.61	24,518
2017	18	1,754	640	87	42.55	27,241
2018	18	1,682	614	84	43.40	26,638
2019	16	1,385	506	69	44.34	22,417
2020	14	1,141	417	57	45.18	18,825
2021	13	847	309	42	46.04	14,229
Rem.	11	2,093	764	103	48.14	36,778
Total			10,531	1,436	41.26	434,501

Year	State Royalties US$M	Total Royalties %	Operating Costs US$M	Operating Costs US$/bbl	Export Tax US$M	Aband. Costs US$M	Capital Costs US$M	Repayment Costs US$M	Bonuses US$M	Net Cash Flow B. Tax US$M	Corporate Tax US$M	Exc. Profits Tax US$M	Net Cash Flow A. Tax US$M
2007	50	2.0	540	8.58	718	-	17,510	-	-	(16,306)	-	-	(16,306)
2008	460	2.0	3,309	6.01	7,212	49	25,541	1,055	242	(14,851)	674	-	(15,525)
2009	796	2.0	4,529	4.61	12,450	49	24,002	1,055	-	(3,066)	3,664	644	(7,374)
2010	922	2.0	5,162	4.39	14,275	49	8,049	1,055	-	16,602	4,808	1,030	10,764
2011	821	2.0	5,134	4.69	11,934	49	1,174	1,055	-	20,876	4,362	1,472	15,042
2012	694	2.0	4,944	5.47	10,696	49	1,198	1,055	-	16,046	3,204	568	12,274
2013	583	2.0	4,794	6.42	8,990	49	96	1,055	-	13,603	2,431	172	10,999
2014	493	2.0	4,680	7.58	7,659	49	98	1,055	-	10,617	1,783	83	8,752
2015	457	2.0	4,672	8.35	7,099	49	568	1,055	-	8,945	1,611	75	7,259
2016	490	2.0	4,802	8.15	7,619	49	819	1,055	-	9,683	2,057	365	7,261
2017	545	2.0	4,970	7.76	8,469	49	1,079	1,055	-	11,074	2,707	953	7,415
2018	533	2.0	4,987	8.12	8,282	49	106	1,055	-	11,627	2,751	1,014	7,862
2019	448	2.0	4,652	9.20	6,970	49	95	1,055	-	9,148	2,150	475	6,522
2020	376	2.0	4,257	10.22	5,852	49	91	1,055	-	7,144	1,618	291	5,235
2021	285	2.0	3,832	12.40	4,427	42	86	74	-	5,485	1,188	72	4,226
Rem.	736	2.0	12,868	16.84	11,441	42	81	74	-	11,537	2,126	11	9,400
Total	8,690	2.0	78,132	7.42	134,093	725	80,591	13,863	242	118,163	37,133	7,224	73,807

Company Working Interest Share Summary

Year	Gross Annual Oil Production Mbbl	Net Annual Oil Production Mbbl	Gross Sales Revenue US$M	State Royalties US$M	Operating Costs US$M	Export Tax US$M	Capital + Aband. Costs US$M	Bonuses + Repayment Costs US$M	Net Cash Flow B. Tax US$M	Total Taxes US$M	Net Cash Flow A. Tax US$M	Cum Cash Flow A.T. US$M	NPV A.T. at 10.0% US$M
2007	31	31	1,257	25	270	359	8,755	-	(8,153)	-	(8,153)	(8,153)	(7,773)
2008	275	270	11,509	230	1,654	3,606	12,795	649	(7,426)	337	(7,762)	(15,915)	(6,728)
2009	491	481	19,908	398	2,264	6,225	12,026	528	(1,533)	2,154	(3,687)	(19,602)	(2,905)
2010	588	576	23,057	461	2,581	7,138	4,049	528	8,301	2,919	5,382	(14,220)	3,855
2011	547	536	20,522	410	2,567	5,967	612	528	10,438	2,917	7,521	(6,699)	4,898
2012	452	443	17,341	347	2,472	5,348	624	528	8,023	1,886	6,137	(562)	3,633
2013	373	366	14,585	292	2,397	4,495	73	528	6,801	1,302	5,500	4,937	2,960
2014	309	302	12,326	247	2,340	3,829	73	528	5,309	933	4,376	9,313	2,141
2015	280	274	11,423	228	2,336	3,550	309	528	4,473	843	3,630	12,943	1,614
2016	295	289	12,259	245	2,401	3,810	434	528	4,841	1,211	3,630	16,573	1,468
2017	320	314	13,621	272	2,485	4,234	564	528	5,537	1,830	3,707	20,281	1,363
2018	307	301	13,319	266	2,493	4,141	78	528	5,813	1,883	3,931	24,211	1,314
2019	253	248	11,208	224	2,326	3,485	72	528	4,574	1,313	3,261	27,473	991
2020	208	204	9,412	188	2,129	2,926	70	528	3,572	954	2,618	30,090	723
2021	155	151	7,115	142	1,916	2,213	64	37	2,742	630	2,113	32,203	530
Rem.	382	374	18,389	368	6,434	5,721	61	37	5,768	1,068	4,700	36,903	963
Total	5,265	5,160	217,250	4,345	39,066	67,046	40,658	7,053	59,082	22,178	36,903	-	9,046

Roxi Petroleum plc

Table 3

Total Kazakhstan

Forecast of Production and Revenues

Total Proved + Probable + Possible Reserves

Effective as of December 31, 2006

Property Gross Share of Production and Gross Revenues

		Crude Oil				Total
Year	Producing Well Count	Daily Rate Bopd	Annual Volume Mbbl	Annual Volume MT	Crude Oil Price US$/bbl	Sales Revenue US$M
2007	2	240	88	12	40.46	3,544
2008	11	2,355	860	118	41.77	35,904
2009	19	4,769	1,741	239	40.43	70,379
2010	26	6,552	2,392	327	39.15	93,639
2011	26	6,955	2,539	346	37.48	95,143
2012	26	6,073	2,217	302	38.36	85,035
2013	26	4,973	1,815	248	39.06	70,893
2014	26	4,078	1,489	203	39.93	59,446
2015	26	3,350	1,223	167	40.82	49,910
2016	26	2,967	1,083	148	41.61	45,061
2017	25	3,293	1,202	164	42.57	51,166
2018	25	3,947	1,441	196	43.42	62,554
2019	25	3,993	1,457	198	44.35	64,626
2020	25	3,429	1,252	170	45.20	56,574
2021	23	2,797	1,021	139	46.23	47,204
Rem.	14	7,770	2,920	397	48.83	142,596
Total			24,737	3,377	41.79	1,033,675

Year	State Royalties US$M	Total Royalties %	Operating Costs US$M	Operating Costs US$/bbl	Export Tax US$M	Aband. Costs US$M	Capital Costs US$M	Repayment Costs US$M	Bonuses US$M	Net Cash Flow B. Tax US$M	Corporate Tax US$M	Exc. Profits Tax US$M	Net Cash Flow A. Tax US$M
2007	71	2.0	944	10.78	1,028	-	17,510	-	-	(16,009)	-	-	(16,009)
2008	718	2.0	5,468	6.36	11,247	76	44,921	1,055	591	(28,171)	1,819	59	(30,049)
2009	1,408	2.0	7,708	4.43	21,993	76	27,649	1,055	-	10,491	7,809	2,828	(146)
2010	1,873	2.0	9,559	4.00	28,921	76	22,402	1,055	-	29,753	11,643	6,359	11,751
2011	1,903	2.0	9,936	3.91	27,645	76	1,743	1,055	-	52,785	12,877	9,620	30,289
2012	1,701	2.0	9,720	4.39	26,202	76	1,226	1,055	-	45,056	10,869	6,165	28,021
2013	1,418	2.0	9,387	5.17	21,821	76	1,250	1,055	-	35,886	8,521	4,489	22,876
2014	1,189	2.0	9,137	6.14	18,465	76	126	1,055	-	29,398	6,625	2,395	20,378
2015	998	2.0	8,929	7.30	15,503	76	129	1,055	-	23,220	5,101	1,048	17,071
2016	901	2.0	8,885	8.21	13,996	76	609	1,055	-	19,538	4,399	825	14,315
2017	1,023	2.0	9,205	7.66	15,900	76	6,473	1,055	-	17,434	5,482	1,841	10,111
2018	1,251	2.0	9,711	6.74	19,444	76	1,629	1,055	-	29,389	7,795	4,337	17,257
2019	1,293	2.0	9,904	6.80	20,092	76	140	1,055	-	32,067	8,372	4,893	18,802
2020	1,131	2.0	9,768	7.80	17,587	76	142	1,055	-	26,815	6,984	3,913	15,918
2021	944	2.0	9,203	9.01	14,675	76	132	74	-	22,100	5,505	2,116	14,478
Rem.	2,852	2.0	40,165	13.75	44,345	91	329	74	-	54,740	13,088	2,786	38,866
Total	20,673	2.0	167,632	6.78	318,865	1,150	126,409	13,863	591	384,492	116,889	53,674	213,928

Company Working Interest Share Summary

Year	Gross Annual Oil Production Mbbl	Net Annual Oil Production Mbbl	Gross Sales Revenue US$M	State Royalties US$M	Operating Costs US$M	Export Tax US$M	Capital + Aband. Costs US$M	Bonuses + Repayment Costs US$M	Net Cash Flow B. Tax US$M	Total Taxes US$M	Net Cash Flow A. Tax US$M	Cum Cash Flow A.T. US$M	NPV A.T. at 10.0% US$M
2007	44	43	1,772	35	472	514	8,755	-	(8,005)	-	(8,005)	(8,005)	(7,632)
2008	430	421	17,952	359	2,734	5,623	22,498	823	(14,086)	939	(15,024)	(23,029)	(13,023)
2009	870	853	35,189	704	3,854	10,997	13,862	528	5,245	5,318	(73)	(23,102)	(58)
2010	1,196	1,172	46,820	936	4,780	14,461	11,239	528	14,876	9,001	5,875	(17,227)	4,209
2011	1,269	1,244	47,572	951	4,968	13,823	909	528	26,393	11,248	15,144	(2,082)	9,862
2012	1,108	1,086	42,518	850	4,860	13,101	651	528	22,528	8,517	14,011	11,928	8,295
2013	908	889	35,446	709	4,694	10,910	663	528	17,943	6,505	11,438	23,366	6,156
2014	744	729	29,723	594	4,569	9,232	101	528	14,699	4,510	10,189	33,555	4,985
2015	611	599	24,955	499	4,464	7,752	102	528	11,610	3,075	8,536	42,090	3,797
2016	541	531	22,530	451	4,442	6,998	343	528	9,769	2,612	7,157	49,248	2,894
2017	601	589	25,583	512	4,603	7,950	3,274	528	8,717	3,662	5,056	54,303	1,858
2018	720	706	31,277	626	4,855	9,722	852	528	14,695	6,066	8,629	62,932	2,884
2019	729	714	32,313	646	4,952	10,046	108	528	16,034	6,633	9,401	72,333	2,856
2020	626	613	28,287	566	4,884	8,793	109	528	13,407	5,448	7,959	80,292	2,198
2021	510	500	23,602	472	4,601	7,338	104	37	11,050	3,811	7,239	87,531	1,818
Rem.	1,460	1,431	71,298	1,426	20,082	22,173	210	37	27,370	7,937	19,433	106,964	3,823
Total	12,369	12,121	516,837	10,337	83,816	159,432	63,779	7,227	192,246	85,282	106,964	-	34,922

McDaniel & Associates
Consultants Ltd.

Roxi Petroleum plc

Table 4

Total Kazakhstan

Summary of Reserves and Net Present Values by Property

Effective as of December 31, 2006

Proved Producing Reserves

Property	Remaining Crude Oil Reserves (1) Property Gross Mbbl	Company Gross Mbbl	Company Gross MT	Company Net Mbbl	Net Present Values Before Income Tax - $M US 0.0%	5.0%	10.0%	15.0%	20.0%
North Karamandvbas	-	-	-	-	-	-	-	-	-
Ravinnoe	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Total Proved Reserves

Property	Remaining Crude Oil Reserves (1) Property Gross Mbbl	Company Gross Mbbl	Company Gross MT	Company Net Mbbl	Net Present Values Before Income Tax - $M US 0.0%	5.0%	10.0%	15.0%	20.0%
North Karamandvbas	-	-	-	-	-	-	-	-	-
Ravinnoe	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Proved Plus Probable Reserves

Property	Remaining Crude Oil Reserves (1) Property Gross Mbbl	Company Gross Mbbl	Company Gross MT	Company Net Mbbl	Net Present Values Before Income Tax - $M US 0.0%	5.0%	10.0%	15.0%	20.0%
North Karamandvbas	9,256	4,628	627	4,535	56,840	33,584	20,026	11,711	6,394
Ravinnoe	1,275	637	91	625	2,241	1,231	482	(82)	(515)
Total	10,531	5,265	718	5,160	59,082	34,815	20,508	11,629	5,879

Proved + Prob. + Poss. Reserves

Property	Remaining Crude Oil Reserves (1) Property Gross Mbbl	Company Gross Mbbl	Company Gross MT	Company Net Mbbl	Net Present Values Before Income Tax - $M US 0.0%	5.0%	10.0%	15.0%	20.0%
North Karamandvbas	21,085	10,542	1,428	10,331	173,717	108,068	70,888	48,412	34,053
Ravinnoe	3,653	1,826	260	1,790	18,529	10,335	5,440	2,360	338
Total	24,737	12,369	1,688	12,121	192,246	118,403	76,328	50,772	34,391

(1) Company Gross reserves are based on Company working interest share of the reserves for each property.
Company Net reserves are based on Company working interest share of reserves after royalties.

Roxi Petroleum plc
Total Kazakhstan
Production History/Forecast

Table 5

Total Proved + Probable Reserves

Year	North Karamandybas Bbl/day	Ravinnoe Bbl/day	Total Bbl/day	North Karamandybas T/day	Ravinnoe T/day	Total T/day	North Karamandybas T/yr	Ravinnoe T/yr	Total T/yr
2001			-			-			-
2002			-			-			-
2003			-			-			-
2004			-			-			-
2005			-			-			-
2006		-	-						
2007	110	63	173	15	9	24	5,439	3,253	8,692
2008	1,070	438	1,508	145	62	207	52,903	22,773	75,676
2009	2,220	469	2,689	301	67	368	109,780	24,398	134,178
2010	2,812	410	3,222	381	58	439	139,039	21,345	160,384
2011	2,640	359	2,999	358	51	409	130,520	18,674	149,194
2012	2,162	314	2,476	293	45	338	106,902	16,337	123,239
2013	1,771	275	2,045	240	39	279	87,557	14,293	101,850
2014	1,450	240	1,691	196	34	231	71,713	12,504	84,217
2015	1,323	210	1,533	179	30	209	65,411	10,939	76,350
2016	1,431	184	1,614	194	26	220	70,728	9,570	80,298
2017	1,593	161	1,754	216	23	239	78,765	8,373	87,138
2018	1,541	141	1,682	209	20	229	76,190	7,325	83,515
2019	1,262	123	1,385	171	18	189	62,403	6,408	68,811
2020	1,034	108	1,141	140	15	155	51,111	5,606	56,717
2021	847	-	847	115	-	115	41,862	-	41,862
2022	693	-	693	94	-	94	34,287	-	34,287
2023	568	-	568	77	-	77	28,083	-	28,083
2024	465	-	465	63	-	63	23,001	-	23,001
2025	366	-	366	50	-	50	18,108	-	18,108
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-

Total Proved + Probable + Possible Reserves

Year	North Karamandybas Bbl/day	Ravinnoe Bbl/day	Total Bbl/day	North Karamandybas T/day	Ravinnoe T/day	Total T/day	North Karamandybas T/yr	Ravinnoe T/yr	Total T/yr
2001			-			-			-
2002			-			-			-
2003			-			-			-
2004			-			-			-
2005			-			-			-
2006	-		-			-			-
2007	165	75	240	22.34	10.69	33	8,158	3,904	12,062
2008	1,605	750	2,355	217.26	106.89	324	79,354	39,040	118,394
2009	3,600	1,169	4,769	487.31	166.66	654	177,991	60,871	238,862
2010	5,502	1,050	6,552	744.77	149.66	894	272,029	54,663	326,692
2011	6,012	943	6,955	813.84	134.40	948	297,256	49,088	346,344
2012	5,226	847	6,073	707.45	120.69	828	258,395	44,082	302,477
2013	4,213	760	4,973	570.23	108.38	679	208,277	39,586	247,863
2014	3,395	683	4,078	459.63	97.33	557	167,879	35,549	203,428
2015	2,737	613	3,350	370.48	87.40	458	135,317	31,923	167,240
2016	2,416	551	2,967	327.05	78.49	406	119,453	28,668	148,121
2017	2,798	495	3,293	378.77	70.48	449	138,346	25,744	164,090
2018	3,503	444	3,947	474.22	63.29	538	173,208	23,118	196,326
2019	3,594	399	3,993	486.47	56.84	543	177,684	20,761	198,445
2020	3,071	358	3,429	415.75	51.04	467	151,851	18,643	170,494
2021	2,476	322	2,797	335.11	45.84	381	122,398	16,742	139,140
2022	1,995	289	2,284	270.11	41.16	311	98,657	15,034	113,692
2023	1,608	259	1,868	217.72	36.96	255	79,521	13,501	93,023
2024	1,296	-	1,296	175.49	-	175	64,097	-	64,097
2025	1,045	-	1,045	141.45	-	141	51,665	-	51,665
2026	842	-	842	114.01	-	114	41,644	-	41,644
2027	665	-	665	90.06	-	90	32,894	-	32,894
2028	-	-	-	-	-	-	-	-	-

Above production volumes are property gross volumes

Table 6

Roxi Petroleum plc
North Karamandybas Field - Kazakhstan
Summary of Reserves and Net Present Values
Effective as of December 31, 2006

Summary of Remaining Reserves (1)

	Crude Oil Reserves - Bbls			Crude Oil Reserves - Tonnes		
	Property	Company	Company	Property	Company	Company
	Gross	Gross	Net	Gross	Gross	Net
Reserve Category	Mbbl	Mbbl	Mbbl	MT	MT	MT
Proved Developed Producing Reserves	-	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-	-
Probable Reserves	9,256	4,628	4,535	1,254	627	614
Proved + Probable Reserves	9,256	4,628	4,535	1,254	627	614
Possible Reserves	11,829	5,914	5,796	1,602	801	785
Proved + Probable + Possible Reserves	21,085	10,542	10,331	2,856	1,428	1,399

Summary of Company Share of Net Present Values Before Income Taxes

	$M US Dollars				
Reserve Category	0.0%	5.0%	10.0%	15.0%	20.0%
Proved Developed Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-
Probable Reserves	56,840	33,584	20,026	11,711	6,394
Proved + Probable Reserves	56,840	33,584	20,026	11,711	6,394
Possible Reserves	116,877	74,483	50,861	36,701	27,659
Proved + Probable + Possible Reserves	173,717	108,068	70,888	48,412	34,053

Summary of Company Share of Net Present Values After Income Taxes

	$M US Dollars				
Reserve Category	0.0%	5.0%	10.0%	15.0%	20.0%
Proved Developed Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-
Probable Reserves	35,663	18,864	9,250	3,487	(95)
Proved + Probable Reserves	35,663	18,864	9,250	3,487	(95)
Possible Reserves	59,345	36,158	23,702	16,495	12,048
Proved + Probable + Possible Reserves	95,008	55,022	32,952	19,982	11,953

(1) Company Gross reserves are based on Company working interest share of the reserves for each property.
Company Net reserves are based on Company working interest share of reserves after royalties.

Table 7

Roxi Petroleum plc
North Karamandybas Field - Kazakhstan
Forecast of Production and Revenues
Total Proved + Probable Reserves - Unrisked
Effective as of December 31, 2006

Property Gross Share of Production and Gross Revenues

Year	Crude Oil Producing Well Count	Crude Oil Daily Rate Bopd	Crude Oil Annual Volume Mbbl	Crude Oil Annual Volume MT	Crude Oil Price US$/bbl	Total Sales Revenue US$M
2007	2	110	40	5	43.85	1,761
2008	8	1,070	391	53	42.47	16,586
2009	14	2,220	810	110	40.90	33,148
2010	17	2,812	1,026	139	39.42	40,463
2011	17	2,640	964	131	37.67	36,293
2012	17	2,162	789	107	38.52	30,397
2013	17	1,771	646	88	39.18	25,327
2014	17	1,450	529	72	40.02	21,189
2015	17	1,323	483	65	40.86	19,731
2016	17	1,431	522	71	41.60	21,722
2017	17	1,593	581	79	42.52	24,724
2018	17	1,541	562	76	43.34	24,377
2019	15	1,262	461	62	44.25	20,384
2020	14	1,034	377	51	45.06	17,001
2021	13	847	309	42	46.04	14,229
Rem.	11	2,093	764	103	-	36,778
Total			9,256	1,254	41.50	384,112

Property Gross Share of Royalties, Expenses and Net Revenues

Year	State Royalties US$M	Total Royalties %	Operating Costs US$M	Operating Costs US$/bbl	Export Tax US$M	Aband. Costs US$M	Capital Costs US$M	Repayment of Hist. Costs US$M	Bonuses US$M	Net Cash Flow B. Tax US$M	Corporate Tax US$M	Exc. Profits Tax US$M	Net Cash Flow A. Tax US$M
2007	35	2.0	446	11.10	554.49	-	8,510	-	-	(7,785)	-	-	(7,785)
2008	332	2.0	2,645	6.77	5,210	42	25,541	74	192	(17,449)	673	-	(18,122)
2009	663	2.0	3,804	4.69	10,382	42	24,002	74	-	(5,819)	3,091	529	(9,440)
2010	809	2.0	4,453	4.34	12,634	42	8,049	74	-	14,402	4,367	1,002	9,033
2011	726	2.0	4,452	4.62	10,604	42	1,174	74	-	19,221	4,055	1,472	13,694
2012	608	2.0	4,284	5.43	9,456	42	1,198	74	-	14,735	2,974	568	11,193
2013	507	2.0	4,155	6.43	7,877	42	96	74	-	12,576	2,263	172	10,141
2014	424	2.0	4,059	7.67	6,591	42	98	74	-	9,902	1,689	83	8,130
2015	395	2.0	4,068	8.42	6,138	42	568	74	-	8,447	1,565	75	6,807
2016	434	2.0	4,212	8.07	6,756	42	819	74	-	9,385	2,056	365	6,964
2017	494	2.0	4,392	7.55	7,691	42	1,079	74	-	10,951	2,707	953	7,292
2018	488	2.0	4,449	7.91	7,583	42	106	74	-	11,637	2,751	1,014	7,872
2019	408	2.0	4,153	9.01	6,341	42	95	74	-	9,272	2,150	475	6,646
2020	340	2.0	3,983	10.56	5,288	42	91	74	-	7,184	1,618	291	5,275
2021	285	2.0	3,832	12.40	4,427	42	86	74	-	5,485	1,188	72	4,226
Rem.	736	2.0	12,868	16.84	11,441	42	81	74	-	11,537	2,126	11	9,400
Total	7,682	2.0	70,255	7.59	118,975	625	71,591	1,110	192	113,681	35,274	7,080	71,326

Company Working Interest Share Summary

Year	Gross Annual Oil Production Mbbl	Net Annual Oil Production Mbbl	Gross Sales Revenue US$M	State Royalties US$M	Operating Costs US$M	Export Tax US$M	Capital & Aband. Costs US$M	Bonuses + Repayment of Hist. Costs US$M	Net Cash Flow B. Tax US$M	Total Taxes US$M	Net Cash Flow A. Tax US$M	Cum Cash Flow A.T. US$M	NPV A.T. at 10.0% US$M
2007	20	20	880	18	223	277	4,255	-	(3,892)	-	(3,892)	(3,892)	(3,711)
2008	195	191	8,293	166	1,322	2,605	12,791	133	(8,725)	336	(9,061)	(12,953)	(7,854)
2009	405	397	16,574	331	1,902	5,191	12,022	37	(2,910)	1,810	(4,720)	(17,673)	(3,719)
2010	513	503	20,232	405	2,227	6,317	4,045	37	7,201	2,684	4,516	(13,157)	3,235
2011	482	472	18,147	363	2,226	5,302	608	37	9,611	2,764	6,847	(6,310)	4,459
2012	395	387	15,199	304	2,142	4,728	620	37	7,368	1,771	5,597	(713)	3,313
2013	323	317	12,663	253	2,078	3,939	69	37	6,288	1,218	5,070	4,357	2,729
2014	265	259	10,595	212	2,030	3,296	70	37	4,951	886	4,065	8,422	1,989
2015	241	237	9,866	197	2,034	3,069	305	37	4,223	820	3,403	11,826	1,514
2016	261	256	10,861	217	2,106	3,378	430	37	4,693	1,211	3,482	15,308	1,408
2017	291	285	12,362	247	2,196	3,845	560	37	5,476	1,830	3,646	18,953	1,340
2018	281	276	12,189	244	2,224	3,791	74	37	5,818	1,883	3,936	22,889	1,315
2019	230	226	10,192	204	2,076	3,171	68	37	4,636	1,313	3,323	26,212	1,010
2020	189	185	8,501	170	1,992	2,644	66	37	3,592	954	2,638	28,850	728
2021	155	151	7,115	142	1,916	2,213	64	37	2,742	630	2,113	30,963	530
Rem.	382	374	18,389	368	6,434	5,721	61	37	5,768	1,068	4,700	35,663	963
Total	4,628	4,535	192,056	3,841	35,127	59,488	36,108	651	56,840	21,177	35,663		9,250

Table 8

Roxi Petroleum plc
North Karamandybas Field - Kazakhstan
Forecast of Production and Revenues
Total Proved + Probable Reserves - Unrisked
Effective as of December 31, 2006

Property Gross Share of Production and Gross Revenues

		Crude Oil				Total
Year	Producing Well Count	Daily Rate Bopd	Annual Volume Mbbl	Annual Volume MT	Crude Oil Price US$/bbl	Sales Revenue US$M
2007	2	165	60	8	43.85	2,641
2008	8	1,605	586	79	42.47	24,879
2009	15	3,600	1,314	178	40.90	53,745
2010	22	5,502	2,008	272	39.42	79,167
2011	22	6,012	2,194	297	37.67	82,657
2012	22	5,226	1,908	258	38.52	73,474
2013	22	4,213	1,538	208	39.18	60,246
2014	22	3,395	1,239	168	40.02	49,604
2015	22	2,737	999	135	40.86	40,818
2016	22	2,416	882	119	41.60	36,687
2017	22	2,798	1,021	138	42.52	43,425
2018	22	3,503	1,279	173	43.34	55,419
2019	22	3,594	1,312	178	44.25	58,040
2020	22	3,071	1,121	152	45.06	50,511
2021	20	2,476	904	122	46.04	41,604
Rem.	14	7,453	2,720	368	-	132,678
Total			21,085	2,856	42.00	885,593

Property Gross Share of Royalties, Expenses and Net Revenues

Year	State Royalties US$M	Total Royalties %	Operating Costs US$M	Operating Costs US$/bbl	Export Tax US$M	Aband. Costs US$M	Capital Costs US$M	Repayment of Hist. Costs US$M	Bonuses US$M	Net Cash Flow B. Tax US$M	Corporate Tax US$M	Exc. Profits Tax US$M	Net Cash Flow A. Tax US$M
2007	53	2.0	780	12.96	831.74	-	8,510	-	-	(7,534)	-	-	(7,534)
2008	498	2.0	4,328	7.39	7,816	60	25,541	74	443	(13,880)	1,819	59	(15,758)
2009	1,075	2.0	6,173	4.70	16,834	60	27,128	74	-	2,401	6,355	2,495	(6,448)
2010	1,583	2.0	8,047	4.01	24,718	60	22,402	74	-	22,282	10,272	5,993	6,018
2011	1,653	2.0	8,443	3.85	24,151	60	1,743	74	-	46,533	11,743	9,349	25,441
2012	1,469	2.0	8,243	4.32	22,856	60	1,226	74	-	39,546	9,849	5,941	23,756
2013	1,205	2.0	7,921	5.15	18,739	60	1,250	74	-	30,998	7,594	4,294	19,110
2014	992	2.0	7,680	6.20	15,430	60	126	74	-	25,242	5,838	2,278	17,126
2015	816	2.0	7,505	7.51	12,697	60	129	74	-	19,536	4,388	1,000	14,149
2016	734	2.0	7,492	8.50	11,411	60	609	74	-	16,307	3,763	790	11,754
2017	869	2.0	7,840	7.68	13,509	60	6,473	74	-	14,601	4,916	1,819	7,866
2018	1,108	2.0	8,370	6.55	17,239	60	1,629	74	-	26,938	7,302	4,329	15,308
2019	1,161	2.0	8,586	6.55	18,055	60	140	74	-	29,964	7,947	4,893	17,124
2020	1,010	2.0	8,470	7.56	15,711	60	142	74	-	25,043	6,628	3,913	14,502
2021	832	2.0	7,988	8.84	12,943	60	132	74	-	19,575	5,118	2,110	12,348
Rem.	2,654	2.0	38,404	14.12	41,274	60	329	74	-	49,883	12,155	2,471	35,256
Total	17,712	2.0	146,272	6.94	274,214	900	97,509	1,110	443	347,434	105,686	51,732	190,016

Company Working Interest Share Summary

Year	Gross Annual Oil Production Mbbl	Net Annual Oil Production Mbbl	Gross Sales Revenue US$M	State Royalties US$M	Operating Costs US$M	Export Tax US$M	Capital & Aband. Costs US$M	Bonuses + Repayment of Hist. Costs US$M	Net Cash Flow B. Tax US$M	Total Taxes US$M	Net Cash Flow A. Tax US$M	Cum Cash Flow A.T. US$M	NPV A.T. at 10.0% US$M
2007	30	30	1,320	26	390	416	4,255	-	(3,767)	-	(3,767)	(3,767)	(3,592)
2008	293	287	12,439	249	2,164	3,908	12,800	258	(6,940)	939	(7,879)	(11,646)	(6,829)
2009	657	644	26,872	537	3,086	8,417	13,594	37	1,201	4,425	(3,224)	(14,870)	(2,541)
2010	1,004	984	39,583	792	4,024	12,359	11,231	37	11,141	8,132	3,009	(11,861)	2,155
2011	1,097	1,075	41,328	827	4,222	12,075	901	37	23,266	10,546	12,721	859	8,284
2012	954	935	36,737	735	4,121	11,428	643	37	19,773	7,895	11,878	12,737	7,032
2013	769	753	30,123	602	3,961	9,369	655	37	15,499	5,944	9,555	22,292	5,142
2014	620	607	24,802	496	3,840	7,715	93	37	12,621	4,058	8,563	30,855	4,190
2015	499	489	20,409	408	3,753	6,349	94	37	9,768	2,694	7,074	37,930	3,147
2016	441	432	18,343	367	3,746	5,706	335	37	8,153	2,277	5,877	43,806	2,376
2017	511	500	21,713	434	3,920	6,754	3,266	37	7,301	3,368	3,933	47,739	1,446
2018	639	627	27,709	554	4,185	8,619	844	37	13,469	5,815	7,654	55,393	2,558
2019	656	643	29,020	580	4,293	9,028	100	37	14,982	6,420	8,562	63,955	2,601
2020	561	549	25,255	505	4,235	7,856	101	37	12,521	5,270	7,251	71,206	2,003
2021	452	443	20,802	416	3,994	6,471	96	37	9,788	3,614	6,174	77,380	1,550
Rem.	1,360	1,333	66,339	1,327	19,202	20,637	194	37	24,941	7,313	17,628	95,008	3,429
Total	10,542	10,331	442,797	8,856	73,136	137,107	49,204	776	173,717	78,709	95,008		32,952

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Table 9

Roxi Petroleum plc
North Karamandybas Field - Kazakhstan
Crude Oil Reserves Summary - Deterministic
Effective December 31, 2006

Zone	Jurassic J-7	Jurassic J-8	Jurassic J-9	Total All Zones
Reservoir Parameters				
Porosity, %	18.5	17.0	19.0	
Oil Saturation, %	55.0	55.0	55.0	
Formation Volume Factor, frac.	1.102	1.102	1.102	
Oil Shrinkage, frac	0.907	0.907	0.907	
Original Oil-In Place, bbl/ac-ft	716	658	736	
Proved Undeveloped Reserves				
Total Mapped Rock Volume, ac-ft				
Percentage Classified as Proved plus Probable, %				
Original Oil in Place, Mbbl				
Recovery Factor, %				
Original Recoverable, Mbbl				
Cumulative Recovery, Mbbl				
Remaining Recoverable, Mbbl				
Probable Reserves, Mbbl	4,922	3,858	476	9,256
Proved + Probable Reserves				
Total P+P Area, acre	1,053	1,050	245	
Total P+P Rock Volume, ac-ft	27,485	29,308	4,311	61,105
Average Net Thickness, ft	26	28	18	
Original Oil in Place, Mbbl	19,688	19,292	3,172	42,151
Recovery Factor, %	25.0	20.0	15.0	22.0
Original Recoverable, Mbbl	4,922	3,858	476	9,256
Cumulative Recovery, Mbbl	-	-	-	-
Remaining Recoverable, Mbbl	4,922	3,858	476	9,256
Possible Reserves, Mbbl	7,326	3,855	640	11,821
Proved + Probable + Possible Reserves				
Total Pool Mapped Area, acre	1,492	1,481	369	
Total Pool Mapped Rock Volume, ac-ft	37,997	39,062	6,320	83,379
Average Net Thickness, ft	25	26	17	
Percentage of Mapped Rock Volume %	150	120	120	
Original Oil in Place, Mbbl	40,826	30,855	5,580	77,261
Recovery Factor, %	30.0	25.0	20.0	27.3
Original Recoverable, Mbbl	12,248	7,714	1,116	21,077
Cumulative Recovery, Mbbl	-	-	-	-
Remaining Recoverable, Mbbl	12,248	7,714	1,116	21,077
Proved + Probable Well Requirements				
Average well spacing, ac/well	63	63	63	
Production Wells Required	11	11	4	26
New Producers Required	8	9	-	17
Recompletions from Other Zones	3	2	4	9
New Injection Wells Required	4	4	-	8
Average Well Productivity, bopd/w	200	175	100	174
Total Pool Productivity, bopd	2,200	1,925	400	4,525
Res. per Prod. Well - P+Pa, Mbbl	447	351	119	356
Reserve Life Index - P+Pa, years	6.1	5.5	3.3	5.6
Proved + Probable + Possible Well Requirements				
Average well spacing, ac/well	63	63	63	
Production Wells Required	15	15	6	36
New Producers Required	11	11	-	22
Recompletions from Other Zones	4	4	6	14
New Injection Wells Required	6	6	2	14
Average Well Productivity, bopd/w	300	250	150	254
Total Pool Productivity, bopd	4,500	3,750	900	9,150
Res. per Prod. Well - P+Pa, Mbbl	817	514	186	585
Reserve Life Index - P+Pa, years	7.5	5.6	3.4	6.3

McDaniel & Associates
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Roxi Petroleum plc

Table 10

North Karamandybas Field - Kazakhstan
Reservoir and Fluid Properties

Effective December 31, 2006

	J-7	J-8	J-9
Imperial Units			
Lithology	Sandstone	Sandstone	Sandstone
Gross Oil Pay Thickness - #3 Well, ft	39	66	33
Net Oil Pay Thickness - #3 Well, ft	28	33	23
Net to Gross Pay Ratio - #3 Well, %	70	50	70
Average Zone Depth - #3 Well, ft md.	6,135	6,234	6,316
Average Permeability, md	70	120	NA
Initial Reservoir Pressure, atm	176	180	188
Initial Reservoir Pressure, psia	2,596	2,650	2,765
Bubble Point Pressure, atm	66	NA	NA
Bubble Point Pressure, psia	974	NA	NA
Reservoir Temperature, F	171	194	169
Stock Tank Oil Density, g/cc	0.852	0.859	0.849
Stock Tank Oil Gravity, degrees API	35	33	35
Oil Viscosity, cp	3	NA	NA
Oil Viscosity (40°C), cp	35	48	23
Solution GOR, scf/bbl	215	NA	NA
Oil Sulphur Content, %	0	< 0.2	< 0.2
Oil Paraffin Content, %	15 to 18	NA	NA
Ashphaltenes, %	15	NA	NA
Solution Gas H2S Content, %	None	NA	NA
Mercaptains, ppm	20	NA	NA

	J-7	J-8	J-9
Metric Units			
Lithology	Sandstone	Sandstone	Sandstone
Gross Oil Pay Thickness, m	12	20	10
Net Oil Pay Thickness, m	8	10	7
Net to Gross Pay Ratio, %	70	50	70
Est. Oil Water Contact Depth, m md.	1,870	1,900	1,925
Range of Permeability, md	70	120	NA
Initial Reservoir Pressure, kpa	17,860	18,230	19,020
Bubble Point Pressure, kpa	6,700	NA	NA
Reservoir Temperature, C	77	90	76
Stock Tank Oil Density, g/cc	0.852	0.859	0.849
Oil Viscosity (insitu), cp	3	NA	NA
Oil Viscosity (40°C), cp	35	48	23
Solution GOR, m3/m3	38	NA	NA
Oil Sulphur Content, %	0	< 0.2	< 0.2
Oil Paraffin Content, %	15 to 18	NA	NA
Ashphaltenes	15	NA	NA
Solution Gas H2S Content, %	None	NA	NA
Mercaptains, ppm	20	NA	NA

Roxi Petroleum plc
North Karamandybas Field - Kazakhstan
Summary of Economic Parameters
Effective December 31, 2006

Price Schedule

McDaniel & Associates December 31, 2006 Price Case

Crude Oil Pricing Adjustments (2007$ - US)

Product	Price Adjustment
Export Price	Brent less $14.00/bbl
Domestic Price	$20.00/bbl in 2006 & Increased at inflation thereafter

See Table 9
The percentage of production sold to export markets was forecast to be 90 percent.

Operating Costs (2007$ - US)

Description	Amount	
	2P	3P
Variable Production Costs ($ / Bbl)	1.33	1.17
Fixed Operating Costs ($ / well/month)	7,000	8,000
Fixed Operating Costs ($ / Year)	1,400,000	2,200,000

* Fixed field costs were reduced by 10 percent per year in each of the last three years of the forecast
* Operating Costs exclude pipeline and marketing fees (netted out of price)

Capital Costs (2007$ - US)

See Table 10

Abandonment Costs (2007$ - US)

Total amount forecast as a liquidation fund over life of property and based on $20,000 per well

Interests and Fiscal Terms (2007$ - US)

Company Interest *	50 percent
State Oil Royalty – Exploration Phase to Dec 2007	2 Percent
State Oil Royalty – Production Phase after Dec 2007 (Assumed)	
0 - 2,000,000 Tons (0 to 14.6 mmbbls)	2 Percent
2,000,000 to 3,000,000 Tons (14.6 to 21.9 mmbbls)	3 Percent
3,000,000 to 4,000,000 Tons (21.9 to 29.2 mmbbls)	4 Percent
4,000,000 to 5,000,000 Tons (29.2 to 36.5 mmbbls)	5 Percent
Over 5,000,000 Tons (over 36.5 mmbbls)	6 Percent
Commercial Discovery Bonus (Assumed)	0.05 Percent of Proj. Gross Revenue

* Note - Roxi had recently concluded an agreement for the acquisition of a 50 percent interest in the North Karamandybas Contract, however control of the vendor of the Contract was being challenged in the Kazakh courts as of the date of this report. Roxi's ownership of the Contract and its reserves is therefore conditional upon a successful outcome of the legal proceedings and on Government approval of the transaction.

Roxi Petroleum plc

Table 12

North Karamandybas Field - Kazakhstan
Summary of Economic Parameters
Effective December 31, 2006

Interests and Fiscal Terms (continued)

Rent Tax on Exported Crude Oil (Starting with Production Phase in 2008) (Assumed)

Export Price, $/bbl	Tax Rate
19	1%
20	4%
21	7%
22	10%
23	12%
24	14%
25	16%
26	17%
27	19%
28	21%
29	22%
30	23%
31	25%
33	26%
35	28%
36	29%
37	30%
39	31%
40+	33%

Capital Depreciation Rate – Exploration Costs (Assumed)	25 Percent Declining Balance
Exploration Capital Cost Balance at December 31, 2006	$1 million
Capital Depreciation Rate – Development Costs (Assumed)	15 Percent Declining Balance
Development Capital Cost Balance at December 31, 2006	-
Tax Loss Carryforward Balance at December 31, 2006	-
Repayment of Historical Cost	$1.1 million over 15 years starting in 2008 (classified as an exploration capital expenditure)
Profit Tax (Assumed)	30 Percent

Excess Profits Tax (Assumed) - Based on Ratio of Accumulated Income to Accumulated Expenses:

Up to 1.2	0 percent
From 1.2 to 1.3	10 percent
From 1.3 to 1.4	20 percent
From 1.4 to 1.5	30 percent
From 1.5 to 1.6	40 percent
From 1.6 to 1.7	50 percent
Above 1.7	60 percent

VAT — Not Included

Note – Additional expenditures are required under the terms of the exploration contract which have not been included in this evaluation since they relate to exploration activities.

Roxi Petroleum plc

Table 13

Summary of Price Forecasts

Effective December 31, 2006

Year	WTI Crude Oil Price $US/BBL	Brent Crude Oil Price $US/BBL	North Karam. Export Price Different. $2007 US/Bbl	North Karam. Export Price $US/BBL	North Karam. Domestic Price $US/BBL	Ravninnoe Export Price Different. $2007 US/Bbl	Ravninnoe Export Price $US/BBL	Ravninnoe Domestic Price $US/BBL	Inflation Forecast %
2007	62.50	60.50	14.00	**46.50**	**20.00**	17.00	**43.50**	**22.50**	2.00
2008	61.20	59.20	14.00	**44.92**	**20.40**	17.00	**42.20**	**22.95**	2.00
2009	59.80	57.70	14.00	**43.13**	**20.81**	17.00	**40.70**	**23.41**	2.00
2010	58.40	56.30	14.00	**41.44**	**21.22**	17.00	**39.30**	**23.88**	2.00
2011	56.80	54.60	14.00	**39.45**	**21.65**	17.00	**37.60**	**24.35**	2.00
2012	58.00	55.80	14.00	**40.34**	**22.08**	17.00	**38.80**	**24.84**	2.00
2013	59.10	56.80	14.00	**41.03**	**22.52**	17.00	**39.80**	**25.34**	2.00
2014	60.30	58.00	14.00	**41.92**	**22.97**	17.00	**41.00**	**25.85**	2.00
2015	61.50	59.20	14.00	**42.80**	**23.43**	17.00	**42.20**	**26.36**	2.00
2016	62.70	60.30	14.00	**43.57**	**23.90**	17.00	**43.30**	**26.89**	2.00
2017	64.00	61.60	14.00	**44.53**	**24.38**	17.00	**44.60**	**27.43**	2.00
2018	65.30	62.80	14.00	**45.39**	**24.87**	17.00	**45.80**	**27.98**	2.00
2019	66.60	64.10	14.00	**46.34**	**25.36**	17.00	**47.10**	**28.54**	2.00
2020	67.90	65.30	14.00	**47.19**	**25.87**	17.00	**48.30**	**29.11**	2.00
2021	69.30	66.70	14.00	**48.23**	**26.39**	17.00	**49.70**	**29.69**	2.00
2022	70.69	68.03	14.00	**49.19**	**26.92**	17.00	**51.03**	**30.28**	2.00
2023	72.10	69.39	14.00	**50.18**	**27.46**	17.00	**52.39**	**30.89**	2.00
2024	73.54	70.78	14.00	**51.18**	**28.00**	17.00	**53.78**	**31.51**	2.00
2025	75.01	72.20	14.00	**52.20**	**28.56**	17.00	**55.20**	**32.14**	2.00
2026	76.51	73.64	14.00	**53.25**	**29.14**	17.00	**56.64**	**32.78**	2.00

Pricing Assumptions :

WTI and Brent price forecast based on the McDaniel & Associates December 31, 2006 price forecast
The percentage of production sold to export markets was forecast to be 90 percent
The domestic price excludes VAT

Table 14

Roxi Petroleum plc
North Karamandybas Field - Kazakhstan
Forecast of Capital Costs - 2007$
Effective December 31, 2006

Total Proved + Probable Reserves

	Production Wells		Injectors		Recompletions/Workovers		Seismic	Facilities	Capitalized Maint.	Total Area	Total Area
Year	#	2007 US$M	#	2007 US$M	#	2007 US$M	2007 US$M	2007 US$M	2007 US$M	2007 US$M	Future US$M
2007	2	4,000	-	-	-	-	2,000	2,500	10	8,510	8,510
2008	6	12,000	4	8,000	-	-		5,000	40	25,040	25,541
2009	6	12,000	4	8,000	-	-		3,000	70	23,070	24,002
2010	3	6,000	-	-	-	-		1,500	85	7,585	8,049
2011	-	-	-	-	-	-		1,000	85	1,085	1,174
2012	-	-	-	-	-	-		1,000	85	1,085	1,198
2013	-	-	-	-	-	-		-	85	85	96
2014	-	-	-	-	-	-		-	85	85	98
2015	-	-	-	-	2	400		-	85	485	568
2016	-	-	-	-	3	600		-	85	685	819
2017	-	-	-	-	4	800		-	85	885	1,079
2018	-	-	-	-	-	-		-	85	85	106
2019	-	-	-	-	-	-		-	75	75	95
2020	-	-	-	-	-	-		-	70	70	91
2021	-	-	-	-	-	-		-	65	65	86
2022	-	-	-	-	-	-		-	60	60	81
2023	-	-	-	-	-	-		-	-	-	-
2024	-	-	-	-	-	-		-	-	-	-
2025	-	-	-	-	-	-		-	-	-	-
2026	-	-	-	-	-	-		-	-	-	-
Total	17	34,000	8	16,000	9	1,800		14,000	1,155	68,955	71,591
Individual Cost		2,000		2,000		200					

Total Proved + Probable + Possible Reserves

	Production Wells		Injectors		Recompletions/Workovers		Seismic	Facilities	Capitalized Maint.	Total Area	Total Area
Year	#	2007 US$M	#	2007 US$M	#	2007 US$M	2007 US$M	2007 US$M	2007 US$M	2007 US$M	Future US$M
2007	2	4,000	-	-	-	-	2,000	2,500	10	8,510	8,510
2008	6	12,000	4	8,000	-	-		5,000	40	25,040	25,541
2009	7	14,000	4	8,000	-	-		4,000	75	26,075	27,128
2010	7	14,000	2	4,000	-	-		3,000	110	21,110	22,402
2011	-	-	-	-	-	-		1,500	110	1,610	1,743
2012	-	-	-	-	-	-		1,000	110	1,110	1,226
2013	-	-	-	-	-	-		1,000	110	1,110	1,250
2014	-	-	-	-	-	-		-	110	110	126
2015	-	-	-	-	-	-		-	110	110	129
2016	-	-	-	-	2	400		-	110	510	609
2017	-	-	2	4,000	6	1,200		-	110	5,310	6,473
2018	-	-	-	-	6	1,200		-	110	1,310	1,629
2019	-	-	-	-	-	-		-	110	110	140
2020	-	-	-	-	-	-		-	110	110	142
2021	-	-	-	-	-	-		-	100	100	132
2022	-	-	-	-	-	-		-	90	90	121
2023	-	-	-	-	-	-		-	80	80	110
2024	-	-	-	-	-	-		-	70	70	98
2025	-	-	-	-	-	-		-	-	-	-
2026	-	-	-	-	-	-		-	-	-	-
Total	22	44,000	12	24,000	14	2,800		18,000	1,675	92,475	97,509
Individual Cost $M		2,000		2,000		200					

Roxi Petroleum plc

Table 15

Ravninnoe Field - Kazakhstan
Summary of Reserves and Net Present Values
Effective as of December 31, 2006

Summary of Remaining Reserves (1)

	Crude Oil Reserves - Bbls			Crude Oil Reserves - Tonnes		
	Property	Company	Company	Property	Company	Company
	Gross	Gross	Net	Gross	Gross	Net
Reserve Category	Mbbl	Mbbl	Mbbl	MT	MT	MT
Proved Developed Producing Reserves	-	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-	-
Probable Reserves	1,275	637	625	182	91	89
Proved + Probable Reserves	1,275	637	625	182	91	89
Possible Reserves	2,378	1,189	1,165	339	170	166
Proved + Probable + Possible Reserves	3,653	1,826	1,790	521	260	255

Summary of Company Share of Net Present Values Before Income Taxes

	$M US Dollars				
Reserve Category	0.0%	5.0%	10.0%	15.0%	20.0%
Proved Developed Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-
Probable Reserves	2,241	1,231	482	(82)	(515)
Proved + Probable Reserves	2,241	1,231	482	(82)	(515)
Possible Reserves	16,287	9,104	4,958	2,442	853
Proved + Probable + Possible Reserves	18,529	10,335	5,440	2,360	338

Summary of Company Share of Net Present Values After Income Taxes

	$M US Dollars				
Reserve Category	0.0%	5.0%	10.0%	15.0%	20.0%
Proved Developed Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	-	-	-	-	-
Total Proved Reserves	-	-	-	-	-
Probable Reserves	1,240	408	(204)	(661)	(1,009)
Proved + Probable Reserves	1,240	408	(204)	(661)	(1,009)
Possible Reserves	10,716	5,271	2,174	332	(801)
Proved + Probable + Possible Reserves	11,956	5,680	1,971	(329)	(1,810)

Summary of Company Gross Share of Contingent Resources (1)

Resource Classification	Mmbbl
Low Case	552
Best Estimate	2,463
High Case	5,307

(1) Company Gross reserves/resources are based on Company working interest share of the reserves/resources for each property.
Company Net reserves are based on Company working interest share of reserves after royalties.

McDaniel & Associates
Consultants Ltd.

Table 16

Roxi Petroleum plc
Ravninnoe Field - Kazakhstan
Forecast of Production and Revenues
Total Proved + Probable Reserves - Unrisked
Effective as of December 31, 2006

Property Gross Share of Production and Gross Revenues

		Crude Oil				Total
Year	Producing Well Count	Daily Rate Bopd	Annual Volume Mbbl	Annual Volume MT	Crude Oil Price US$/bbl	Sales Revenue US$M
2007	0	63	23	3	33.00	753
2008	2	438	160	23	40.28	6,431
2009	2	469	171	24	38.97	6,667
2010	2	410	150	21	37.76	5,651
2011	2	359	131	19	36.28	4,750
2012	2	314	115	16	37.40	4,285
2013	2	275	100	14	38.35	3,844
2014	2	240	88	13	39.48	3,462
2015	2	210	77	11	40.62	3,116
2016	1	184	67	10	41.66	2,796
2017	1	161	59	8	42.88	2,518
2018	1	141	51	7	44.02	2,261
2019	1	123	45	6	45.24	2,033
2020	-	108	39	6	46.38	1,823
2021	-	-	-	-	47.70	-
Rem.	-	-	-	-	-	-
Total			1,275	182	39.53	50,389

Property Gross Share of Royalties, Expenses and Net Revenues

Year	State Royalties US$M	Total Royalties %	Operating Costs US$M	Operating Costs US$/bbl	Export Tax US$M	Aband. Costs US$M	Capital Costs US$M	Repayment Costs US$M	Bonuses US$M	Net Cash Flow B. Tax US$M	Corporate Tax US$M	Exc. Profits Tax US$M	Net Cash Flow A. Tax US$M
2007	15	2.0	95	4.16	163.74	-	9,000	-	-	(8,521)	-	-	(8,521)
2008	129	2.0	664	4.16	2,001	8	-	981	50	2,598	1	-	2,597
2009	133	2.0	724	4.23	2,068	8	-	981	-	2,753	572	115	2,066
2010	113	2.0	708	4.73	1,641	8	-	981	-	2,200	441	29	1,731
2011	95	2.0	683	5.21	1,329	8	-	981	-	1,654	307	-	1,348
2012	86	2.0	660	5.76	1,240	8	-	981	-	1,311	230	-	1,081
2013	77	2.0	639	6.38	1,113	8	-	981	-	1,026	168	-	859
2014	69	2.0	621	7.08	1,068	8	-	981	-	716	94	-	621
2015	62	2.0	605	7.88	961	8	-	981	-	499	46	-	452
2016	56	2.0	590	8.80	863	8	-	981	-	298	1	-	297
2017	50	2.0	578	9.84	778	8	-	981	-	123	-	-	123
2018	45	2.0	538	10.48	699	8	-	981	-	(10)	-	-	(10)
2019	41	2.0	499	11.11	629	8	-	981	-	(124)	-	-	(124)
2020	36	2.0	274	6.98	564	8	-	981	-	(40)	-	-	(40)
2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Rem.	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,008	2.0	7,877	6.18	15,117	100	9,000	12,753	50	4,483	1,859	144	2,480

Company Working Interest Share Summary

Year	Gross Annual Oil Production Mbbl	Net Annual Oil Production Mbbl	Gross Sales Revenue US$M	State Royalties US$M	Operating Costs US$M	Export Tax US$M	Capital & Aband. Costs US$M	Bonuses + Repayment Costs US$M	Net Cash Flow B. Tax US$M	Total Taxes US$M	Net Cash Flow A. Tax US$M	Cum Cash Flow A.T. US$M	NPV A.T. at 10.0% US$M
2007	11	11	376	8	47	82	4,500	-	(4,260)	-	(4,260)	(4,260)	(4,062)
2008	80	78	3,216	64	332	1,001	4	516	1,299	0	1,299	(2,962)	1,126
2009	86	84	3,334	67	362	1,034	4	491	1,376	344	1,033	(1,929)	814
2010	75	73	2,826	57	354	821	4	491	1,100	235	865	(1,064)	620
2011	65	64	2,375	47	341	665	4	491	827	153	674	(390)	439
2012	57	56	2,142	43	330	620	4	491	655	115	540	151	320
2013	50	49	1,922	38	319	556	4	491	513	84	429	580	231
2014	44	43	1,731	35	310	534	4	491	358	47	311	891	152
2015	38	38	1,558	31	302	481	4	491	249	23	226	1,117	101
2016	34	33	1,398	28	295	432	4	491	149	0	149	1,266	60
2017	29	29	1,259	25	289	389	4	491	62	-	62	1,327	23
2018	26	25	1,130	23	269	349	4	491	(5)	-	(5)	1,322	(2)
2019	22	22	1,017	20	250	314	4	491	(62)	-	(62)	1,260	(19)
2020	20	19	912	18	137	282	4	491	(20)	-	(20)	1,240	(6)
2021	-	-	-	-	-	-	-	-	-	-	-	1,240	-
Rem.	-	-	-	-	-	-	-	-	-	-	-	1,240	-
Total	637	625	25,195	504	3,939	7,559	4,550	6,402	2,241	1,001	1,240		(204)

Table 17

Roxi Petroleum plc
Ravninnoe Field - Kazakhstan
Forecast of Production and Revenues
Total Proved + Probable + Possible Reserves - Unrisked
Effective as of December 31, 2006

Property Gross Share of Production and Gross Revenues

		Crude Oil				Total
Year	Producing Well Count	Daily Rate Bopd	Annual Volume Mbbl	Annual Volume MT	Crude Oil Price US$/bbl	Sales Revenue US$M
2007	0	75	27	4	33.00	903
2008	3	750	274	39	40.28	11,025
2009	4	1,169	427	61	38.97	16,634
2010	4	1,050	383	55	37.76	14,473
2011	4	943	344	49	36.28	12,486
2012	4	847	309	44	37.40	11,562
2013	4	760	278	40	38.35	10,646
2014	4	683	249	36	39.48	9,842
2015	4	613	224	32	40.62	9,092
2016	4	551	201	29	41.66	8,374
2017	3	495	181	26	42.88	7,741
2018	3	444	162	23	44.02	7,136
2019	3	399	146	21	45.24	6,586
2020	3	358	131	19	46.38	6,063
2021	3	322	117	17	47.70	5,600
Rem.	0	317	200	29	-	9,918
Total			3,653	521	40.54	148,082

Property Gross Share of Royalties, Expenses and Net Revenues

Year	State Royalties US$M	Total Royalties %	Operating Costs US$M	Operating Costs US$/bbl	Export Tax US$M	Aband. Costs US$M	Capital Costs US$M	Repayment Costs US$M	Bonuses US$M	Net Cash Flow B. Tax US$M	Corporate Tax US$M	Exc. Profits Tax US$M	Net Cash Flow A. Tax US$M
2007	18	2.0	164	5.99	196.48	-	9,000	-	-	(8,475)	-	-	(8,475)
2008	221	2.0	1,140	4.16	3,431	16	19,380	981	148	(14,291)	-	-	(14,291)
2009	333	2.0	1,536	3.60	5,160	16	520	981	-	8,089	1,454	333	6,302
2010	289	2.0	1,512	3.95	4,203	16	-	981	-	7,471	1,372	366	5,733
2011	250	2.0	1,493	4.34	3,494	16	-	981	-	6,252	1,134	271	4,847
2012	231	2.0	1,478	4.78	3,346	16	-	981	-	5,510	1,020	224	4,265
2013	213	2.0	1,466	5.28	3,082	16	-	981	-	4,888	927	195	3,766
2014	197	2.0	1,457	5.85	3,035	16	-	981	-	4,156	787	118	3,251
2015	182	2.0	1,424	6.36	2,806	16	-	981	-	3,684	713	48	2,922
2016	167	2.0	1,393	6.93	2,585	16	-	981	-	3,232	636	35	2,561
2017	155	2.0	1,365	7.56	2,391	16	-	981	-	2,833	566	22	2,245
2018	143	2.0	1,340	8.27	2,205	16	-	981	-	2,451	493	8	1,950
2019	132	2.0	1,318	9.05	2,036	16	-	981	-	2,103	425	-	1,678
2020	121	2.0	1,298	9.93	1,875	16	-	981	-	1,772	356	-	1,416
2021	112	2.0	1,214	10.34	1,733	16	-	-	-	2,525	388	6	2,131
Rem.	198	2.0	1,760	8.80	3,071	31	-	-	-	4,857	932	314	3,610
Total	2,962	2.0	21,360	5.85	44,650	250	28,900	12,753	148	37,058	11,203	1,942	23,912

Company Working Interest Share Summary

Year	Gross Annual Oil Production Mbbl	Net Annual Oil Production Mbbl	Gross Sales Revenue US$M	State Royalties US$M	Operating Costs US$M	Export Tax US$M	Capital & Aband. Costs US$M	Bonuses + Repayment Costs US$M	Net Cash Flow B. Tax US$M	Total Taxes US$M	Net Cash Flow A. Tax US$M	Cum Cash Flow A.T. US$M	NPV A.T. at 10.0% US$M
2007	14	13	452	9	82	98	4,500	-	(4,238)	-	(4,238)	(4,238)	(4,040)
2008	137	134	5,513	110	570	1,716	9,698	565	(7,145)	-	(7,145)	(11,383)	(6,193)
2009	213	209	8,317	166	768	2,580	268	491	4,045	894	3,151	(8,232)	2,483
2010	192	188	7,236	145	756	2,101	8	491	3,736	869	2,866	(5,365)	2,053
2011	172	169	6,243	125	747	1,747	8	491	3,126	702	2,424	(2,942)	1,578
2012	155	151	5,781	116	739	1,673	8	491	2,755	622	2,133	(809)	1,263
2013	139	136	5,323	106	733	1,541	8	491	2,444	561	1,883	1,074	1,013
2014	125	122	4,921	98	729	1,518	8	491	2,078	452	1,626	2,700	795
2015	112	110	4,546	91	712	1,403	8	491	1,842	381	1,461	4,161	650
2016	101	98	4,187	84	697	1,293	8	491	1,616	335	1,281	5,441	518
2017	90	88	3,871	77	683	1,196	8	491	1,416	294	1,122	6,564	413
2018	81	79	3,568	71	670	1,103	8	491	1,225	251	975	7,539	326
2019	73	71	3,293	66	659	1,018	8	491	1,052	213	839	8,378	255
2020	65	64	3,032	61	649	938	8	491	886	178	708	9,086	195
2021	59	58	2,800	56	607	866	8	-	1,262	197	1,065	10,151	267
Rem.	100	98	4,959	99	880	1,536	16	-	2,428	623	1,805	11,956	394
Total	1,826	1,790	74,041	1,481	10,680	22,325	14,575	6,451	18,529	6,573	11,956		1,971

Roxi Petroleum plc

Table 18

Ravninnoe Field - Kazakhstan

Crude Oil Reserves Summary - Deterministic

Effective December 31, 2006

Zone	Middle Carboniferous
Reservoir Parameters	
Porosity, %	10.0
Oil Saturation, %	75.0
Formation Volume Factor, frac.	1.350
Oil Shrinkage, frac	0.741
Original Oil-In Place, bbl/ac-ft	431
2P Area, acres	332
2P Average Net Pay, ft	59
2P Rock Volume, ac-ft	19,718
3P Area, acres	714
3P Average Net Pay, ft	59
3P Rock Volume, ac-ft	42,375
Proved Reserves	
Original Oil in Place, Mbbl	
Recovery Factor, %	
Original Recoverable, Mbbl	
Cumulative Recovery, Mbbl	
Remaining Recoverable, Mbbl	
Probable Reserves, Mbbl	1,275
Proved + Probable Reserves	
Original Oil in Place, Mbbl	8,499
Recovery Factor, %	15.0
Original Recoverable, Mbbl	1,275
Cumulative Recovery, Mbbl	-
Remaining Recoverable, Mbbl	1,275
Possible Reserves, Mbbl	2,378
Proved + Probable + Possible Reserves	
Original Oil in Place, Mbbl	18,263
Recovery Factor, %	20.0
Original Recoverable, Mbbl	3,653
Cumulative Recovery, Mbbl	-
Remaining Recoverable, Mbbl	3,653

Proved + Probable Well Requirements	
Average well spacing, ac/well	166
Production Wells Required	2
New Producers	2
Average Well Productivity, bopd/w	250
Total Pool Productivity, bopd	500
Res. per Prod. Well - 2P, Mbbl	637
Reserve Life Index - 2P, years	7.0
Proved + Probable + Possible Well Requirements	
Average well spacing, ac/well	178
Production Wells Required	4
New Producers	4
Average Well Productivity, bopd/w	300
Total Pool Productivity, bopd	1,200
Res. per Prod. Well - 3P, Mbbl	913
Reserve Life Index - 2P, years	8.3

Roxi Petroleum plc

Table 19

Ravninnoe Field - Kazakhstan
Crude Oil Contingent Resource Estimates

Effective December 31, 2006

Prospect Description

Field Name	Ravninnoe
Classification	Contingent Resource
Country	Kazakhstan
Basin	Pre-Caspian

Zone Description

Formation	Middle Carboniferous
Stucture Type	Faulted Anticline
Depth, meters	3200
Reservoir Type	Clastic

Input Parameters

	Distribution	Input Parameters		Calculated Parameters			
Parameter	**Type**	**P90**	**P10**	**P99**	**P50**	**Mean**	**P1**
Area, acres	Log Normal	2,650	5,300	1,998	3,748	3,887	7,030
Average Gross Pay,ft	Log Normal	20	75	12	39	44	129
Net to Gross Ratio, %	Normal	100	100	100	100	100	100
Porosity, %	Normal	7	11	5	9	9	13
Oil Saturation, %	Normal	70	80	66	75	75	84
FVF, frac	Normal	1.25	1.45	1.17	1.35	1.35	1.53
Recovery Factor, %	Log Normal	2.5	20.0	1.1	7.1	9.8	46.7

Geological Chance of Success

Parameter	Value
Source	1.00
Migration	1.00
Reservoir	1.00
Structure	1.00
Seal	1.00
Overall	1.00

Calculated Results

	P99	P90	P50	Mean	P10	P1
OOIP, Mbbl	14,478	26,602	56,105	66,471	118,329	217,423
Total Resources, Mbbl	389	1,103	3,967	6,532	14,266	40,498

Reserves & Resources

	P90	P50	Mean	P10
Reserves		1,275	1,606	3,653
Contingent Resources	1,103	2,692	4,926	10,613

Table 20

Roxi Petroleum plc
Ravninnoe Field - Kazakhstan
Reservoir and Fluid Properties
Effective December 31, 2006

Imperial Units	**Middle Carboniferous**
Lithology	Sandstone
Maximum Net Oil Pay Thickness, ft	59
Average Mapped Net Oil Pay Thickness, ft	44
Mean Pool Area, acres	3,887
Average Oil Column Depth, ft	10,663
Average Oil Permeability From Core, mD	na
Initial Reservoir Pressure, psia	6,465
Bubble Point Pressure, psia	na
Reservoir Temperature, F	199
Stock Tank Oil Density, g/cc	0.897
Stock Tank Oil Gravity, degrees API	26
Oil Viscosity (surface), cP	na
Solution GOR, scf/bbl	na
Oil Sulphur Content, %	1
Oil Paraffin Content, %	na
Ashphaltenes	2

Metric Units	**Middle Carboniferous**
Lithology	Sandstone
Maximum Net Oil Pay Thickness, m	18
Average Net Oil Pay Thickness, m	13
Mapped Pool Area, ha	1,574
Average Oil Column Depth, m	3,250
Average Oil Permeability From Core, mD	na
Initial Reservoir Pressure, kPa	44,583
Bubble Point Pressure, kPa	na
Reservoir Temperature, C	93
Stock Tank Oil Density, g/cc	0.897
Oil Viscosity (surface), cP	na
Solution GOR, m3/m3	na
Oil Sulphur Content, %	1
Oil Paraffin Content, %	na
Ashphaltenes, %	2.4

Data taken from 'Project for Additional Exploration, 2005'
na = not available

Table 21

Roxi Petroleum plc
Ravninnoe Field - Kazakhstan
Summary of Economic Parameters
Effective December 31, 2006

Price Schedule

McDaniel & Associates December 31, 2006 Price Case

Crude Oil Pricing Adjustments (2006$ - US)

Product	Price Adjustment
Export Price	Brent less $17.00/bbl
Domestic Price	$22.50/bbl in 2006 & Incr. at inflation thereafter

See Table 9

The percentage of production sold to export markets was forecast to be 50 percent in 2007 and 90 percent thereafter.

Operating Costs (2007$ - US)

Description	Amount 2P	3P
Variable Production Costs ($ / Bbl)	1.33	1.17
Fixed Operating Costs ($ / well/month)	10,000	10,000
Fixed Operating Costs ($ / Year)	228,000	498,000

* Fixed field costs were reduced by 10 percent per year in each of the last three years of the forecast
* Operating Costs exclude pipeline and marketing fees (netted out of price)

Capital Costs (2007$ - US)

See Table 10

Note – Additional expenditures are required under the terms of the contract which have not been included in this evaluation since they relate to exploration activities.

Interests and Fiscal Terms (2007$ - US)

Company Interest	50 percent
State Royalty (Incremental Tiers)	2.0 percent on volumes up to 2 million tonnes per yr.
	3.0 percent from 2 to 3 million tonnes per yr.
	4.0 percent from 3 to 4 million tonnes per yr.
	5.0 percent from 4 to 5 million tonnes per yr.
	6.0 percent over 5 million tonnes per yr.
Commercial Discovery Bonus	0.1 Percent of Proj. Gross Revenue
Exploration Capital Depreciation Rate	25 percent declining balance
December 31, 2006 Exploration Capital Opening Balance	$3.0 million
Development Capital Depreciation Rate	15 percent declining balance
December 31, 2006 Development Capital Opening Balance	-
Tax Loss Carryforward Balance at December 31, 2006	-
Repayment of Historical Cost	$12.75 million over 13 years starting in 2008
	(classified as an exploration capital expenditure)
Profit Tax	30 percent of taxable income
Excess Profits Tax (Assumed) - Based on amount in excess of 20 percent of ratio of net income to deductions:	
Up to 5 percent	15 percent
Above 5 to 15 percent	30 percent
Above 15 to 30 percent	45 percent
Above 30 percent	60 percent
Lease expiry	April 15, 2029
VAT	Not Included

Abandonment Costs (2007$ - US)

Total amount forecast as a liquidation fund over life of property and based on $50,000 per well

Roxi Petroleum plc

Table 22

Summary of Price Forecasts

Effective December 31, 2006

Year	WTI Crude Oil Price $US/BBL	Brent Crude Oil Price $US/BBL	North Karam. Export Price Different. $2007 US/Bbl	North Karam. Export Price $US/BBL	North Karam. Domestic Price $US/BBL	Ravninnoe Export Price Different. $2007 US/Bbl	Ravninnoe Export Price $US/BBL	Ravninnoe Domestic Price $US/BBL	Inflation Forecast %
2007	62.50	60.50	14.00	**46.50**	**20.00**	17.00	**43.50**	**22.50**	2.00
2008	61.20	59.20	14.00	**44.92**	**20.40**	17.00	**42.20**	**22.95**	2.00
2009	59.80	57.70	14.00	**43.13**	**20.81**	17.00	**40.70**	**23.41**	2.00
2010	58.40	56.30	14.00	**41.44**	**21.22**	17.00	**39.30**	**23.88**	2.00
2011	56.80	54.60	14.00	**39.45**	**21.65**	17.00	**37.60**	**24.35**	2.00
2012	58.00	55.80	14.00	**40.34**	**22.08**	17.00	**38.80**	**24.84**	2.00
2013	59.10	56.80	14.00	**41.03**	**22.52**	17.00	**39.80**	**25.34**	2.00
2014	60.30	58.00	14.00	**41.92**	**22.97**	17.00	**41.00**	**25.85**	2.00
2015	61.50	59.20	14.00	**42.80**	**23.43**	17.00	**42.20**	**26.36**	2.00
2016	62.70	60.30	14.00	**43.57**	**23.90**	17.00	**43.30**	**26.89**	2.00
2017	64.00	61.60	14.00	**44.53**	**24.38**	17.00	**44.60**	**27.43**	2.00
2018	65.30	62.80	14.00	**45.39**	**24.87**	17.00	**45.80**	**27.98**	2.00
2019	66.60	64.10	14.00	**46.34**	**25.36**	17.00	**47.10**	**28.54**	2.00
2020	67.90	65.30	14.00	**47.19**	**25.87**	17.00	**48.30**	**29.11**	2.00
2021	69.30	66.70	14.00	**48.23**	**26.39**	17.00	**49.70**	**29.69**	2.00
2022	70.69	68.03	14.00	**49.19**	**26.92**	17.00	**51.03**	**30.28**	2.00
2023	72.10	69.39	14.00	**50.18**	**27.46**	17.00	**52.39**	**30.89**	2.00
2024	73.54	70.78	14.00	**51.18**	**28.00**	17.00	**53.78**	**31.51**	2.00
2025	75.01	72.20	14.00	**52.20**	**28.56**	17.00	**55.20**	**32.14**	2.00
2026	76.51	73.64	14.00	**53.25**	**29.14**	17.00	**56.64**	**32.78**	2.00

Pricing Assumptions :

WTI and Brent price forecast based on the McDaniel & Associates December 31, 2006 price forecast
The percentage of production sold to export markets was forecast to be 90 percent
The domestic price excludes VAT

Roxi Petroleum plc Table 23

Ravninnoe Field - Kazakhstan

Forecast of Capital Costs - 2007$

Effective December 31, 2006

Total Proved + Probable Reserves

	Production Wells		Injection Wells		Recompl./Workovers		Seismic	Facilities	Total Area	Total Area
Year	#	2007 US$M	#	2007 US$M	#	2007 US$M	2007 US$M	2007 US$M	2007 US$M	Future US$M
2007	1	6,000	-	-	1	1,500		1,500	9,000	9,000
2008	-	-	-	-	-	-		-	-	-
2009	-	-	-	-	-	-		-	-	-
2010	-	-	-	-	-	-		-	-	-
2011	-	-	-	-	-	-		-	-	-
2012	-	-	-	-	-	-		-	-	-
2013	-	-	-	-	-	-		-	-	-
2014	-	-	-	-	-	-		-	-	-
2015	-	-	-	-	-	-		-	-	-
2016	-	-	-	-	-	-		-	-	-
2017	-	-	-	-	-	-		-	-	-
2018	-	-	-	-	-	-		-	-	-
2019	-	-	-	-	-	-		-	-	-
2020	-	-	-	-	-	-		-	-	-
2021	-	-	-	-	-	-		-	-	-
Total	1	6,000	-	-	1	1,500		1,500	9,000	9,000
Individual Cost		6,000		6,000		1,500				

Total Proved + Probable + Possible Reserves

	Production Wells		Injection Wells		Recompl./Workovers		Seismic	Facilities	Total Area	Total Area
Year	#	2007 US$M	#	2007 US$M	#	2007 US$M	2007 US$M	2007 US$M	2007 US$M	Future US$M
2007	1	6,000	-	-	1	1,000		2,000	9,000	9,000
2008	2	12,000	1	6,000	-	-		1,000	19,000	19,380
2009	-	-	-	-	-	-		500	500	520
2010	-	-	-	-	-	-		-	-	-
2011	-	-	-	-	-	-		-	-	-
2012	-	-	-	-	-	-		-	-	-
2013	-	-	-	-	-	-		-	-	-
2014	-	-	-	-	-	-		-	-	-
2015	-	-	-	-	-	-		-	-	-
2016	-	-	-	-	-	-		-	-	-
2017	-	-	-	-	-	-		-	-	-
2018	-	-	-	-	-	-		-	-	-
2019	-	-	-	-	-	-		-	-	-
2020	-	-	-	-	-	-		-	-	-
2021	-	-	-	-	-	-		-	-	-
Total	3	18,000	1	6,000	1	1,000		3,500	28,500	28,900
Individual Cost		6,000		6,000		1,000				

Figure 1

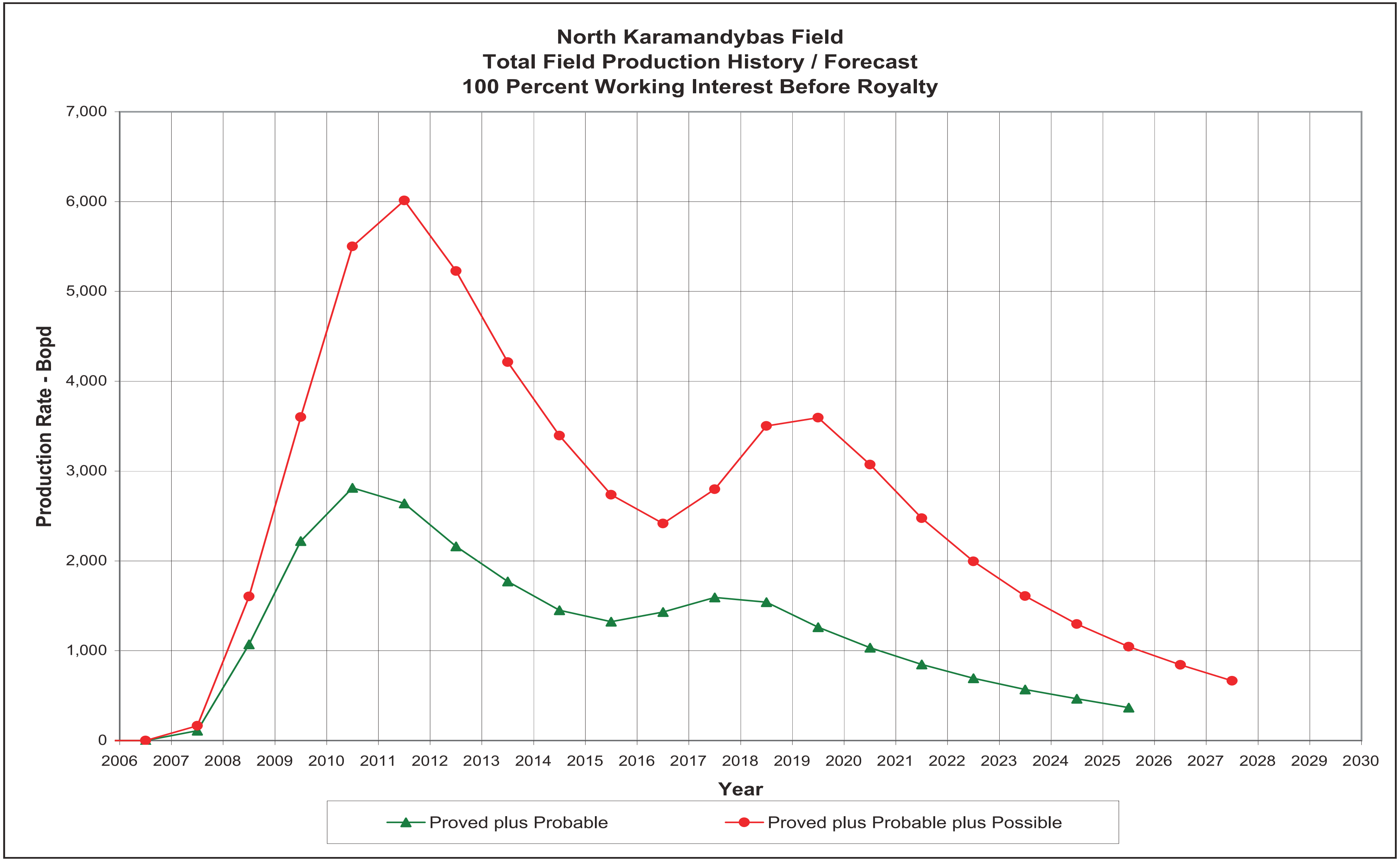
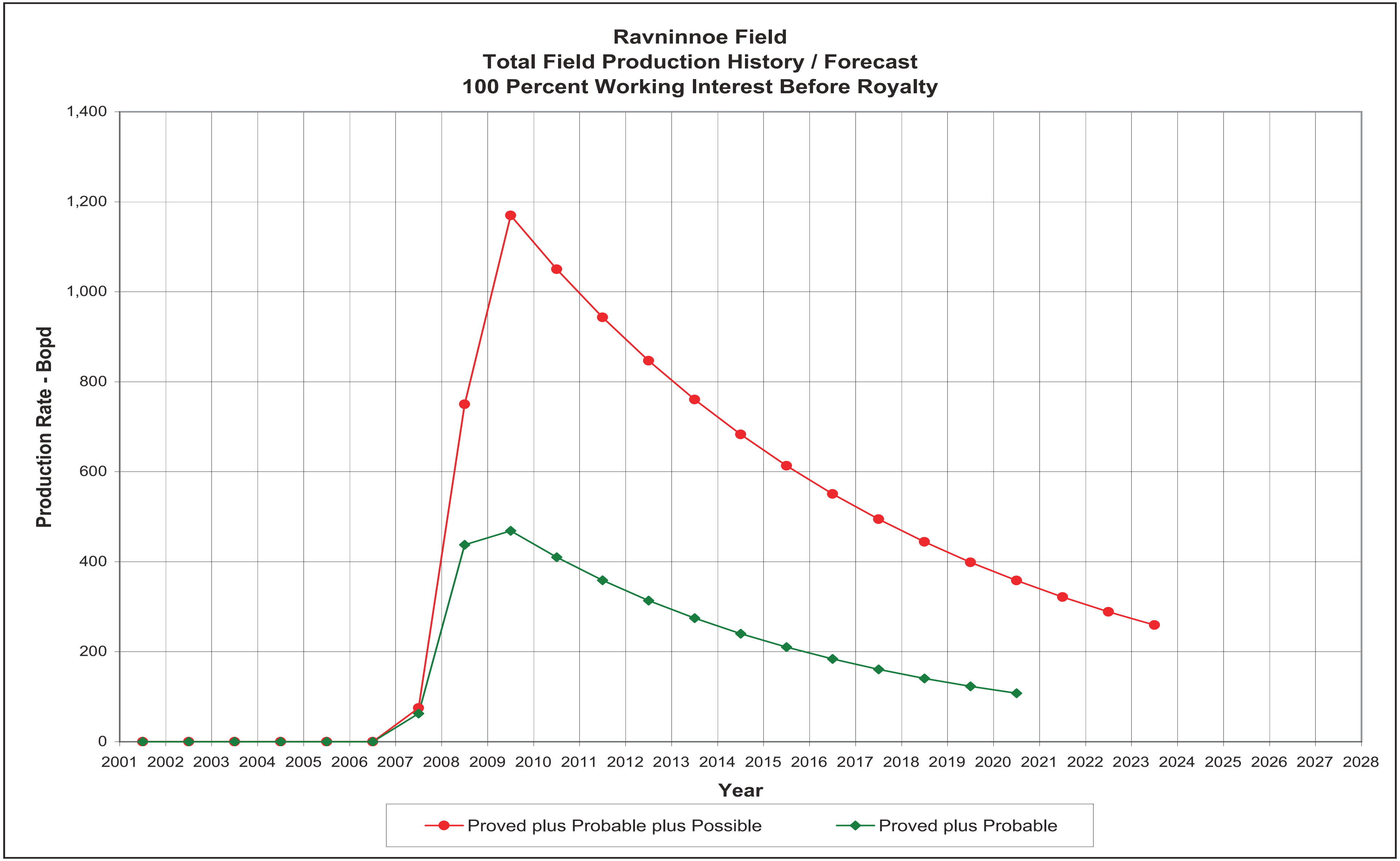

North Karamandybas Field
Total Field Production History / Forecast
100 Percent Working Interest Before Royalty
Production Rate - Bopd
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030
Year
Proved plus Probable
Proved plus Probable plus Possible

Figure 2


Ravninnoe Field
Total Field Production History / Forecast
100 Percent Working Interest Before Royalty
Production Rate - Bopd
1,400
1,200
1,000
800
600
400
200
0
2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028
Year
Proved plus Probable plus Possible
Proved plus Probable

PART IV

Financial information

A: Financial Information on Roxi Petroleum Plc

Section A(i) – Accountant's report on Roxi Petroleum Plc

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London
W1U 3LL

The Directors
Roxi Petroleum Plc
2nd Floor,
5 Old Bailey,
London
EC4M 7BA

The Directors
WH Ireland Limited
5th Floor
24 Martin Lane
London
EC4R 0DR

16 May 2007

Dear Sirs

Roxi Petroleum Plc (the "Company")

Introduction

We report on the financial information set out in Section A(ii) of Part IV. This financial information has been prepared for inclusion in the admission document dated 16 May 2007 of Roxi Petroleum Plc (the "Admission Document") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Responsibilities

As described in Section A(ii) of Part IV, the directors of Roxi Petroleum Plc (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and International Financial Reporting Standards ("IFRSs") adopted by the European Union.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the date stated and of its result and cash flow for the period then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in accordance with applicable IFRSs as described in note 1 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Section A(ii) – Financial Information on Roxi Petroleum Plc

Responsibility

The Directors are responsible for preparing the financial information set out below on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and International Financial Reporting Standards ("IFRSs") adopted by the European Union.

Income statement

	Note	*Period from incorporation to 31 December 2006* £
Revenue		—
Administrative expenses		(80,238)
Loss for the period before and after taxation	2	(80,238)

All amounts relate to continuing activities.

Balance sheet as at 31 December 2006

	Note	*As at 31 December 2006* £
Assets:		
Current assets		
Other receivables	3	277,932
Total current assets		277,932
Total assets		277,932
Equity and liabilities:		
Equity		
Share capital	4	50,000
Retained earnings		(80,238)
Total equity		(30,238)
Current liabilities		
Trade and other payables	5	308,170
Total current liabilities		308,170
Total equity and liabilities		277,932

Statement of changes in equity

	Share capital £	*Retained losses* £	*Total equity* £
Balance on incorporation	—	—	—
Loss for the period	—	(80,238)	(80,238)
Total recognised income and expense for the period	—	(80,238)	(80,238)
Issue of share capital	50,000	—	50,000
Balance as at 31 December 2006	50,000	(80,238)	(30,238)

Cash flow statement

	Period from incorporation to 31 December 2006 £
Cash flow from operating activities	
Loss from ordinary activities	(80,238)
Net cash flow from operating activities before changes in working capital	(80,238)
Increase in other receivables	(240,432)
Increase in trade and other payables	308,170
Cash outflow from operating activities	(12,500)
Financing activities	
Proceeds from the issue of shares	12,500
Cash inflow from financing activities	12,500
Increase in cash and cash equivalents	—
Cash and cash equivalents at start of period	—
Cash and cash equivalents at end of period	—

Notes to the financial information

1. Accounting policies

Basis of preparation

The financial information has been prepared in accordance with IFRSs issued by the International Accounting Standards Board ("IASB") and with the standing interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC)" of the IASB and the Companies Act 1985 applicable to companies reporting under IFRS. This financial information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. No statutory accounts have been prepared or delivered to the Registrar of Companies for the period covered by this financial information.

The Company was incorporated as Roxi Petroleum Plc on 13 October 2006. The Company has not paid any dividends.

2. Loss from operations

The loss for the period is arrived at after charging:

	Period from incorporation to 31 December 2006 £
Directors' fees	20,395

3. Trade and other receivables

	As at 31 December 2006 £
Unpaid share capital	37,500
Prepaid expenses relating to the proposed Placing	240,432
	277,932

4. Share capital

	As at 31 December 2006 £
Authorised	
1,000,000,000 Ordinary Shares of 10 pence each	100,000,000
Issued	
500,000 Ordinary Shares of 10 pence each fully called up, one quarter paid	50,000

The Company was incorporated with authorised share capital of £100,000,000 divided into 1,000,000,000 Ordinary Shares of 10 pence each. On incorporation two Ordinary Shares of 10 pence each were issued at par, nil paid.

On 26 October 2006 499,998 Ordinary Shares were subscribed for in cash at a price of 10 pence per share and issued paid up as to one quarter and the two subscriber shares paid as to one quarter, for an aggregate consideration of £12,500.

On 5 February 2007 10,000,000 Ordinary Shares were issued at par as partial consideration under the Sytero 2 SPA, as referred to in paragraph 11.5(a) of Part V of this document.

On 2 March 2007 20,000,000 Ordinary Shares were issued at par as partial consideration under the Sytero SPA, as referred to in paragraph 11.5(a) of Part V of this document.

On 2 March 2007 30,000,000 Ordinary Shares were issued at par as partial consideration under the Sytero 3 SPA, as referred to in paragraph 11.5(a) of Part V of this document.

In the opinion of the Directors, the Company's investments under the Sytero SPA, the Sytero 2 SPA and the Sytero 3 SPA do not constitute business combinations as defined by IFRS 3.

On 17 October 2006, Sytero 2 and Sytero 3 entered into sale and purchase agreements relating to Participation Interests in, respectively, Beibars Munai and Ravninnoe Oil, further details of which are set out in paragraph 11.5(b) of Part V of this document.

Subsequent to 31 December 2006, RS Munai entered into an agreement to purchase the North Karamandybas SSUC and certain ancillary assets. Further details are set out in paragraph 11.5(b) of Part V of this document.

5. Trade and other payables

	As at 31 December 2006 £
Amounts payable to Pinegrove Equities Inc.	234,477
Accruals	73,693
	308,170

6. Related party transactions and post balance sheet events

During the period the Company's majority share holder, Pinegrove Equities Inc., incurred $455,850 of expenses on behalf of the Company. Since 31 December 2006, Pinegrove Equities Inc. has incurred additional expenses of approximately $1.4 million on behalf of the Company. All of these costs will be reimbursed by the Company out of the proceeds of the Placing.

B: Financial Information on Ravninnoe Oil LLP

Section B(i) – Accountant's report on Ravninnoe Oil LLP

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London
W1U 3LL

The Directors
Roxi Petroleum Plc
2nd Floor,
5 Old Bailey,
London
EC4M 7BA

The Directors
WH Ireland Limited
5th Floor
24 Martin Lane
London
EC4R 0DR

16 May 2007

Dear Sirs

Ravninnoe Oil LLP ("Ravninnoe")

Introduction

We report on the financial information set out in Section B(ii) of Part IV. This financial information has been prepared for inclusion in the admission document dated 16 May 2007 of Roxi Petroleum Plc (the "Admission Document") on the basis of the accounting policies set out in note 3 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Responsibilities

As described in Section B(ii) of Part IV, the directors of Roxi Petroleum Plc (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 3 to the financial information and in accordance with International Financial Reporting Standards ("IFRSs") including International Accounting Standards and Interpretations, adopted by the International Accounting Standards Board.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Ravninnoe as at the dates stated and of its results and cash flows for the periods then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with applicable IFRSs as described in note 2 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Section B(ii) – Financial Information on Ravninnoe Oil LLP

Responsibility

The Directors are responsible for preparing the financial information set out below on the basis of preparation set out in note 2 to the financial information and in accordance with applicable International Financial Reporting Standards ("IFRSs") including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

Income statements

	Notes	*Period from incorporation to 31 December 2005* *$*	*6 month period ended 30 June 2006* *$*
Revenue		—	—
Administrative expenses	3	(47,524)	(54,649)
Loss for the period before and after taxation	5	(47,524)	(54,649)

All amounts relate to continuing activities.

Balance sheets

	Notes	*As at 31 December 2005 $*	*As at 30 June 2006 $*
Non current assets			
Property, plant and equipment	7	1,912	49,768
Intangible assets	8	790,119	1,558,505
		792,031	1,608,273
Current assets			
Inventories	9	215,011	224,046
Receivables	10	30,837	98,526
Cash and cash equivalents		224	2,561
		246,072	325,133
Total assets		1,038,103	1,933,406
Equity and liabilities			
Equity			
Partners' capital	11	748	748
Currency translation reserve		316	(9,461)
Retained earnings		(47,524)	(102,173)
	12	(46,460)	(110,886)
Current liabilities			
Trade and other payables	13	201,794	298,500
Short term financial liabilities	14	882,769	1,745,792
		1,084,563	2,044,292
Total equity and liabilities		1,038,103	1,933,406

Statements of changes in equity

	Partners' capital $	*Currency translation reserve* $	*Retained earnings* $	*Total* $
Balance as at 5 February 2004	—	—	—	—
Partners' capital contributed in the period	748	—	—	748
Foreign exchange differences	—	316	—	316
Losses after tax for the period	—	—	(47,524)	(47,524)
Balance as at 1 January 2006	748	316	(47,524)	(46,460)
Foreign exchange differences	—	(9,777)	—	(9,777)
Losses after tax for the period	—	—	(54,649)	(54,649)
Balance as at 30 June 2006	748	(9,461)	(102,173)	(110,886)

Cash flow statements

	Period from incorporation to 31 December 2005 $	6 month period ended 30 June 2006 $
Cash flow from operating activities		
Loss from ordinary activities	(47,524)	(54,649)
Adjustments for		
Exchange difference	316	(9,777)
Depreciation	256	936
Net cash flow from operating activities before changes in working capital	(46,952)	(63,490)
(Increase) in inventories	(215,011)	(9,288)
(Increase) in receivables	(30,837)	(67,689)
Increase in trade and other payables	201,794	96,706
Cash outflows from operating activities	(91,006)	(43,761)
Investing activities		
Purchase of property, plant and equipment	(2,168)	(46,614)
Purchase of intangible assets	(790,119)	(623,798)
Cash outflow from investing activities	(792,287)	(1,110,412)
Financing activities		
Partners' capital contributed	748	—
Proceeds from loans raised	882,769	1,073,563
Repayment of loans	—	(210,540)
Cash inflow from financing activities	883,517	863,023
Increase in cash and cash equivalents	224	2,337
Cash and cash equivalents at start of period	—	224
Cash and cash equivalents at end of period	224	2,561

Notes to the financial information

1. Incorporation

Ravninnoe was incorporated on 5 February 2004.

2. Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board, as applicable for the relevant period. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

3. Accounting policies

Foreign currency

The currency of the primary economic environment in which Ravninnoe operates is the Kazakh Tenge.

On the preparation of this financial information, the results of Ravninnoe are translated into US Dollars, the presentational currency at rates approximating to those ruling when the transaction took place. All assets and liabilities are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results at the actual rate are recognised directly in equity.

Income taxes

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Pre-licence costs

In accordance with IFRS 6, all costs incurred prior to the award of an exploration licence are written off to the income statement as incurred.

Exploration and evaluation assets

Ravninnoe applies the full cost method of accounting for exploration and evaluation costs, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Under the full cost method of accounting, costs of exploring for an evaluating oil and gas properties are accumulated and capitalised by reference to appropriate cost pools. Such cost pools are based on geographic areas and are not larger than a segment. Ravninnoe currently has one cost pool being Kazakhstan.

Exploration and evaluation costs are initially capitalised within 'Intangible assets'. Such exploration and evaluation costs may include costs of licence acquisition technical services and studies, seismic acquisition, exploration drilling and testing, but do not include costs incurred prior to having obtained the legal rights to explore an area, which are expensed directly to the income statement as they are incurred.

Tangible assets acquired for use in exploration and evaluation activities are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an intangible exploration and evaluation asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset.

Intangible exploration and evaluation assets related to each exploration licence/prospect are not depreciated and are carried forward until the existence (or otherwise) of commercial reserves has been determined.

Intangible exploration and evaluation assets that relate to exploration and evaluation activities that are determined not to have resulted in the discovery of commercial reserves remain capitalised as intangible exploration and evaluation assets at cost less accumulated amortisation, subject to meeting a pool-wide impairment test as set out below. Such exploration and evaluation assets are amortised on a unit of production basis over the life of the commercial reserves of the pool to which they relate.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial reserves exist. Where the exploration and evaluation assets concerned fall within the scope of an established full cost pool, the exploration and evaluation assets are tested for impairment together with all development and production assets associated with the cost pool, as a single cash generating unit. The aggregate carrying value is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. Where the exploration and evaluation assets to be tested fall outside the scope of any established cost pool, there will generally be no commercial reserves and the exploration and evaluation assets concerned will generally be written off in full. Any impairment loss is recognised in the income statement as additional depreciation and separately disclosed.

Financial instruments

Ravninnoe's financial assets consist of cash on non-interest bearing short-term deposits. Other receivables are stated at cost less any provision for impairment.

Ravninnoe's financial liabilities are non-interest bearing and consist of other payables.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents are defined as short cash term deposits.

4. Segmental analysis

Ravninnoe operates in one business segment, being the exploration for oil and gas in the Republic of Kazakhstan.

5. Loss from operations

This is arrived at after charging:

	Period from incorporation to 31 December 2005	*6 month period ended 30 June 2006*
	$	*$*
Depreciation of property, plant and equipment	256	936

6. Taxation on loss from ordinary activities

There was no income tax or deferred tax charged to the income statement in the period.

The tax assessed for the period is not the same as the standard rate of corporation tax in the Republic of Kazakhstan. The differences are explained below:

	Period from incorporation to 31 December 2005	*6 month period ended 30 June 2006*
	$	*$*
Loss on ordinary activities	(47,524)	(54,649)
Loss on ordinary activities at the effective rate of corporation tax in the Republic of Kazakhstan of 30%	14,257	16,395
Tax losses carried forward	(14,257)	(16,395)
Tax charge for period	—	—

7. Property, plant and equipment

	Plant machinery and vehicles
	$
Cost	
As at 5 February 2004	—
Additions	2,168
As at 1 January 2006	2,168
Additions	48,614
Exchange differences	275
As at 30 June 2006	51,057
Depreciation	
As at 5 February 2004	—
Provided for the period	256
As at 1 January 2006	256
Provided for the period	936
Exchange differences	97
As at 30 June 2006	1,289
Net book value	
As at 31 December 2005	1,912
As at 30 June 2006	49,768

8. *Intangible exploration and evaluation assets*

	Oil and gas assets *$*
As at 5 February 2004	—
Additions	790,119
As at 1 January 2006	790,119
Additions	623,798
Exchange differences	144,588
As at 30 June 2006	1,558,505

The amounts capitalised above relate to a 25 year contract for the exploration and production of hydrocarbons at the Ravninnoe deposit registered in April 2004 by the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan. Under the terms of this contract, Ravninnoe is committed to making certain minimum expenditures.

9. *Inventories*

	As at 31 December 2005 *$*	*As at 30 June 2006* *$*
Equipment and spare parts	215,011	224,046

10. *Receivables*

	As at 31 December 2005 *$*	*As at 30 June 2006* *$*
Prepaid expenses	30,837	74,539
Other receivables	—	23,987
	30,837	98,526

All amounts fall due within one year.

11. *Partners' capital*

	As at 31 December 2005 *$*	*As at 30 June 2006* *$*
Partners' capital	748	748

On incorporation the partners contributed capital of KZT100,000.

12. Reconciliation of movements in partners' funds

	As at 31 December 2005 $	*As at 30 June 2006 $*
As at start of period	—	(46,460)
Contribution of partners' capital in the period	748	—
Retained loss	(47,524)	(54,649)
Foreign exchange difference	316	(9,777)
As at end of period	(46,460)	(110,886)

13. Trade and other payables

	As at 31 December 2005 $	*As at 30 June 2006 $*
Amounts falling due within one year		
Trade payables	37	15,014
Other payables	201,757	283,486
	201,794	298,500

14. Short term financial liabilities

	As at 31 December 2005 $	*As at 30 June 2006 $*
Short term loans	882,769	1,745,792

The short term loans do not carry any interest, are repayable on demand, and are due to the following partners and connected persons:

	As at 31 December 2005 $	*As at 30 June 2006 $*
Duet LLP (Partner)	51,596	267,588
Nefteprodukt Servis LLP	312,918	894,102
Baisenov D.O	120,431	135,732
Kirienko S.N. (Partner)	55,409	62,448
Mamitov D.T. (Partner)	55,409	62,448
Oraziman K.R.	120,780	136,129
Seisembekor B.B. (Partner)	110,817	124,897
Ushakov U.G. (Partner)	55,409	62,448
Total	882,769	1,745,792

15. Financial instruments

Currency of borrowings

Management reviews Ravninnoe's exposure to currency risk, interest rate risk, liquidity risk and credit risk on a regular basis and considers that through this review they manage the exposure of Ravninnoe. No formal policies have been put in place in order to hedge Ravninnoe's activities to the exposure to currency risk or interest risk.

C: Financial Information on Beibars Munai LLP

Section C(i): Accountant's Report on Beibars Munai LLP

BDO

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London
W1U 3LL

The Directors
Roxi Petroleum Plc
2nd Floor,
5 Old Bailey,
London
EC4M 7BA

The Directors
WH Ireland Limited
5th Floor
24 Martin Lane
London
EC4R 0DR

16 May 2007

Dear Sirs

Beibars Munai LLP ("Beibars")

Introduction

We report on the financial information set out in Section C(ii) of Part IV. This financial information has been prepared for inclusion in the admission document dated 16 May 2007 of Roxi Petroleum Plc (the "Admission Document") on the basis of the accounting policies set out in note 3 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Responsibilities

As described in Section C(ii) of Part IV, the directors of Roxi Petroleum Plc (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards ("IFRSs") including International Accounting Standards and Interpretations, adopted by the International Accounting Standards Board.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Beibars as at the dates stated and of its results and cash flows for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with applicable IFRSs as described in note 2 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Section C(ii) – Financial Information on Beibars Munai LLP

Responsibility

The Directors are responsible for preparing the financial information set out below on the basis of preparation set out in note 2 to the financial information and in accordance with applicable International Financial Reporting Standards ("IFRSs"), including International Accounting Standards and Interpretations, adopted by the International Accounting Standards Board.

Income statement

	Notes	*Period from incorporation to 31 December 2005* *$*	*6 month period ended 30 June 2006* *$*
Revenue		—	—
Administrative expenses		(41,940)	(34,752)
Loss for the period before and after taxation	5	(41,940)	(34,752)

All amounts relate to continuing activities.

Balance sheets

	Notes	As at 31 December 2005 $	As at 30 June 2006 $
Current assets			
Receivables	6	—	1,491
Cash and cash equivalents		187	548
Total assets		187	2,039
Equity and liabilities			
Equity			
Partners' capital	7	733	733
Currency translation reserve		(274)	(8,008)
Retained earnings		(41,940)	(76,692)
	8	(41,481)	(83,967)
Current liabilities			
Short term financial liabilities	9	41,115	84,278
Trade and other payables		553	1,728
Total liabilities		41,668	86,006
Total equity and liabilities		187	2,039

Statements of changes in equity

	Partners' capital $	*Currency translation reserve* $	*Retained earnings* $	*Total* $
Balance as at 16 June 2005	—	—	—	—
Partners' capital contributed in the period	733	—	—	733
Foreign exchange differences	—	(274)	—	(274)
Losses after tax for the period	—	—	(41,940)	(41,940)
Balance as at 1 January 2006	733	(274)	(41,940)	(41,481)
Foreign exchange differences	—	(7,734)	—	(7,734)
Losses after tax for the period	—	—	(34,752)	(34,752)
Balance as at 30 June 2006	733	(8,008)	(76,692)	(83,967)

Cash flow statements

	Period from incorporation to 31 December 2005 *$*	*6 month period ended 30 June 2006* *$*
Cash flow from operating activities		
Loss from ordinary activities	(41,940)	(34,752)
Adjustments for Exchange difference	(274)	(7,734)
Net cash flow from operating activities before changes in working capital	(42,214)	(42,486)
(Increase) in receivables	—	(1,491)
Increase in payables	553	1,175
Cash outflows from operating activities	(41,661)	(42,802)
Financing activities		
Partners' capital contributed	733	—
Proceeds from loans raised	41,115	43,163
Cash inflow from financing activities	41,848	43,163
Increase in cash and cash equivalents	187	361
Cash and cash equivalents at start of period	—	187
Cash and cash equivalents at end of period	187	548

Notes to the financial information

1. Incorporation

Beibars was incorporated on 16 June 2005.

2. Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board, as applicable for the relevant period. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

3. Accounting policies

Foreign currency

The currency of the primary economic environment in which Beibars operates is the Kazakh Tenge.

On the preparation of this financial information, the results of Beibars are translated into US Dollars, the presentational currency at rates approximating to those ruling when the transaction took place. All assets and liabilities are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results at the actual rate are recognised directly in equity.

Income taxes

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Pre-licence costs

In accordance with IFRS 6 all costs incurred prior to the award of an exploration licence are written off to the income statement as incurred.

Financial instruments

Beibars' financial assets consist of cash on non-interest bearing short-term deposits. Other receivables are stated at cost less any provision for impairment.

Beibars' financial liabilities are non-interest bearing and consist of other payables.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents are defined as short cash term deposits.

4. Segmental analysis

Beibars operates in one business segment, being the exploration for oil and gas in the Republic of Kazakhstan.

5. Taxation

There was no income tax or deferred tax charged to the income statement in the period.

The tax assessed for the period is not the same as the standard rate of corporation tax in the Republic of Kazakhstan. The differences are explained below:

	Period ended 31 December 2005 $	*Period ended 30 June 2006 $*
Loss on ordinary activities	(41,940)	(34,752)
Loss on ordinary activities at the effective rate of corporation tax in the Republic of Kazakhstan of 30%	(12,582)	(10,426)
Losses carried forward	12,582	10,426
Tax charge for period	—	—

6. Receivables

	As at 31 December 2005 $	*As at 30 June 2006 $*
Other receivables	—	1,491

7. Partners' capital

	As at 31 December 2005 $	*As at 30 June 2006 $*
Partners' capital	733	733

On incorporation, the partners contributed capital of KZT98,000.

8. Reconciliation of movements in partners' funds

	As at 31 December 2005 $	*As at 30 June 2006 $*
As at start of period	—	(41,481)
Contribution of partners' capital in the period	733	—
Retained loss	(41,940)	(34,752)
Foreign exchange difference	(274)	(7,734)
As at end of period	(41,481)	(83,967)

9. Short term financial liabilities

	As at 31 December 2005 $	*As at 30 June 2006 $*
Loans due to Nefteprodukt Servis LLP	41,115	84,278

The loans do not carry any interest and are repayable on demand.

10. Financial instruments

Management reviews Beibars' exposure to currency risk, interest rate risk, liquidity risk and credit risk on a regular basis and considers that through this review they manage the exposure of Beibars. No formal policies have been put in place in order to hedge Beibars' activities to the exposure to these risks.

11. Related party transactions

As detailed in note 9, Beibars has received short term loans from Nefteprodukt Servis LLP, a related party.

12. Post balance sheet events

Following the period end, Beibars and the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan, signed a contract for the exploration of oil within the exploration block XXXVII-10 in the Mangistauskaya region.

This contract was registered on 31 January 2007, and allows for a five year exploration period. Under the contract, Beibars is committed to making certain minimum expenditures.

D: Financial Information on RS Munai LLP

Section D(i) – Accountant's Report on RS Munai LLP

BDO

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London
W1U 3LL

The Directors
Roxi Petroleum Plc
2nd Floor,
5 Old Bailey,
London
EC4M 7BA

The Directors
WH Ireland Limited
5th Floor
24 Martin Lane
London
EC4R 0DR

16 May 2007

Dear Sirs

RS Munai LLP ("Munai")

Introduction

We report on the financial information set out in Section D(ii) of Part IV. This financial information has been prepared for inclusion in the admission document dated 16 May 2007 of Roxi Petroleum Plc (the "Admission Document") on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Responsibilities

As described in Section D(ii) of Part IV, the directors of Roxi Petroleum Plc (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with applicable law and International Financial Reporting Standards ("IFRSs") adopted by the International Accounting Standards Board.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Munai as at the date stated and of its result and cash flows for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with applicable IFRSs as described in note 2 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Section D(ii) – Financial Information on RS Munai LLP

Responsibility

The Directors are responsible for preparing the financial information set out below on the basis of preparation set out in note 2 to the financial information and in accordance with applicable law and International Financial Reporting Standards ("IFRSs") including International Accounting Standards and interpretations adopted by the International Accounting Standards Board.

Balance sheet

	Notes	*As at 31 December 2006 $*
Current assets		
Cash and cash equivalents		770
Total current assets		770
Total assets		770
Equity and liabilities:		
Partners' capital	5	770
Total equity and liabilities		770

Cash flow statement

	Period ended 31 December 2006 $
Cash flows from operating activities	—
Financing activities	
Partners' capital contributed	770
Cash inflow from financing activities	770
Increase in cash and cash equivalents	770
Cash and cash equivalents at start of period	—
Cash and cash equivalents at end of period	770

Notes to the financial information

1. Incorporation

Munai was incorporated on 10 November 2006 and has not traded since incorporation. Hence no income statement is presented.

2. Basis of preparation

The financial information has been prepared and in accordance with International Financial Reporting Standards under the historical cost convention including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board, as applicable for the relevant period. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

3. Accounting policies

Foreign currency

The currency of the primary economic environment in which Munai operates is the Kazakh Tenge.

On the preparation of this financial information, the results of Munai are translated into US Dollars, the presentational currency at rates approximating to those ruling when the transaction took place. All assets and liabilities are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results at the actual rate are recognised directly in equity.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents are defined as short cash term deposits.

4. Segmental analysis

Munai operates in one business segment being the exploration of oil and gas in the Republic of Kazakhstan.

5. Partners' capital

	As at 31 December 2006 *$*
Partners' capital	770

On incorporation the partners contributed capital of KZT103,000.

6. Reconciliation of movements in partners' funds

	31 December 2006 *$*
As at start of period	—
Contribution of partners' capital in the period	770
As at end of period	770

PART V

Additional Information

1. Responsibility Statements and Confirmations

1.1 The Directors accept full responsibility, collectively and individually, for the Company's compliance with the AIM Rules for Companies. The Company and each of the Directors accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

1.2 McDaniel & Associates Consultants Ltd. (whose registered office appears on page 3 of this document) accepts responsibility for the information contained in Part III of this document. To the best of the knowledge of McDaniel & Associates Consultants Ltd. having taken all reasonable care to ensure that such is the case, the information contained in Part III of this document is in accordance with the facts and makes no omission likely to affect its import.

2. The Company

2.1 The Company was incorporated and registered in, and is domiciled in, England and Wales on 13 October 2006 under the Act as a public company with the name Roxi Petroleum plc and its registered number is 5966431. The principal legislation under which the Company operates is the Act and the regulations made thereunder and the Ordinary Shares are created under the Act. The liability of the members of the Company is limited.

2.2 The Company has no commercial name other than its registered name.

2.3 The Company's registered office is at 11 Gough Square, London, EC4A 3DE. The Company's principal place of business is at 142 Zhamakayev Street, Almaty 050059 Kazakhstan 7 327 263 5081 in the Republic of Kazakhstan. The Company's telephone number at such address is +7 327 2635081/(82).

2.4 The Company will on Admission be the holding company of a group of companies.

2.5 As at the date of this document, the Company has the following subsidiaries:

Name of Group Company	*Registered office*	*Place of incorporation*	*Issued Share Capital*	*Registration number*	*Percentage owned or, if different, percentage of voting power held*
Roxi Petroleum Services LLP	142 Zhamakayev Street, Almaty 050059 Kazakhstan	Republic of Kazakhstan	KZT 103,000	82087-1910-TOO-NY	100%
Roxi Petroleum Kazakhstan LLP	142 Zhamakayev Street, Almaty 050059 Kazakhstan	Republic of Kazakhstan	KZT 103,000	82087-1910-TOO-NY	100%
Sytero B.V.	Prins Bernhardplein 200, 1097 JB, Amsterdam The Netherlands	The Netherlands	€18,000	34253630	100%

Name of Group Company	*Registered office*	*Place of incorporation*	*Issued Share Capital*	*Registration number*	*Percentage owned or, if different, percentage of voting power held*
Sytero 2 B.V.	Prins Bernhardplein 200, 1097 JB Amsterdam The Netherlands	The Netherlands	€18,000	34257786	100%
Sytero 3 B.V.	Prins Bernhardplein 200, 1097 JB Amsterdam The Netherlands	The Netherlands	€18,000	34257786	100%
RS Munai LLP	87, Dostyk av., Office 12, Almaty, Republic of Kazakhstan	Republic of Kazakhstan	KZT 103,000	81512-1910 -TOO-NY	50%, held by Sytero
Beibars Munai LLP	17, Kurmangalieva str., Almaty, Republic of Kazakhstan	Republic of Kazakhstan	KZT 98,000	71135-1910-TOO-NY	50%, held by Sytero 2

2.6 Following completion of the Ravninnoe Acquisition Agreement the Company will have the following additional subsidiary:

Ravninnoe Oil LLP	17, Kurmangalieva str., Almaty, Republic of Kazakhstan	Republic of Kazakhstan	KZT 100,000	60824-1910-TOO	50%, held by Sytero 3

2.7 Save as disclosed in paragraphs 2.5 and 2.6 of this Part V, there are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

3. Share Capital

3.1 The Company was incorporated under the Act and the regulations made thereunder with an authorised share capital of £100,000,000 divided into 1,000,000,000 ordinary shares of 10p each, of which two were issued at par, nil paid, to the subscribers to the Memorandum of Association of the Company.

3.2 Since the incorporation of the Company, there have been the following changes to its authorised and issued share capital:

(a) on 26 October 2006, 499,998 Ordinary Shares were subscribed for in cash at a price of 10p per share and issued paid up as to one quarter to Aristea International S.A., and the two subscriber shares paid as to one quarter, for an aggregate consideration of £12,500;

(b) on 5 February 2007, 10,000,000 Ordinary Shares were issued to Pinegrove credited as fully paid as partial consideration under the Sytero 2 SPA, as referred to at paragraph 11.5(a) of this Part V;

(c) on 2 March 2007, 20,000,000 Ordinary Shares were issued to Pinegrove credited as fully paid as partial consideration under the Sytero SPA, as referred to at paragraph 11.5(a) of this Part V; and

(d) on 2 March 2007, 30,000,000 Ordinary Shares were issued to Pinegrove credited as fully paid as partial consideration under the Sytero 3 SPA, as referred to at paragraph 11.5(a) of this Part V.

3.3 Resolutions with the following effect were passed by the Company on 3 May 2007, conditional upon Admission becoming effective, of which the resolutions set out at (a) and (b) below were passed as ordinary resolutions and the resolution set out at (c) below was passed as a special resolution:

(a) the directors of the Company were generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £19,223,341.00. Such authority was limited to the allotment of relevant securities: (i) up to an aggregate nominal amount of £10,770,749.00 for the purposes of the Placing and the issue of the Vendor Shares; (ii) up to an aggregate nominal amount of £1,850,280.00 pursuant to the Share Option Scheme; (iii) up to an aggregate nominal amount of £1,002,312.00 in connection with warrants granted by the Company; and (iv) (otherwise than pursuant to (i), (ii) or (iii) above) up to an aggregate nominal amount of £5,600,000.00 provided such allotment represents no more than one-third of the aggregate nominal value of the ordinary share capital of the Company in issue following the allotment of the relevant equity securities pursuant to the authorities set out in (i) above. Such authority is to expire (unless previously renewed, varied or revoked by the Company in general meeting) fifteen months from the date on which this resolution was passed, or, if earlier, at the conclusion of the next annual general meeting of the Company to be held following the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired;

(b) the Share Option Scheme was approved and adopted; and

(c) the directors of the Company were empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) to section 94(3A) of the Act) for cash pursuant to the general authority conferred on them by the resolution referred to in paragraph (a) above and/or to sell equity securities held as treasury shares for cash pursuant to section 162D of the Act, as if section 89(1) of the Act did not apply to any such allotment or sale. Such authority was limited to any such allotment and/or sale of equity securities in connection with (i) the Placing and the issue of the Vendor Shares; (ii) pursuant to the Share Option Scheme; (iii) pursuant to warrants granted by the Company; (iv) a pre-emptive share issue; or (v) any such allotment and/or sale, otherwise than pursuant to (i), (ii), (iii) or (iv) above, of equity securities having, in the case of relevant shares (as defined in section 94(5) of the Act), an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having an aggregate nominal value, not exceeding the sum of £850,000.00. Such authority is to expire (unless previously renewed, revoked or varied by the Company in general meeting) at such time as the general authority conferred on the directors of the Company by the resolution referred to in paragraph (a) above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors of the Company may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

3.4 The Placing Shares will be issued pursuant to the authorities and powers set out in paragraph 3.3 of this Part V.

3.5 The issue and allotment of any Ordinary Shares other than within the powers and authorities referred to in paragraph 3.3 of this Part V shall be subject to the statutory pre-emption rights set out in section 95 of the Act.

3.6 Save for the issue of Ordinary Shares as partial consideration under the Sytero SPA, the Sytero 2 SPA and the Sytero 3 SPA as described in paragraph 3.2 (b), (c) and (d) of this Part V, no more than 10 per cent. of the issued ordinary share capital of the Company as at the date of this document has been paid for with assets other than cash for the period covering the latest three financial years.

3.7 The authorised issued and fully paid ordinary share capital of the Company as at the date of this document is as follows:

	Authorised		*Issued*	
	Number	*Amount*	*Number*	*Amount*
Ordinary Shares	1,000,000,000	£100,000,000	60,500,000	£6,050,000

3.8 Immediately following Admission, the authorised and issued and fully paid ordinary share capital of the Company will be as follows:

	Authorised		*Issued*	
	Number	*Amount*	*Number*	*Amount*
Ordinary Shares	1,000,000,000	£100,000,000	168,207,490	£16,820,749

3.9 The percentage of immediate dilution resulting from the Placing and the issue of the Vendor Shares will be 64 per cent.

3.10 No securities of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

3.11 Save as disclosed in this Part V and apart from the issue of Ordinary Shares pursuant to the Placing and the Vendor Shares:

(a) no share or loan capital of the Company has been issued or is proposed to be issued;

(b) there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

(c) there are no shares in the Company not representing capital;

(d) there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;

(e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company or an undertaking to increase the share capital of the Company;

(f) no person has any preferential subscription rights for any share capital of the Company;

(g) no share or loan capital of the Company or any member of the Group is under option or agreed conditionally or unconditionally to be put under option; and

(h) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

3.12 The Ordinary Shares have not been admitted to dealings on any recognised investment exchange or other trading facility nor has any application for such admission been made, and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

3.13 The Ordinary Shares are not redeemable or convertible.

3.14 The Ordinary Shares may be held in certificated form or uncertificated form. The Registrars are in charge of keeping the records in respect of Ordinary Shares held in uncertificated form.

3.15 The currency of the Placing Shares is Pounds Sterling.

3.16 The Placing Shares will be issued on 22 May 2007 credited as fully paid up and free from all liens, charges, encumbrances and other third party rights and will rank in full for all dividends and other distributions declared, paid or made by the Company after Admission. The Placing Shares will be created under the Act. The International Security Identification Number of the Ordinary Shares is GB00B1W0VW36.

4. Memorandum of Association

The Memorandum of Association of the Company provides that its principal object (which is set out in clause 4.1 thereof) is to carry on business as a general commercial company.

5. Articles of Association

The articles of association of the Company, which were adopted by a special resolution of the Company passed on 3 May 2007 contain, *inter alia*, provisions to the following effect:

5.1 *Voting*

Subject to the provisions of the Act, the Articles and to any special rights or restrictions as to voting attached to any class of shares which may have been issued or may for the time being be held, at any general meeting every member (being an individual) who is present in person or (being a corporation) is present by a duly authorised representative shall, on a show of hands, have one vote, and on a poll, every member so present in person or by proxy shall have one vote for every Ordinary Share of which he is a holder. A proxy need not be member of the Company.

A member entitled to vote may appoint more than one proxy to attend on the same occasion. A member entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

In the case of joint holders of a share who are entitled to vote, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

5.2 *Variation of rights*

Subject to the provisions of the Act, any of the rights attached to any class of shares may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class, whether while the Company is a going concern or during, or in contemplation of, a winding-up. At every such separate meeting (except an adjourned meeting) the quorum shall be not less than two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

Subject to the terms on which any shares may be issued, the rights attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects with or ranking subsequent to those already issued or by the purchase or redemption by the Company of its own shares or the sale of any shares held as treasury shares in accordance with the provisions of the Act and the Articles.

5.3 *Alteration of capital*

The Company may by ordinary resolution:

(a) increase its share capital by such sum to be divided into shares of such amounts as the resolution prescribes;

(b) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;

(c) cancel any shares which, at the date of the resolution, have not been taken up or agreed to be taken up by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or

(d) sub-divide all or any of its shares into shares of a smaller amount.

The Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner authorised by the Act.

5.4 *Dividends*

Subject to the provisions of the Act and the Articles, the Company may, by ordinary resolution, declare dividends to be paid to members according to their respective rights and interests in the profits of the Company, but so that no dividend shall exceed the amount recommended by the directors.

Subject to the provisions of the Act, the directors may pay such interim dividends as appear to them to be justified by the financial position of the Company.

Except as otherwise provided by the rights attaching to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

A general meeting declaring a dividend may, upon the recommendation of the board, direct that the payment of any dividend may be satisfied wholly or partly by the distribution of assets of any kind, and in particular of paid up shares, securities or debentures of any other company and, where any difficulty arises in regard to such distribution, the board may settle it as it thinks fit, including in particular, *inter alia*, fixing the value for distribution of such assets or any part thereof and determining that cash payments be made to any members on the basis of the value so fixed in order to secure equality of distribution.

Subject to relevant legislation, the board may, if authorised by an ordinary resolution, offer the holders of ordinary shares the right to elect to receive further ordinary shares in the Company, credited as fully paid, instead of cash in respect of all or part (as determined by the board) of such dividend.

If cheques, warrants or orders for dividends or other moneys payable in respect of a share sent by the Company to the person entitled thereto are left uncashed or returned to the Company undelivered on two consecutive occasions or on one occasion if such cheque, warrant or order is returned to the Company undelivered and the board having made reasonable enquiries has failed to establish a new address for the person entitled thereto, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

All dividends unclaimed for 12 months after having become payable may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the board so resolves) be forfeited and shall cease to remain owing by the Company.

5.5 *Return of Capital*

On a winding up of the Company the surplus assets available for distribution will be divided among the members in proportion to the amounts paid up on the ordinary shares held by them in accordance with the Articles and the Insolvency Act 1986. The liquidator may, with the sanction of an extraordinary resolution of the Company and subject to the rights of dissenting members, divide among the members in specie the whole or any part of the assets of the Company. The liquidator may, with like sanction, vest the whole or any part of the assets in trustees upon trust for the benefit of such members as the liquidator shall think fit, but so that no member shall be compelled to accept any such assets on which there is a liability.

5.6 *Transfer of Shares*

Subject to such restrictions of the Articles as may be applicable, a member may transfer all or any of his shares (held in certificated form) by an instrument of transfer in writing in any usual form or in any other form approved by the directors. A transfer shall be executed by or on behalf of the transferor and (if the share is partly paid) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members in respect thereof. Shares which are held in uncertificated form may be transferred in accordance with and subject to the CREST Regulations and in the manner provided for in the rules and procedures of CREST.

Subject to relevant legislation and notwithstanding any other provisions of the Articles, the board shall have power to implement such arrangements as it may think fit in relation to:

(a) the evidencing and transfer of shares held in uncertificated form, subject to the CREST Regulations and the rules and procedures of CREST; and

(b) rights attaching to such securities to be exercised notwithstanding that such securities are held in uncertificated form where, in the board's opinion, the Articles do not otherwise allow or provide for such exercise.

In exceptional circumstances approved by the UKLA and the London Stock Exchange, the approval of a transfer of a fully paid share (in certificated form) may be refused by the board.

Subject to relevant legislation the board may, in its absolute discretion and without giving any reason therefor, refuse to register the transfer of a shares which is not fully paid provided that, where any such shares are admitted to AIM such discretion may not be exercised in such a way as to prevent dealings in shares taking place on an open and proper basis.

Subject to relevant legislation, the board may also refuse to register the transfer of a share:

(a) if it is in respect of a share on which the Company has a lien;

(b) if it is not in respect of only one class of share;

(c) if it is not in favour of four or fewer transferees;

(d) in the case of shares held in certificated form, if it is not lodged, duly stamped (if necessary), at the registered office of the Company or at such other place as the board may determine and accompanied by the certificate for the shares to which it relates (where a certificate has been issued in respect of the shares) and such other evidence as the board may reasonably require to prove the title of the transferor and the due execution by him or on his behalf of the transfer;

(e) if it is in favour of a minor, bankrupt or person of mental ill health; or

(f) where the board is obliged or entitled to refuse to do so as a result of any failure to comply with a notice under section 793 of the Act.

Subject to the requirements of the UKLA and the London Stock Exchange, the directors may refuse to register a transfer of a share in uncertificated form to the extent that the Company is permitted to do so by the CREST Regulations and the requirements of CREST.

If the board refuses to register a transfer it shall, in the case of shares held in certificated form, within two months after the date on which the transfer was lodged with the Company and, in the case of shares held in uncertificated form, within two months after the date on which the relevant CREST instruction was received by or on behalf of the Company, send to the transferee notice of the refusal.

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the board may determine but the Company will not close the register of members in respect of a security permitted to be transferred through CREST in accordance with the CREST Regulations without the prior consent of CRESTCo.

The Company shall not charge any fee in respect of the registration of any instrument of transfer or other documentation relating to or affecting the title to any share.

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the board refuses to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person lodging it when notice of the refusal is given.

5.7 *Rights of pre-emption*

The Articles do not contain any provisions which set out a procedure for the exercise of pre-emption rights, in addition to that provided for by the Act.

5.8 *Suspension of voting rights*

Subject to the requirements of the London Stock Exchange, if a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the Act (a "default notice") and has failed in relation to any shares (the "default shares") to give the Company the information required by such default notice within 14 days of the date of such default notice, then (unless the board shall determine otherwise) from the expiry of that period:

(a) the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at a separate meeting of the holders of any class of shares or on a poll; and

(b) where the default shares represent at least 0.25 per cent. of the issued shares of their class (calculated exclusive of shares held as treasury shares):

(i) a dividend (or any part of dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it and the member is not entitled to elect to receive shares instead of a dividend; and

(ii) no transfer (other than certain excepted transfers) of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required and the transfer when lodged for registration is accompanied by a proof from the member satisfactory to the board that after due and careful enquiry the member is satisfied that no person in default in supplying the information is interested in any of the shares the subject of the transfer.

5.9 *Purchase of own shares*

Subject to the Act and to the sanction by an extraordinary resolution passed at a separate class meeting of the holders of any convertible shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price.

5.10 *Untraced shareholders*

The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by transmission if, during a period of 12 years, at least 3 dividends have been paid in relation to such shares during those 12 years and no dividend has been claimed and within a further period of 3 months from the date of advertisements giving notice of its intention to sell such shares placed after the expiry of the period of 12 years, the Company has not received any communication in respect of such shares from the member or the person entitled to the shares by transmission.

5.11 *Provisions relating to directors*

Director's right to vote on a matter in which he is materially interested

A director shall not vote on, or be counted in the quorum in relation to, any resolution of the board or of a committee of the board concerning any contract, arrangement, transaction or proposal in which he has an interest (other than his interest in shares or debentures or other securities of, or otherwise in or through, the Company) (together with any interest of a person connected with him within the meaning of section 346 of the Act).

The prohibition will not apply to the following:

(a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(c) any contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting of which he is to participate;

(d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company (not being a company in which the director owns 1 per cent. or more of either its equity share capital or of its voting rights) in which he is interested (directly or indirectly) and whether as an officer, shareholder, creditor or otherwise;

(e) any contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which does not award to any director any privilege or benefit not generally awarded to the employees to whom it relates; and

(f) any contract, arrangement, transaction or proposal concerning any insurance which the company is empowered to purchase or maintain for the benefit of any directors or for persons who include directors.

Director's fees and expenses

The directors (other than alternate directors) shall be entitled to receive by way of fees for their services as directors such sum and on such terms as the board may determine provided that the aggregate remuneration shall not exceed £200,000 per annum or such larger sum as the Company in general meeting may from time to time determine (excluding any amounts payable under any other provision of the Articles). The salary or remuneration of any director appointed to hold any employment or executive office in accordance with the provisions of the Articles may be either a fixed sum of money, or may in whole or in part be governed by business done or profits made or otherwise determined by the board, and may be in addition to or in lieu of any fee payable to him for his services as director pursuant to the Articles.

Each director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the discharge of his duties as a director including any expenses incurred in attending meetings of the board or of any committee of the board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company.

Voting on directors' terms of appointment

A director shall not vote on or be counted in the quorum on any resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying the terms of his appointment or its termination) of two or more directors to offices or places of profit with the Company or any company in which the Company is interested, a separate resolution may be considered in relation to each director and in such case each of the directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Relaxation of rules relating to directors' interests

Subject to the provisions of the Act, the Company may by ordinary resolution suspend or relax those provisions of the Articles relating to directors' interests or ratify any transaction not duly authorised by reason of a contravention of such provisions, provided that none of the shares in which a director or any connected person is directly or indirectly interested shall entitle the holders thereof to vote on such resolution.

Directors' gratuities and pensions

The board may procure the establishment and maintenance of or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time directors or in the employment or service of the Company or of any company which is or was a subsidiary or subsidiary undertaking of or associated with the Company or of the predecessors in business of the Company or of any such subsidiary or subsidiary undertaking or associated company or the wives, widows, families, relatives or dependants of any such persons. The board may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons or otherwise to advance the interests and well-being of the Company or of any such other company as referred to above, or its members, and may make or procure payments for or towards the insurance of any such persons and subscriptions or guarantees for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The board may procure that any of such matters be done by the Company either alone or in conjunction with any other person.

Number of Directors

Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall be not less than two and not more than 10.

Directors not to retire on account of age

No persons shall be ineligible for appointment or election as a director, and no director shall be required to vacate that office on account of his having attained the age of 70 years or any other age nor shall special notice or any other special formality in connection therewith be required.

Retirement of directors by rotation

Subject to the Articles, at each annual general meeting one-third of the directors shall retire from office by rotation, having been determined (both as to number and identity) by the composition of the board at start of business on the date of the notice convening the annual general meeting. If the number of directors is not three or a multiple of three, the number to retire shall be that which is nearest to but not greater than one-third (unless their number is fewer than three, in which case one of them shall retire). Those to retire shall comprise, so far as necessary to obtain the numbers required, first, any director who wishes to retire and not to offer himself for re-election, and secondly, those who have been longest in office since their last appointment or reappointment. As between two or more directors who have been in office an equal length of time, the director to retire shall in default of agreement between them be determined by lot. No director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting.

Position of retiring director

The Company at the meeting at which a director retires by rotation may fill the vacated office and, if it does not do so, the retiring director shall, if willing to act, be deemed to have been reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost. If he is not reappointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

Vacation of office by a director

Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the Articles, the office of a director shall be vacated if:

(a) he ceases to be a director by virtue of any provision of the Act, is removed from office pursuant to the Articles, or becomes prohibited or disqualified by law from being a director;

(b) he resigns by notice in writing to the company secretary at the registered office of the Company or tendered at a meeting of the board;

(c) he becomes Insolvent (as described in the Articles);

(d) a court order for his detention on the grounds of mental disorder is made or he is admitted to hospital for treatment and the board resolves that his office is vacated;

(e) without the permission of the board, both he and his alternate director are absent from board meetings for six consecutive months and the board resolves that his office is vacated;

(f) he is requested to resign by all the other directors by written notice addressed to him at his last known address and signed by all the other directors; or

(g) his contract of service as a director expires or is terminated without being renewed within 14 days.

Eligibility of new directors

No person other than a director retiring at that general meeting shall be appointed as a director at any general meeting unless:

(a) recommended by the board; or

(b) not less than seven nor more than 42 clear days before the day appointed for the meeting, notice in writing signed by a member (other than the person to be proposed) duly qualified to vote at the meeting has been lodged at the registered office of the Company stating the intention to propose that person for appointment and the particulars which would, if he was so appointed, be required to be included in the Company's register of directors, and a notice signed by that person of his willingness to be appointed.

Power to appoint directors

Subject to the provisions of the Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an addition to the existing board.

The board has the power at any time to appoint any person who is willing to act as a director either to fill a vacancy or as an addition to the existing board. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election.

Proceedings of the directors

Subject to the provisions of the Articles, the board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

The quorum necessary for the transaction of the business may be determined by the board and until otherwise so determined shall be two directors. A duly convened meeting of the board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the board.

Questions arising at any board meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the board shall have a second or casting vote.

Powers of the board

Subject to the provisions of the Act, the Memorandum of Association of the Company and the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the board, which may exercise all the powers of the Company whether relating to the management of the business or otherwise.

The board may delegate or entrust to and confer on any director holding any executive office (including the chairman or a deputy chairman or a chief executive or a managing director) such of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit, and may revoke, withdraw, alter or vary all or any of such powers.

The board may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Act to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more directors and (if thought fit) one or more other persons, provided that:

(a) a majority of the members of a committee shall be directors or alternate directors;and

(b) no resolution of a committee shall be effective unless a majority of those present when it is passed are directors (or their alternates).

For details of the audit and remuneration committees established by the Company, see Part I of this Document.

The board may by power of attorney or otherwise appoint any person or persons to be the agent of the Company and may delegate to any such person or persons any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit.

5.12 *General meetings*

Except as provided by section 366(2) of the Act, the Company shall in each year hold a general meeting as its annual general meeting in accordance with the requirements of the Act. All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

The board may convene an extraordinary general meeting to be held at such time and in such place as the board thinks fit. An extraordinary general meeting shall also be convened by the board on a requisition from members, or in default of the board, may be convened by such requisitionists, as is provided by section 368 of the Act. The board shall proceed to convene an extraordinary general meeting on the requisition of members for a date not later than 28 days after receipt of the requisition. At any general meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the board.

Subject to the Articles and to the provisions of the Act, an annual general meeting and an extraordinary general meeting convened for the purpose of passing a special resolution shall be convened by not less than 21 clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing.

The quorum for general meetings is not less than two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member.

If within 15 minutes (or such longer interval as the chairman of that general meeting in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a general meeting such a quorum ceases to be present, that meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one person entitled to attend and to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

The chairman of any general meeting may, with or without the consent of that meeting (and shall, if so directed by that meeting), adjourn the meeting from time to time (or indefinitely) and from place to place as that meeting shall determine.

Where a general meeting is adjourned indefinitely, the board shall fix the time and place for the adjourned general meeting. Whenever a general meeting is adjourned for 14 days or more or indefinitely, 7 clear days' notice at the least, specifying the place, the day and the time of such adjourned meeting and the general nature of the business to be transacted, shall be given.

No business shall be transacted at any adjourned general meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

At any general meeting a resolution put to the vote of that meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by:

(i) the chairman of the meeting;

(ii) not less than five members present in person or by proxy and entitled to vote at that meeting;

(iii) a member or members present in person or by proxy and entitled to vote at that meeting and representing not less than one-tenth of the total voting rights of all the members having the right to vote at that meeting; or

(iv) a member or members present in person or by proxy and entitled to vote and holding shares conferring a right to vote at that meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

No member shall, unless the board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of that meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote he may have.

5.13 *Borrowing powers*

The board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertakings, property, assets (present or future) and uncalled capital and, subject to the provisions of the Act, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

5.14 *Change in control*

The Articles do not contain any provisions that would have the effect of delaying, deferring or preventing a change in control of the Company.

5.15 *Disclosure of interests*

There are no provisions in the Articles governing the ownership threshold above which shareholder ownership must be disclosed. Disclosure of interests by a shareholder is governed by the DTR.

6. Directors' and Other Interests

6.1 As at the date of this document and immediately following Admission, the interests (within the meaning of Chapter 5 of the DTR) (all of which are beneficial unless otherwise stated) of the Directors and their respective families (as defined in the AIM Rules for Companies) in the share capital of the Company, and such interests of persons connected (within the meaning of section 346 of the Act) with a Director the existence of which is known to, or could with reasonable diligence be ascertained by, that Director, were and will be as follows:

Director	*Number of Ordinary Shares as at the date of this document*	*Percentage of issued ordinary share capital as at the date of this document*	*Number of Ordinary Shares immediately following Admission*	*Percentage of issued ordinary share capital immediately following Admission*
Rob Schoonbrood	—	—%	—	—%
David Barker	—	—%	—	—%
Clive Carver	—	—%	—	—%
Kuat Oraziman	—	—%	—	—%

As at Admission, the Directors will hold the following options to subscribe for Ordinary Shares:

Director	*Number of Ordinary Shares*	*Exercise price*	*Date of grant*	*Exercise period and expiry date*
Rob Schoonbrood	5,786,338	38p	3 May 2007	22 November 2007 to 21 May 2017
David Barker	2,287,622	38p	3 May 2007	22 November 2007 to 21 May 2017
Clive Carver	1,345,660	38p	3 May 2007	22 November 2007 to 21 May 2017
Kuat Oraziman	672,830	38p	3 May 2007	22 November 2007 to 21 May 2017

All of such options were granted, conditional on Admission, pursuant to the Share Option Scheme, and vest in four equal instalments over a two year period from Admission.

6.2 As at Admission, the following senior managers of the Company will hold the following options to subscribe for Ordinary Shares:

Manager	*Number of Ordinary Shares*	*Exercise price*	*Date of grant*	*Exercise period and expiry date*
Duncan McDougall	2,018,490	38p	3 May 2007	22 May 2007 to 21 May 2017
Brian Garvey	1,345,660	38p	3 May 2007	22 May 2007 to 21 May 2017

All of such options were granted, conditional on Admission, pursuant to the Share Option Scheme, and vest in four equal instalments over a two year period from Admission.

6.3 As at Admission, the following persons will hold the following warrants to subscribe for Ordinary Shares:

Manager	*Number of Ordinary Shares*	*Exercise price*	*Date of grant*	*Exercise period and expiry date*
Valentine Developments Inc	3,500,000	38p	3 May 2007	22 May 2007 to 21 May 2017
Nordel Trading Group S.A.	2,500,000	38p	3 May 2007	22 May 2007 to 21 May 2017
Romiland Consultants Limited	1,250,000	38p	3 May 2007	22 May 2007 to 21 May 2017
Zondor Capital Limited	250,000	38p	3 May 2007	22 May 2007 to 21 May 2017

All of such warrants were granted in consideration of corporate and advisory services to the Company, and are conditional on Admission, pursuant to the deeds of warrant grant described at paragraph 11.6 of this Part V.

6.4 Save as disclosed above, none of the Directors nor any member of their respective families (as defined in the AIM Rules for Companies) nor any person connected with the Directors (within the meaning of Section 346 of the Act) has any interest, whether beneficial or otherwise, in the share capital of the Company.

6.5 None of the Directors or any member of a Director's family (as defined in the AIM Rules for Companies) is interested in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet.

6.6 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors nor are there any outstanding loans or guarantees provided by any of the Directors for the benefit of the Company.

6.7 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

6.8 The Directors are aware of the following persons who, as at the date of this document and immediately following Admission were or will be interested (within the meaning of Chapter 5 of the DTR), directly or indirectly, in 3 per cent. or more of the issued ordinary share capital of the Company:

Name	*Number of Ordinary Shares as at the date of this document*	*Percentage of issued ordinary share capital at the date of this document*
Chocolate Chip Participation Corporation	5,876,903	9.71%
Fitel Nominees Limited	1,958,968	3.24%

Name	Number of Ordinary Shares as at the date of this document	Percentage of issued ordinary share capital at the date of this document
Newland Resources Limited	2,938,452	4.86%
Palermo Limited	2,448,710	4.05%
Yale Corporate Services Limtied	2,448,710	4.05%
Waterford Investments Group Limited	2,448,710	4.05%
Dreamlands Trade Limited	4,897,419	8.09%
Aristea International S.A.	2,165,121	3.58%
Diego Production Limited	2,448,710	4.05%
Lomo Properties Limited	2,448,710	4.05%
Tocantins Holdings Limited	2,448,710	4.05%
Atlantique Caspian Holding Limited	2,448,710	4.05%
Desertayre Limited	2,448,710	4.05%
Vantage Capital Markets LLP	2,941,390	4.86%
Selective Holdings Services Incorporated	5,876,903	9.71%
Sytero Limited	2,840,503	4.70%
Monclar Holdings S.A.	2,840,503	4.70%

Name	Number of Ordinary Shares immediately following Admission	Percentage of issued ordinary share capital immediately following Admission
Chocolate Chip Participation Corporation	5,876,903	3.49%
Selective Holdings Services Incorporated	5,876,903	3.49%
Pinegrove Equities Inc.	5,263,158	3.13%
Cantor Fitzgerald Europe	5,263,158	3.13%
Credit Suisse Securities (Europe) Limited	6,578,948	3.91%
Chase Nominees Limited	10,000,000	5.95%
HSBC Global Custody Nominees (UK) Limited	17,758,739	10.56%
Goldman Sachs Securities (Nominees) Limited	13,890,925	8.26%
Man Financial Ltd	5,550,000	3.30%
Fitel Nominees Ltd	11,851,077	7.05%
Lehman Brothers International (Europe)	7,500,000	4.46%

6.9 Save as disclosed in paragraphs 6.1 to 6.8 of this Part V, the Directors are not aware of any person who, at the date of this document and immediately following Admission, was or will be interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company.

6.10 The Company's major shareholders (as disclosed in this paragraph 6) do not have different voting rights.

6.11 Save as disclosed in this paragraph 6, the Company is not directly or indirectly owned or controlled by any person.

6.12 There are no arrangements known to the Company the operation of which may at a subsequent date result in a change of control of the Company.

7. Director's Service Contracts

7.1 Mr Schoonbrood entered into an executive service agreement with the Company, dated 4 May 2007, in which he agreed to act as Chief Executive Officer. The agreement is terminable on not less than six months' written notice by either party to expire on or at any time after the first anniversary of Admission; in addition, the Company may terminate the agreement and make payment in lieu of notice. Subject to early termination, the agreement is for a fixed term of three years from Admission, to be extended by mutual agreement. Mr Schoonbrood's basic annual salary is £150,000 and he is eligible to receive an annual performance related bonus which will be determined at the discretion of the board. Mr Schoonbrood has also been granted options under the Share Option Scheme. Mr Schoonbrood is entitled to the benefits of private medical insurance, life insurance, a housing allowance and executive participation in the retirement and welfare benefit schemes of the Company from time to time.

7.2 Mr Barker entered into an executive service agreement with the Company, dated 4 May 2007, in which he agreed to act as Chief Operating Officer. The agreement is terminable on not less than six months' written notice by either party to expire on or at any time after the first anniversary of Admission; in addition, the Company may terminate the agreement and make payment in lieu of notice. Subject to early termination, the agreement is for a fixed term of three years from Admission, to be extended by mutual agreement. Mr Barker's annual salary is US$240,000 and he is eligible to receive an annual performance related bonus which will be determined at the discretion of the board. Mr Barker has also been granted options under the Share Option Scheme. Mr Barker is entitled to the benefits of private medical insurance, life insurance, a housing allowance and executive participation in the retirement and welfare benefit schemes of the Company from time to time.

7.3 Mr Carver and Mr Oraziman are engaged as non-executive directors of the Company under the terms of agreements dated 1 November 2006 and 1 April 2007 respectively. Pursuant to these agreements, such non-executive directors each receive an annual fee of £36,000 and £12,000 respectively plus an additional fee of £1,800 and £1,000 respectively per day worked in excess of 20 days per annum. Mr Carver's agreement is terminable on six months' written notice by either party, such notice to expire on or at any time after the first anniversary of Admission. Mr Oraziman's agreement is terminable on three months' written notice by either party. Subject to early termination, each non-executive director is appointed for an initial period of three years.

7.4 No member of the administrative, management or supervisory bodies' service contracts with the Company or any member of the Group provide for benefits upon termination of employment.

7.5 Details of the length of service of each of the Directors to date in their current office are set out below:

Name	*Commencement date in office*
Rob Schoonbrood	On Admission
David Barker	1 November 2006
Clive Carver	1 November 2006
Kuat Oraziman	1 April 2007

8. Share Option Scheme

8.1 The Company has adopted the Roxi Petroleum plc 2007 Unapproved Share Option Scheme (the "Share Option Scheme") pursuant to an ordinary resolution passed on 3 May 2007. The Share Option Scheme has the terms set out in this paragraph 8.

8.2 *Eligibility*

All (i) employees or consultants of the Group (ii) full-time directors of the Group, and (iii) non-executive directors of the Company, who are not within two years of their contractual retirement date, are eligible to participate at the discretion of the Remuneration Committee (the "Committee").

8.3 *Grant of options*

Options ("Options") may be granted by the Committee normally during a period of 42 days starting on the announcement to the London Stock Exchange of the Company's interim or final results. In circumstances deemed exceptional by the Committee Options may be granted outside this normal period. Options may not be granted more than 10 years after the date of adoption of the Share Option Scheme.

No consideration is payable for the grant of an Option. Options granted under the Share Option Scheme are personal to a participant and, except on his death, may not be transferred, assigned or charged. When granting Options the Committee may specify objective performance targets to be satisfied before those Options can be exercised.

8.4 *Exercise price*

The price at which the participants in the Share Option Scheme may acquire Ordinary Shares shall not be less than the greater of the nominal value of an Ordinary Share and its market price on the date of grant (subject to the Committee having the discretion to specify a lower exercise price in exceptional circumstances).

8.5 *Individual limits*

No Option may be granted to a participant following Admission which would result in the aggregate exercise price of Ordinary Shares comprised (which remain unexercised, and have not lapsed or been cancelled or surrendered) granted to him under the Share Option Scheme and any other share option scheme of the Company (excluding any savings related or non-discretionary scheme) exceeding a limit of four times annual base salary and bonus payments.

8.6 *Exercise, lapse and exchange of Options*

Options may normally be exercised at any time prior to the fifth anniversary of their date of grant provided they have vested, and any performance targets specified at the date of grant have been achieved. Options may be satisfied by the issue of Ordinary Shares or the transfer of existing Ordinary Shares. The Committee may specify vesting periods at the time of grant of Options.

Options normally lapse on cessation of employment, consulting or appointment (as the case may be). However, exercise is permitted for a limited period following cessation of employment, consulting or appointment (as the case may be), for specified reasons such as redundancy or ill-health, and at the discretion of the Committee. In the event of an amalgamation, takeover or winding-up of the Company, Options may be exercised within certain time limits. Options immediately become void in the event of the participant's bankruptcy.

Under PAYE regulations, the income tax payable on gains made on the exercise of Options under the Scheme held by UK optionholders will be collected by the Company through the PAYE system. There is also a national insurance liability arising on gains made on exercise. The rules of the Share Option Scheme make provision for the optionholder to provide an indemnity for any income tax and national insurance liability. There is also provision for the Committee to seek an election from optionholders to assume the liability in respect of any employers national insurance or other social security contribution.

8.7 *Limits on the issue of shares*

No Option to subscribe for Ordinary Shares may be granted pursuant to the Share Option Scheme on any date if the number of Ordinary Shares comprised therein, when aggregated with the number of Ordinary Shares issued or remaining issuable under the Share Option Scheme or any employee share scheme in the period of ten years ending on that date, would exceed the number of Ordinary Shares representing 11 per cent. of the issued equity share capital of the Company.

8.8 *Adjustments*

The number of shares comprised in an Option and/or exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction or consolidation of the Company's share capital occurs.

8.9 *Rights attaching to shares*

All Ordinary Shares allotted under the Share Option Scheme will rank *pari passu* with all other Ordinary Shares for the time being in issue, save as regards any rights arising by reference to a record date prior to the date of allotment. Application will be made for permission for any such Ordinary Shares to be admitted to AIM.

8.10 *Amendments*

The Committee may at any time amend the Share Option Scheme provided that the prior approval of the Company in general meeting is obtained for amendments which would make the terms of Options relating to eligibility, limits on participation and the variation of Options more generous to participants. However, such prior approval will not be required in relation to an amendment which is made to comply with the provisions of an existing or proposed legislation or to obtain or maintain favourable taxation treatment of any participating company or any participant or to extend the expiry date of any Option which falls (or has fallen) during a period when no exercise thereof is or was permitted under the Company's share dealing code to a date which is no more than 30 days from the end of such period.

9. Additional information on the Board and Employees

9.1 The Directors and each of their respective functions are set out in Part I of this document.

9.2 In addition to their directorship in the Company and the Group, the Directors hold or have held the following directorships or are or have been partners in the following partnerships within the five years immediately prior to the date of this document:

Director	*Current Directorships and Partnerships*	*Past Directorships and Partnerships*
Rob Schoonbrood	Sarita Investment Services Corporation Limited MPMCS Incorporated	WebChoice Internet Services Limited Uni Oil AG Ocean Oil (UK) Limited Supersport Performance Incorporated UMC Energy Plc Pinegrove Equities Inc.
David Barker	None	Kozhan LLP Vector Energy West LLP Mama Q, LLC Papa Q, LLC Brother Q, LLC
Clive Carver	None	C.N. Carver & Co. Limited Williams de Broë Link Nominees (No. 1) Limited Williams de Broë Link Nominees (No. 2) Limited
Kuat Oraziman	ADA Oil LLP	None

9.3 None of the Directors has:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any voluntary arrangements;

(c) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been the subject of a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any assets which have been the subject of a receivership;

(f) been a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;

(g) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(h) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.4 As at 15 May 2007 (being the latest practicable date prior to the date of this document), the Group employed 31 full time employees, whose roles can be broken down into the following areas:

Activity	
Field Operations:	10
Administrative:	14
Support:	7

Of these, 29 were employed in the Republic of Kazakhstan and 2 in the United Kingdom.

10. Related Party Transactions

10.1 The Company has entered into the following related party transactions:

Pursuant to the Beibars Acquisition Agreement, Mr Oraziman sold 8.75 per cent. of the Participation Interests in Beibars Munai to Sytero 2. Pursuant to the Ravninnoe Acquisition Agreement, Mr Oraziman sold 8.3 per cent. of the Participation Interests in Ravninnoe Oil to Sytero 3. Mr Oraziman remains a participant in each of Beibars Munai and Ravninnoe Oil.

10.2 Save as disclosed in this document, the Company has not entered into any related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No. 1606/2002.

11. Material Contracts

The following contracts (i) not being contracts entered into in the ordinary course, have been entered into by the Company or other members of the Group in the two years prior to the date of this document, or (ii) are subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of this document) and are, or may be, material:

11.1 *Placing Agreement*

The Company, the Directors and WH Ireland have entered into an agreement (the "Placing Agreement") dated 16 May 2007, conditional upon, *inter alia*, Admission taking place on or before 22 May 2007 (or such later time and or date as the Company and WH Ireland may agree, being no later than 31 May 2007), pursuant to which WH Ireland has agreed to use its reasonable endeavours to procure subscribers for 102,444,332 new Ordinary Shares.

The Placing Agreement contains customary warranties from the Company and the Directors and a customary indemnity from the Company all in favour of WH Ireland together with provisions which enable WH Ireland to terminate the Placing Agreement in certain circumstances prior to Admission, principally where any warranties are found to be untrue or inaccurate and in the event of a material adverse change in the financial position or prospects of the Company or in national or international financial, market, economic or political conditions. Under the Placing Agreement the Company has agreed to pay WH Ireland a commission of 5 per cent. of the value of the Placing Shares at the Placing Price in respect of Placees introduced by WH Ireland, and 1 per cent. of the value of the Placing Shares at the Placing Price in respect of all other Placees.

Under the Placing Agreement WH Ireland will receive a corporate finance fee of £200,000. The Company has also agreed to pay all other costs, charges and expenses incidental to the Placing and Admission.

11.2 *Nominated Adviser Engagement Letter*

The Company and WH Ireland have entered into an agreement (the "Nominated Adviser Engagement Letter") dated 30 October 2006 pursuant to which, conditional upon Admission, the Company has appointed WH Ireland to act as its nominated adviser, as required by the AIM Rules for Companies, and further to act as financial adviser to the Company pending Admission. Pursuant to the Nominated Adviser Engagement Letter, WH Ireland has agreed, *inter alia*, to provide such independent advice and guidance to the directors of the Company as they may require to ensure compliance by the Company on a continuing basis with the AIM Rules. The Company has agreed to pay WH Ireland a fee of £25,000 per annum for its services as nominated adviser and £25,000 per annum for its services as financial adviser, together with all reasonable expenses. The Nominated Adviser Engagement Letter contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The Nominated Adviser Engagement Letter continues for an initial period of 12 months from Admission (unless terminated for reason prior to such date in accordance with the terms of the agreement) and thereafter until terminated in accordance with the terms thereunder.

11.3 *Broker Engagement Letter*

The Company and WH Ireland have entered into an agreement (the "Broker Engagement Letter") dated 30 October 2006, conditional upon Admission, pursuant to which, the Company has appointed WH Ireland to act as its broker. The Company has agreed to pay WH Ireland a fee of £25,000 per annum for its services as broker. The Broker Engagement Letter continues for an initial period of 12 months from Admission (unless terminated for reason prior to such date in accordance with the terms of the agreement) and thereafter until terminated in accordance with the terms thereunder.

11.4 *Warrant Deed*

On 16 May 2007, the Company and WH Ireland entered into a warrant deed, pursuant to which the Company has agreed, conditional on Admission, to grant warrants to WH Ireland in respect of a total of 2,523,112 Ordinary Shares, representing 1.5 per cent. of the Enlarged Share Capital. The warrants will be exercisable at the Placing Price. The warrants are exercisable at any time during the period of three years from Admission.

11.5 *Agreements Relating to the Group Structure*

(a) *Sale and Purchase Agreements relating to the Share Capital of the Dutchcos*

With effect from 2 March 2007, Roxi and Pinegrove entered into a sale and purchase agreement in respect of the acquisition by Roxi of the whole of the issued share capital of Sytero (the "Sytero SPA").

With effect from 25 January 2007, Roxi and Pinegrove entered into a sale and purchase agreement in respect of the acquisition by Roxi of the whole of the issued share capital in Sytero 2 (the "Sytero 2 SPA").

With effect from 2 March 2007, Roxi and Pinegrove entered into a sale and purchase agreement in respect of the acquisition by Roxi of the whole of the issued share capital in Sytero 3 (the "Sytero 3 SPA").

Pursuant to the Sytero SPA, Roxi is obliged to pay/issue the following consideration:

(i) 20,000,000 Ordinary Shares to Pinegrove, credited as fully paid, immediately on completion of the agreement; and

(ii) conditional, *inter alia*, on Admission and completion of the North Karamandybas Acquisition Agreement:

- pay to Pinegrove deferred consideration of US$8,000,000; and
- pay to the vendor of the North Karamandybas SSUC on behalf of RS Munai the sum of US$1,000,000 under the acquisition agreement referred to at (b) below.

Pursuant to the Sytero 2 SPA, Roxi is obliged to pay/issue the following consideration:

(i) 10,000,000 Ordinary Shares to Pinegrove, credited as fully paid, immediately on completion of the agreement; and

(ii) conditional, *inter alia*, on Admission and completion of the Beibars Munai Acquisition Agreement:

- pay to Pinegrove deferred consideration of US$1,850,000; and
- pay on behalf of Sytero 2 the sum of US$50,000 payable by Sytero 2 under the acquisition agreement referred to at (b) below.

Pursuant to the Sytero 3 SPA, Roxi is obliged to pay/issue the following consideration:

(i) 30,000,000 Ordinary Shares to Pinegrove, credited as fully paid, immediately on completion of the agreement; and

(ii) conditional, *inter alia*, on Admission and completion of the Ravninnoe Acquisition Agreement:

- pay to Pinegrove deferred consideration of US$15,250,000; and
- pay on behalf of Sytero 3 the sum of US$2,000,000 payable by Sytero 3 under the acquisition agreement referred to at (b) below.

Pinegrove has directed the Company, and the Company has agreed, that in lieu of the payment of US$4,000,000 of the deferred consideration, the Company would on Admission issue to Pinegrove 5,263,158 Ordinary Shares credited as fully paid.

Under the above agreements, each of Pinegrove and the Company have given certain warranties to the other. Such warranties relate, *inter alia*, to capacity, good standing, corporate details, share capital, records, contracts, assets, liabilities, solvency, absence of litigation and compliance with laws in respect of each of the Dutchcos and the Company, respectively. Additionally, Pinegrove has given certain warranties to the Company in respect of the interest of the relevant Dutchco in RS Munai, Beibars Munai and Ravninnoe Oil, as the case may be. Certain financial, time and other limitations apply in respect of claims under such warranties.

(b) *Sale and Purchase Agreements relating to Participation Interests in Beibars Munai and Ravninnoe Oil and acquisition of North Karamandybas SSUC*

On 17 October 2006, Sytero 2 and the holders of 100 per cent. of the Participation Interests in Beibars Munai (the "Beibars Munai Vendors") entered into a sale and purchase agreement pursuant to which Sytero 2 agreed to purchase an aggregate of 50 per cent. of the Participation Interests of Beibars Munai from the Beibars Munai Vendors pro rata to their existing holdings, for a purchase price of US$50,000 payable in cash (the "Beibars Acquisition Agreement").

On 17 October 2006, Sytero 3 and the holders of 100 per cent. of the Participation Interests in Ravninnoe Oil (the "Ravninnoe Oil Vendors") entered into a sale and purchase agreement pursuant to which Sytero 3 agreed to purchase an aggregate of 50 per cent. of the Participation Interests of Ravninnoe Oil from the Ravninnoe Oil Vendors pro rata to their existing holdings, for a purchase price of US$2,000,000 payable in cash (the "Ravninnoe Acquisition Agreement").

Each of the above acquisition agreements contain warranties, given by the respective vendors in favour of Sytero 2 and Sytero 3 (as the case may be), regarding, *inter alia*, the Participation Interests being acquired thereunder and the assets and liabilities of the respective businesses. The Beibars Acquisition Agreement and the Ravninnoe Acquisition Agreement will be completed following Admission, certain state re-registrations, and payment of the consideration thereunder by or on behalf of Sytero 2 and Sytero 3 respectively.

No sale and purchase agreement was entered into in respect of Sytero's holding of Participation Interests of RS Munai as RS Munai was established and registered with Sytero as the holder of 50 per cent. of the Participation Interests of RS Munai.

On 27 April 2007, KPP Aktay ("KPPA"), a joint stock company incorporated in Kazakhstan, and RS Munai entered into a sale and purchase agreement pursuant to which RS Munai agreed to purchase the North Karamandybas SSUC and certain ancillary assets from KPPA for a purchase price of US$1,000,000 (the "North Karamandybas Acquisition Agreement"). This acquisition agreement contains warranties, given by KPPA, regarding, *inter alia*, the status of North Karamandybas SSUC. This agreement will be completed at the discretion of the Company following the successful resolution of legal proceedings over title to the North Karamandybas SSUC, the receipt of Government waivers as referred to in paragraph 8.2 of Part I, Admission and payment of the consideration thereunder by or on behalf of Sytero.

(c) *Investment Agreements*

On 4 May 2007, Sytero entered into an Investment Agreement with Tityk Sergei in order to establish the financial terms and conditions pertaining to exploration, operation and commercial production of hydrocarbons by RS Munai within the Karamandybas Contract Area pursuant to the Karamandybas SSUC and the work programme contained therein. The agreement will be conditional on the completion of the North Karamandybas Acquisition Agreement.

On 3 May 2007, Sytero 2 entered into an Investment Agreement with the other participants in Beibars Munai in order to establish the financial terms and conditions pertaining to exploration, operation and commercial production of hydrocarbons by Beibars Munai within the Beibars Contract Area pursuant to the Beibars SSUC and the work programme contained therein.

On 3 May 2007, Sytero 3 entered into an Investment Agreement with the other participants in Ravninnoe Oil in order to establish the financial terms and conditions pertaining to exploration, operation and commercial production of hydrocarbons by Ravninnoe Oil within the Ravninnoe Contract Area pursuant to the Ravninnoe SSUC and the work programme contained therein.

The respective responsibilities of the relevant Dutchco and the other participants in each of RS Munai, Beibars Munai and Ravninnoe Oil to fund the respective work programmes as referred to in Part I of this document are contractually established under the Investment Agreements.

11.6 *Deeds of Warrant Grant*

On 16 May 2007, the Company entered into deeds of warrant grant with each of the persons, and on the respective terms, referred to in paragraph 6.3 of this Part V pursuant to which the Company has agreed, conditional on Admission, to grant warrants in respect of a total of 7,500,000 Ordinary Shares, representing 4.5 per cent. of the Enlarged Share Capital.

11.7 *Lock-In and Orderly Market Agreements*

Each of the Directors has entered into lock-in and orderly marketing agreements with WH Ireland dated on or around 3 May 2007, pursuant to which the Directors have undertaken, subject to certain limited exceptions, not to dispose of, and to procure that no associated party disposes of, any of the Ordinary Shares which they hold on or acquire after Admission for a period of 12 months following Admission. The restriction will not apply in the event of death of a Director, an intervening court order, a takeover becoming or being declared unconditional or the acceptance of an offer for the Company (for which a Director may give an irrevocable undertaking to accept).

In addition, for a further period of 12 months after the expiry of the lock-in period referred to above, the Directors are obliged to sell the Ordinary Shares held by them immediately following Admission or as subsequently acquired, through WH Ireland (or the broker to the Company for the time being), subject to market terms being offered for the carrying out of any such sale, who may in its discretion, acting reasonably, refuse or impose restrictions with a view to maintaining an orderly market in the Ordinary Shares.

Certain other shareholders have entered into orderly marketing agreements with WH Ireland dated on or around 3 May 2007, pursuant to which such persons have undertaken, subject to certain limited exceptions, not to dispose of any of the Ordinary Shares which they hold on or acquire after Admission for a period of 12 months following Admission other than through WH Ireland (or the broker to the Company for the time being), subject to market terms being offered for the carrying out of any such sale, who may in its discretion, acting reasonably, refuse or impose restrictions with a view to maintaining an orderly market in the Ordinary Shares. The restriction will not apply in the event of death of a shareholder (being an individual), an intervening court order, a takeover becoming or being declared unconditional or the acceptance of an offer for the Company (for which the shareholder may give an irrevocable undertaking to accept).

11.8 *Unpaid Share Capital*

By a letter dated 4 October 2006 Aristea International S.A. ("Aristea") applied for 499,998 Ordinary Shares and agreed to acquire the two subscriber shares. Aristea agreed to pay £12,500 to the Company to pay up the aggregate of 500,000 Ordinary Shares as to one quarter. Aristea also irrevocably and unconditionally undertook to pay or procure the payment of, upon Admission, the remainder of the amount of the nominal value yet unpaid on such shares together with the difference between the Placing Price and the nominal value of such shares. If Admission does not occur, only the remainder of the nominal share capital, being £37,500, will be payable to the Company.

12. Payments to Governmental, Regulatory Authority or Similar Bodies

Save as set out in this document, there are no payments aggregating over £10,000 made to any government or regulatory authority or similar body made by the Company or on behalf of it, with regard to the acquisition of, or maintenance of, its assets.

13. Legal and Arbitration Proceedings

Save as set out in this document, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the Company's and/or Group's financial position or profitability.

14. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that, after taking account of the estimated net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

15. UK Taxation

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder of Shares. It is not intended to address all tax aspects that may be relevant to a holder of Shares. Accordingly, potential investors should satisfy themselves as to the overall tax consequences in their own particular circumstances of the acquisition, ownership and disposal of the Shares, including any pending or proposed changes in relevant tax laws as at the date of this document and any actual changes in relevant tax laws after such date, by consulting their own tax advisers.

United Kingdom Taxation

The comments below are of a general nature and are based on current UK law and published H.M. Revenue & Customs practice at the date of this document, both of which are subject to change possibly with retroactive effect. The summary assumes that the Company is and shall remain resident in the UK for taxation purposes. The summary only discusses certain UK tax consequences of holding the Shares and receiving dividends for the absolute beneficial owners of the Shares who are resident and, in the case of individuals only, ordinarily resident and domiciled in the UK, for tax purposes ("UK holders"). In addition, the summary (1) only addresses the tax consequences for the UK holders who hold the Shares as capital assets or investments and does not address the tax consequences which may be relevant to certain other categories of UK holders, for example dealers; (2) assumes that each UK holder does not either directly or indirectly control 10% or more of the voting power of the Company or any other member of the Group and is not otherwise connected with the Company or any other member of the Group; and (3) assumes that a holder of the shares is beneficially entitled to the dividends on the Shares.

Withholding tax

Dividend payments in respect of the Shares will not be subject to UK withholding tax.

Taxation of dividends

A UK holder that receives a dividend on the Shares may be subject to UK income tax or corporation tax, as the case may be, on that dividend. This tax credit is equal to one-ninth of the dividend paid. This tax credit can be used to reduce the amount of income tax that is payable by the UK holder. An individual UK holder will be taxable on the total of any dividend received plus the tax credit (the "gross dividend"), which will be regarded as the top slice of the individuals income. Individuals who are not liable to tax at the higher rate will be required to pay income tax on the gross dividend at a rate of 10 per cent.. This will match the tax credit. Individuals who do pay tax at the higher rate will be required to pay income tax on the gross dividend at a rate of 32.5 per cent.. This means, taking into account the benefit of the tax credit, that higher rate tax payers will generally pay additional income tax of 22.5 per cent. of the gross dividend (or 25 per cent. of the dividend actually received).

Generally, a UK holder that is a company will not be chargeable to tax on dividends on the Shares.

A UK holder that does not pay any UK tax, for example a pension fund, is not entitled to reclaim any tax credit or other amount in respect of UK tax paid by the Company.

UK Taxation of chargeable gains

A disposal, or deemed disposal, of shares in the Company by a shareholder who is either resident or ordinarily resident for tax purposes in the UK in the relevant year of assessment will, depending on the shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains in the UK.

Broadly, shareholders who are not resident and are not ordinarily resident for tax purposes in the UK will not be liable for UK tax on capital gains realised on the disposal of their shares unless such shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or for the purpose of such branch or agency. In the case of a Company, only similar provisions exist to tax gains on shares held for the purposes of a trade carried out from a UK permanent establishment. Such shareholders may be subject to non-UK taxation on any gain under the local law.

A shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident or ordinarily resident for tax purposes in the UK for a period of less than five complete tax years and who disposes of the shares during that period may also be liable to UK taxation of chargeable gains (subject to any available exemption or relief) as if, broadly, the disposal was made in such shareholder's year of return to the UK unless the shares were acquired at a time when the shareholder was neither resident nor ordinarily resident in the UK.

Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

Stamp duty and SDRT treatment will be as follows:

(a) in relation to the Placing Shares, no liability to stamp duty or SDRT will arise on their issue or on the issue of definitive share certificates by the Company (provided that the Placing Shares are not issued to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services or issuing depository receipts);

(b) the transfer of Ordinary Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest multiple of £5). Stamp duty is normally paid by the purchaser or transferee of the Ordinary Shares. An agreement to transfer Ordinary Shares will generally be subject to SDRT at 0.5 per cent. of the agreed consideration. If, however, within the period of six years of the date of the agreement or, in the case of a conditional agreement, the date on which it becomes unconditional, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be repaid or cancelled. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares;

(c) no stamp duty or SDRT will arise on a transfer of Ordinary Shares into CREST for conversion into uncertified form, unless such transfer is made for a consideration in money or money's worth, in which case a liability to stamp duty or SDRT will arise, usually at the rate set out above;

(d) a transfer of Ordinary Shares effected on a paperless basis within CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value or the consideration. CREST is obliged to collect SDRT from the purchaser of the Ordinary Shares on relevant transactions settled within the system; and

(e) where Ordinary Shares are issued or transferred: (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services; or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty (in the case of a transfer only to such persons) or SDRT may be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares or, in the case of an issue to such persons, the issue price of the Ordinary Shares.

Special rules apply to certain categories of person including intermediaries, market makers, brokers and dealers, and persons connected with depositary arrangements and clearance services.

16. Consents

16.1 WH Ireland has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to its name in the form and context in which it appears.

16.2 BDO Stoy Hayward LLP has given and not withdrawn its written consent to the inclusion in this document of its reports set out in Part IV and references to such report in the form and context in which they appear in this document.

16.3 McDaniel & Associates Consultants Ltd. has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and report on the Company in this document set out in Part III, "Competent Person's Report", and references to its name and such report in the form and context in which they appear in this document.

17. Confirmations

McDaniel & Associates Consultants Ltd. confirms to the Company and WH Ireland that (i) it has reviewed the information which relates to information contained in the report on the Company in this document set out in Part III, "Competent Person's Report", which is contained in a portion of this document other than in such report, and (ii) such information contained in a portion of this document other than such report is accurate, balanced and complete and not inconsistent with such report.

18. Experts' Material Interests

18.1 BDO Stoy Hayward LLP has no material interests in the Company.

18.2 McDaniels & Associates Consultants Ltd. has no material interests in the Company.

19. General

19.1 The gross proceeds of the Placing are expected to be approximately £38.9 million, and the net proceeds after deduction of expenses are estimated at £36.1 million, for the Company.

19.2 The total costs and expenses of and incidental to Admission and the Placing including registration and London Stock Exchange fees, professional fees and the costs of printing and distribution and are estimated to amount to approximately £2.8 million, all of which will be payable by the Company.

19.3 The accounting reference date of the Company is 31 December.

19.4 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

(a) received, directly or indirectly, from the Company within 12 months preceding the date of this document; or

(b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(i) fees totalling £10,000 or more; or

(ii) securities in the Company with a value of £10,000 or more; or

(iii) any other benefit with a value of £10,000 or more at the date of Admission.

19.5 Where information and statements have been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.6 Save as set out in this document, since incorporation the Company has had no principal investments and there are no principal investments in progress and there are no principal future investments on which the Board has made a firm commitment.

19.7 Save as set out in this document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.

19.8 Save as set out in this document, there has been no significant change in the financial or trading position of the Company since incorporation or of Ravninnoe Oil and Beibars Munai since 30 June 2006 or of RS Munai since 31 December 2006.

19.9 The Placing has not been underwritten or guaranteed by any person.

19.10 Save as disclosed in this document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

19.11 The Company has made statements regarding its competitive position on the basis of its knowledge of the oil and gas industry in the region of the Contract Areas.

19.12 The period within which Placing participations may be accepted pursuant to the Placing and the arrangements for paying for the Placing Shares are set out in the placing letters to Placees. Monies received from Placees in respect of the Placing Shares will be held in accordance with the terms of the placing letters issued by WH Ireland to such Placees until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 31 May 2007 at the latest, monies received from Placees will be returned to Placees at the relevant Placees' risk without interest.

19.13 Following Admission, share certificates representing the Ordinary Shares to be issued pursuant to the Placing are expected to be despatched by post to Placees who do not wish to receive shares in uncertificated form, at the relevant placees' sole risk. It is expected that certificates in respect of the Placing Shares will be despatched by 1 June 2007. No temporary documents of title will be issued in connection with the Placing. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

19.14 The CREST accounts of Placees who have duly elected to receive their Ordinary Shares in uncertificated form are expected to be credited to the designated CREST account on 22 May 2007.

19.15 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of a company subject to the City Code, or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the company within the preceding twelve months, for all of the remaining equity share capital of the company.

19.16 The Ordinary Shares will also be subject to the compulsory acquisition procedures set out in sections 428 to 430F (inclusive) of the Act. Under section 429 of the Act, where an offeror makes a takeover offer (within the meaning of Part XIIIA of the Act) and receives valid acceptances in respect of, or acquires, more than 90 per cent. of the shares to which the offer relates, that offeror is entitled to compulsorily acquire the shares of any holder who has not accepted the offer on the terms of such offer.

19.17 Since 13 October 2006, the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part XIIIA of the Act) for any Ordinary Shares.

19.18 The financial information on the Company contained in Part IV of this document does not constitute statutory accounts within the meaning of section 240 of the Act. The Company has not drawn up statutory accounts.

19.19 Save as set out in this document, there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.

19.20 Save as disclosed in this document, the Company does not know of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

20. Availability of Admission document

Copies of this document are available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) free of charge from WH Ireland's registered office at 24 Martin Lane, London EC4R 0DR for the period from the date of Admission until one month after Admission.

Date: 16 May 2007

Printed by **Rubicon** Corporate Print Limited
R0651