

# Roxi Petroleum PLC

## Admission to AIM

22 May 2007

**Roxi Petroleum (“Roxi” or “The Company”), the Kazakhstan based oil exploration and development/production company, is very pleased to announce its admission to the AIM Market of the London Stock Exchange today. At Admission, Roxi raised £38.9 million (gross of expenses) and is capitalised at approximately £63.9million at the placing price of 38p per share. WH Ireland is acting as Nominated Adviser and Broker to the Company.**

### Overview:

- Roxi will use IPO funds to build a portfolio of joint ventures in Kazakhstan, primarily previously discovered oil fields with both development and exploration upside
- Company strategy is to upgrade and increase initial booked reserves through appraisal, exploration seismic, and drilling.
- Post IPO, a significant portion of the funds will be used to begin building the portfolio by acquiring 50% economic interest in two oil fields and one exploration block in the Caspian region of Kazakhstan
- The contracted areas will total approximately 295 squared km.
- The initial acquisitions are in different stages of development, facilitating efficient utilization of resources, personnel, and services.
- Roxi intends to add to its portfolio and acquire further fields with development potential with respected business partners in Kazakhstan

Roxi was created to acquire controlling interests in and develop oil and gas assets in Central Asia, with a focus on Kazakhstan. The initial strategy will be to target projects which have oil discoveries and exhibit a potential for considerable development and / or exploration upside. This strategy will allow the Company to rapidly add value to its projects by upgrading reserves levels and planning for the earliest possible production date.

The Company's senior management team has significant experience in the region and industry having worked across a diversified number of countries and climates including Kazakhstan, the Middle East, Europe, the former Soviet Union, Russia, Africa, and the United States with major oil companies including Royal Dutch Shell, BP, Mobil, and a variety of joint venture operations.

Roxi will acquire a 50% economic interest with contractual and operational control over three previously agreed 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 295 square kilometres, and currently have probable and possible gross reserves of approximately 24.8 Mmbbls of oil as well as contingent resources of up to 10 Mbbbls of oil.



The **Ravninnoe Contract Area** covers 121 km<sup>2</sup> and is 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. Roxi is committed to drilling 5 wells in the exploration phase of the licence. In addition to the appraisal and the potential for early production from the established pre-salt reservoirs, there is also a significant upside in deeper fractured targets making Ravninnoe an exciting block.

**North Karamandybas Contract Area:** covers approximately 7.2 km<sup>2</sup> and is situated in the South Mangishlak Basin, Karakigansky Rayon of the Mangistau Oblast approximately 120 km east of Aktau. Roxi is committed to drilling 3 wells. Situated close to existing infrastructure the field is ideally located for early development.

**Beibars Contract Area:** covers approximately 167 km<sup>2</sup> and is situated on the coastline of the Caspian Sea approximately 40 kilometres south of Aktau in the Mangistau Oblast. Beibars is a pure exploration play, which the Directors believe has significant upside potential.

The acquisition of the Ravninnoe and Beibars Contract Areas will be completed following Admission and the payment of consideration. The acquisition of the North Karamandybas Contract Area will be completed at the discretion of the Company pending the successful resolution of legal proceedings in connection with title to the area.

### Expansion Strategy

In addition to the current acquisition and work programme, the management believe there are significant opportunities to acquire additional interests in further fields in Central Asia and aim to take advantage of its management, operational and transportation expertise in addition to relationships with joint venture partners and the management's acquisition experience in the region to become a significant oil and gas concern.

## Details of placing

Placing Price	38p per share
Number of Placing Shares	102,444,332
Number of Ordinary Shares on Admission	168,207,490
Estimated cash proceeds of the Placing receivable by the Company (net of expenses)	£36.1m
Market capitalisation of the Company at Admission at the Placing Price	£63.9m
AIM symbol	RXP
ISIN for the Ordinary Shares	GB00B1W0VW3

**Rob Schoonbrood, CEO of Roxi Petroleum commented,**

*"We are delighted to have gained such positive support from the market for our development plans.*

*With modern oil company management and technical work we believe there is considerable development and exploration upside available in multiple fields throughout the region.*

*We believe that as Kazakhstan continues to develop its oil and gas infrastructure, more opportunities for development will come our way. We will constantly evaluate new ventures, with the intention of becoming a significant company in the regional oil business and London AIM market."*

**May 2007**

### Enquiries:

#### Company name

Roxi Petroleum plc

Rob Schoonbrood, CEO

020 3159 5315 UK / 7 327

278 1022 KZ

David Barker, COO

020 3159 5315 UK / 7 327

278 1022 KZ

#### College Hill

Paddy Blewer

020 7457 2020

Nick Elwes

020 7457 2020

#### WH Ireland

James Joyce

020 7220 1666

## **Biographies of the management**

### **Clive Carver (aged 46) Non-Executive Chairman**

Mr Carver qualified as a chartered accountant with Coopers and Lybrand in London 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 Broe, where he was head of corporate finance and corporate sales. At Williams de Broe he led the team floating and fund raising for a number of natural resource companies.

Additionally, Clive is a qualified corporate treasurer

### **Rob Schoonbrood (aged 62) Chief Executive Officer**

Mr Schoonbrood has nearly 40 years energy sector experience, primarily in oil and gas exploration and production, 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.

He 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 Barker (aged 52) Chief Operating Officer**

Mr 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. He 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 (aged 45) Non-Executive Director**

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

**Duncan McDougall (aged 48) Technical Director**

Mr 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 region.

**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.