

GROWTH THROUGH PARTNERSHIP

INTERIM REPORT 2007



ROXI
PETROLEUM PLC

Our *strategy* is 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.



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Chairman's Statement

It is remarkable that only three months after the date of admission we have already moved a long way down the road in achieving our strategic goals.

I am very pleased to issue our first report to shareholders as a public company. On 22 May, the shares of Roxi Petroleum were admitted to trading on the London Stock Exchange's junior stock market, AIM. At that time the Company raised some \$78 million from institutional investors to pursue a strategy of building a diversified portfolio of oil and gas exploration and production assets in Central Asia within three to five years. Our initial focus is in Kazakhstan and I am pleased to report your Company has made significant progress since admission as is reported later in this interim report.

Progress since the Admission

At the time of our admission to AIM we had agreements to buy three principal assets, Ravninnoe, Beibars, and North Karamandybas. Since admission, work has proceeded as planned at Ravninnoe and Beibars but, as we reported at the time of admission, your Board resolved to await the outcome of a legal challenge regarding the ownership of the vendors' interests in the North Karamandybas asset before completing its acquisition.

At the date of this interim report, the final result of the legal challenge has not yet been fully resolved. Although your Board is hopeful for a positive outcome, in order to take a prudent approach, the Directors have decided to make a \$3 million provision against the carrying value of the North Karamandybas assets until the final legal position is determined.

Asset Acquisitions

On 22 August 2007, we announced three further asset acquisitions for an aggregate purchase consideration of \$190 million. This transaction marks a very significant step forward in our development but it is only the first in what we expect to be a number of significant acquisitions over the coming months and years.

The value of the acquisitions announced on 22 August 2007, compared to the market capitalisation of the Company immediately before the announcement has resulted in the transaction being deemed a reverse takeover under the AIM

Rules. Consequently the Company's shares will remain suspended from trading until after the full evaluation and due diligence process is completed and the publication of a re-admission document for the enlarged group to AIM. The completion of the acquisition is subject to shareholder approval at a forthcoming Extraordinary General Meeting which is expected to be convened later this year.

Financial Results

The financial statements in this interim report cover the interim period ended 30 June 2007. Most of our activities in this period are related to the preparatory work for the IPO and resultant closure of the admission process which is reflected in the results.

Annual General Meeting

It is conventional to requisition a company's Annual General Meeting following the publication of the results for the year rather than for the first six months of the financial year. However, under United Kingdom company law, as a recently incorporated company, we would be required to hold our first Annual General Meeting before the planned publication of our full year results for 2007. Accordingly, you will find a notice of the Company's Annual General Meeting which has been convened for 19 October 2007 at the end of this interim report

The hard work of many people both inside and outside the Company made admission to AIM possible and I would like to take this opportunity to thank them for their efforts.

One of the key strengths of your Company is the experience of the executive management team. It is remarkable that only three months after the date of admission we have already moved a long way down the road in achieving our strategic goals. Based on our progress to date and the opportunities we have already been presented with I look forward with confidence to a successful future.

Clive Carver

Non-executive Chairman
7 September 2007

Chief Executive's Statement

Roxi Petroleum's strategy is to acquire oil and gas assets and enhance their value either by further development or enhanced production techniques.

Acquisition Strategy

Roxi Petroleum's strategy is to acquire oil and gas assets and enhance their value, either by further development or enhanced production techniques. We are mostly looking for assets that are either already producing or that have promising near term production characteristics.

Over the medium term we have identified Central Asia as the area of our planned operations but in the short term have focused our efforts on the Pre-Caspian Basin of Western Kazakhstan. This is an area that has already witnessed significant discoveries and has an extensive extraction and distribution infrastructure.

It is our strategy to work with local partners who are already well established in the territories in which we wish to operate. We believe working with well respected and experienced local partners enhances our operations through better understanding of the complicated regulatory processes as well as giving us a deeper knowledge of the local business environment.

In our current and future assets we seek to retain operational and financial control and believe this is the most effective way to deliver projects on time and to budget.

Pending Acquisitions

On 22 August 2007, we announced the acquisition of three further assets for a combined purchase consideration of \$190 million, payable predominantly in new Roxi Petroleum shares to be issued at 65p per share.

The assets being acquired cover approximately 1,200 square kilometres in Western Kazakhstan in the Pre-Caspian and Turgai Basins. The assets give Roxi Petroleum access to potentially large high quality exploration acreage and further opportunities for early development of reserves already on the State balance.

The first asset is an Exploration Contract which covers an area of over 1,100 square kilometres, not far from the Tengiz oilfield in the Pre-Caspian Basin of Western Kazakhstan. The contract for the block was signed earlier this year. The block is considered by the Company to be highly prospective in both the Jurassic sandstone at depths of 2,500-3,000m and in the pre-salt Carboniferous sandstones and carbonates at depths of 4,000-5,000m. Exploration in this area since the 1980's has resulted in the development of several Jurassic discoveries in the surrounding acreage.

The second asset is an Exploration and Production Contract in the Turgai Basin near the town of Kyzylorda in central Kazakhstan. The field contains "probable" reserves, in Cretaceous and Jurassic sandstones, on a wrench fault structural trap. There are four wells on the block with three delineating the oil-water contact and one well drilled higher on the structure tested at rates of up to 70m³/d (500bopd). Exploration upside exists deeper in untested Triassic sandstone targets.

The third asset is the rehabilitation of an oilfield in the southern Pre-Caspian Basin. The field produced low rates with a high water cut from Cretaceous and Jurassic sands at depths of 500-1,200m. The field was re-licensed in 2004. A full evaluation of remaining reserves needs to be undertaken. Exploration potential exists deeper in the Permo-Triassic reservoirs.

More than 99% of the purchase consideration is to be satisfied by the issue of approximately 146 million new Roxi Petroleum shares at a fixed price of US\$1.30 (65p at an exchange rate of 2US\$ per 1£) per share. The consideration shares will represent approximately 46 per cent. of the Company's enlarged share capital.

The acquisitions, which give Roxi Petroleum a 59% interest in the holding company of these assets, will constitute a reverse takeover under the AIM Rules and also fall within the ambit of Rule 9 of

It is our strategy to work with local partners who are already well established in the territories in which we wish to operate.

the Takeover Code. Accordingly, completion of the acquisitions, and the resumption of trading in Roxi Petroleum shares, are conditional upon, *inter alia*, the publication of an admission document on the enlarged company, obtaining a Rule 9 waiver from the Takeover Panel, and approval by the Roxi Petroleum shareholders at a forthcoming Extraordinary General Meeting.

The acquisitions follow the Company's strategy of acquiring further assets in Central Asia. On completion of the acquisition, Roxi Petroleum's management will have operational and financial control of the three oil and gas fields.

The Company will provide detailed information regarding the acquisition in the re-admission document which will be published as soon as practical; however, given the work involved this is expected to take several months.

The completion of these acquisitions is subject to prior approval from shareholders. Based on our current expectations of the process required to convene the required shareholder meeting, we anticipate taking operational and financial control of these assets before the end of the year.

Future Acquisitions

I am pleased to report that we have no shortage of projects to consider, many of which appear to fit our strategy and show early promise. We have increased the number of people in our technical evaluation team to allow us to comfortably handle our existing and pending projects and to thoroughly evaluate new opportunities.

Rob Schoonbrood
Chief Executive Officer
7 September 2007

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.

Chief Operating Officer's Statement

Kazakhstan is a booming economy and we have been pleased that experienced and sought after local staff have joined us.

Staffing

From a standing start in late 2006, we have established a fully functioning exploration and production infrastructure with effective technical, financial, and operational capabilities. At the time of the admission in May 2007, we employed four staff and two managers in our Almaty office. Since then we have recruited a further twenty one staff and two managers, principally in the areas of technical evaluation and finance.

Kazakhstan is a booming economy and we have been pleased that experienced and sought after local staff have joined us.

Infrastructure

In Almaty, we have signed a lease for a new head office which will be capable of accommodating the company's staff for the next two years with the current and expected asset base. We are making renovations now and anticipate moving into these new offices before the end of the year.

We have also opened a regional operations office in the Caspian Sea port of Aktau. This office will be the centre of operations for the existing fields and two of the three expected acquisition assets.

We have recently hired two experienced Western professionals, one to be based in Aktau as the Area Operations Manager for Western Kazakhstan and one based in Almaty as the Reservoir Manager.

Field Activities

As is normal in any asset acquisition, a series of approvals and regulatory filings must be submitted, reviewed and approved before actual work begins. Roxi Petroleum has made significant progress in getting all of the needed permits and approvals to begin work on both the Ravninnoe and the Beibars assets.

Ravninnoe Contract Area

The Ravninnoe Contract Area covers 121 square kilometres and is located approximately 100 kilometres north east of the Tengiz field in the South Emba sub-basin of the pre-Caspian basin, in the Atyrau Oblast of West Kazakhstan.

Extensive time has been spent for the submission and approval of regulatory filings and licences in respect of the Ravninnoe asset. These include the finalisation of the extension of the area within the asset boundary and the extension of the allowable time for the Exploration period in the Sub Surface Use Contract. Annual work programs and environmental plans have been submitted and are in the process of review and approval at this time.

Testing of Well #8, which was re-entered prior to the admission, continues. A new string of tubing has been acquired for the well and testing with a specialised swabbing unit is underway. Results to date are inconclusive.

Invitations to tender were submitted for workover rig services to re-enter up to four additional existing wells. It is anticipated that a company will be awarded the tender and will mobilise a rig in the next 30 to 45 days. Equipment has been purchased and is being procured in preparation for this work. A second tender was issued for 3D seismic acquisition on the asset. Bids for the 3D seismic have been received and are currently being evaluated, prior to awarding the contract and mobilisation in the fourth quarter.

The existing field camp is in the process of being upgraded and health, safety, and environmental programs are being implemented. At this time, there are twelve employees and two managers located in the Aktau office and Ravninnoe field location.

We have opened a regional operations office in the Caspian Sea port of Aktau. This office will be the centre of operations for the existing fields and two of the three expected acquisition assets.

Beibars Contract Area

The Beibars contract area covers approximately 167 square kilometres and is situated on the coastline of the Caspian Sea approximately 40 kilometres south of the port of Aktau.

As this asset does not have prior operations, the number of regulatory submissions are not as extensive as for Ravninnoe. The annual work program has been submitted and approved. Additional technical information has been purchased from the State and is being analysed.

In order to accelerate the development of this asset, the seismic acquisition has been brought forward and will commence this year. A 3D seismic programme has been designed and invitations to tender have been submitted. Results of the tender are due by the end of September. This work will be started as soon as equipment is available for mobilisation.

Environmental Issues

After the acquisition of the properties, no significant environmental issues on either of the two assets have surfaced. Compliance with environmental regulatory bodies is being managed both from the Aktau and the Almaty offices.

David Barker

Chief Operations Officer
7 September 2007

Roxi Petroleum has made **significant progress** in getting all of the needed permits and approvals to begin work on both the **Ravninnoe** and the **Beibars** assets.

Independent Review Report to Roxi Petroleum plc

Introduction

We have been instructed by the Company to review the financial information set out below and we have read the other information in the Interim Statement set out above and considered whether it contains any apparent misstatements or material inconsistencies.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The AIM Rules require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

This interim report has been prepared in accordance with the basis set out in the notes below.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon,

assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the Company for the purposes of the AIM Rules and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

BDO Stoy Hayward

8 Baker Street
London
7 September 2007

Consolidated Income Statement

	Note	Period from 13 October 2006 to 30 June 2007 \$000s
IPO costs		611
Share based payments		585
Other administrative expenses		434
Administrative expenses		(1,630)
Impairment of non current asset investments		(2,983)
Finance income (net)		260
Loss on ordinary activities before taxation		(4,353)
Income tax expense		-
Loss for the period		(4,353)
Loss attributable to minority interests		(159)
Loss attributable to equity shareholders		(4,194)
		(4,353)
Loss per Ordinary share (US cents) Basic and diluted	4	(9.2)

All of the activities of the Group during the period are classed as acquired.

Consolidated Balance Sheet

as at 30 June 2007

	Note	30 June 2007 \$000s
ASSETS		
Non-current assets		
Unproven oil and gas assets	5	50,611
Financial assets		1,000
Property, plant and equipment		209
Total non-current assets		51,820
Current assets		
Inventories		65
Trade and other receivables		980
Cash and cash equivalents		53,831
Total current assets		54,876
Total assets		106,696
EQUITY AND LIABILITIES		
Equity		
Issued share capital	7	33,707
Share premium account	8	52,029
Other reserves	8	2,963
Retained earnings	8	(4,194)
Shareholders' equity	8	84,505
Minority interests		(281)
Total equity		84,224
Current liabilities		
Trade and other payables		5,303
Non-current liabilities		
Borrowings		3,900
Deferred tax liabilities		13,269
Total non-current liabilities		17,169
Total liabilities		22,472
Total equity and liabilities		106,696

Consolidated Cash Flow Statement

	Note	Period from 13 October 2006 to 30 June 2007 \$000s
Cash flow used in operating activities	9	(2,568)
Cash flow from investing activities		
Purchase of property, plant and equipment		(40)
Purchase of unproven oil and gas assets		(704)
Purchase of subsidiary undertaking, net of cash received	6	(14,940)
Cash flow from investing activities		(15,584)
Cash flow from financing activities		
Issue of share capital, net of expenses relating to issue of shares		72,083
Increase in cash and cash equivalents		53,831

Notes to the Interim Financial Statements

1. STATUTORY ACCOUNTS

The interim results for the period ended 30 June 2007 are unaudited. The financial information contained within this report does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985. Statutory accounts have not yet been prepared for any period by the Company.

2. BASIS OF PREPARATION

Roxi Petroleum Plc is registered and domiciled in England and Wales.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. They do not include all of the information required for full annual financial statements. They have been prepared on a consistent basis with the accounting policies to be adopted for the statutory accounts for the period ended 31 December 2007, as set out below. The financial information is presented in US Dollars and has been prepared under the historical cost convention and on a going concern basis.

3. ACCOUNTING POLICIES

Basis of Consolidation

(a) Subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

3. ACCOUNTING POLICIES (CONTINUED)

(b) Transactions and Minority Interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars (USD), which is the Group's functional and presentation currency.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in \$US using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any are classified as a separate component of equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Deferred Tax

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.

Notes to the Interim Financial Statements

Continued

3. ACCOUNTING POLICIES (CONTINUED)

Exploration and Unproven Oil and Gas Properties

The Group applies the full cost method of accounting for exploration and evaluation costs, in accordance with the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Under the full cost method of accounting, costs of exploring for and evaluating oil and gas properties are accumulated and capitalised by reference to appropriate cost pools. Such cost pools are based on geographic areas. The Group currently has one cost pool, being Kazakhstan.

The amounts included within intangible fixed assets include the fair value that was paid for the acquisition of licences in Kazakhstan during the period ended 30 June 2007. These licences have been capitalised to the Group's Kazakhstan full cost pool.

Intangible fixed assets are reviewed for impairments if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value, if higher. If an asset is impaired, a provision is made to reduce the carrying amount to its estimated recoverable amount.

Financial Instruments

The Group's financial assets consist of cash on interest bearing short-term deposits. Other receivables are stated at cost less any provision for impairment. The Group's financial liabilities are non-interest bearing trade and other payables and other interest bearing borrowings.

Currency of Borrowings

Management reviews the Group'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 the Group. No formal policies have been put in place in order to hedge the Group's exposure to currency risk or interest rate risk.

Cash and cash equivalents

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

Segmental Analysis

The Group operates in one business segment, being the exploration for, development and production of oil and gas in the Republic of Kazakhstan.

3. ACCOUNTING POLICIES (CONTINUED)

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Share Based Payments

The Group has used shares and share options as consideration for goods and services received from suppliers and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based instrument is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

4. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on:

	Period from 13 October 2006 to 30 June 2007
The basic weighted average number of Ordinary shares in issue during the period	45,564,366
Dilutive effect of share options	–
The diluted weighted average number of Ordinary shares in issue during the period	45,564,366
The loss for the period attributable to equity shareholders (\$000s)	(4,194)

5. UNPROVEN OIL AND GAS ASSETS

	\$000s
At the start of the period	–
Acquisitions (see Note 6)	49,907
Additions	704
At the end of the period	50,611

Notes to the Interim Financial Statements

Continued

6. ACQUISITIONS

As described in the admission document dated 16 May 2007, during the period the Company completed the acquisition of Sytero BV, Sytero 2 BV and Sytero 3 BV. Sytero 2 BV and Sytero 3 BV own interests in Beibars Munai LLP and Ravninnoe Oil LLP, respectively. The preliminary assessment of the fair values of the assets and liabilities acquired as at the date of acquisition is as follows:

	Book values \$000s	Fair value adjustments \$000s	Fair values \$000s
Unproven oil and gas assets	5,678	44,229	49,907
Financial assets	1,000	2,983	3,983
Property, plant and equipment	169	–	169
Inventories	65	–	65
Trade receivables	427	–	427
Other receivables	3,600	–	3,600
Cash and cash equivalents	26	–	26
Trade and other payables	(6,533)	–	(6,533)
Deferred taxation	–	(13,269)	(13,269)
	4,432	33,943	38,375
Minority interests			122
Net assets acquired			38,497
Consideration:			
– Ordinary shares			16,031
– Cash			14,292
– Deferred consideration			7,500
– Expenses			674
Total consideration			38,497
Related cashflows:			
– Cash consideration			14,292
– Expenses			674
– Cash acquired			(26)
			14,940

6. ACQUISITIONS (CONTINUED)

The surplus of the fair value of the consideration over the other separable net assets and liabilities of the acquired entities has been attributed to the value of the negotiated rights in respect of the unproven oil and gas properties and financial assets, based on the findings contained in the relevant competent persons' reports:

Subsequent to the Group's investment in Sytero BV it has not been able to complete the legal transfer of ownership of RS Munai, and therefore the Directors have concluded that the investment of \$3,983,000 in the RS Munai project has been impaired and should be written down to its net realisable value of \$1,000,000.

7. CALLED UP SHARE CAPITAL

	Number	\$000s
Authorised		
Ordinary shares of 10p each	1,000,000,000	188,000
Issued and fully paid		
Ordinary shares of 10p each	168,207,490	33,707

A) Share issues during the period

The Company was incorporated on 13 October 2006 with an authorised share capital of £100,000,000 divided into 1,000,000,000 Ordinary Shares of 10 pence each. On incorporation 2 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 the Company's Admission 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 the Company's Admission 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 the Company's Admission Document.

On 21 May 2007 102,444,332 Ordinary Shares were issued upon the Admission of the Company's shares to trading on the AIM market, for cash, net of related expenses, of \$71.5m.

On 21 May 2007 5,263,158 Ordinary Shares were issued in settlement of deferred consideration in relation to the acquisition of Sytero 3 BV.

As referred to in paragraph 11.8 of the Company's Admission Document Aristeia International S.A. have paid up the remainder of the amount of the nominal value plus the difference between the Placing Price and the nominal value of such shares.

Notes to the Interim Financial Statements

Continued

7. CALLED UP SHARE CAPITAL (CONTINUED)

B) Share option schemes

During the period the Company issued equity-settled share-based instruments to its directors and certain employees. Equity-settled share-based instruments have been measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based instrument is expensed on a straight-line basis over the vesting period, based on an estimate of the shares that will eventually vest. Options generally vest in equal tranches over the four year period following grant, provided the option holder remains an employee of the Group.

	Number	Exercise price	Expiry
Directors	10,092,450	38p	21 May 2017
Employees	3,364,150	38p	21 May 2017
	13,456,600		

Fair value is measured using a trinomial lattice model that takes into account the effect of financial assumptions, including the future share price volatility, dividend yield, and risk-free interest rates. The expected volatility was determined based on both the volatility of the Company's share price since flotation and the volatility of similar quoted companies. Employee exit rates and the expected period from vesting to exercise are also considered, based on historical experience. The principal assumptions are:

Share price at grant date	(p)	38
Exercise price	(p)	38
Expected volatility	(%)	60
Expected life	(years)	2-5
Risk-free rate	(%)	5.75
Fair value per option	(p)	11.8 – 16.7

C) Share warrants

During the period the Company issued warrants over 10,023,112 Ordinary shares of the Company. These warrants entitle the holders to subscribe for Ordinary shares for cash consideration of 38p per Ordinary Share, and were issued as consideration for corporate and advisory services to the Company prior to its flotation. Warrants over 7.5m shares may be exercised at any time prior to 21 May 2017, while the remainder may be exercised at any time prior to 21 May 2010.

8. MOVEMENT IN CAPITAL AND RESERVES

	Share capital \$000s	Share premium \$000s	Other reserves \$000s	Retained earnings \$000s	Total \$000s
At the start of the period	-	-	-	-	-
Arising on share issues	33,707	54,407	-	-	88,114
Arising on employee share options	-	-	585	-	585
Arising on warrants	-	(2,378)	2,378	-	-
Loss for the financial period and total recognised income and expense	-	-	-	(4,194)	(4,194)
At the end of the period	33,707	52,029	2,963	(4,194)	84,505

9. RECONCILIATION OF LOSS ON ORDINARY ACTIVITIES BEFORE TAX TO CASH FLOW USED IN OPERATING ACTIVITIES

	Period from 13 October 2006 to 30 June 2007 \$000s
Loss before taxation	(4,353)
Employee share options	585
Increase in receivables	(553)
Decrease in payables	(1,230)
Impairment of non current asset investment	2,983
Cash flow used in operating activities	(2,568)

10. SUBSEQUENT EVENTS

The Company's shares were suspended from trading on AIM on 22nd August 2007 following the announcement by the Company that it is planning to enter into a reverse takeover as detailed in the Chairman's report.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at The Registry, Royal Mint Court, London EC3N 4QN on Friday 19 October 2007 at 10.00 a.m. for the following purpose:

ORDINARY BUSINESS

To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

1. To reappoint as a director of the Company Jean Joseph Louis Robert Schoonbrood who retires by rotation.

Registered office:
11 Gough Square
London EC4A 3DE

21 September 2007

BY ORDER OF THE BOARD
Paul Benedict Puxon
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy (or proxies) to attend and, on a poll, to vote in his place. A proxy need not be a member of the Company.
2. A form of proxy is enclosed. To be effective, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarily or certified in some other way approved by the Directors), must be deposited at the office of the Company's registrars, CAPITA Registrars plc, 34 Beckenham Road, Beckenham, Kent BR3 4BR, so as to be received not later than 48 hours before the time appointed for holding the annual general meeting. Completion of the proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
3. The register of interests of the directors and their families in the share capital of the Company and copies of contracts of service of directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the meeting.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 10.00 a.m. on Wednesday 17 October 2007 or, if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.

Form of Proxy

ROXI PETROLEUM PLC (THE "COMPANY")

Form of Proxy for use at the Annual General Meeting of the Company on 19 October 2007

Please read carefully the Notice of Annual General Meeting and explanatory notes set out below before completing this form.

Please complete the form in BLOCK CAPITALS

I/We _____
_____ of _____

being a member (Notes 1 and 2) of the Company HEREBY APPOINT the Chairman of the Meeting (Note 3) or

_____ of _____

as my/our proxy to attend and on a poll vote for me/us and on my/our behalf as directed below at the Annual General Meeting of the Company to be held on 19 October 2007 and at any adjournment of the Meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

	For	Against (Note 5)	Abstain
1. ORDINARY RESOLUTION (to re-appoint Mr Schoonbrood as a director of the Company)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated _____ 2007

Signature(s) or common seal (Note 6) _____

Capita Registrars
The Registry
34 Beckenham Road
BECKENHAM
Kent BR3 4BR



BUSINESS REPLY SERVICE
Licence No. MB122

FOLD HERE

NOTES:

1. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, vote instead of it/him/her. This is the applicable Form of Proxy.
2. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
3. The Chairman of the Meeting shall act as your proxy unless another proxy is desired. If you wish to appoint a person other than the Chairman of the Meeting as your proxy, insert the full name and address of that person in the space provided, delete the words "the Chairman of the Meeting (Note 3) or" and initial the alteration. A proxy, who need not be a member of the Company, must attend the Meeting in person to represent you.
4. A member can instruct the proxy to vote as they wish by marking the relevant box. For any other business arising at the Meeting (including any proposal to adjourn the Meeting or amend the resolutions put

to the Meeting) your proxy can vote or abstain from voting at his/her discretion.

5. The "Abstain" option is provided to enable you to abstain from voting on any particular resolution. However, it should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.
6. In the case of an individual, this form must be signed by the appointor or by his duly authorised attorney. In the case of a corporation, this form must be executed either under its common seal, or be signed on its behalf by its duly authorised attorney or officer.
7. To be effective, the completed and signed appointment of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarially or certified in some other way approved by the Directors) must be lodged at the office of the Company's registrars, CAPITA Registrars plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4BR not less than 48 hours before the time appointed for the holding of the Meeting or adjourned Meeting.



Almaty office 19 Baitursynov Street, Almaty, 050026, Kazakhstan

UK office 11 Gough Square, London, EC4A 3DE

Website www.roxipetroleum.com