



Caspian Sunrise PLC Investor Presentation

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Chairman

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The technical information contained in this presentation has been reviewed and approved by Nurlybek Osphanov, a member of the SPE.

A Kazakh focused oil company



BNG

- Licence renewal at 30/6/18 – terms agreed
- BNG area 1,487 sq km
- BNG seismic 1,376 sq km
- December 2017 2,500 bopd produced

Current production capacity

- Shallow 4,000 bopd
- Deep 0 bopd

Projected production capacity :

	31/12/18	31/12/19
From existing wells		
▪ Shallow	4,000	4,000
▪ Deep	10,000	10,000
From new wells		
▪ Shallow	5,000	9,000
▪ Deep	3,500	20,000
Total bopd (illustrative)		
▪ Shallow	9,000	13,000
▪ Deep	<u>13,500</u>	<u>30,000</u>
	<u>22,500</u>	<u>43,000</u>

Shareholder

Shareholder	% holding
Oraziman family (CEO)	44.7%
Kairat Satylganov (CFO)	10.5%
Dae Han New Pharma Limited (Korea)	13.5%
Other Kazakh concert party members	12.3%
Other	19.0%

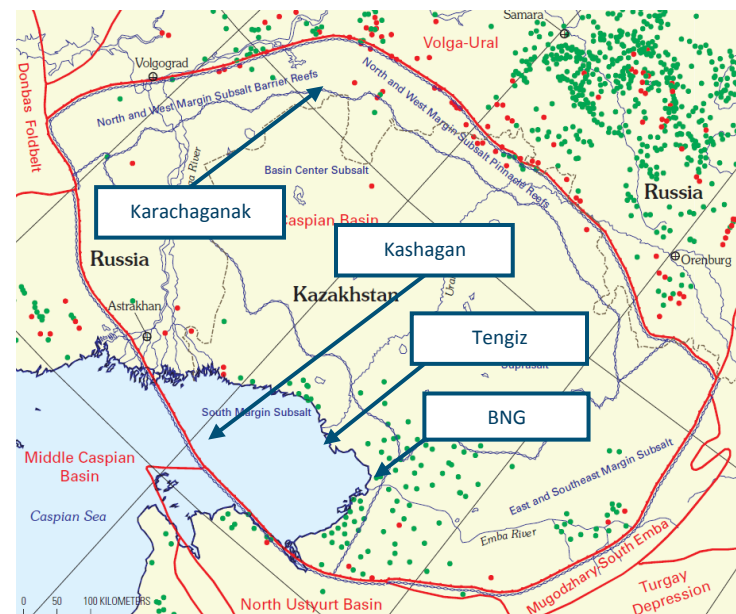
Market	AIM
Stock ticker	CASP
Shares in issue	1,669,673,820
Market cap	£183.7m @ 11p

North Caspian basin

- Petroleum rich area
- Home of super giant fields

	bopd	reserves
➤ Tengiz	500,000	25 BBL
➤ Karachaganak	200,000	18 BBL
➤ Kashagan	90,000-370,000	38 BBL

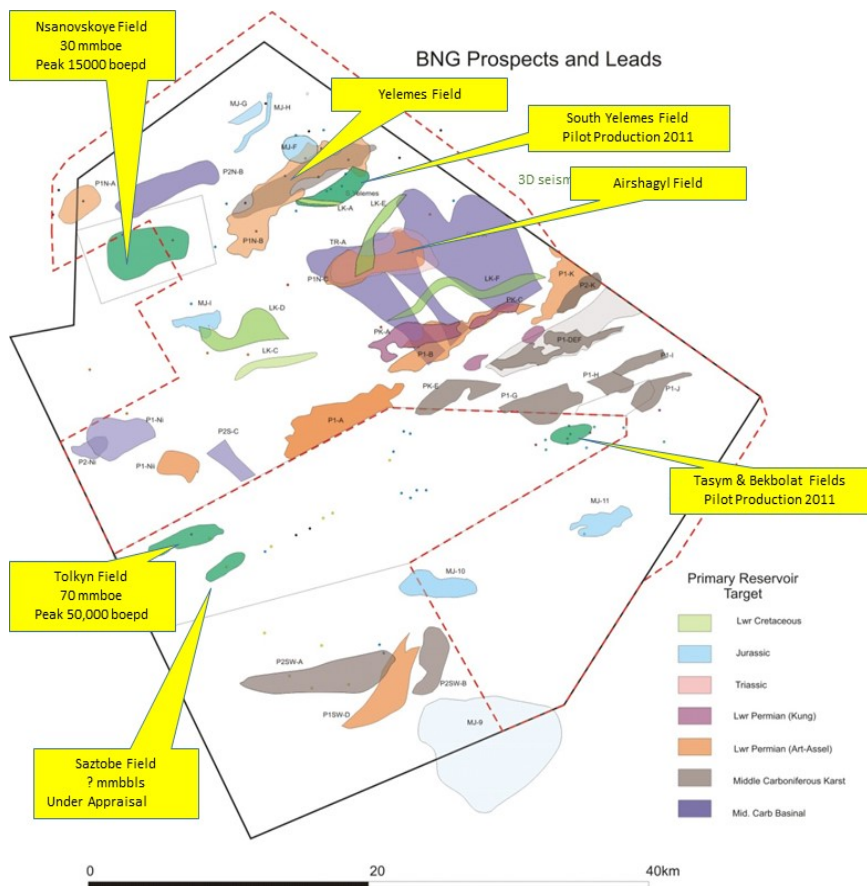
- Basin originated by pre-late Devonian rifting
- Prominent layer of Kungurian salt separates deep & shallow structures



Source: US Geological Survey

- **Deep (sub salt)**
 - Devonian/ lower Permian
 - Reservoirs highly over pressured
 - Oil recovered typically light to medium in grade (API 38° to 46°)
 - Often contains H₂S – (not observed at BNG)
- **Shallow (above salt)**
 - Shallow Jurassic and Cretaceous
 - Less pressure
 - Oil recovered medium to heavy in grade and bio-degraded to various degrees
 - Productive horizons usually thin and typically stacked

BNG overview



- **Ownership**
 - Caspian Sunrise 99%, local 1%
 - Active from Soviet era – 2 previous blowouts
- **Area**
 - Total 1,487 sq km
 - 3D seismic 1,376 sq km acquired 2009-2010
 - H₂S not yet observed
- **Drilling**
 - Shallow
 - Producing capacity/testing wells 805, 806, 807, 141 142, 143, 144, 145, 146 - 4,000 bopd capacity
 - Potential new structure 808
 - Deep
 - Deep wells A5, 801, A6 drilled
 - Deep Well A5 successfully side-tracked and flowed at 3,500 bopd
 - Independent 90-day flow test paused
 - Further work at A6 and 801 imminent
- **Licence**
 - Appraisal across entire BNG Contract Area to mid 2024, with the ability to convert structure by structure to full production status from July 2018

Current licence

- Runs to end June 2018
- Appraisal status
- Any oil produced maybe sold but only at domestic prices c (US\$ 20 per barrel)
- To subsequently produce from a structure, that structure needs to be drilled during appraisal phase

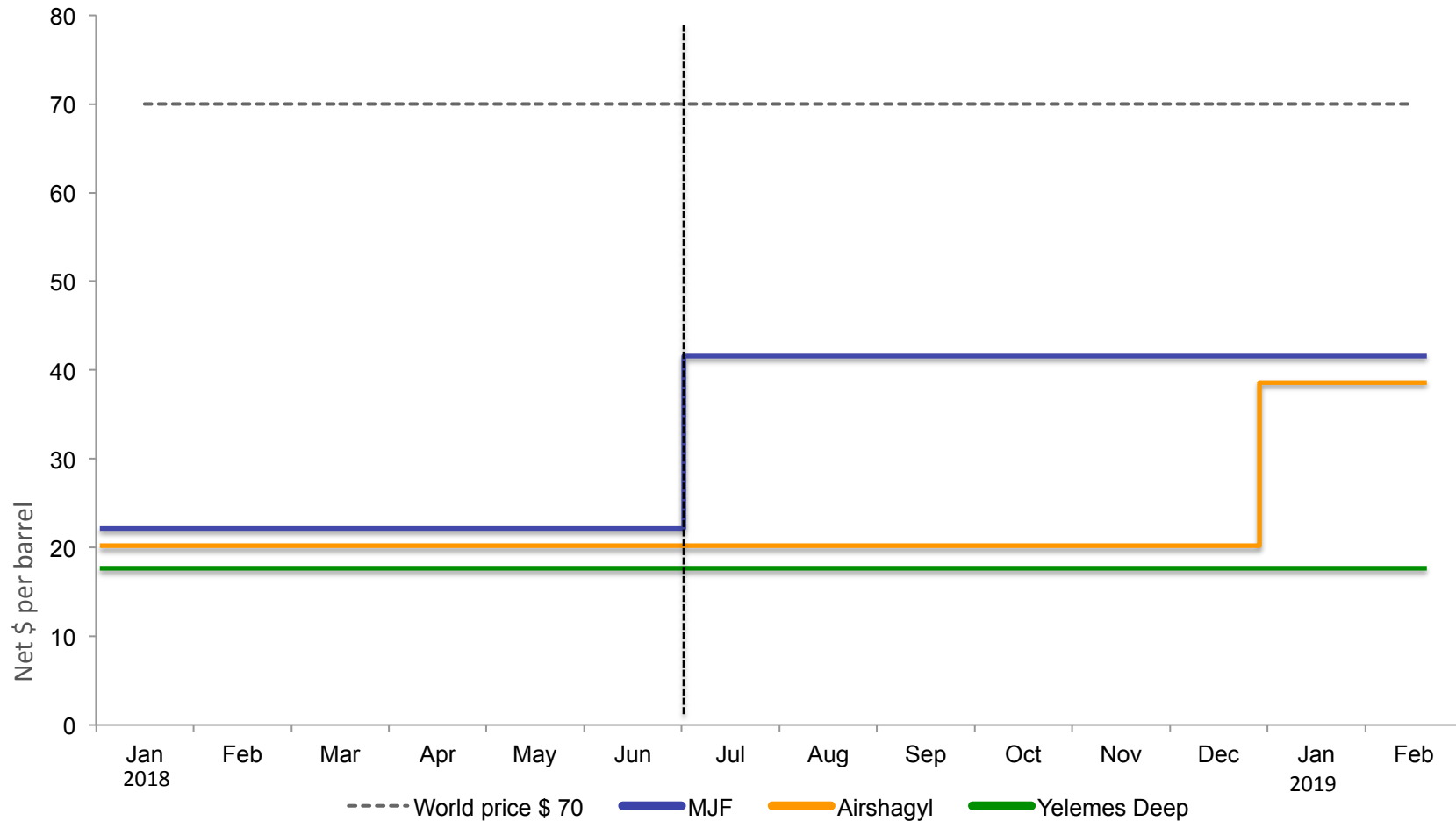
From July 2018

- Entire BNG Contract Area licence extended to June 2024 on appraisal basis
- From July 2018 we have the ability to bring individual structures to full production status
 - Oil sales 80% at world prices, 20% at domestic prices
 - Licence term 29 years as standard depending on reserves
- Planned migration to full production
 - MJF July 2018
 - Airshagyl deep c Q1 2019
 - Yelemes deep Q3 2019

Summary

- We get to operate those structures that are ready on a full production basis from July 2018
- We avoid losing less developed structures until July 2024

Licence renewal and effective oil prices



Existing wells – operational programme

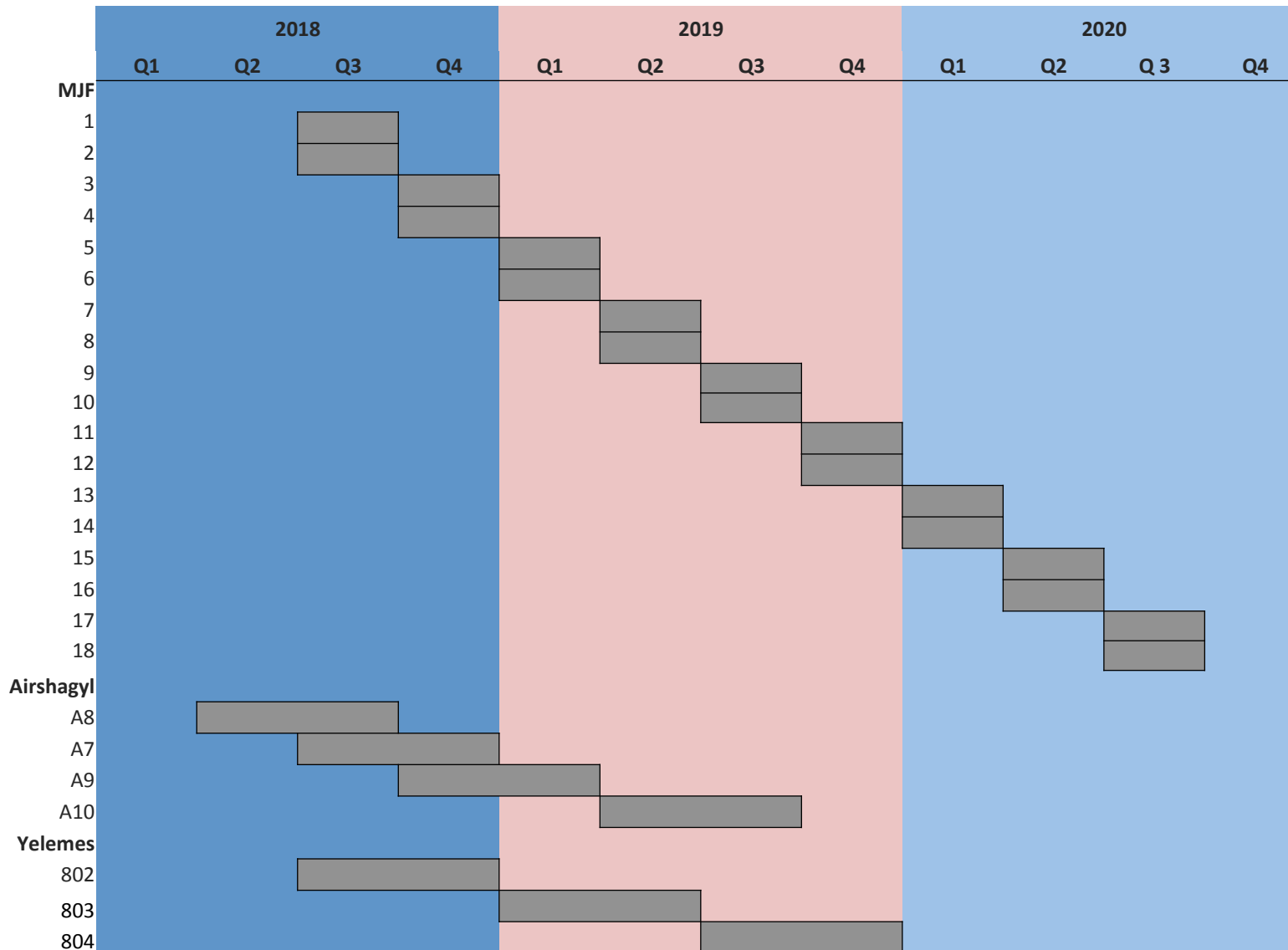


- **MJF**
 - 146 Re-complete bottom of well
Re-perforate and flow-test

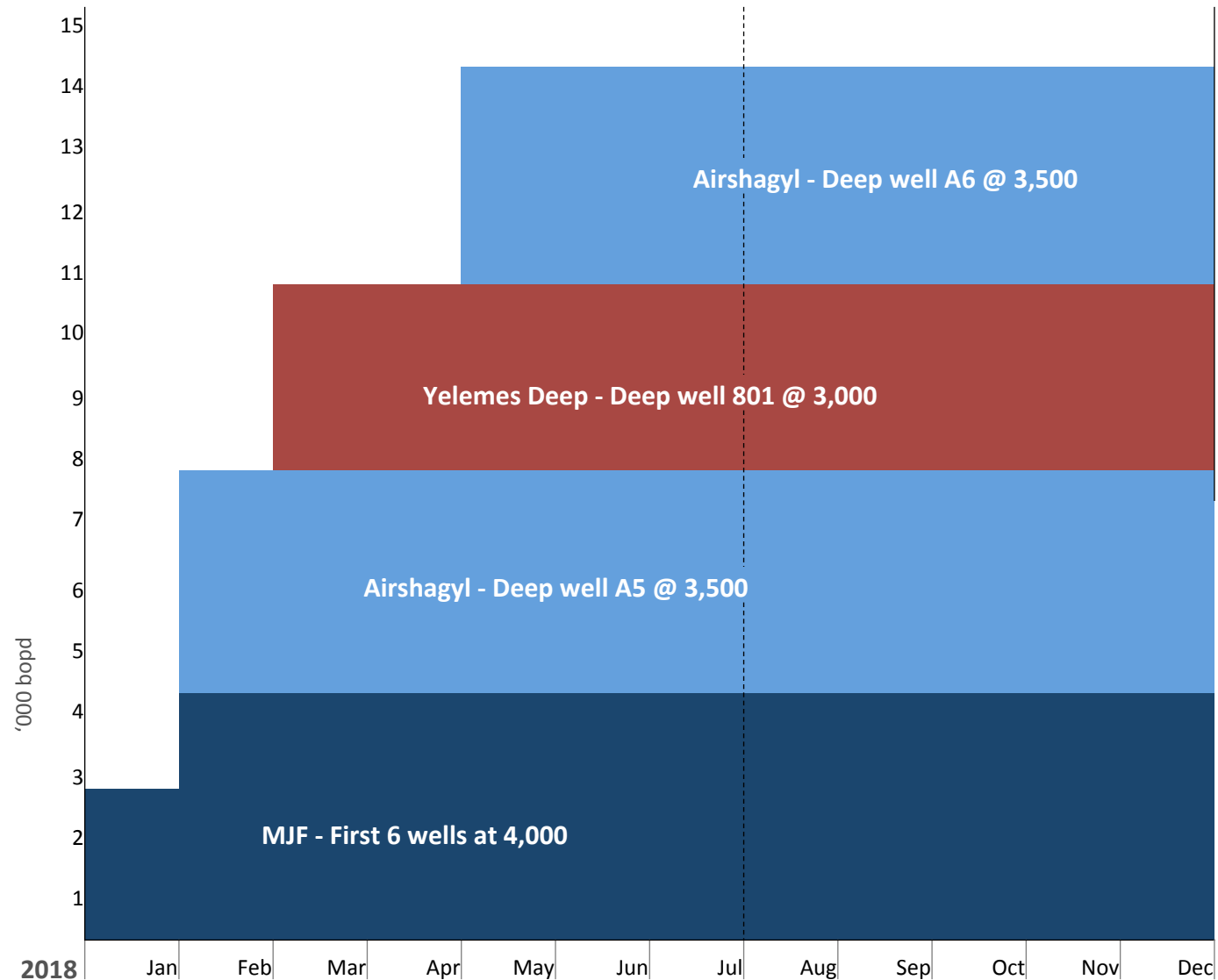
- **Airshagyl**
 - A5 Clear out well using coil tubing
Resume 90 day flow test
 - A6 When drilling pipes from 801 become available
Re-complete cement works at the bottom of the well
Re-perforate
Re-commence 90 day flow test

- **Yelemes**
 - 801 Install deflector plate to facilitate sidetrack
When drilling pipes from A5 become available
Commence side track
Commence 90 day flow test

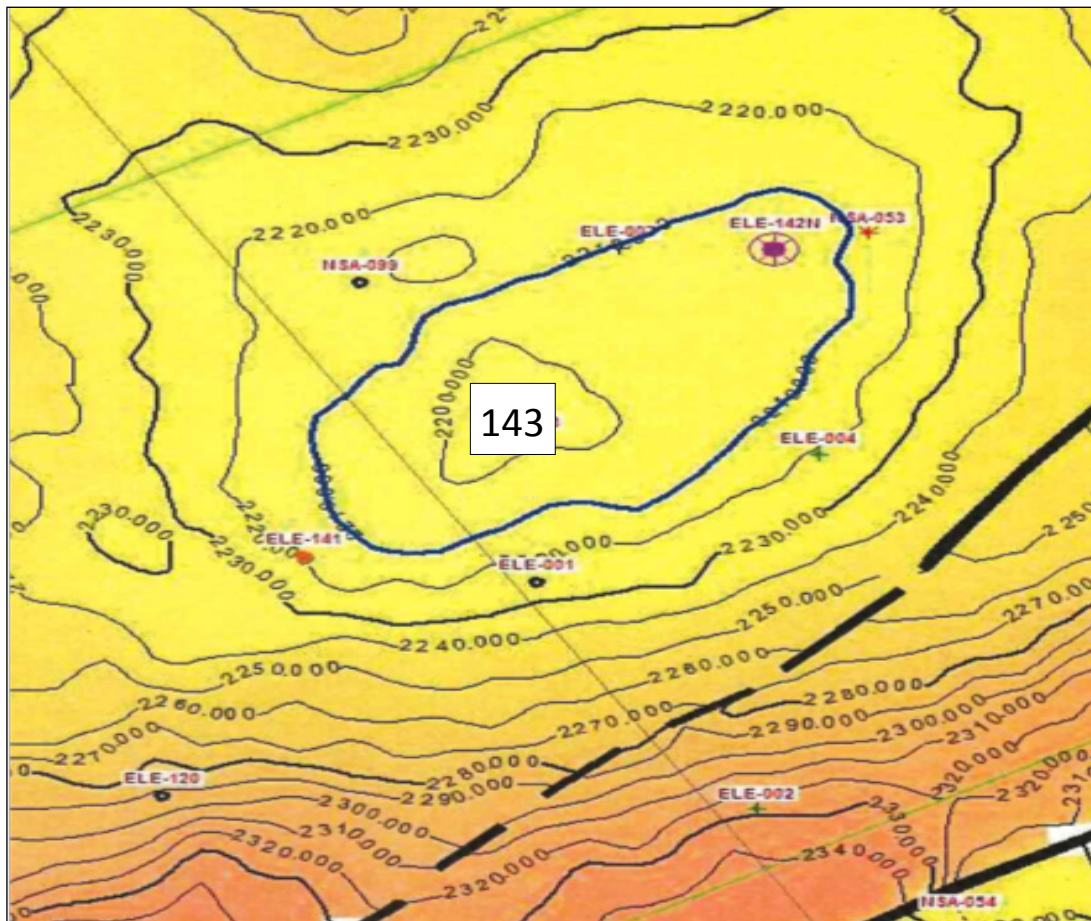
New wells summary drilling programme



Illustrative production capacity - existing wells



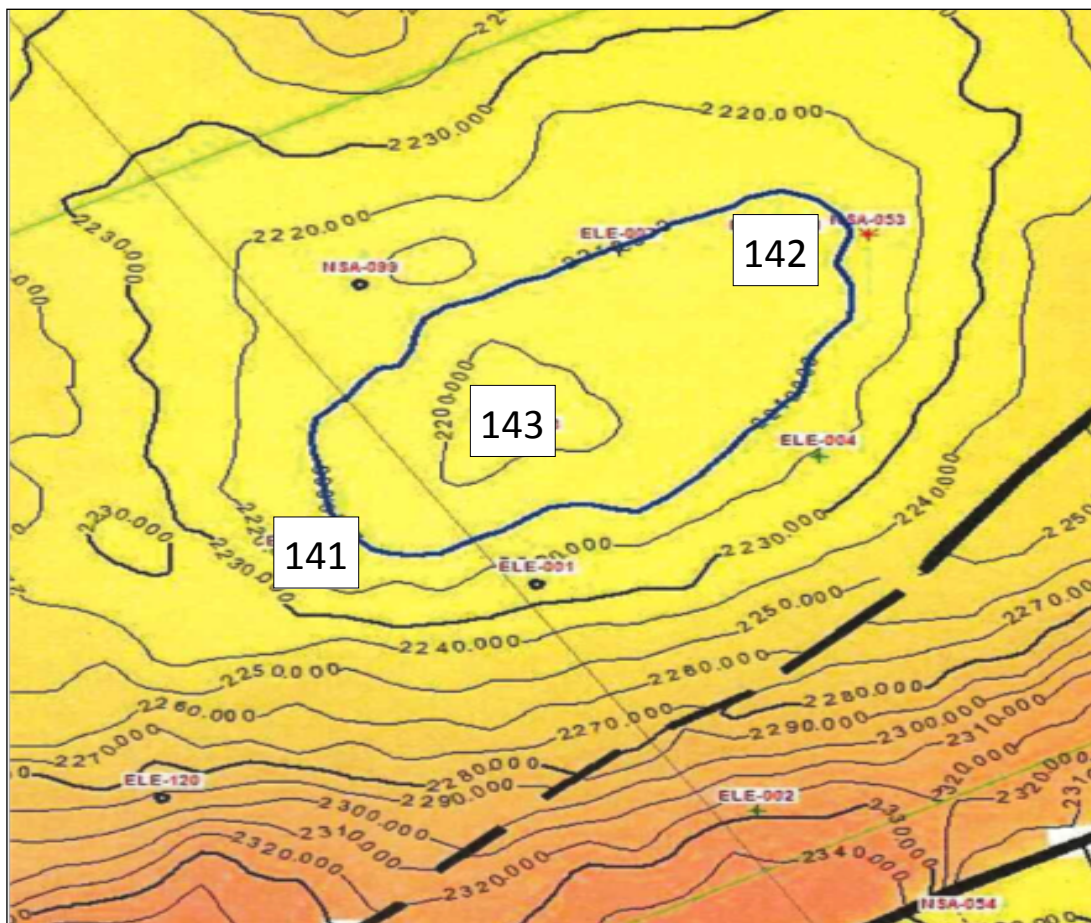
MJF structure map



Well 143 spudded in 2013 and drilled to a depth of 2,750 meters

12 months to clean well ready for testing

MJF structure map



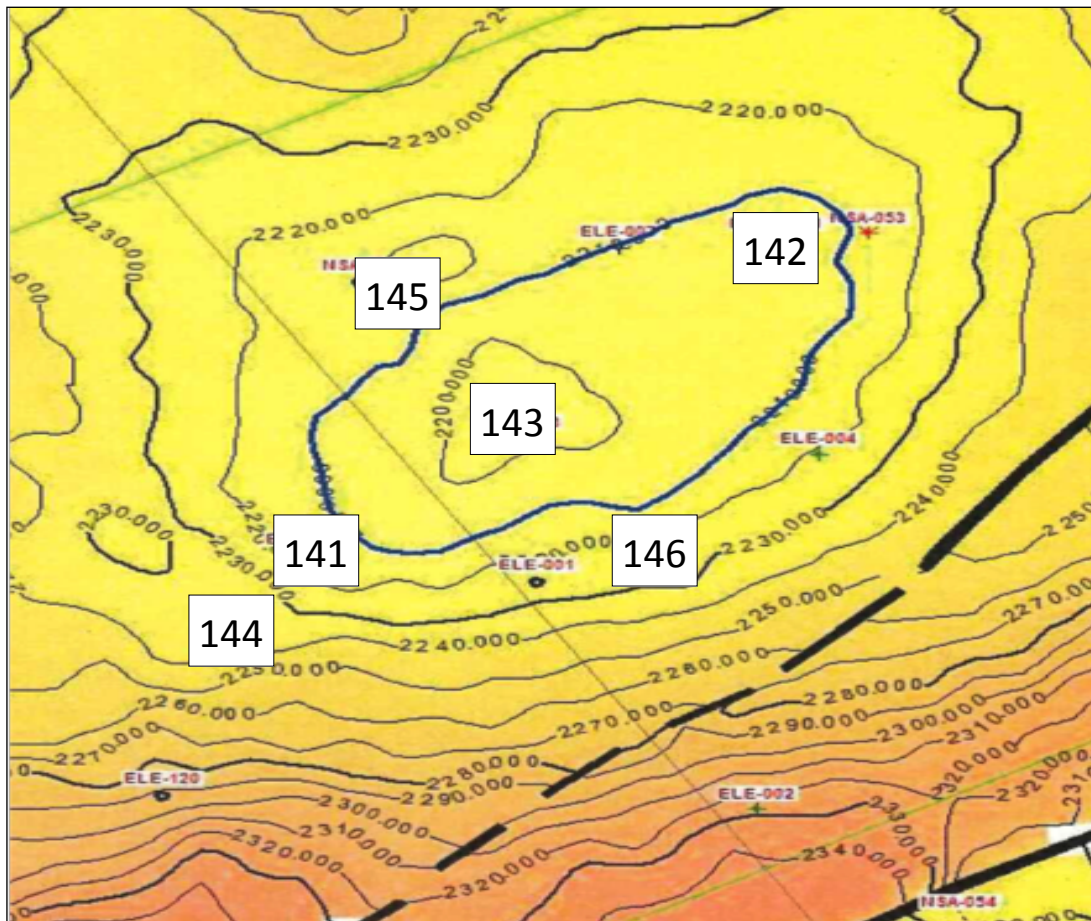
Well 143 spudded in 2013 and drilled to a depth of 2,750 meters

12 months to clean well ready for testing

Wells 141 and 142 spudded in 2015 and drilled to a depth of 2,500 meters

Area of structure confirmed to be at least 10 sq km

MJF structure map



Well 143 spudded in 2013 and drilled to a depth of 2,750 meters

12 months to clean well ready for testing

Wells 141 and 142 spudded in 2015 and drilled to a depth of 2,500 meters

Area of structure confirmed to be at least 10 sq km

Wells 144, 145 and 146 spudded in 2017 and drilled to a depth of 2,750 meters

Area of structure extended to be at least 10.6 sq km

MJF development plan

Background

- 6 commercial wells to date with an aggregate production capacity of c4,000 bopd
- 10.6 sq km surface area (7.5 x Hyde Park)
- Wells producing from a depth of 2,500-2,750 meters
- Typical well cost to date \$1.5 million (including testing)
- Typical future well cost \$1.0 million (no testing)
- Typical pay back 2-3 months

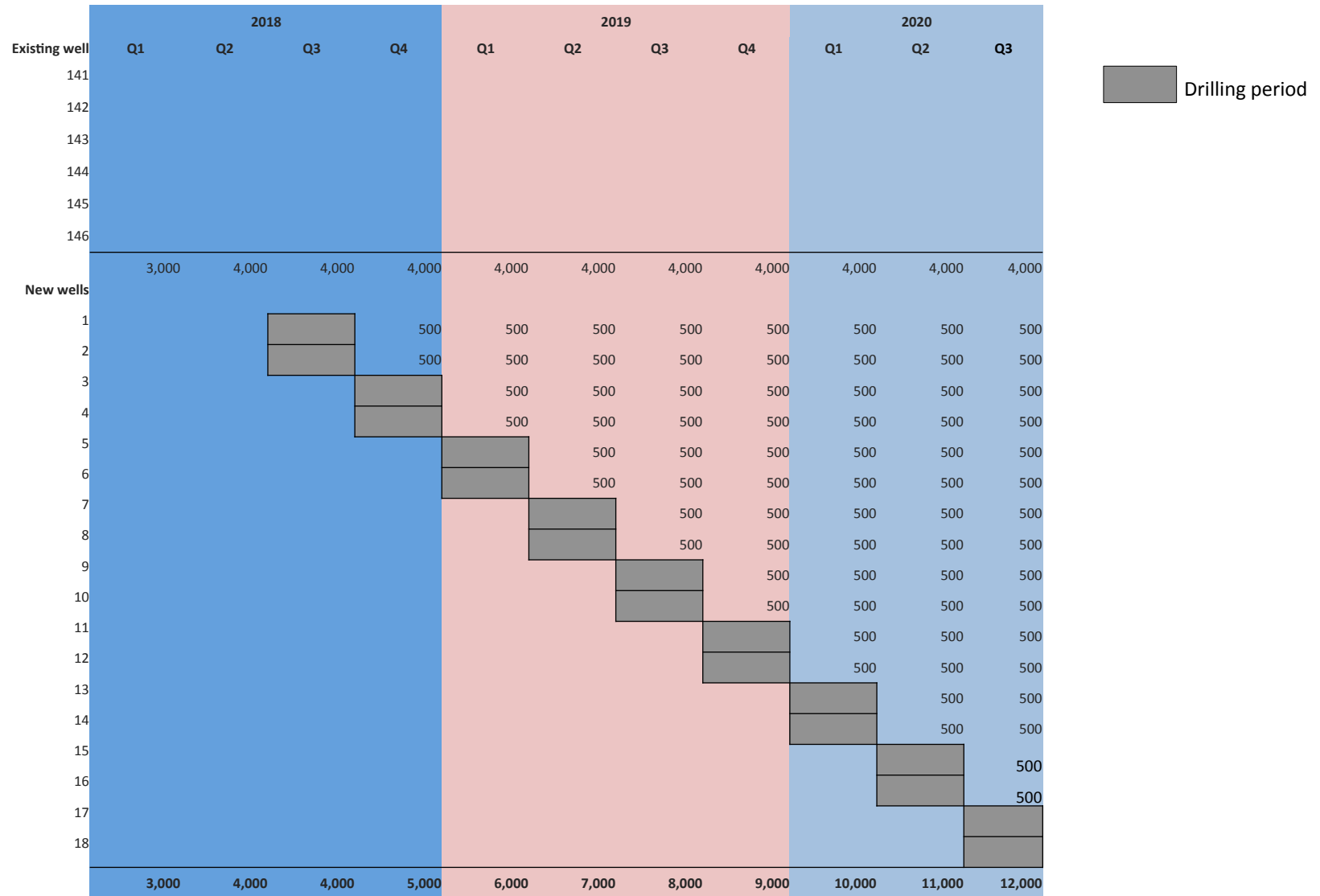
The plan

- Drill a further 18 shallow wells over 2 years
- All within the existing proved boundaries
- Assume average production per well 500 bopd
- From July 2018 we have the ability to sell at world prices less tax/extraction and delivery costs (net \$40-45)
- Drilling time 2 months
- Elapsed time before production 3 months
- Over time 5 of the 18 planned new wells to be used as water injectors but not in first 2 years

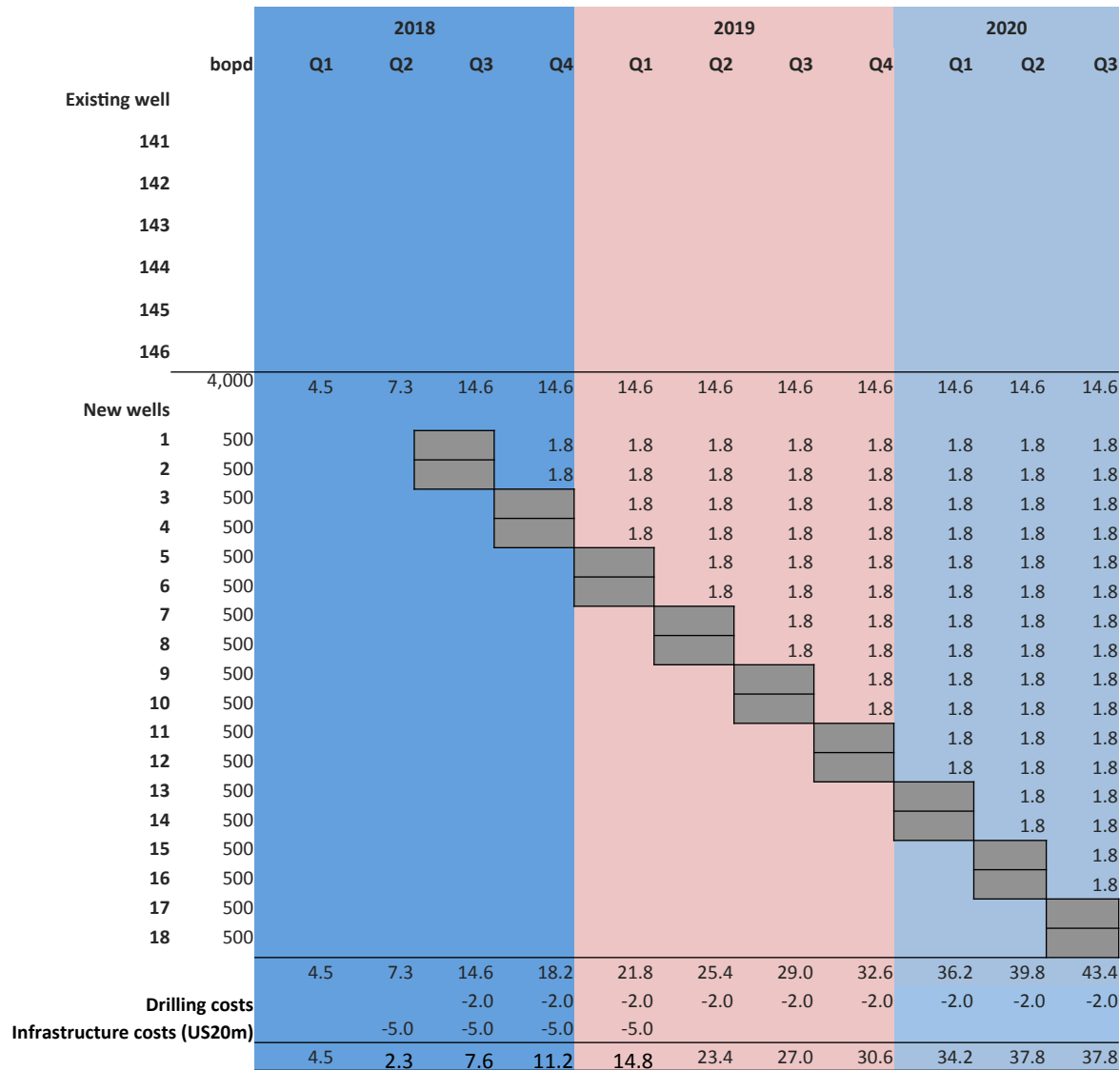
Illustrative MJF drilling/production plan



Aggregate illustrative bopd



Illustrative income \$'m from MJF



■ Drilling period

Assumptions

World price per barrel US\$70

Taxes/extractions delivery cost US\$30

Net world price per barrel US\$40

Domestic price US\$20

Upgrade to full production status July 2018

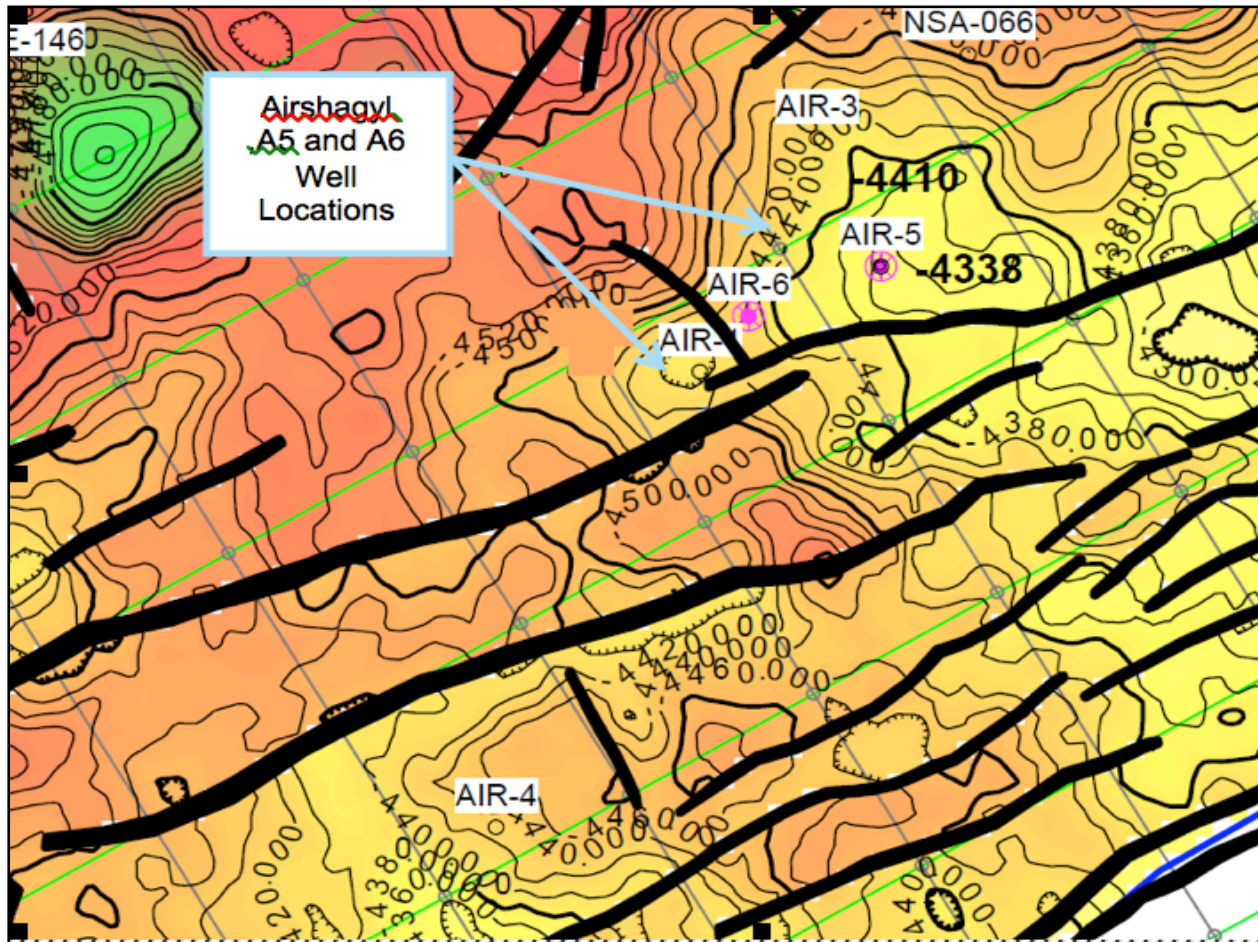
Well depth 2,500-2,750 meters

Drilling costs per well \$1m

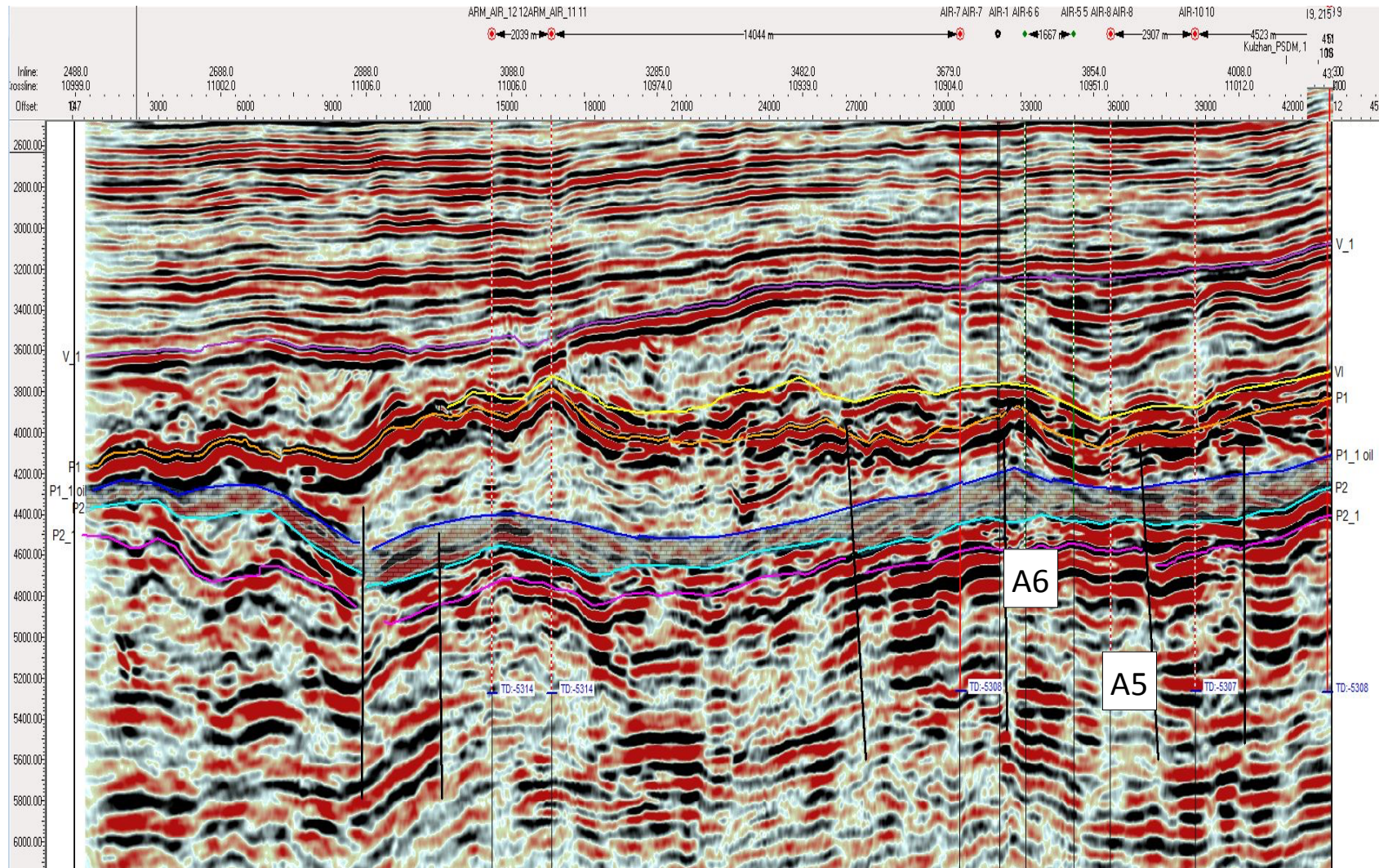
Illustrative summary

	\$'m	\$'m
	2018	2019
Illustrative income	44.6	108.8
Drilling costs	-4.0	-8.0
Infrastructure	-15.0	-5.0
	25.6	95.8

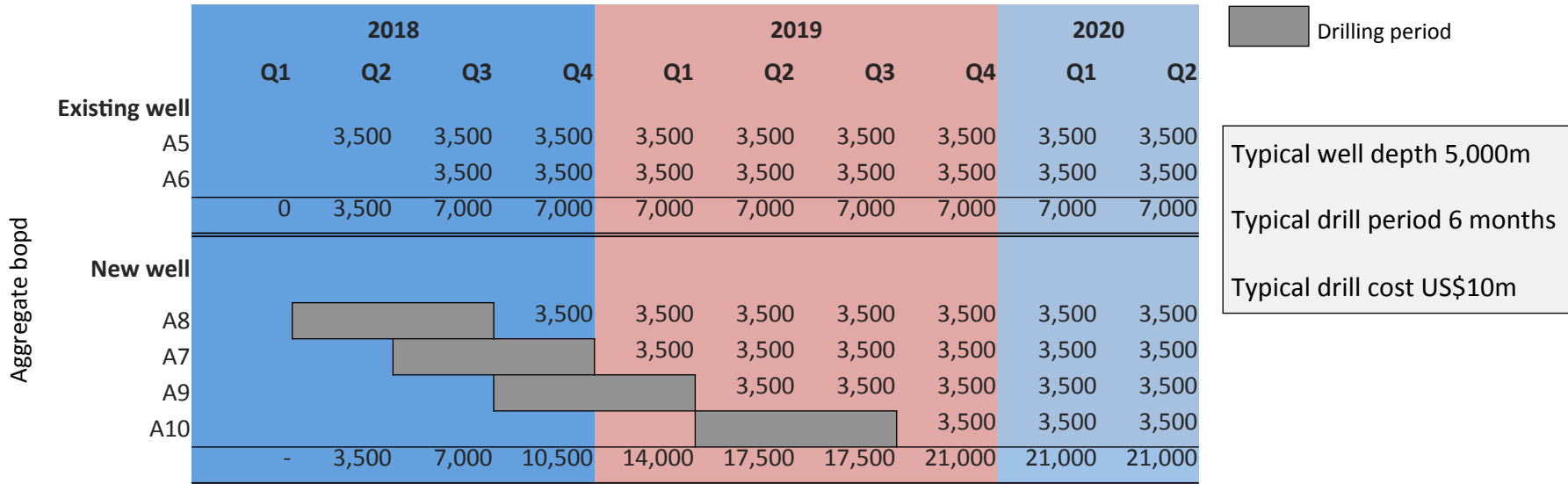
Airshagyl map



Airshagyl field (deep)



Airshagyl field (deep) illustrative plan



Illustrative income \$'m from Airshagyl



bopd	2018				2019				2020		Drilling period
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Existing wells											
A5	-	6.3	6.3	6.3	12.7	12.7	12.7	12.7	12.7	12.7	
A6	-	-	6.3	6.3	12.7	12.7	12.7	12.7	12.7	12.7	
New wells											
A8	-	-	-	6.3	12.7	12.7	12.7	12.7	12.7	12.7	
A7	-	-	-	-	12.7	12.7	12.7	12.7	12.7	12.7	
A9	-	-	-	-	-	12.7	12.7	12.7	12.7	12.7	
A10	-	-	-	-	-	-	-	12.7	12.7	12.7	
	0.0	6.3	12.6	18.9	50.8	63.5	63.5	76.2	76.2	76.2	
Drilling costs	0.0	-5.0	-10.0	-10.0	-5.0	-5.0	-5.0	-	-	-	
Infrastructure costs (\$'m)	0.0	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	
	0.0	-3.7	-2.4	3.9	40.8	58.5	58.5	76.2	76.2	76.2	

Assumptions

Domestic price per barrel US\$20

World price per barrel US\$70

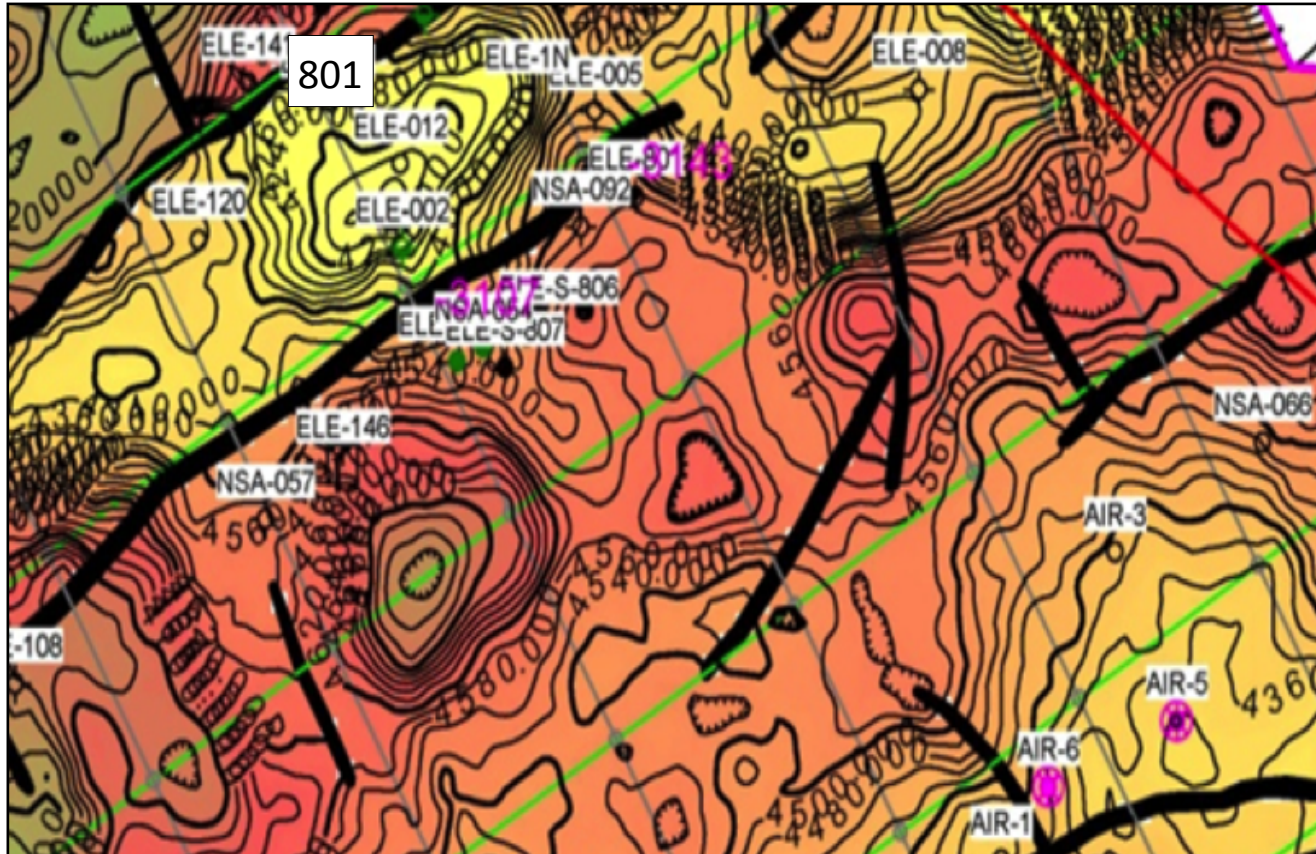
Net world price per barrel US\$40

Move to full production status Jan 2019

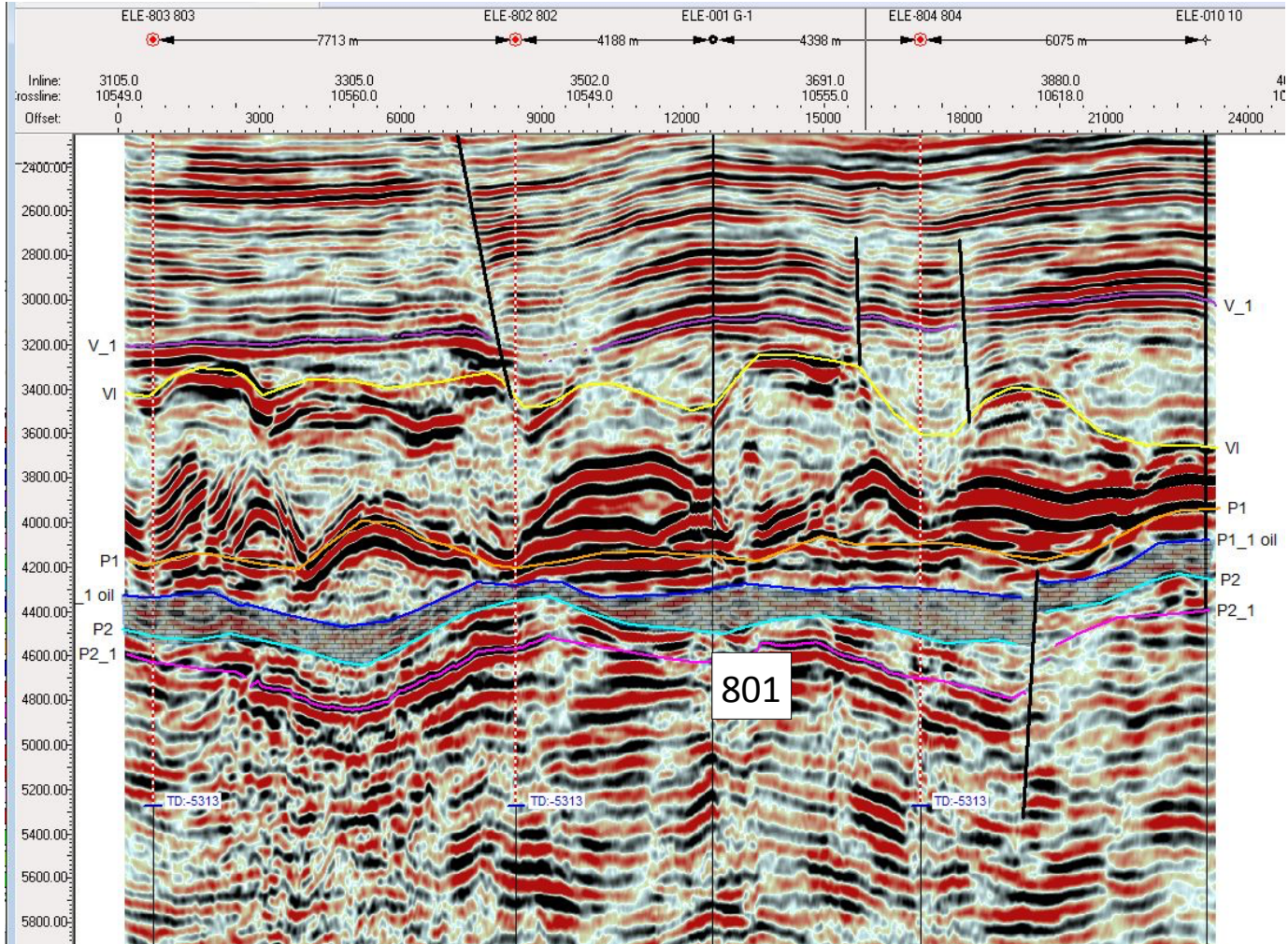
Illustrative summary

	\$'m	\$'m
	2018	2019
Illustrative income	39.8	254.0
Drilling costs	-25.0	-15.0
Infrastructure	-15.0	-5.0
	-0.2	234.0

Yelemes map



Yelemes Deep



Yelemes (deep) illustrative plan



	2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Existing well										
801	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
New well										
802					3,000	3,000	3,000	3,000	3,000	3,000
803							3,000	3,000	3,000	3,000
804									3,000	3,000
	-	3,000	3,000	3,000	6,000	6,000	9,000	9,000	12,000	12,000

Illustrative income \$'m from Yelemes (deep)



	2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Existing well										
801	-	5.4	5.4	5.4	5.4	5.4	5.4	5.4	10.8	10.8
New wells										
802					5.4	5.4	5.4	5.4	10.8	10.8
803							5.4	5.4	10.8	10.8
804									10.8	10.8
	0.0	5.4	5.4	5.4	10.8	10.8	16.2	16.2	43.2	43.2
Drilling costs										
	-	-	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-	-
	-	5.4	0.4	0.4	5.8	5.8	11.2	11.2	43.2	43.2

Assumptions

Domestic price per barrel US\$20

World price per barrel US\$70

Net world price per barrel US\$40

Conversion to full production status Jan 2020

Illustrative summary

	\$'m	\$'m
	2018	2019
Illustrative income	16.2	54.0
Drilling costs	-10.0	-20.0
	6.2	34.0

Combined Illustrative Income \$'m



	Q1	Q2	Q3	Q4	2019			
	US\$'m	US\$'m	US\$'m	US\$'m	Q1 US\$'m	Q2 US\$'m	Q3 US\$'m	Q4 US\$'m
Income								
MJF	4.5	7.3	14.6	18.2	21.8	25.4	29.0	32.6
Airshagyl	-	6.3	12.6	18.9	50.8	63.5	63.5	76.2
Yelemes Deep	-	5.4	5.4	5.4	10.8	10.8	16.2	16.2
	4.5	19.0	32.6	42.5	83.4	99.7	108.7	125.0
Drilling costs								
MJF	-	-	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0
Airshagyl	-	-5.0	-10.0	-10.0	-5.0	-5.0	-5.0	-
Yelemes Deep	-	-	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0
	0.0	-5.0	-17.0	-17.0	-12.0	-12.0	-12.0	-7.0
Infrastructure								
MJF	-	-	-5.0	-5.0	-5.0	-5.0	-	-
Airshagyl	-	-5.0	-5.0	-5.0	-5.0	-	-	-
	0.0	-5.0	-10.0	-10.0	-10.0	-5.0	0.0	0.0
Net	4.5	9.0	5.6	15.5	61.4	82.7	96.7	118.0

Assumptions

Domestic price per barrel US\$20

World price per barrel US\$70

Net world price per barrel US\$40

Illustrative summary

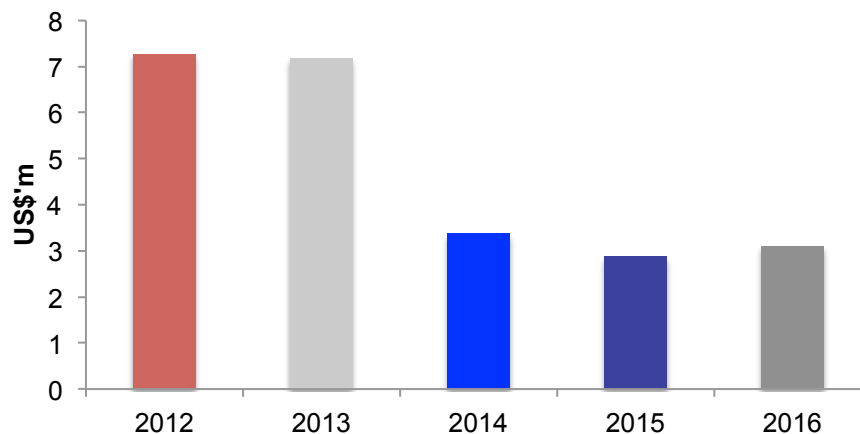
	\$'m	\$'m
	2018	2019
Illustrative income	100.6	416.8
Drilling costs	-39.0	-43.0
Infrastructure	-25.0	-10.0
	36.6	363.8

Low cost operator

- Self operator since Q2 2011
 - Company has 92 staff in total, vast majority Kazakh
 - Local contractors used on turnkey basis
 - Supported by international expertise (Schlumberger, Baker Hughes, Halliburton) as appropriate
- Single office location in Almaty
- Drilling cost per well now less than 50% of 2014 price
- Income receivable in US\$
- Significant % of expenditure in Kazakh Tenge (*fallen against the US\$ by 52% since Feb 2014*)

- G&A costs

2012	\$7.26 million
2013	\$7.18 million
2014	\$3.37 million
2015	\$2.87 million
2016	\$3.09 million



BNG reserves (100%)

In 2016 Gaffney Cline derived from South Yelemes and MJF structures (with only Well 143 drilled) using information as at 31 December 2015

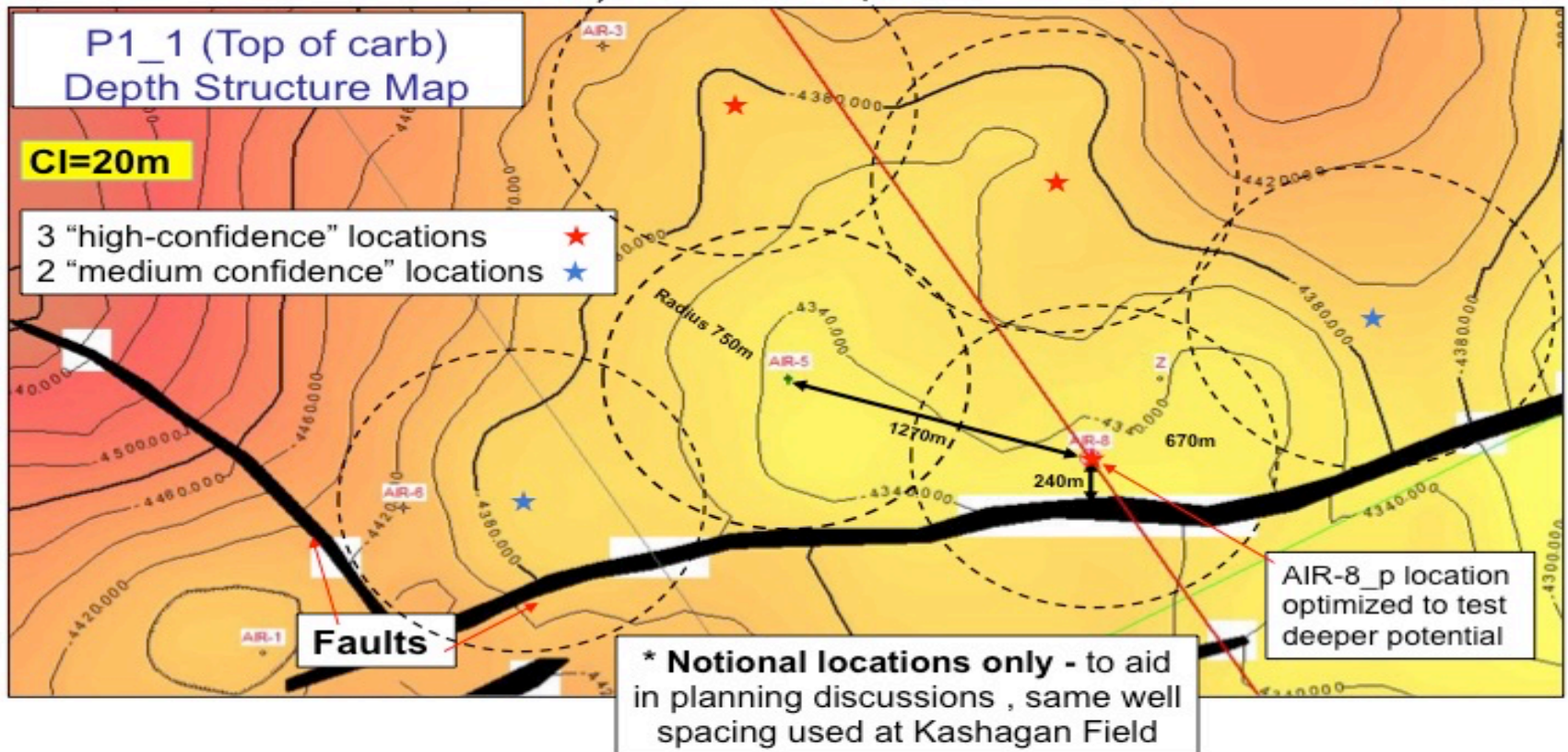
- | | |
|-----------------------------------|-----------|
| ▪ P1 Proved | 18 mbbbls |
| ▪ P2 Proved + probable | 29 mbbbls |
| ▪ P3 Proved + probable + possible | 45 mbbbls |

Ongoing reserve upgrades

- Shallow reserves
 - After completion & testing of well 146
 - Will include all drilling results on 6 MJF wells since December 2015
 - MJF development plan being refined by external consultants
 - Revised reserve expected Q2 2018
- Deep reserves
 - After testing of each of the deep wells A5, 801, A6

Well locations to maximise reserves

Географические:



BNG infrastructure

Current

- Atyrau 4.5 hrs
- Aktau 7 hrs
- Benefits from proximity to Tengiz
- Popular with local staff

Oil transportation options

- By truck
- By pipeline
- By railway

We will need:

- Pipeline
- Treatment works
- Storage

Estimated spend for 2018/19 \$40m



Source: US EIA

Acquisition Targets



- **Target 1**
 - Caspian basin developed asset close to infrastructure and adjacent to producing fields

- **Target 2**
 - Close to BNG with under utilised storage and treatment facilities and with pipeline access to national grid network

- **Target 3**
 - Caspian larger basin development similar to BNG

Funding options



- **Operational cashflows**
- **Oil trader advances**
- **Debt funding for infrastructure**
- **Industry joint ventures**
- **Equity**

Outlook



- BNG has the potential to be a world class asset
- Shallow drilling has already confirmed 29 million barrels P2 gross reserves at BNG
- Recent shallow drilling success at the MJF structure may materially increase these reserves
- Deep drilling success is expected to lead to very materially increased reserves

- Kazakhstan is a low cost operating environment with highly developed oil and gas infrastructure
- Structures under a full producing licence from July 2018 80% oil will be able to sell the majority of oil produced based on world prices

- Short term focus is to
 - Maximise production from July 2018
 - Develop maximum P2 reserves consistent with minimum shareholder dilution
 - Get the three deep wells drilled to date flowing to allow reserve estimates

- Longer term focus is to
 - Create a Kazakh focused, financially strong, dividend paying oil and gas E&P business centred on our BNG asset

Contacts

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BDO

Fladgate

In house

Appendices



- A. PLC board
- B. Well summary
- C. Shareholder analysis

PLC board



Clive Carver, *Executive Chairman from 2012 (non executive from 2006)*

- UK based & responsible for UK activities & international financial overview
- Fellow of the ICAEW and Association of Corporate Treasurers
- Ex head of corporate finance at Seymour Pierce, Williams de Broe & finnCap
- Non-executive Ascent Resources Plc, Tax Systems plc, appScatter Group plc and Darwin Strategic Limited



Kuat Oraziman, *Chief Executive Officer from 2012 (non-executive director from 2006)*

- Kazakhstan based and responsible for all oil & gas operations
- Leading Kazakh oilman with strong international ties to large oil corporations
- Doctor of Sciences & trained geologist
- Serial entrepreneur, previously successful in brewing / footwear / property sectors



Kairat Satylganov, *Chief Financial Officer from 2013*

- Kazakh based & responsible for control of operating companies finances
- Previously Chairman of 2 largest Kazakh banks & Chairman of state controlled investment company
- Invested \$29 million in 2013
- Significant copper interests



Edmund Limerick, *Non-executive director from 2010*

- Involved in Central Asia and financing in the oil and gas business for the last 18 years
- Previously investor in the region as manager of the Altima Central Asia Fund
- Previously a project financier and senior oil and gas investment banker for Deutsche Bank in Moscow, London and Dubai
- UK based Russian speaker

Well summary

Asset	Field	Re	Type	Depth	Status
BNG Deep	Airshagyl	A5	Exploration	4,432	Flowed at 3,500 bopd 90-day flow test soon
BNG Deep	Yelemes	801	Appraisal - Production	5,050	Well blocked by clogged drilling fluid
BNG Deep	Airshagyl	A6	Appraisal - Production	4,528	Preparing for perforation & testing
BNG Deep	Airshagyl	A8	Appraisal - Production	4,700	To be spudded H1 2018

BNG Shallow	Yelemes	54	Appraisal - Production	3,000	Shut in
BNG Shallow	MJF	141	Appraisal - Production	2,500	Producing
BNG Shallow	MJF	142	Appraisal - Production	2,500	Temporarily not producing
BNG Shallow	MJF	143	Appraisal - Production	2,750	Producing
BNG Shallow	MJF	144	Appraisal - Production	2,750	Producing
BNG Shallow	MJF	145	Appraisal - Production	2,750	Producing
BNG Shallow	MJF	146	Appraisal	2,750	At Total Depth
BNG Shallow	Yelemes	805	Appraisal - Production	2,505	Producing
BNG Shallow	Yelemes	806	Appraisal - Production	2,557	Producing
BNG Shallow	Yelemes	807	Appraisal - Production	2,500	Producing
BNG Shallow	Yelemes	808	Appraisal - Production	3,200	At total depth
Munaily	Munaily	H1	Production	1,200	Producing

Shareholders



Shareholder	Shares	%
Total Oraziman family	745,706,614	44.70%
Dae Han New Pharma Limited	224,830,964	13.50%
Kairat Satylganov	175,682,697	10.50%
Other Concert Party members	206,583,721	12.30%
Other shareholders	316,869,824	19.00%
Total shares in issue	1,669,673,820	100.00%

Brent 2 year price chart



Source: Capital IQ