

9 January 2020

Under the Markets in Financial Instruments Directive II (“MiFID II”), and in accordance with the Financial Conduct Authority’s Conduct of Business Sourcebook COBS 2.3A.19 R (5) (b), this research is deemed an acceptable minor non-monetary benefit, as it is paid for by the subject issuer as declared in the disclosure and disclaimer pages of this document.

Caspian Sunrise (CASP) – Corporate – Operational Update

Market Cap £161.6m Share Price 9.7p

Caspian Sunrise announced yesterday (12:02) that the A5 well has produced 37° API oil (light oil) for 10 days and based on activity to date the company expects the well to produce at a sustainable rate of at least 1,500 b/d. The company is currently adjusting the well’s choke to maintain a constant pressure.

The company announced its intention to spud an additional deep well into the Airghagyl field, Deep Well A9, with drilling operations expected to start in 2H 2020.

At the shallow MJF field six well sites have been prepared for drilling. Well 150, which began drilling in December, has reached a depth of 318 meters. The wells planned total depth is 2,500m. The next well expected to be drilled into the MJF structure is Well 153 and the company expects that well will begin drilling in March 2020.

The company indicated production in December amounted to 1,403 b/d (1,389 b/d in the prior month). 64% of production was exported at a price of \$59.6/b (58% and \$55/b in the prior month). 36% of production was sold domestically at a price of \$18/b (42% and \$19/b in the prior month).

WHI Opinion: Solid production from the A5 Well to date is extremely encouraging as is management’s estimate of the well’s potential flow rate. More time will be required to confirm these expectations which if correct would be transformative for the company. The scale of the flow rate is not as important as the establishment of stable commercial production. We believe this to be the case because the drilling costs per barrel are expected to be low. Therefore the number of wells required to extract the oil is not the key issue in our opinion. For perspective, based on our volumetric analysis WHI estimates the Airshagyl field has the potential to produce 302 million barrels of oil, based on a 58km² area of the field, which would be increased by the success of the forthcoming Deep A9 Well. The additional planned deep well, A9, is quite exciting in the current context of testing the A5 well. Based on the most recent updates provided by the company we cannot rule out the possibility of the company achieving strong growth in both deep and shallow production at the same time.

Under the Markets in Financial Instruments Directive II (“MiFID II”), this research is paid for by the subject issuer as declared in the disclosure and disclaimer pages of this document.

Company / Issuer Disclosures

Company Name	Table of interest number	12-month recommendation history	Date
Caspian Sunrise (CASP)	1,2,3,4,5	Corporate	11.12.17

<http://research.whirelandplc.com/research/regulatory.asp>

WHIreland Research
24 Martin Lane, London. EC4R ODR

The latest version of the WHIreland Privacy Notice, prepared in accordance with the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679), is set out at www.whirelandplc.com/gdpr-2 for the Corporate and Institutional Broking Division.

Regulatory Disclaimer and Disclosures

Marketing Communication

This research report is disseminated by WH Ireland Limited (“WHI”) which is authorised and regulated by the Financial Conduct Authority (“FCA”) and is a member of the London Stock Exchange. This research report is intended for the sole use of the person for whom it is addressed and is not intended for private individuals or those classified as Retail Clients as defined by the Markets in Financial Instruments Directive 2004/39/EC (“MiFID”).

Non-independent research

This research report is marketing communications and is produced in accordance with the FCA’s Conduct of Business Sourcebook. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. However, WHI is required by the FCA to have policies in place to identify and manage the conflicts of interest which may arise in the production and dissemination of this research report, such management of conflicts include a firm wide ban of PA dealings in any issuer under research coverage.

Planned frequency of updates to recommendation

WHI does not have a schedule for issuing research recommendations, they are issued whenever the research analyst and members of the research team alone deem it relevant, but usually in the event of significant development.

Disclaimer

This research report has been approved under part IV article 19 of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “FPO”) by WHI for communication in the United Kingdom only to investment professionals as that term is defined in article 19(5) of the FPO. Its contents are not directed at, may not be suitable for and should not be relied on by anyone who is not an investment professional including retail clients. This research report is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or would subject WHI to any registration or licensing requirement within such jurisdiction. This research report is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. It does not constitute a personal recommendation and recipients must satisfy themselves that any dealing is appropriate in the light of their own understanding, appraisal of risk and reward, objectives, experience, and financial and operational resources.

The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. WHI makes no representation or warranty, either express or implied, as to the accuracy or completeness of such information. Any opinions expressed in this research report may change without notice and may differ or be contrary to opinions expressed by other business areas of WHI. Any statements contained in this report attributed to a third party represent WHI’s interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. Investments involve risks, and investors should exercise prudence and their own judgement in making their investment decisions. The financial instruments described in this research report may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument referred to in this research report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

The value of any investment or income may go down as well as up, and investors may not get back the full amount invested. Past performance is not necessarily a guide to future performance. WHI accepts no fiduciary duties to the reader of this research report and in communicating it WHI is not acting in a fiduciary capacity. Neither WHI nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the Information.

(continued)

As at the quarter ending 31 December 2019 the distribution of all our published recommendations is as follows:

Recommendation	Total Stocks	Percentage %	Corporate	Percentage %
Corporate	50	89.3	50	100.0
Buy	5	8.9	0	0.0
Speculative Buy	0	0.0	0	0.0
Outperform	1	1.8	0	0.0
Market Perform	0	0.0	0	0.0
Underperform	0	0.0	0	0.0
Sell	0	0.0	0	0.0
Total	56.0	100.0	50.0	100.0

Valuation and Risks

For details relating to valuation and risks for subject issuers, please refer to the comments contained herein or in previously published research reports or sector notes.

Time and date of recommendation and financial instruments in the recommendation

The time and date when the production of this research recommendation is published is the date and time found in the header of the email carrying the research report.

Any prices stated in this document are for information purposes only, there is no representation that any transaction can or could have been effected at those prices. Different assumptions by any other source may yield substantially different results. Where a price of a financial instrument is quoted it will generally, in the absence of the contrary, be the closing mid-point price at the close of business the day before publication date.

A draft of this research report has been shown to the company following which factual amendments have been made.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of WHI and WHI accepts no liability whatsoever for the actions of third parties in this respect.

By accepting this document, you agree to be bound by the disclaimers stated above. Please refer to http://research.whirelandplc.com/research/conflicts_of_interest.asp for conflicts of Interest regarding Non-Independent Research.