

An aerial photograph of a river delta system. The water channels are a mix of deep blue and bright orange, winding through a dark, textured landscape. The text is overlaid on the image.

CASPIAN SUNRISE PLC

AGM PRESENTATION

30 June 2022

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CASPIAN SUNRISE

OVERVIEW

- Oil producer focused on Kazakhstan
- AIM listed since 2007
- Production capacity approx. 4,000 bopd from BNG shallow structures & targeting 5,000 by end 2022
- Huge potential from deep structures
- Gearing up to pay dividends

STRATEGY

- Maximise operational cashflows
- Maintain status as a low-cost operator
- Diversify (e.g. renewable energy via wind projects & new locations)
- Opportunistic acquisitions favouring producing assets
- Opportunistic asset disposals

KAZAKHSTAN

LICENCES TYPES

- Exploration: Typically two years duration and common for several renewals before moving to an appraisal licence.
- Appraisal: Next step if the project appears commercial. Oil produced may be sold at domestic prices. Can be renewed.
- Production: Typically 25 years or more and allows the majority of oil to be sold at international prices.

TAXATION

- Five principal taxes with each having its own basis of calculation
 - Corporate Income Tax @ 20% taxable income
 - Mineral Exploration Tax volume-based royalty 5-18%
 - Excess Profits Tax 0-60%
 - Rent tax on exports if international price >\$50, 7-32%
 - Export duty based on price per barrel
- Limited tax under an appraisal licence

OIL PRICES

INTERNATIONAL

- 50-70% of current production
- Sold to local international oil traders
- Delivered via Russian pipeline network
- Under sanctions classed as Urals Oil with a \$25-35 discount
- Priced and paid in \$ after 2 months

DOMESTIC

- 30-50% of current production
- Sold to local domestic oil traders
- Now approximately \$25 per barrel
- Priced and paid in Tenge on delivery
- Lower tax / social deductions

ROUTES TO MARKET

INTERNATIONAL

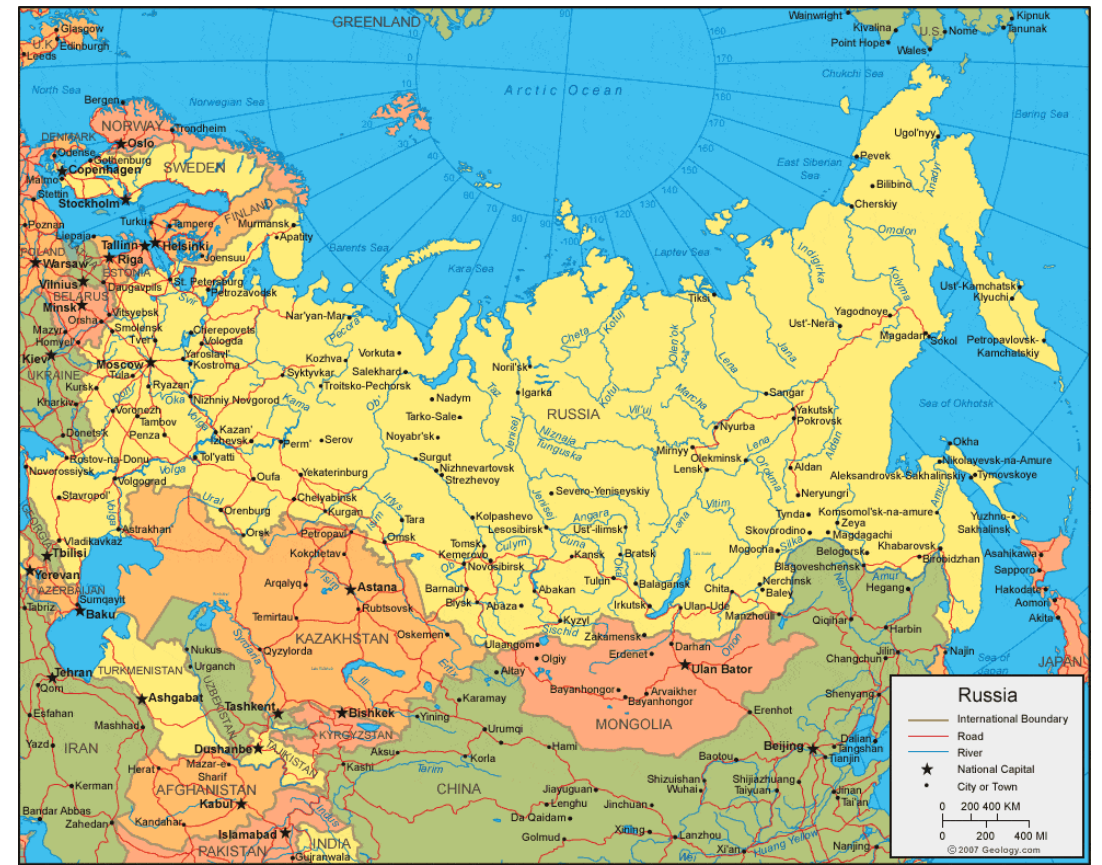
- Sold to international oil traders
- Delivered to the local treatment works
- Shipped monthly to north Russian ports
- Loaded onto large tankers
- Ultimate destination anywhere in the world
- Price based on Rotterdam Urals Oil
- Alternatives via Caspian Sea / Uzbekistan / China

DOMESTIC

- Sold to local oil traders
- Delivered to local treatment works
- Shipped monthly

MINI REFINERIES

- Buyers collect oil daily
- Higher price than domestic



ILLUSTRATIVE PER BARREL ECONOMICS

INTERNATIONAL

	Before Russian Sanctions	After Russian sanctions
	\$ per barrel	\$ per barrel
Brent Price	120	120
Discount	<u>6</u>	<u>35</u>
	114	85
Processing / transport	(7.6)	(7.6)
Tax	<u>(36.4)</u>	<u>(35.1)</u>
Net	<u>70</u>	<u>42.3</u>

DOMESTIC

	Before Russian Sanctions	Before Russian Sanctions
	\$ per barrel	\$ per barrel
Domestic Price	25	25
Processing / transport	<u>(7.1)</u>	<u>(7.1)</u>
	<u>17.9</u>	<u>17.9</u>
Tax	<u>(0.7)</u>	<u>(0.7)</u>
Net	<u>17.2</u>	<u>17.2</u>

EXISTING ASSETS

BNG (99%)

- 1,561sq km Contract Area located close to Tengiz
- Acquired in 2008
- Self operated since 2011
- More than \$100 million spent since 2008
- 25 year production licences for the shallow structures
- Appraisal licences for the deep structures

OTHER

3A BEST (100%)

- Acquired in 2019
- 1,347 sq km Contract Area
- Early stage exploration

CASPIAN EXPLORER (100%)

- Acquired in 2020
- Only shallow water drilling vessel of its type operational in the Caspian Sea

BNG

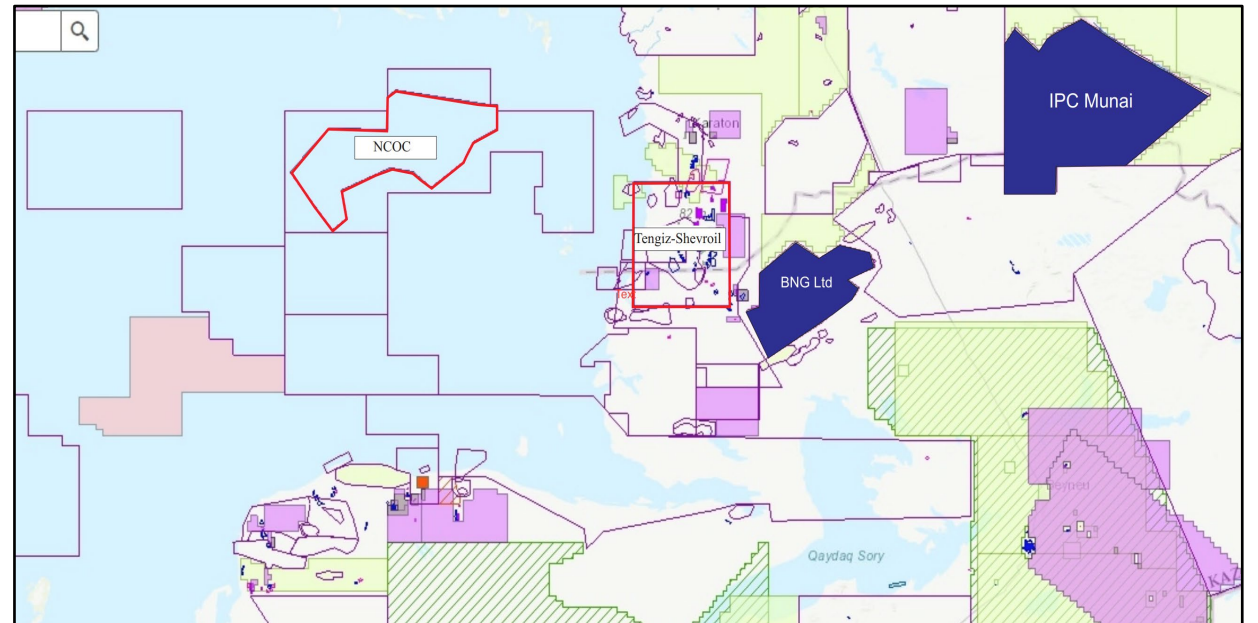
STRUCTURES

Shallow

- MJF / South Yelemes
- 9 wells - 7 operational
- 2,000 - 2,500 meters @ typically \$2 million each

Deep

- Airshagyl / Yelemes Deep
- 4 wells
- 4,500 - 5.500 meters typically @ \$10 million each



BNG PRODUCTION

BARRELS OF OIL

Barrels '000's	2018	2019	2020	2021
MJF	525	441	524	534
South Yelemes	<u>65</u>	<u>66</u>	<u>22</u>	<u>0</u>
Total shallow	590	507	546	534
Airshagyl	0	0	0	0
Yelemes Deep	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	590	507	546	534

WELLS

Number	2018	2019	2020	2021	2022E
MJF	5	7	9	10	11
South Yelemes	4	4	4	4	5
Total shallow	9	11	13	13	16
Airshagyl	3	3	3	3	4
Yelemes Deep	1	1	1	1	2
Total	13	15	17	18	21

RESERVES & LICENCES

RESERVES

BNG Shallow structures

- P1 15.1 mmbbls
- P2 26.3 mmbbls

BNG Deep structures

- Nil to date

3A Best

- Nil to date

LICENCES

MJF

- Export licence to 2043

South Yelemes

- Export licence to 2046

Airshagyl & Yelemes Deep (combined)

- Appraisal licence to 2022

3A-Best - working with authorities to renew

APPROACH TO BNG

SHALLOW WELLS

- Maximise production with new wells and horizontal drilling workovers of existing wells
- Explore shallow sandstone prospects at South Yelemes structure
- Immediate target of 5,000 bopd by end 2022
- Bring on / buy additional infrastructure
 - Water / sulphur removal
 - Greater storage

DEEP WELLS

- Deep wells typically costs up to \$10 million to drill and complete
- Four completed to date
- Two further wells required to satisfy the BNG work programme in full
- Costs of final two deeps wells mostly funded
- Seek to bring existing wells into production using our own rigs
- No further deep wells likely at BNG until we get one of the first 6 to flow commercially

3A-BEST

CHARACTERISTICS

- 1,347 sq meter Contract Area located near the port of Actau
- Surrounds and goes beneath Total's 15,000 bopd Dunga field
- Early stage exploration asset
- Set for farm-out / disposal once licence renewed

CURRENT POSITION

- Working with the authorities to renew the licence
- Previous farm out depends on licence renewal
- Active interest

CASPIAN EXPLORER

SHALLOW WATER DRILLING VESSEL

- Built by a consortium of leading Korean companies in 2010 for \$200 million. Replacement cost >\$300 million and would take several years to be operational
- Can drill to depths of 6,000 meters from water 2.5 to 7.5 meters deep
- Only vessel of its type operational in the Caspian Sea
- Chartered
 - in 2017 for \$28 million and in 2018 for \$24 million
 - In 2021 for safety work
 - Tender outstanding for significant drilling contract at rates broadly similar to 2017 & 2018



RUSSIAN SANCTIONS

CURRENT IMPACT

- Still using the Russian pipeline network
- Still receiving payments
- Urals Oil pricing discount expected to decline
 - Kazakh Export Blend Crude Oil (KEBCO)
 - EU confirmation no sanctions on Kazakh oil
- Potential issues with new equipment / drilling consumables
- Downwards pressure on the Kazakh Tenge

CONTINGENCY PLANS

- Sell all oil domestically / local min refineries
- Via road to Uzbekistan
- Across the Caspian to Azerbaijan
- Via pipelines to China
- Equipment / drilling consumables could be sourced via China

DIVERSIFICATION

WIND ENERGY

- Looked into it a decade ago but uneconomic
- Position now materially different
- Suitable location identified
- Technical study to be updated
- First step in becoming a diversified energy Group

INTERNATIONAL ACQUISITIONS

- Considering projects in MENA region and elsewhere and would be
 - Established but undervalued assets
 - With local partners
 - Cashflow positive projects

M&A EXPERIENCE / ACTIVITY

ACQUISITIONS

- BNG / Galaz
- 3A-Best
- Caspian Explorer
- Equipment
 - Rigs
 - Vehicles
 - Drilling equipment

DISPOSALS

- Galaz - Sold for \$100 million
- 3A-Best ?
- Caspian Explorer ?

FINANCIAL PERFORMANCE

PROFIT & LOSS

	Units	2018	2019	2020	2021
Production	000's bbls	590	507	546	534
Revenue	\$'m	10.7	12.1	14.3	25.0
Operating profit / (loss)	\$'m	(2.6)	1.4	(0.7)	(4.0)*
Profit / (loss) for the year	\$'m	(8.5)	(1.4)	(3.5)	(5.5)*
Profit / (loss) per share	p	(0.5)	(0.07)	(0.18)	(0.26)*

* After provision of \$12.5 million in respect of 3A Best

BALANCE SHEET

	\$'m	2018	2019	2020*	2021
Total Assets		64.6	117.4	127.4	114.2
Current Assets		0.9	10.1	10.1	6.0
Current Liabilities		12.3	28.4	28.4	28.3
Non-current Liabilities		17.1	44.2	44.2	40.2
Net Assets		36.1	54.9	54.9	45.6

* restated

DIVIDENDS

STEPS TO FIRST DIVIDEND

- With the expensive BNG deep drilling obligations coming to an end we expect to have strong free cashflows to fund future dividends
- Shareholder approval for a Capital Reduction
- High Court approval received in June 2022
- First dividend expected H2 2022

POLICY

- Regular dividend payments
- Possibility for special dividend payments from the proceeds of M&A activities

BOARD

EXECUTIVE

Kuat Oraziman- CEO

- Trained geologist with 27 years oil and gas experience in Kazakhstan.

Seokwoo Shin- COO

- 32 years with Korean National Oil Corporation in Korea, UK, Russia and Kazakhstan.

Clive Carver FCA & FCT- Chairman & CFO

- Experienced public company chairman and CFO

NON-EXECUTIVE

Edmund Limerick - Senior Non-Executive

- Russian speaking former lawyer, banker and specialist fund manager.

Aibek Oraziman - Largest individual shareholder

- More than 12 years oil & gas experience in Kazakhstan including 3 years in the field

SHAREHOLDERS

TOP 3 HOLDERS COVER 68%

- Oraziman family 48%*
- Dae Han New Pharm 10%*
- Al Marri family 10%
- Other Kazakh 7%*
- 421 shareholders in total

** denotes formal concert party member. The wider Concert Party, including the Oraziman family hold 65%*

STATISTICS

- 2,250,501,560 shares in issue
- Approximately 15 million options outstanding
- AIM listed since 2007
- Ticker: CASP.L
- Thinly traded

SUMMARY

INVESTMENT CASE

- Growing production from shallow structures
- On a dividend yield basis, the shares would be extremely undervalued
- Huge potential from deep structures
- Caspian Explorer = hidden value
- Successful M&A activity could provide one or more windfalls

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