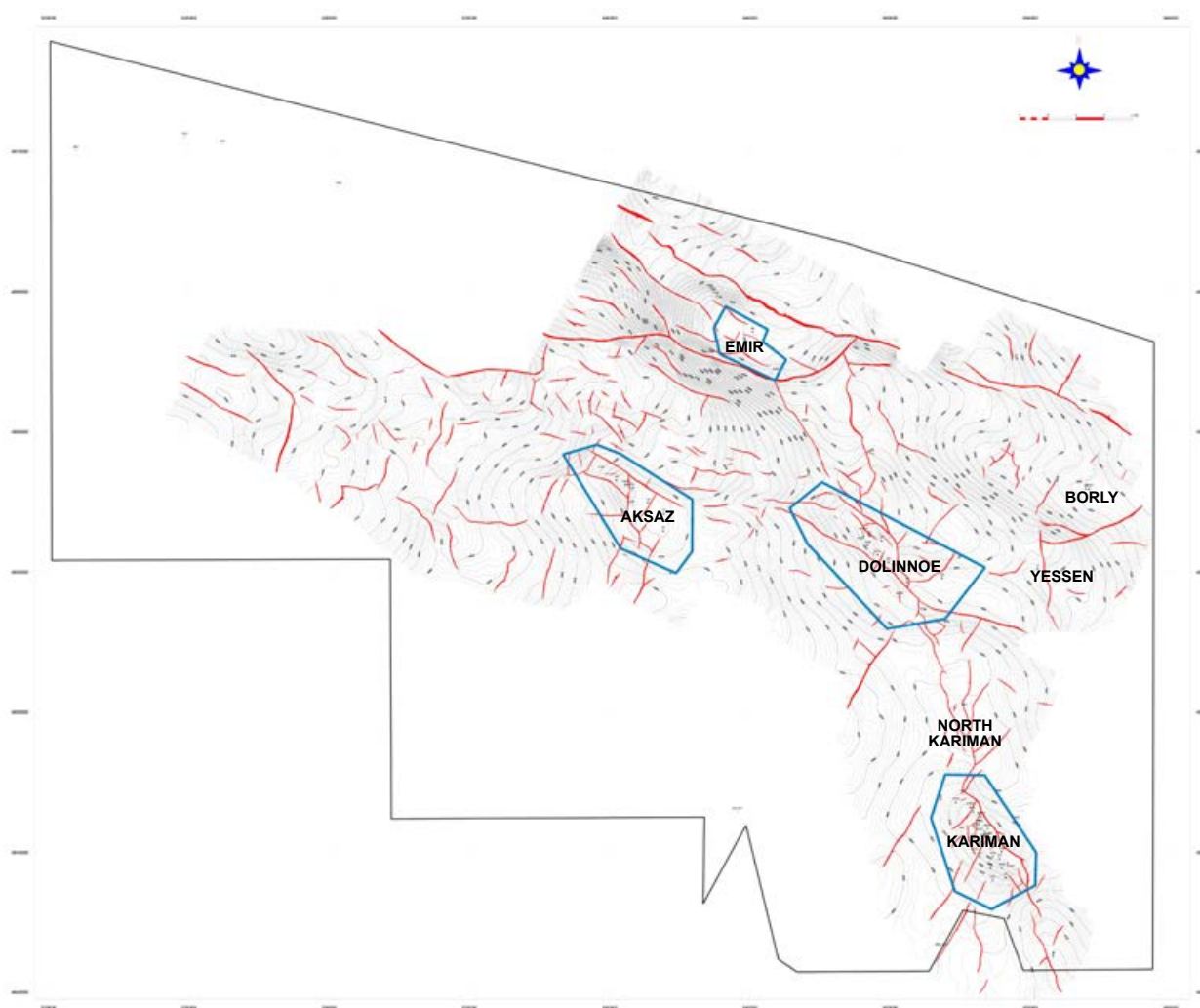


**LEGEND**

- AREA OF INTEREST
- FAULT LINES
- CONTRACT AREAS
- LICENSE AREA

MIE HOLDINGS CORPORATION

**ADEK BLOCK
(LICENSE TERRITORY)**

MANGISTAU OBLAST, KAZAKHSTAN

ORIENTATION MAP

JAN. 2016

JOB No. 6144

ADEK BLOCK (LICENCE AREA)
REPUBLIC OF KAZAKHSTAN
AKSAZ FIELD
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- q) Aksaz-6, Middle Triassic T2C (Removed from this version)

Probable Developed

- r) Aksaz-1, Middle Triassic T2B (Removed from this version)
- s) Aksaz-1, Middle Triassic T2C (Removed from this version)
- t) Aksaz-2, Middle Triassic T2B (Removed from this version)
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- y) Location-2, Middle Triassic T2C (Removed from this version)
- z) Location-2, Middle Triassic T2C (Removed from this version)
- aa) Location-2, Middle Triassic T2C (Removed from this version)
- ab) Location-2, Middle Triassic T2C (Removed from this version)
- ac) Location-3, Middle Triassic T2C (Removed from this version)
- ad) Location-3, Middle Triassic T2C (Removed from this version)
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- h) Probable Plus Possible Developed (Removed from this version)
- i) Probable Plus Possible Undeveloped (Removed from this version)
- j) Proved Plus Probable Plus Possible (Removed from this version)

ADEK BLOCK (LICENCE AREA)
REPUBLIC OF KAZAKHSTAN
AKSAZ FIELD
DISCUSSION

Property Description

The Company owns a 100 percent working interest in a "Licence" and "Production Contract" referred to as the Aksaz Field which is located onshore in Kazakhstan in the Mangistau Oblast, approximately 50 kilometers from Aktau in the Republic of Kazakhstan (ROK).

The Licence originated in 1999 and the Production Contract was entered into on September 9, 2011.

The Licence and Production Contract granted the right to engage in exploration and development activities on the block. The Production Contract term is 25 years.

The Company has the right to produce and sell oil under the Law of Petroleum for the term of the existing Production Contract at Mineral Extraction Tax rates presented in Table 1.

Under the Production Contract, Mineral Extraction Tax rates are negotiated and vary depending on the annual production, Export Rent Tax depends on the market spot price. This year the spot price reference has been negotiated to correlate to Brent oil price.

There are two general forms of production contracts in Kazakhstan, production-sharing contracts and tax based contracts. The ADEK Block is governed under a tax based contract.

The Aksaz field is one of seven known fields already discovered on the ADEK Block. Aksaz is a gas-condensate field, but for the purposes of this report is treated as an oil field with a high gas-oil ratio. The Company has re-entered Aksaz-1 and placed it on production from one zone, but currently shut-down the well. Well Aksaz-2 has been drilled, tested and placed on production from one zone. Deviated well Aksaz-2A (Sidetrack A) has been drilled, tested and placed on production from one zone, but is currently shut-down. Well Aksaz-3 has been drilled, tested and placed on production from one zone, but currently is shut-down. Well Aksaz-4 has also been re-entered and placed on production from one zone, but currently is also shut-down. Also, well Aksaz-6 has been drilled, tested

and placed on production from two zones, but currently is shut-down. There are two new wells, Aksaz-105 and Aksaz-106, currently drilled, but not placed on production yet.

A map of the field, showing well locations and reservoir structures, is presented on Figure 1 and a brief description of the ownership is presented in Table 1.

Geology

The ADEK Block is located at the edge of the Mangistau Ustyrt Central High which contains several producing oilfields in the area. The main producing horizon is the Middle Triassic carbonate. The Aksaz structure lies in the articulation zone where the Beke-Bashkudsky high and Karagiin saddle transits into the Zhetbay-Uzen tectonic zone. In the north the structure aligns with the line of a regional fault, interpreted as a thrust. The productive Middle Triassic consists of mostly limestone in this structure.

The ADE Block is covered by several vintages of 2D seismic plus a recent 3-D survey. The Middle Triassic structure top is represented by the reflection horizons T2 and T1, which are presented on Figure 1.

The Jurassic, a clastic sand shale sequence with some carbonate, lies about 950m above the Triassic throughout the block. The Jurassic is a secondary opportunity for hydrocarbon potential as indicated by log analysis. Resource potential has been identified, but reserves have not been assigned or evaluated in this report.

Petrophysical Data and Analysis

Russian GIS logs were run in the shallow formations and Baker Atlas logs over the Triassic.

The Chapman digital log analysis was made using HDS software over the Triassic reservoir.

The Gamma Ray was used as a shale indicator in the Modified Simandoux water saturation equation with a carbonate selection for a, m and n.

Sw cutoff was 40% along with a shale volume cutoff of 30%.

Net pay was identified in the Triassic as shown in the interpreted log.

Reserves

Proved developed producing oil reserves of 453 MSTB and marketable solution gas reserves of 4,661 MMscf have been estimated for the Middle Triassic T2C zone (completed intervals that are currently producing) in wells Aksaz-1, Aksaz-2, Aksaz-4 and Aksaz-6 based on production decline analysis.

Additional proved developed non-producing oil reserves of 909 MSTB and marketable solution gas reserves of 5,963 MMscf have been estimated for wells Aksaz-1, Aksaz-3 and Aksaz-4, based on reservoir parameters determined from digital log analysis and production data from the well, with assigned drainage area of 60 acres and a well specific recovery factor. These assumptions are based on the well performance.

Proved undeveloped oil reserves of 571 MSTB and marketable solution gas reserves of 3,583 MMscf have been assigned for one zone, Middle Triassic T2C, in Location-1 and Aksaz-105.

Incremental Probable Developed Producing oil reserves of 480 MSTB and marketable solution gas reserves of 4,515 MMscf have been estimated for the Middle Triassic T2C zone in wells Aksaz-1, Aksaz-2, Aksaz-4 and Aksaz-6, assuming a higher recovery factor.

Probable Developed Non-Producing oil reserves of 640 MSTB and marketable solution gas reserves of 5,779 MMscf have been assigned for the additional intervals in the existing wells Aksaz-1, Aksaz-2, Aksaz-3, Aksaz-4, Aksaz-6 and Aksaz-106 based on the reservoir parameters determined from well log analysis and assumed recovery factor and drainage area, and actual gas-oil ratio for each well.

Additional Probable Undeveloped oil reserves of 1,228 MSTB and marketable solution gas reserves of 9,179 MMscf have been estimated for one Middle Triassic T2C zone in one well and four locations based on analogy of the reservoir parameters to the existing wells and assumed recovery factors and drainage areas for each location.

Possible oil reserves of 488 MSTB and marketable solution gas reserves of 4,074 MMscf have been estimated for one drilled well and four undeveloped locations based on analogy to the existing wells.

Reserves assigned in this report have been restricted to the fault blocks which have been encountered by wells Aksaz-1, Aksaz-2, Aksaz-3, Aksaz-4, Aksaz-6, Aksaz-105 and Aksaz-106. Additional resource potential may exist on the surrounding fault block (Figure 1), which have not yet been drilled.