Also, the Jurassic has indicated significant possible reserves potential, based on log analysis, which has not been evaluated herein, but will be tested with the next well drilled. There is insufficient data at present to accurately quantify reserves however log analysis on Aksaz-1 demonstrates potential hydrocarbons as discussed above.

A summary of the reserves for this area is presented in Table 2 and the reserve data and reservoir parameters for each interval are presented in Tables 2a through 2 ai.

Production

Well Aksaz-1 commenced production in 2005 at an initial rate of 180 STB/d but was shut off in the middle of 2005 and after workovers and stimulation, came on production in December of 2007 at a rate of 205 STB/d. The well Aksaz-1 is currently producing (intermittent pumping) at a daily rate of 19 STB/d because of high GOR and insufficiency of the field gas utilizing system.

Well Aksaz-2 commenced production in the beginning of 2009 at a rate of 9 STB/d after successful stimulation is currently producing at a rate of 252 STB/d with a gas-oil ratio of 11,089 scf/STB.

Well Aksaz-3 commenced production in October 2007 at a rate of 360 STB/d and is currently not on production because of high GOR and insufficiency of the field gas utilizing system.

Well Aksaz-4 commenced production during late 2005 at an initial rate of up to about 100 STB/d, and is currently producing (intermittent pumping) at a daily rate of 40 STB/d because of high GOR and insufficiency of the field gas utilizing system.

Well Aksaz-6 commenced production in the beginning of 2009 at a rate of 40 STB/d, and is currently producing (intermittent pumping) at a daily rate of 76 STB/d because of high GOR and insufficiency of the field gas utilizing system.

Newly drilled wells Aksaz-105 and Aksaz-106 are expected to be placed on production in after completion of the Central Processing Facility.

One offset proved locations has been anticipated to commence production in 2019 at a rate averaging 100 STB/d.

Three probable undeveloped locations are expected to be drilled in 2019 and commence production in 2020 at an average initial rate of 260 STB/d per zone and a gas-oil ratio as presented in Table 2.

Initial rates for proved undeveloped, probable and possible locations are based on earlier tests in well Aksaz-1 where rates as high as 300 STB/d were achieved flowing against a back pressure of 800 psi. These wells will be drilled and completed with modern technology as opposed to the Aksaz -1 and 4 wells which are reentries of older wells.

The offset wells for the probable plus possible category have been scheduled to commence production at rates from 100 to 400 STB/d per well.

Production history graphs for individual wells and a Group Production Plot are presented on Figures 3a through 3f.

Product Prices

Under the terms of the contract, a portion of production is required to satisfy the domestic market and the remaining is allowed to be exported. We have utilized an export/domestic sales split of 89% /11% for the purposes of this report based on the company's previous year's actual result.

The exported oil price is equivalent to Brent oil price, which has been estimated to be $46.25/STB in 2016 for this project. The forecast Brent price has been based on the average forecast of two prominent consulting firms, Sproule and McDaniel.

The domestic price is legislated by the government, reduced by the Value Added Tax (VAT) of 12%, resulting in $9.39/STB in 2016. This price is forecast to gradually increase related to Brent price.

A natural gas price of $0.85/Mscf has been utilized for solution gas sales and assumed to be constant throughout the report.

Capital Expenditures

Total capital expenditures of $37,185,000 have been estimated for the development of the proved, probable and possible reserves in this field as presented in Table 3a.

An average cost of $6,700,000 has been used to drill, complete, equip and tie-in each new well based on historical information in this area.

Abandonment and lease restoration costs of $550,000 ($50,000 per well) net of salvage have been included after the depletion of the reserves, as presented in Table 3b.

Operating Costs

Field fixed costs of $296,000/well/year for existing wells and all new wells have been used for this evaluation based on Company 2015 revenue statements.

Our processing costs are estimated to be $3.39/STB for all oil. Oil for export (89%) is subjected to Export Sales costs of 6.91/STB in 2016 and 5.41/STB in 2017 and after, transportation costs of $8.06/STB in 2016 and 5.56/STB in 2017 and after.

Additionally, an export duty of $8.00/STB ($60.00/LT) is charged against the export oil.

Tax Consideration

Under the terms of the Production Contract, exports are subject to Export Rent Tax (ERT), Mineral Extraction Tax (MET), Corporate Income Tax (CIT) and Excess Profit Tax, which are based on the Tax Regulations of ROK and its values are presented in Table 1. Export oil is exempt from Value Added Tax (VAT).

Economics

Economic analyses have been prepared on a spread sheet format to appropriately account for the particulars of the Sales Cost, Transportation Discount, Export Duty, Export Rent Tax, Mineral Extraction Tax, Corporate Income Tax and Excess Profit Tax.

The cash flow forecasts have been prepared under a "Forecast Prices and Costs" assumption

Production gross revenue and capital forecasts have been established on a field level and integrated into this economic model to establish cash flows on a Contract area level.

Page 1 – Gross Production and Capital Forecast

Page 2 – Production Splits – Export and Domestic Sales Revenue, Expense, ERT and MET

Page 3 – Company Operating Cost and Cash Flow

Page 4 – Corporate Income Tax and Excess Profit Tax

The results of the economic analysis are presented on Table 4, Before Income Tax and Excess Profit Tax, Table 4T, After Corporate Income Tax and Excess Profit Tax

The individual analyses (4 pages/case) are presented on Tables 4a through 4j.

Table 1

Schedule of Lands, Interests and Royalty Burdens
January 1, 2016

MIE Holdings Corporation

Aksaz, Republic of Kazakhstan

Description	Rights Owned	Gross Acres	Appraised Interest Working %	Appraised Interest Royalty %	Royalty Burdens Basic %	Royalty Burdens Overriding %
License No.3737-4BC & Contract No.482	[A]	N/A	100.0000	-	[1]	-

General Notes : [1] According to the New Tax Law of ROK:

Mineral Extraction Tax (MET, Oil and Natural Gas Liquid)

Annual Production		Mineral Extraction Tax for OIL, %	
tons	MSTB	Export	Domestic
up to 250,000	up to 2,072	5.00	2.50
up to 500,000	up to 4,145	7.00	3.50
up to 1,000,000	up to 8,289	8.00	4.00
up to 2,000,000	up to 16,578	9.00	4.50
up to 3,000,000	up to 24,868	10.00	5.00
up to 4,000,000	up to 33,457	11.00	5.50
up to 5,000,000	up to 41,446	12.00	6.00
up to 7,000,000	up to 58,024	13.00	6.50
up to 10,000,000	up to 82,892	15.00	7.50
over 10,000,000	over 82,892	18.00	9.00

Mineral Extraction Tax (MET, Natural Gas)

Annual Production		Mineral Extraction Tax for GAS, %	
10^6 m^3	MMscf	Export	Domestic
up to 1000	up to 35,490	10.00	0.50
up to 2000	up to 70,980	10.00	1.00
over 2000	over 70,980	10.00	1.50

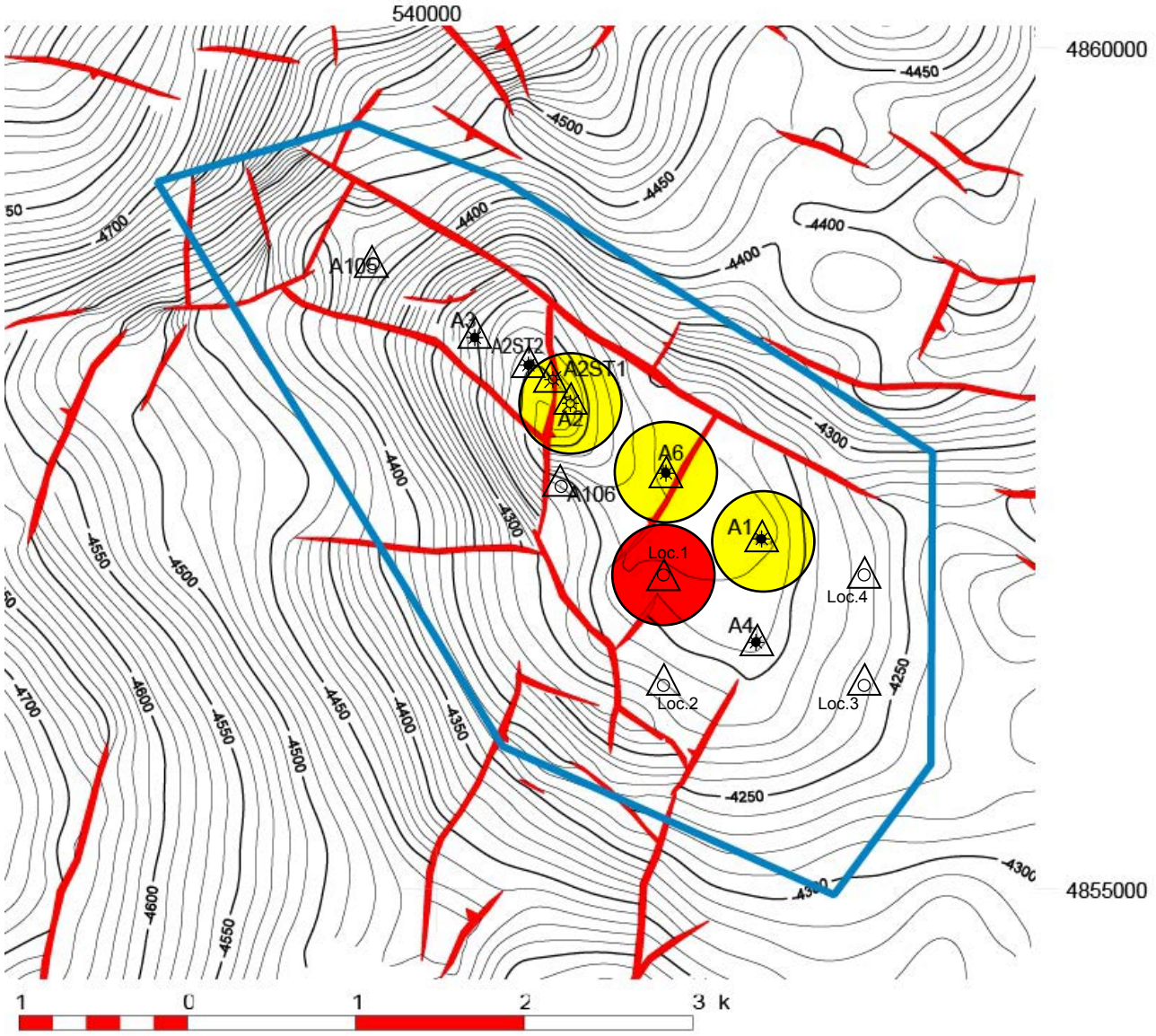
Export Rent Tax (ERT)

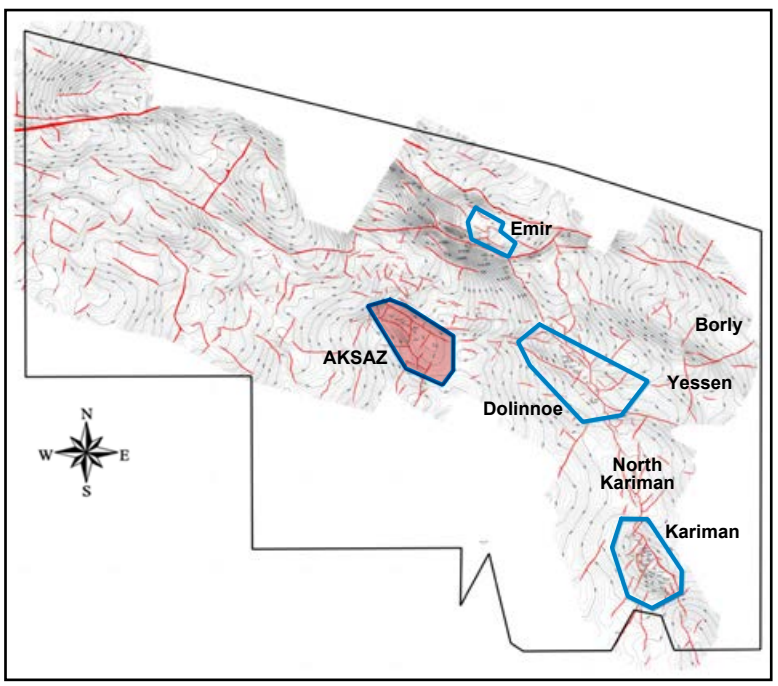
World Price (US$/BBL)	Rate %
Up to 40, Including	0
Up to 50, Including	7
Up to 60, Including	11
Up to 70, Including	14
Up to 80, Including	16
Up to 90, Including	17
Up to 100, Including	19
Up to 110, Including	21
Up to 120, Including	22
Up to 130, Including	23
Up to 140, Including	25
Up to 150, Including	26
Up to 160, Including	27
Up to 170, Including	29
Up to 180, Including	30
Up to 190, Including	32
Up to 200, Including	32

Corporate Income Tax

Corporate Income Tax, %
20

Rights Owned : [A] Aksaz Field located in blocks XXXV-10-C(partially), XXXV-11-A(partially), D(partially).
Production Contact expires on September 9, 2036.





LEGEND

- FAULT LINES
- FIELD BOUNDARY
- ## STRUCTURAL ELEVATION (sL)- m
- PROPOSED LOCATIONS
- WELL OF INTEREST
- PROVED RESERVES
- PROBABLE RESERVES
- POSSIBLE RESERVES

MIE HOLDINGS CORPORATION

AKSAZ FIELD

ADEK BLOCK (LICENSE AREA)

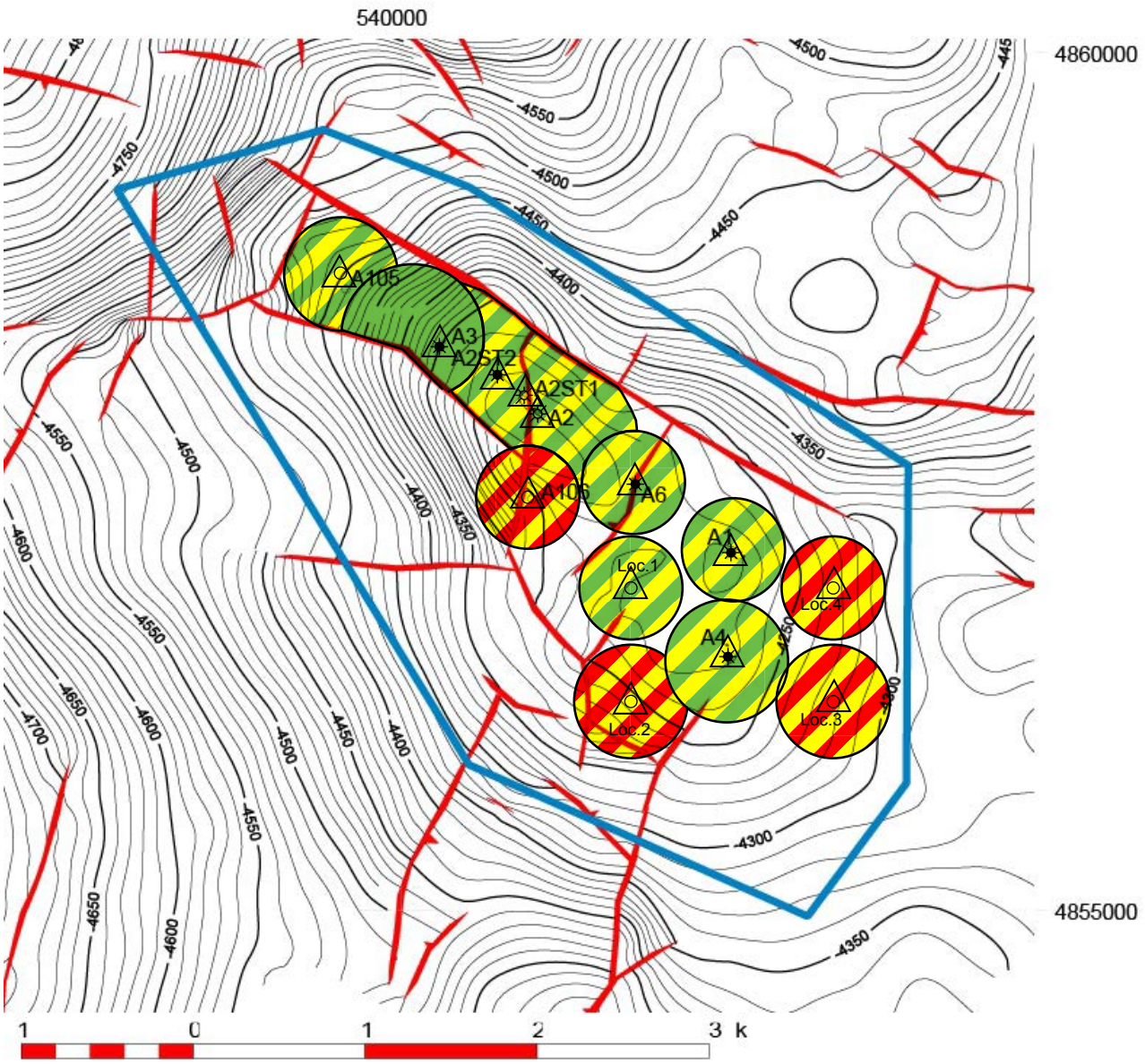
MANGISTAU OBLAST, KAZAKHSTAN

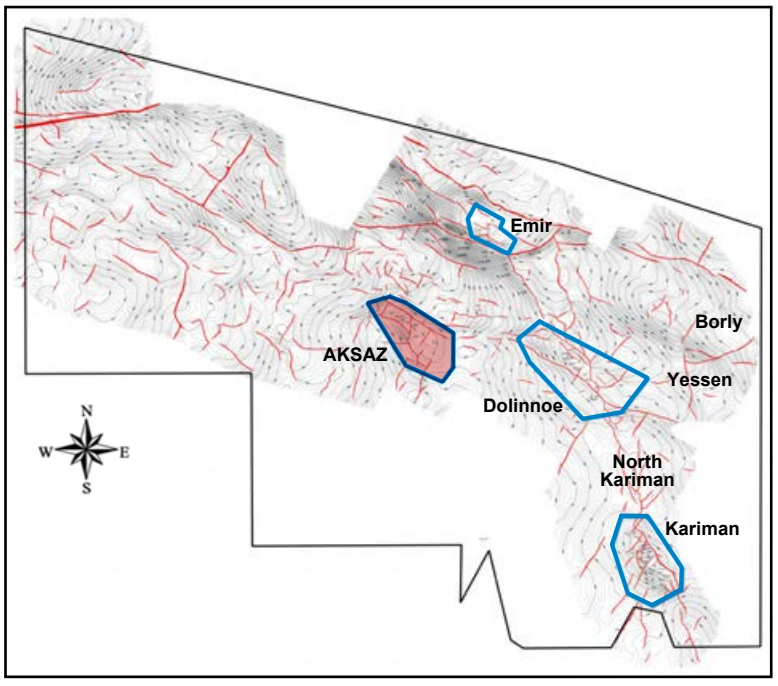
STRUCTURE ON MIDDLE TRIASSIC T2B

JAN. 2016 JOB No. 6144 FIGURE No. 1a

57

Chapman Petroleum Engineering Ltd.





LEGEND

- FAULT LINES
- FIELD BOUNDARY
- ## STRUCTURAL ELEVATION (sL)- m
- PROPOSED LOCATIONS
- WELL OF INTEREST
- PROVED RESERVES
- PROBABLE RESERVES
- POSSIBLE RESERVES

MIE HOLDINGS CORPORATION

AKSAZ FIELD

ADEK BLOCK (LICENSE AREA)

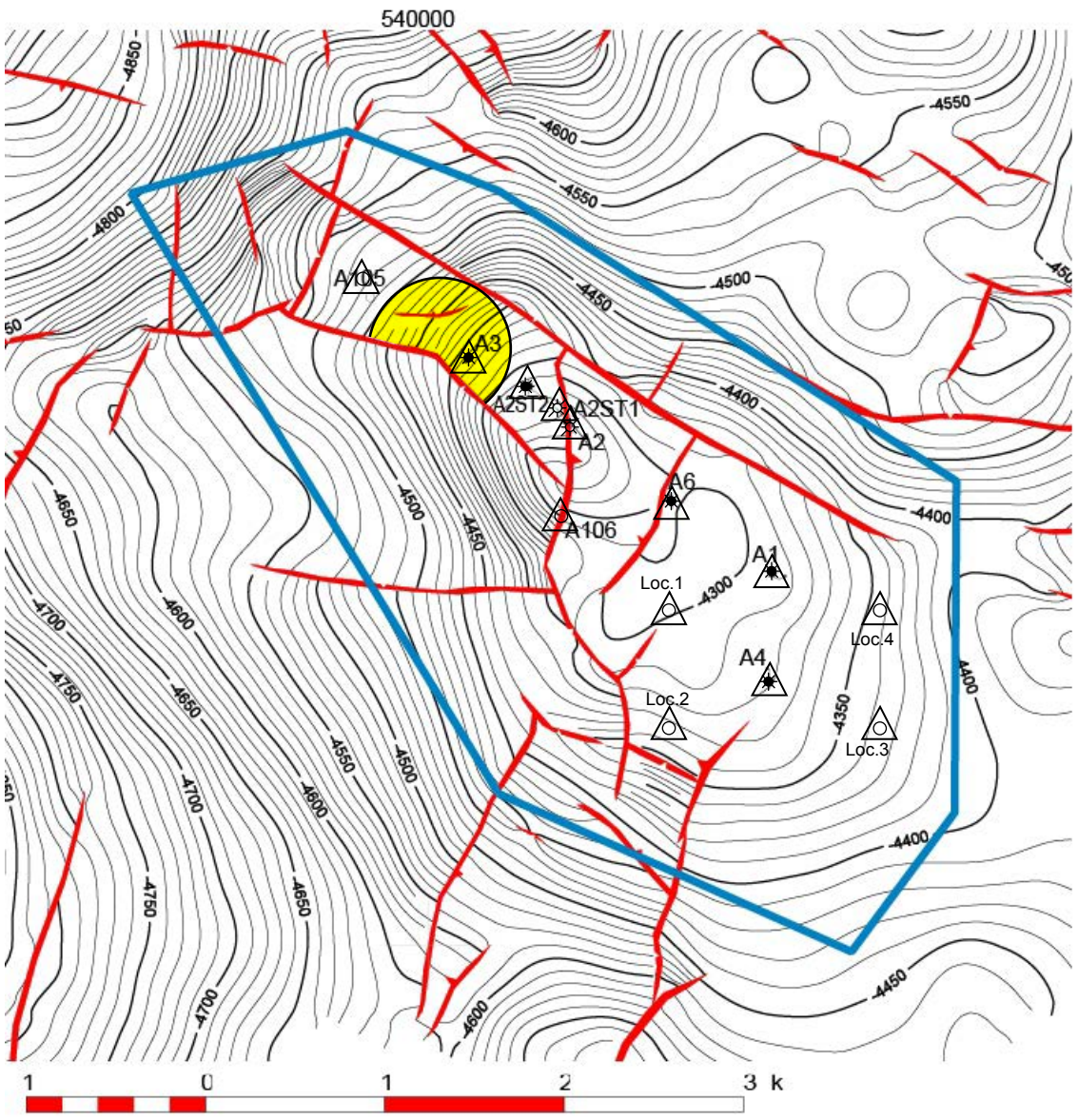
MANGISTAU OBLAST, KAZAKHSTAN

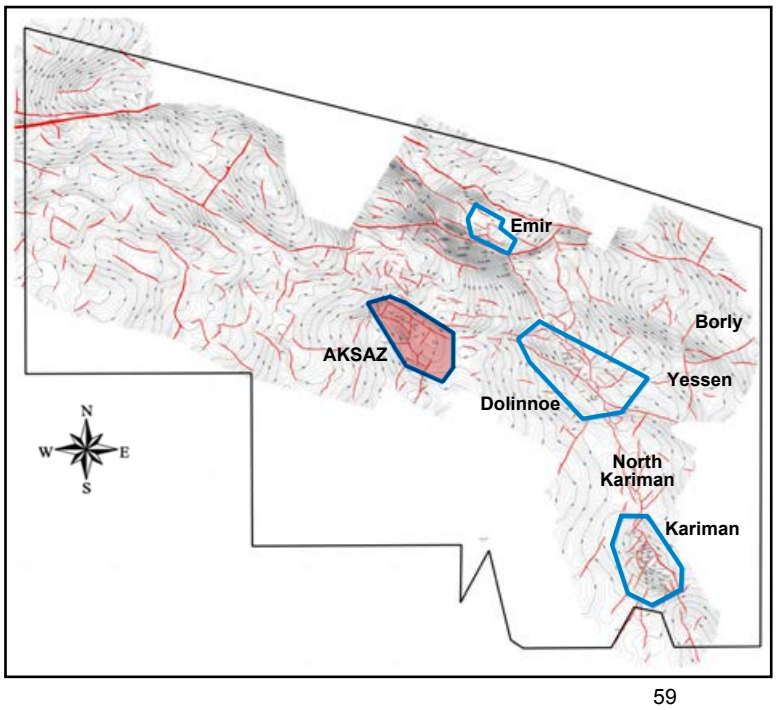
STRUCTURE ON MIDDLE TRIASSIC T2C

JAN. 2016 JOB No. 6144 FIGURE No. 1b

58

Chapman Petroleum Engineering Ltd.





LEGEND

- FAULT LINES
- FIELD BOUNDARY
- ## STRUCTURAL ELEVATION (sL)- m
- PROPOSED LOCATIONS
- WELL OF INTEREST
- PROVED RESERVES
- PROBABLE RESERVES
- POSSIBLE RESERVES

MIE HOLDINGS CORPORATION

AKSAZ FIELD

ADEK BLOCK (LICENSE AREA)

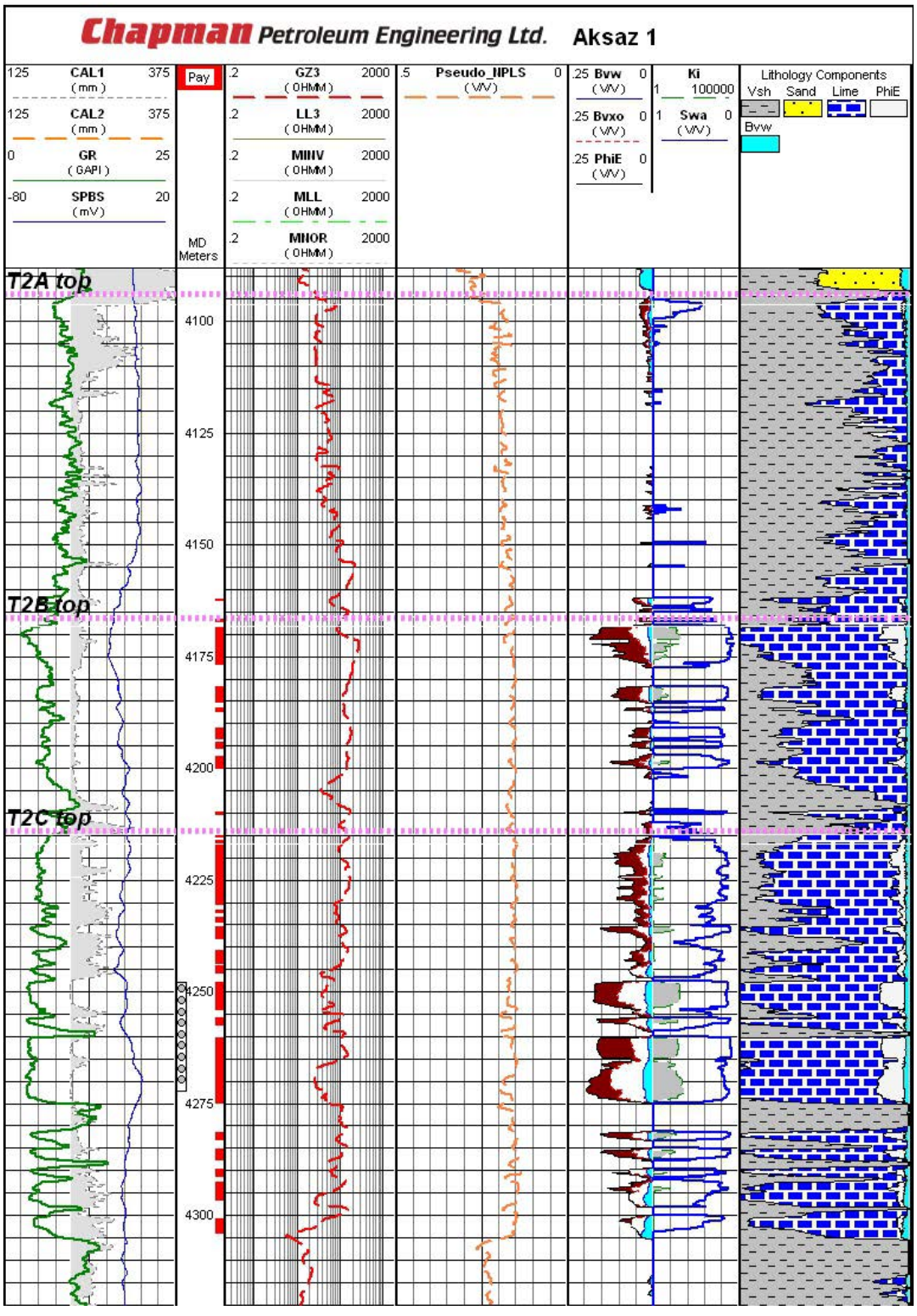
MANGISTAU OBLAST, KAZAKHSTAN

STRUCTURE ON TOP TRIASSIC T1

JAN. 2016 JOB No. 6144 FIGURE No. 1c

59

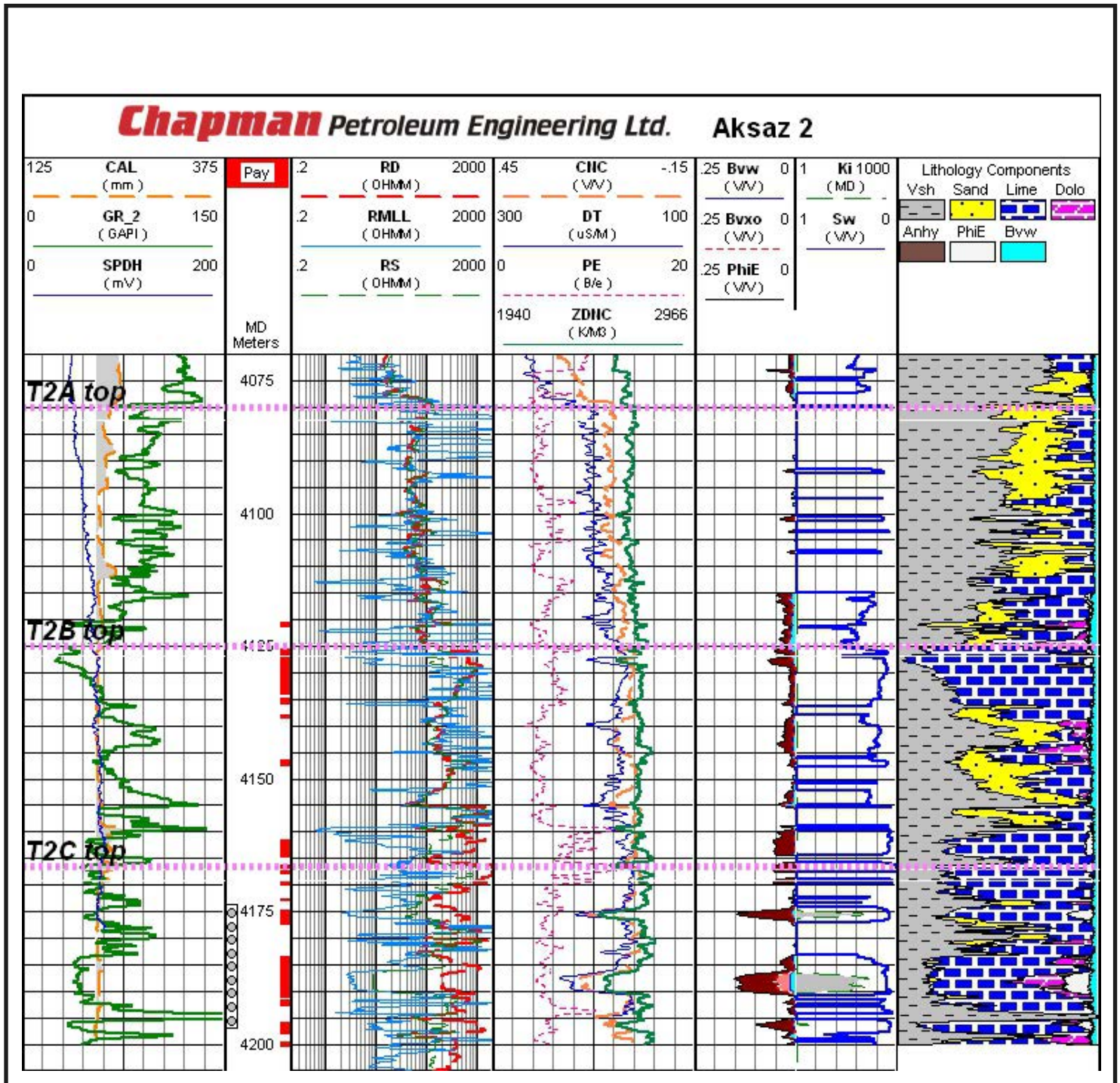
Chapman Petroleum Engineering Ltd.



MIE HOLDINGS CORPORATION
ADEK BLOCK OIL WELL LOG ANALYSIS MANGISTAU OBLAST, KAZAKHSTAN AKSAZ 1 TRIASSIC
JAN. 2016 JOB No. 6144 FIGURE No. 2a

60

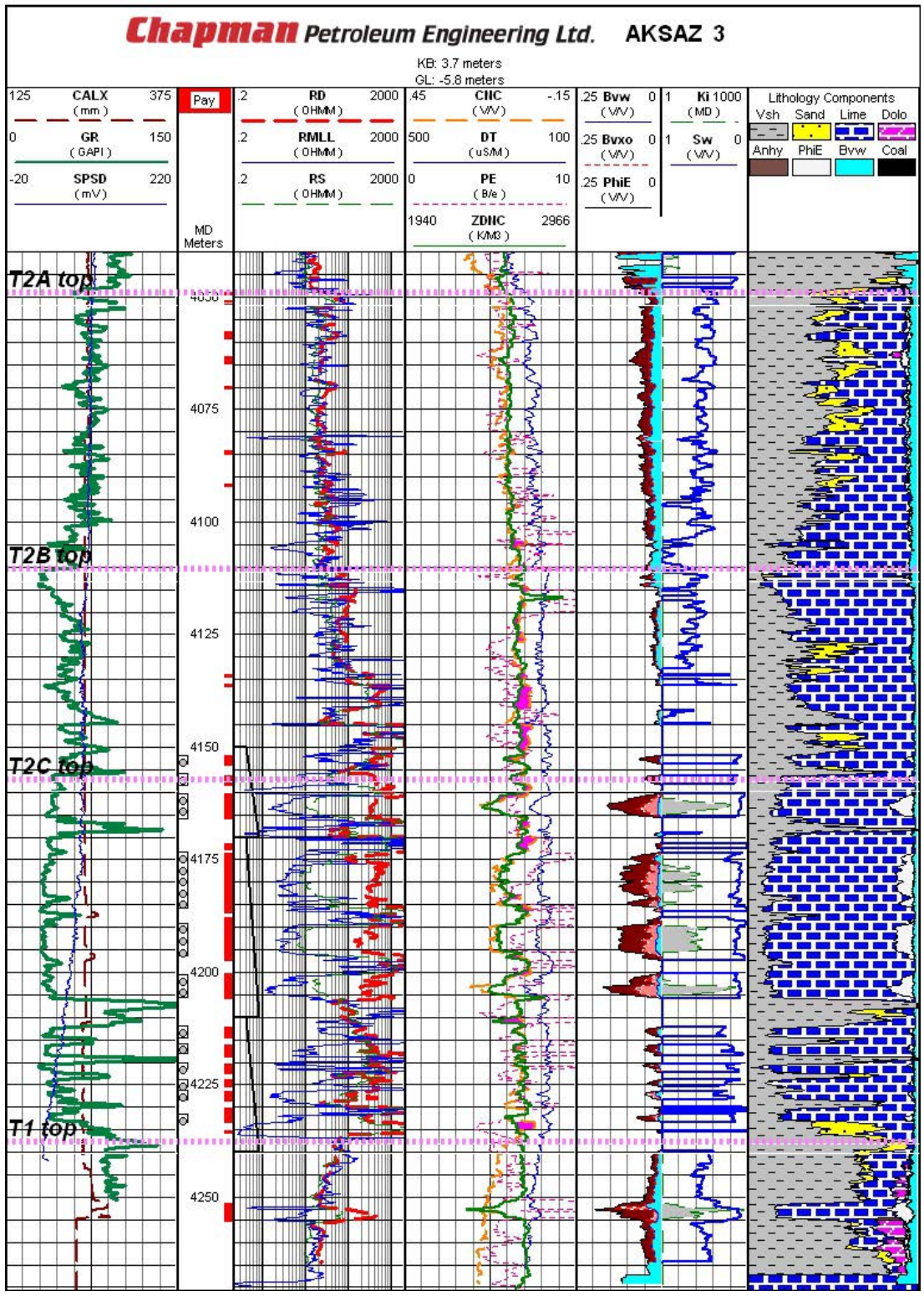
Chapman Petroleum Engineering Ltd.



MIE HOLDINGS CORPORATION		
ADEK BLOCK OIL WELL LOG ANALYSIS MANGISTAU OBLAST, KAZAKHSTAN AKSAZ 2 TRIASSIC		
JAN. 2016	JOB No. 6144	FIGURE No. 2b

61

Chapman Petroleum Engineering Ltd.



MIE HOLDINGS CORPORATION
ADEK BLOCK OIL WELL LOG ANALYSIS MANGISTAU OBLAST, KAZAKHSTAN AKSAZ 3 TRIASSIC
JAN. 2016 JOB No. 6144 FIGURE No. 2c

62

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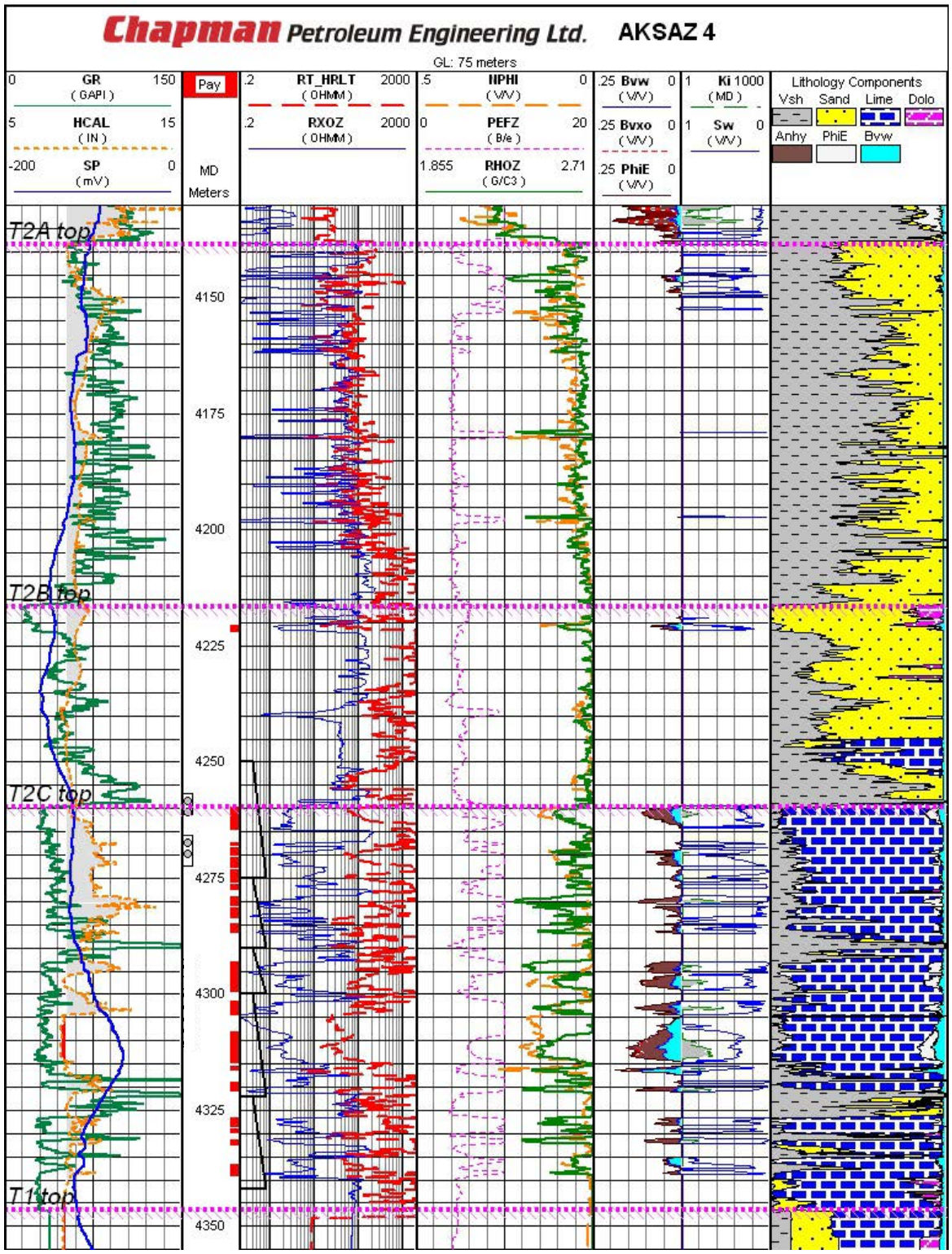
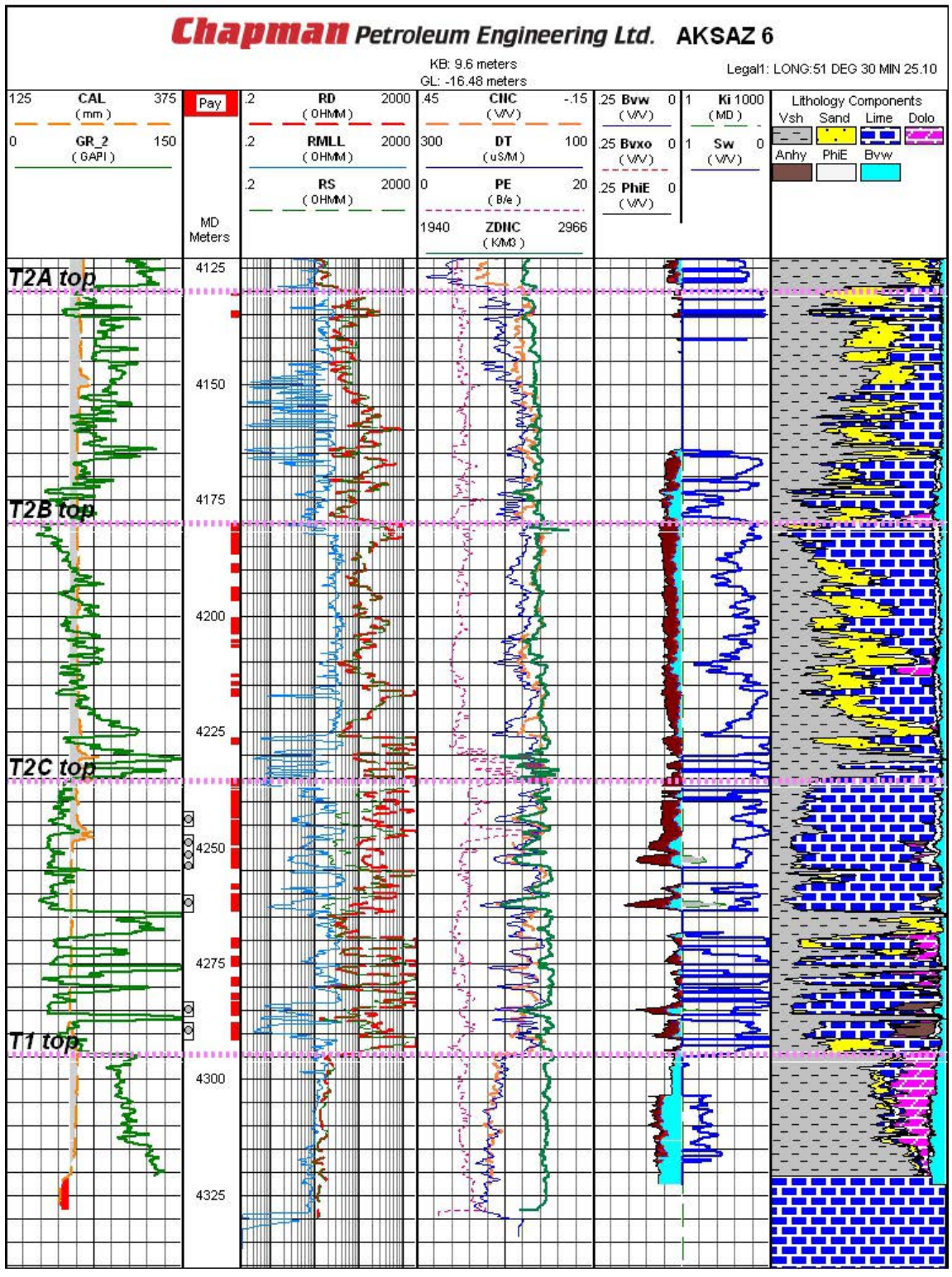


MIE HOLDINGS CORPORATION
ADEK BLOCK OIL WELL LOG ANALYSIS MANGISTAU OBLAST, KAZAKHSTAN AKSAZ 4 TRIASSIC
JAN. 2016 JOB No. 6144 FIGURE No. 2d

63

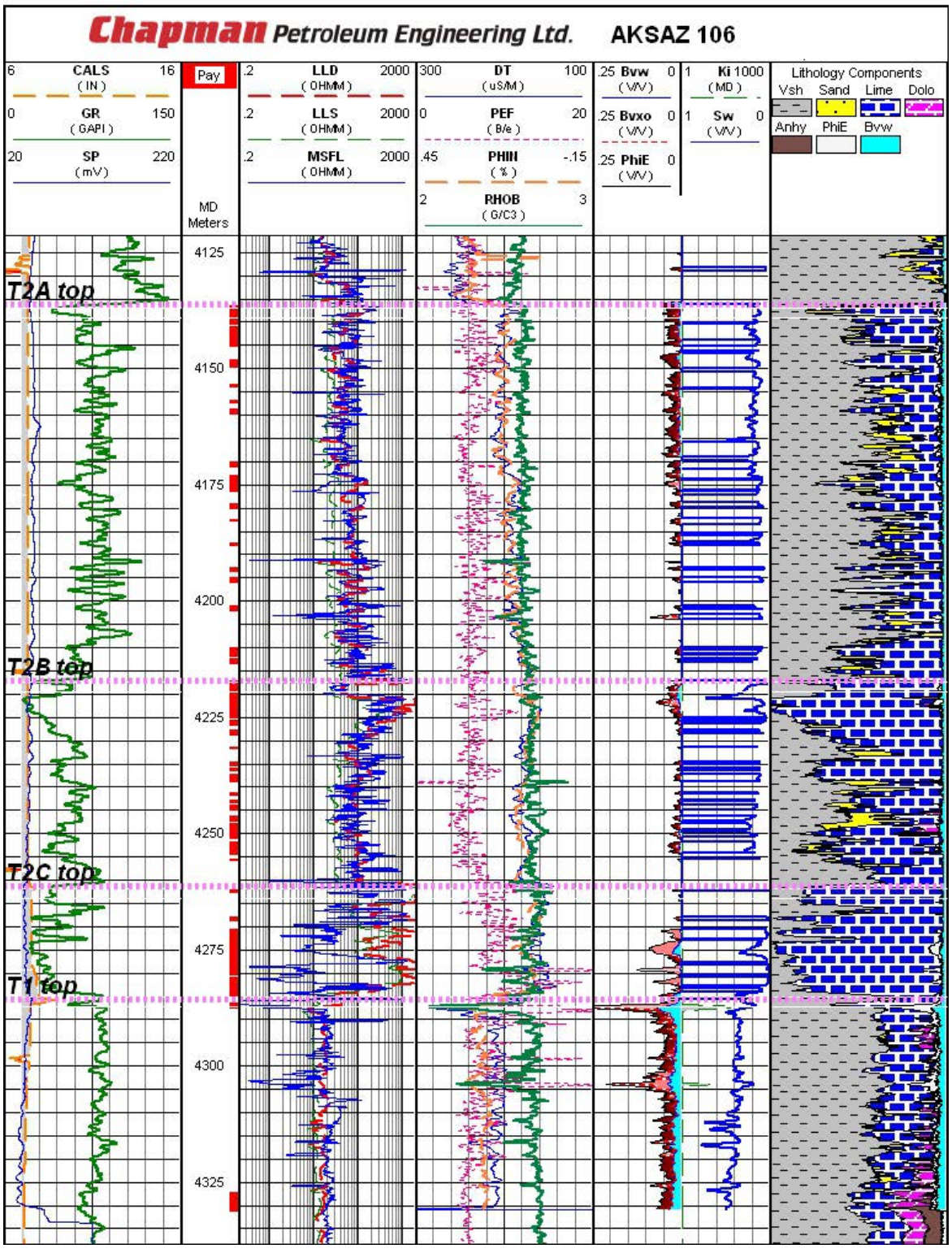
Chapman Petroleum Engineering Ltd.



MIE HOLDINGS CORPORATION
ADEK BLOCK OIL WELL LOG ANALYSIS MANGISTAU OBLAST, KAZAKHSTAN AKSAZ 6 TRIASSIC
JAN. 2016 JOB No. 6144 FIGURE No. 2e

64

Chapman Petroleum Engineering Ltd.



MIE HOLDINGS CORPORATION
ADEK BLOCK OIL WELL LOG ANALYSIS MANGISTAU OBLAST, KAZAKHSTAN AKSAZ 106 TRIASSIC
JAN. 2016 JOB No. 6144 FIGURE No. 2f

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Chapman Petroleum Engineering Ltd.

Table 2

Summary of Gross Reserves
January 1, 2016

MIE Holdings Corporation

Aksaz, Republic of Kazakhstan

Description			Current or Initial Rate STB/d	API Gravity (Deg)	EUR (MSTB)	Cumulative Production (MSTB)	Gross Reserves (MSTB)	Contract Reserves * (MSTB)	Reference
LIGHT & MEDIUM OIL									
Proved									
Proved Developed Producing									
Aksaz-1	Middle Triassic T2C		19	55	109	108	1	1	Decline, Figure 3a
Aksaz-2	Middle Triassic T2C		252	55	619	241	379	379	Decline, Figure 3b
Aksaz-4	Middle Triassic T2C		40	55	170	151	19	19	Decline, Figure 3d
Aksaz-6	Middle Triassic T2C		76	55	96	42	54	54	Decline, Figure 3e
	Total Proved Developed Producing		**387**		**995**	**542**	**453**	**453**	
Proved Developed Non-producing									
Aksaz-1	Middle Triassic T2C		100	55	233	0	233	233	Table 2a
Aksaz-3	Middle Triassic T2C		300	55	815	437	379	379	Tables 2b, 2c & 2d
Aksaz-4	Middle Triassic T2C		100	55	339	42	297	297	Tables 2e, 2f & 2g
	Total Proved Developed Non-producing		**500**		**1,388**	**479**	**909**	**909**	
	Total Proved Developed		**887**		**2,383**	**1,021**	**1,362**	**1,362**	
Proved Undeveloped									
Aksaz-105	Middle Triassic T2C		300	55	484	0	484	484	Tables 2h, 2i & 2j
Location-1	Middle Triassic T2C		100	55	87	0	87	87	Tables 2k & 2l
	Total Proved Undeveloped		**400**		**571**	**0**	**571**	**571**	
	Total Proved		**1,287**		**2,954**	**1,021**	**1,933**	**1,933**	
Probable									
Probable Developed Producting									
Aksaz-1	Middle Triassic T2C	(incr.)	11	55	99	0	99	99	Table 2m
Aksaz-2	Middle Triassic T2C	(incr.)	0	55	133	0	133	133	Table 2n
Aksaz-4	Middle Triassic T2C	(incr.)	30	56	120	0	120	120	Table 2o
Aksaz-6	Middle Triassic T2C	(incr.)	0	55	128	0	128	128	Tables 2p & 2q
	Total Probable Developed Producing		**41**		**480**	**0**	**480**	**480**	
Probable Developed Non-Producting									
Aksaz-1	Middle Triassic T2B & T2C		200	55	384	0	384	384	Tables 2r & 2s
Aksaz-2	Middle Triassic T2B		50	55	34	0	34	34	Tables 2t
Aksaz-3	Lower Triassic T1		50	55	75	0	75	75	Table 2u
Aksaz-4	Middle Triassic T2C		50	55	32	0	32	32	Table 2v
Aksaz-6	Middle Triassic T2B		50	55	81	0	81	81	Table 2w
Aksaz-106	Middle Triassic T2C		50	55	35	0	35	35	Table 2x
	Total Probable Developed Non-Producing		**450**		**640**	**0**	**640**	**640**	
	Total Probable Developed		**491**		**1,120**	**0**	**1,120**	**1,120**	
Probable Undeveloped									
Aksaz-105	Middle Triassic T2C	(incr.)	100	55	161	0	161	161	Tables 2m, 2n & 2o
Location-1	Middle Triassic T2C	(incr.)	50	55	101	0	101	101	Tables 2p & 2q
Location-2	Middle Triassic T2C		200	55	279	0	279	279	Tables 2y, 2z, 2aa & 2ab
Location-3	Middle Triassic T2C		200	55	279	0	279	279	Tables 2ac, 2ad, 2ae & 2af
Location-4	Middle Triassic T2C		400	55	407	0	407	407	Tables 2ag & 2ah
	Total Probable Undeveloped		**950**		**1,228**	**0**	**1,228**	**1,228**	
	Total Probable		**1,441**		**2,348**	**0**	**2,348**	**2,348**	
	Total Proved Plus Probable		**2,728**		**5,302**	**1,021**	**4,281**	**4,281**	
Possible									
Aksaz-106	Middle Triassic T2C	(incr.)	30	55	17	0	17	17	Table 2x
Location-2	Middle Triassic T2C	(incr.)	50	55	93	0	93	93	Tables 2y, 2z, 2aa & 2ab
Location-3	Middle Triassic T2C	(incr.)	50	55	93	0	93	93	Tables 2ac, 2ad, 2ae & 2af
Location-4	Middle Triassic T2C	(incr.)	100	55	203	0	203	203	Tables 2ag & 2ah
Location-1	Middle Triassic T2B		50	55	81	0	81	81	Table 2ai
	Total Possible		**280**		**488**	**0**	**488**	**488**	
	Total Proved Plus Probable Plus Possible		**3,008**		**5,790**	**1,021**	**4,769**	**4,769**	

Note: * Reserves recoverable within the Term of the existing Production Contract.

Table 2 Cont.

Summary of Gross Reserves
January 1, 2016

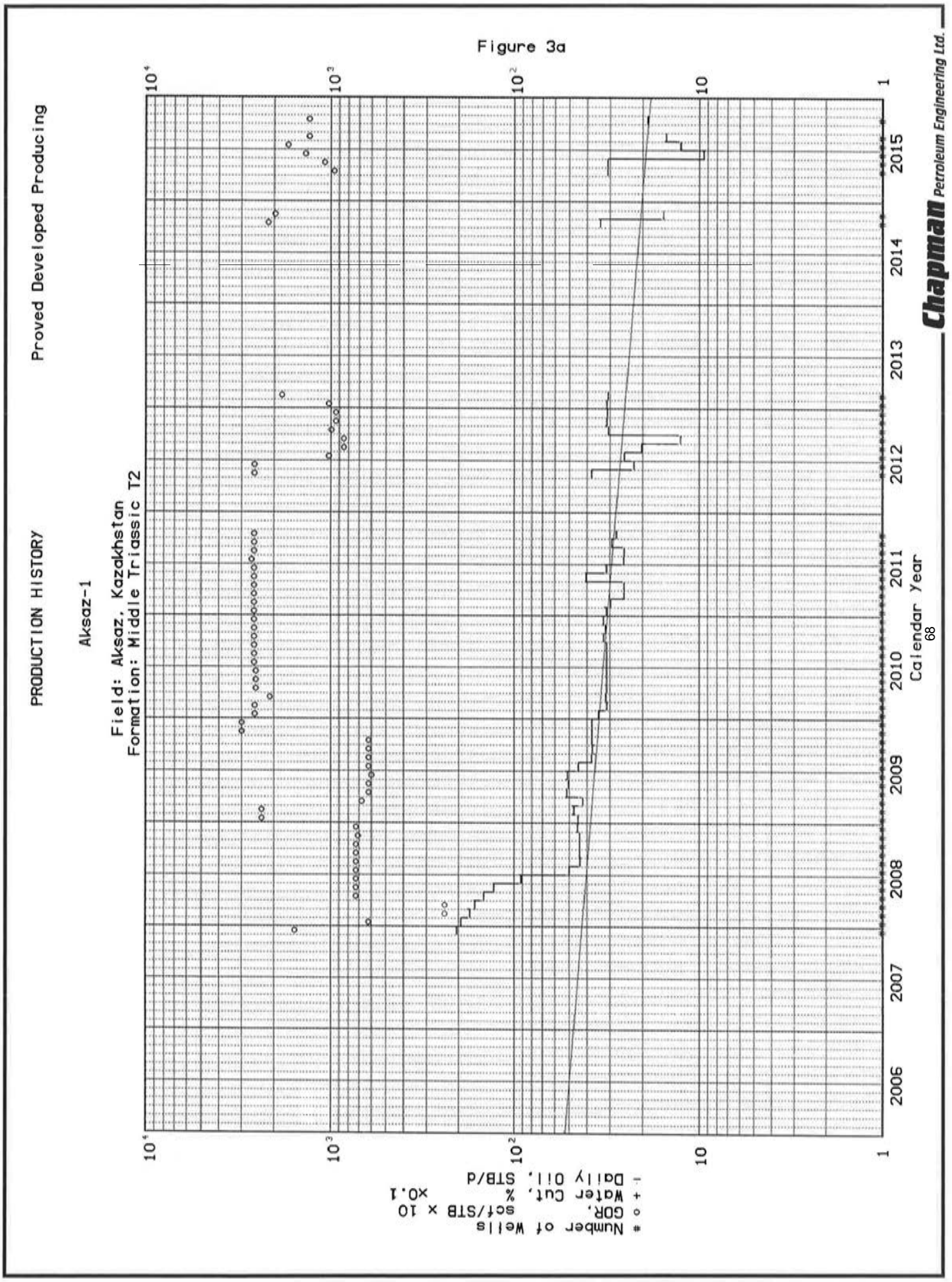
MIE Holdings Corporation

Aksaz, Republic of Kazakhstan

Description		EUR (raw) (MMscf)	Cumulative Production (MMscf)	Gross Reserves (raw) (MMscf)	Gross Reserves (sales) (MMscf)	Contract Reserves (sales)* (MMscf)	Reference
SOLUTION GAS							
Proved							
Proved Developed Producing							
Aksaz-1	Middle Triassic T2C	1,139	1,126	13	12	12	GOR : 10,408 scf/STB
Aksaz-2	Middle Triassic T2C	6,867	2,668	4,199	3,905	3,905	GOR : 11,089 scf/STB
Aksaz-4	Middle Triassic T2C	1,046	932	114	106	106	GOR : 6,157 scf/STB
Aksaz-6	Middle Triassic T2C	1,214	529	686	638	638	GOR : 12,627 scf/STB
	Total Proved Developed Producing	**10,266**	**5,254**	**6,012**	**4,661**	**4,661**	
Proved Developed Non-producing							
Aksaz-1	Middle Triassic T2C	2,428	0	2,428	2,258	2,258	GOR : 10,408 scf/STB
Aksaz-3	Middle Triassic T2C	4,639	2,485	2,154	2,003	2,003	GOR : 5,690 scf/STB
Aksaz-4	Middle Triassic T2C	2,090	261	1,830	1,702	1,702	GOR : 6,157 scf/STB
	Total Proved Developed Non-producing	**9,158**	**2,746**	**6,412**	**5,963**	**5,963**	
	Total Proved Developed	**19,423**	**7,999**	**11,424**	**10,624**	**10,624**	
Proved Undeveloped							
Aksaz-105	Middle Triassic T2C	5,510	2755	2,755	2,562	2,562	GOR : 5,690 scf/STB
Location-1	Middle Triassic T2C	2,195	1097	1,097	1,021	1,021	GOR : 12,627 scf/STB
	Total Proved Undeveloped	**7,705**	**3,853**	**3,853**	**3,583**	**3,583**	
	Total Proved	**27,128**	**11,852**	**15,276**	**14,207**	**14,207**	
Probable							
Probable Developed Producting							
Aksaz-1	Middle Triassic T2C	1,033	0	1,033	961	961	GOR : 10,408 scf/STB
Aksaz-2	Middle Triassic T2C	1,472	0	1,472	1,369	1,369	GOR : 11,089 scf/STB
Aksaz-4	Middle Triassic T2C	739	0	739	687	687	GOR : 6,157 scf/STB
Aksaz-6	Middle Triassic T2C	1,611	0	1,611	1,498	1,498	GOR : 12,627 scf/STB
	Total Probable Developed Producing	**4,854**	**0**	**4,854**	**4,515**	**4,515**	
Probable Developed Non-Producting							
Aksaz-1	Middle Triassic T2B & T2C	3,995	0	3,995	3,715	3,715	GOR : 10,408 scf/STB
Aksaz-2	Middle Triassic T2B	381	0	381	354	354	GOR : 11,109 scf/STB
Aksaz-3	Lower Triassic T1	426	0	426	396	396	GOR : 5,690 scf/STB
Aksaz-4	Middle Triassic T2C	197	0	197	183	183	GOR : 6,157 scf/STB
Aksaz-6	Middle Triassic T2B	1,018	0	1,018	947	947	GOR : 12,627 scf/STB
Aksaz-106	Middle Triassic T2C	198	0	198	184	184	GOR : 5,690 scf/STB
	Total Probable Developed Non-Producing	**6,214**	**0**	**6,214**	**5,779**	**5,779**	
	Total Probable Developed	**11,069**	**0**	**11,069**	**10,294**	**10,294**	
Probable Undeveloped							
Aksaz-105	Middle Triassic T2C	918	0	918	854	854	GOR : 5,690 scf/STB
Location-1	Middle Triassic T2C	1,276	0	1,276	1,187	1,187	GOR : 12,627 scf/STB
Location-2	Middle Triassic T2C	1,720	0	1,720	1,600	1,600	GOR : 6,157 scf/STB
Location-3	Middle Triassic T2C	1,720	0	1,720	1,600	1,600	GOR : 6,157 scf/STB
Location-4	Middle Triassic T2C	4,234	0	4,234	3,938	3,938	GOR : 10,408 scf/STB
	Total Probable Undeveloped	**9,869**	**0**	**9,869**	**9,179**	**9,179**	
	Total Probable	**20,938**	**0**	**20,938**	**19,472**	**19,472**	
	Total Proved Plus Probable	**48,067**	**11,853**	**36,215**	**33,679**	**33,679**	
Possible							
Aksaz-106	Middle Triassic T2C	99	0	99	92	92	GOR : 5,690 scf/STB
Location-2	Middle Triassic T2C	573	0	573	533	533	GOR : 6,157 scf/STB
Location-3	Middle Triassic T2C	573	0	573	533	533	GOR : 6,157 scf/STB
Location-4	Middle Triassic T2C	2,117	0	2,117	1,969	1,969	GOR : 10,408 scf/STB
Location-1	Middle Triassic T2B	1,018	0	1,018	947	947	GOR : 12,627 scf/STB
	Total Possible	**4,381**	**0**	**4,381**	**4,074**	**4,074**	
	Total Proved Plus Probable Plus Possible	**52,448**	**11,853**	**40,596**	**37,753**	**37,753**	

Note: * Reserves recoverable within the Term of the existing Production Contract.

Figure 3a


PRODUCTION HISTORY
Proved Developed Producing
Aksaz-1
Field: Aksaz, Kazakhstan
Formation: Middle Triassic T2
Chapman Petroleum Engineering Ltd.
Calendar Year
Number of Wells
o GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d

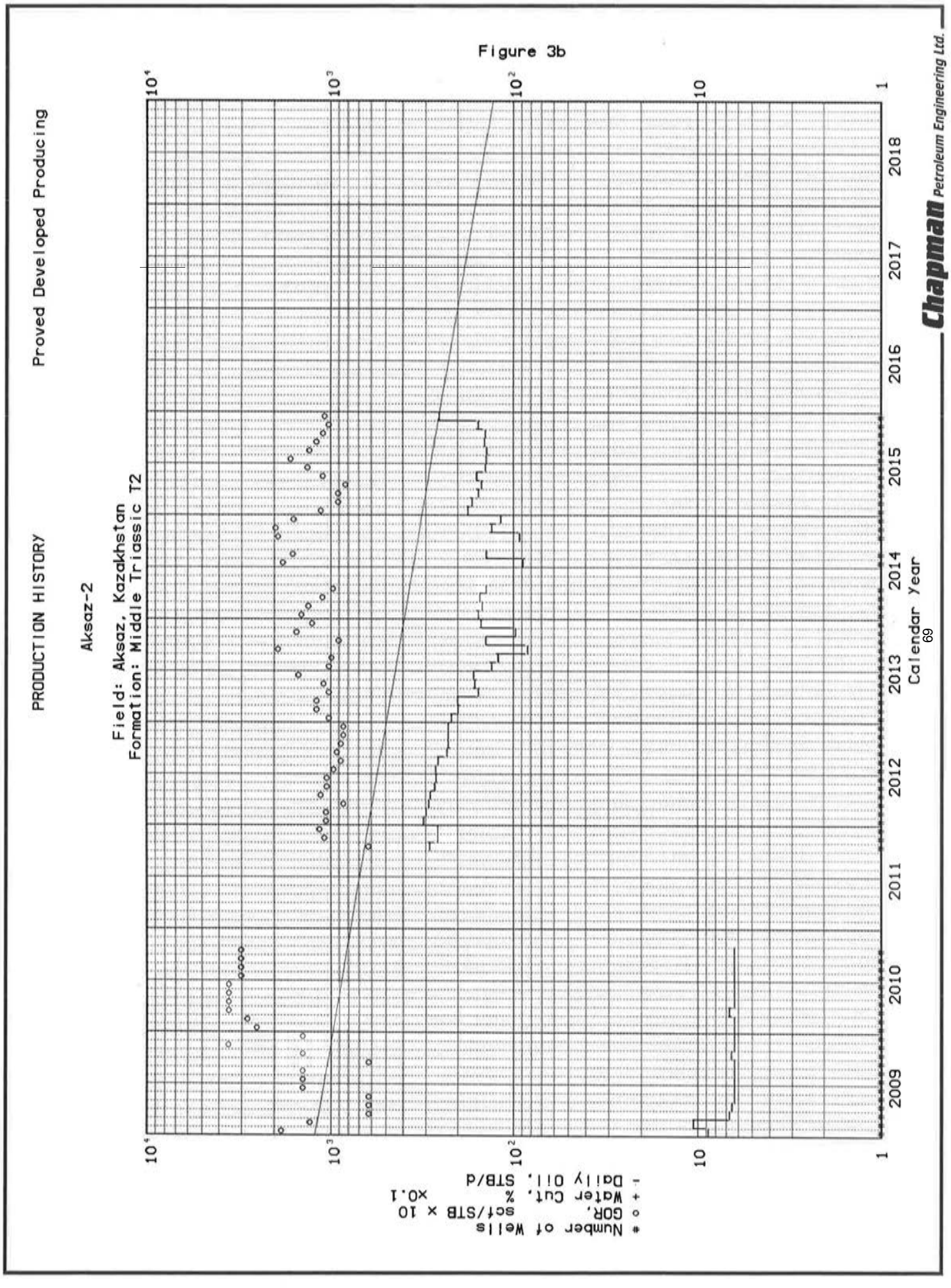


Figure 3b
PRODUCTION HISTORY
Proved Developed Producing
Aksaz-2
Field: Aksaz, Kazakhstan
Formation: Middle Triassic T2
Chapman Petroleum Engineering Ltd.
Calendar Year
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
1
10
10²
10³
10⁴
* Number of Wells
° GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d

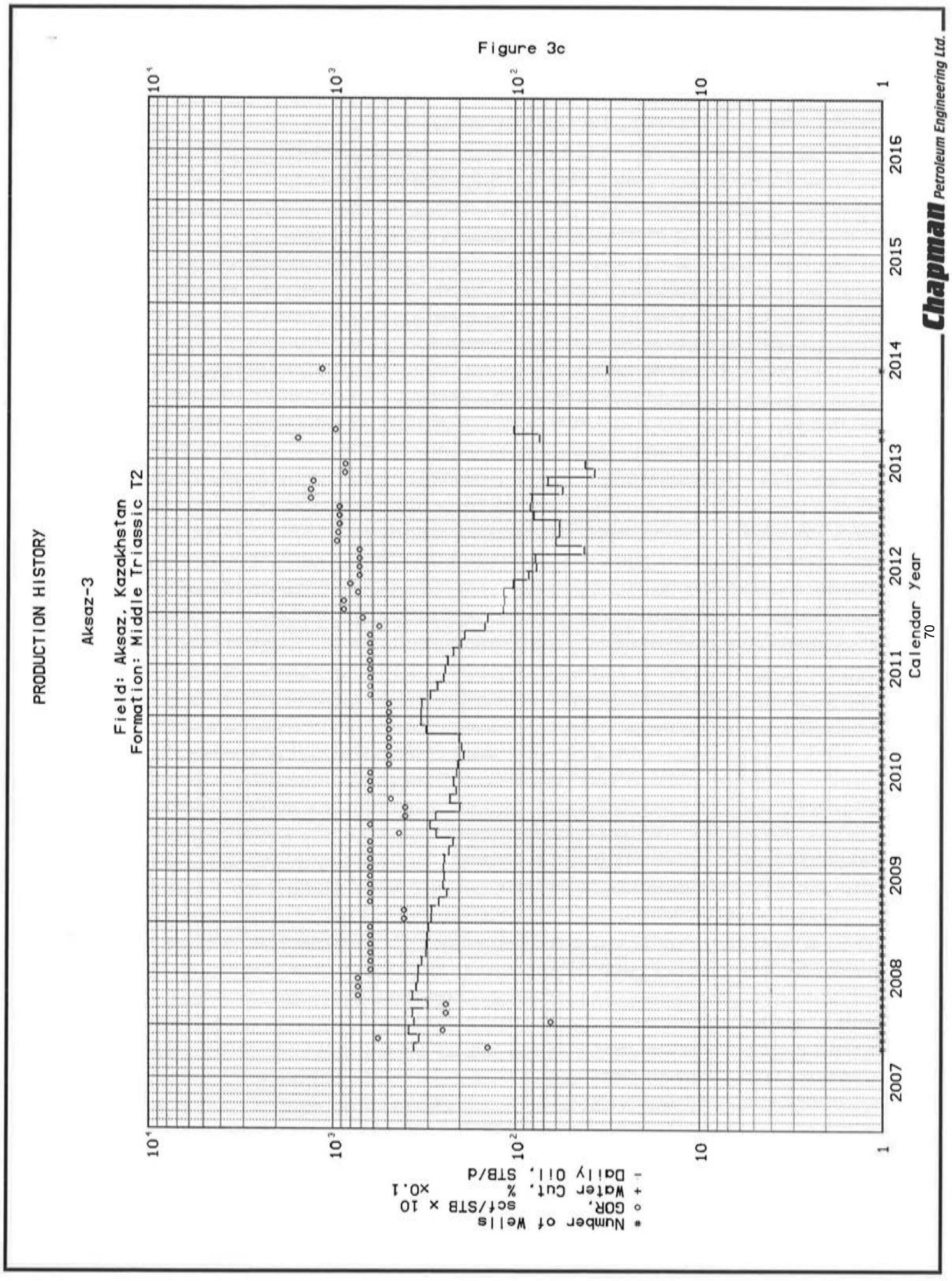


Figure 3c
PRODUCTION HISTORY
Aksaz-3
Field: Aksaz, Kazakhstan
Formation: Middle Triassic T2
Chapman Petroleum Engineering Ltd.
Calendar Year
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
1
10
10²
10³
10⁴
* Number of Wells
○ GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d

Figure 3d

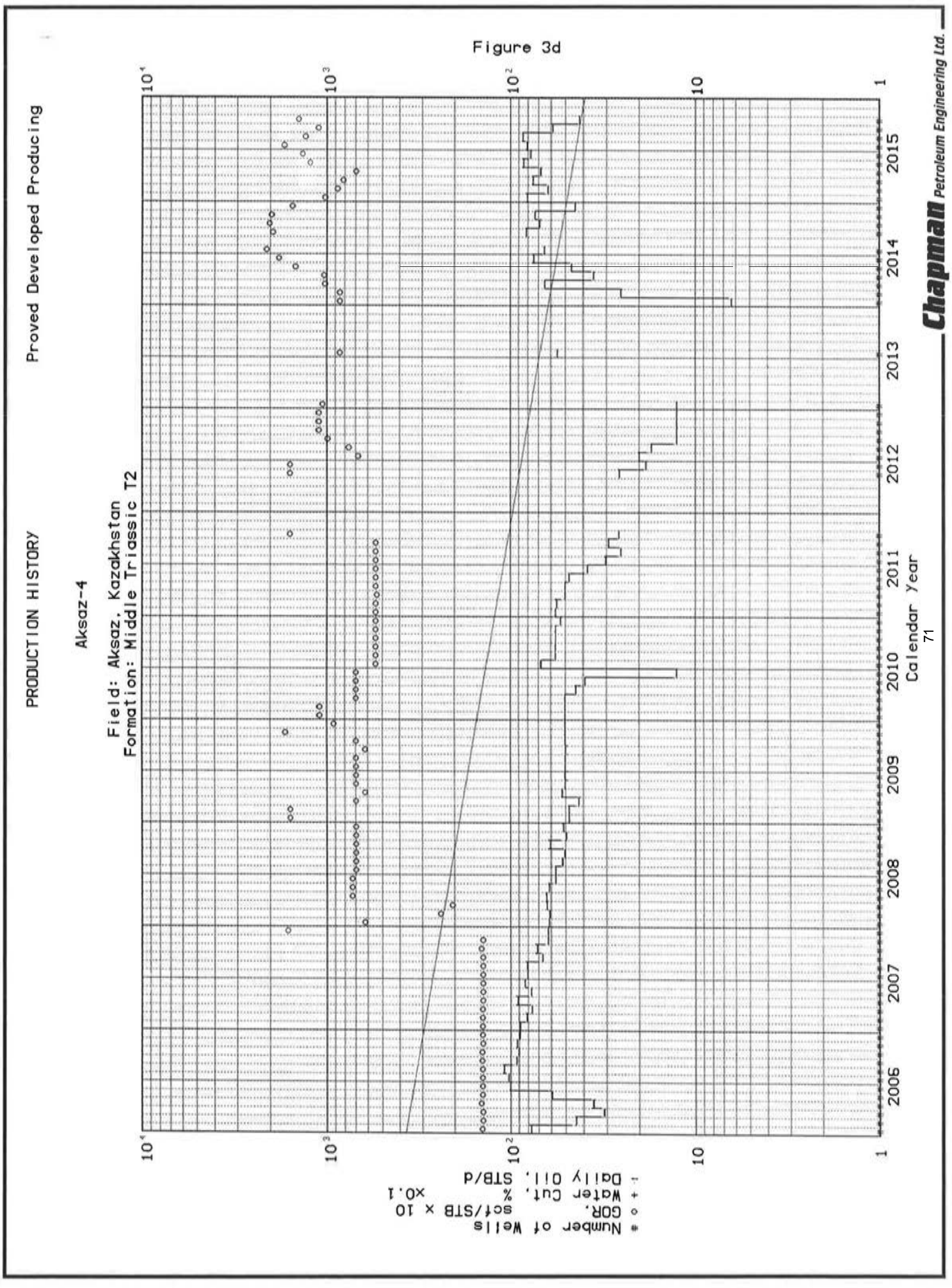
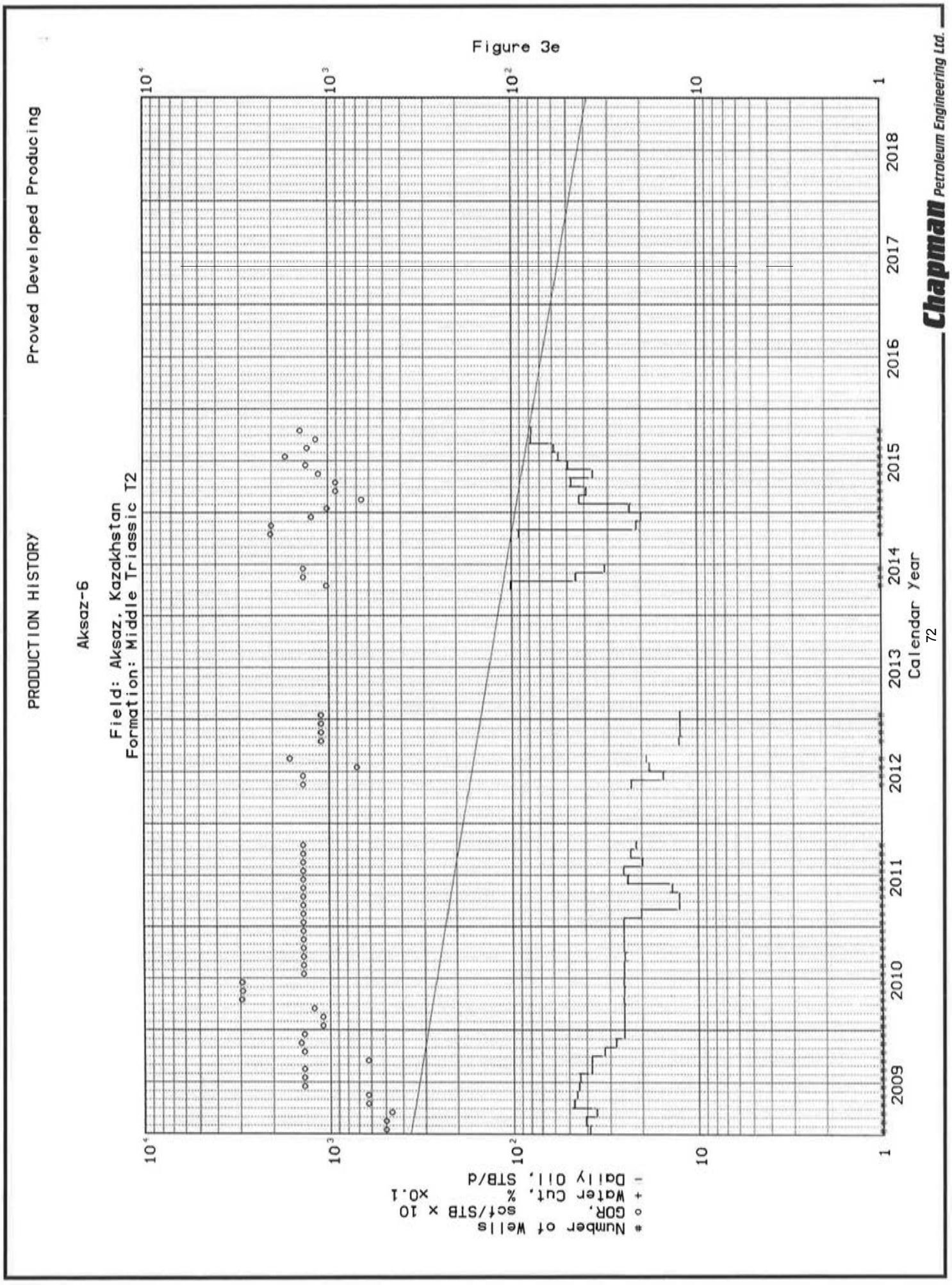

PRODUCTION HISTORY
Proved Developed Producing
Aksaz-4
Field: Aksaz, Kazakhstan
Formation: Middle Triassic T2
Chapman Petroleum Engineering Ltd.
Calendar Year
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
1
10
10²
10³
10⁴
* Number of Wells
◦ GOR, scf/STB x 10
+ Water Cut, % x0.1
· Daily Oil, STB/d

Figure 3e


PRODUCTION HISTORY
Proved Developed Producing
Aksaz-6
Field: Aksaz, Kazakhstan
Formation: Middle Triassic T2
Chapman Petroleum Engineering Ltd.
Calendar Year
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
1
10
10²
10³
10⁴
* Number of Wells
○ GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d

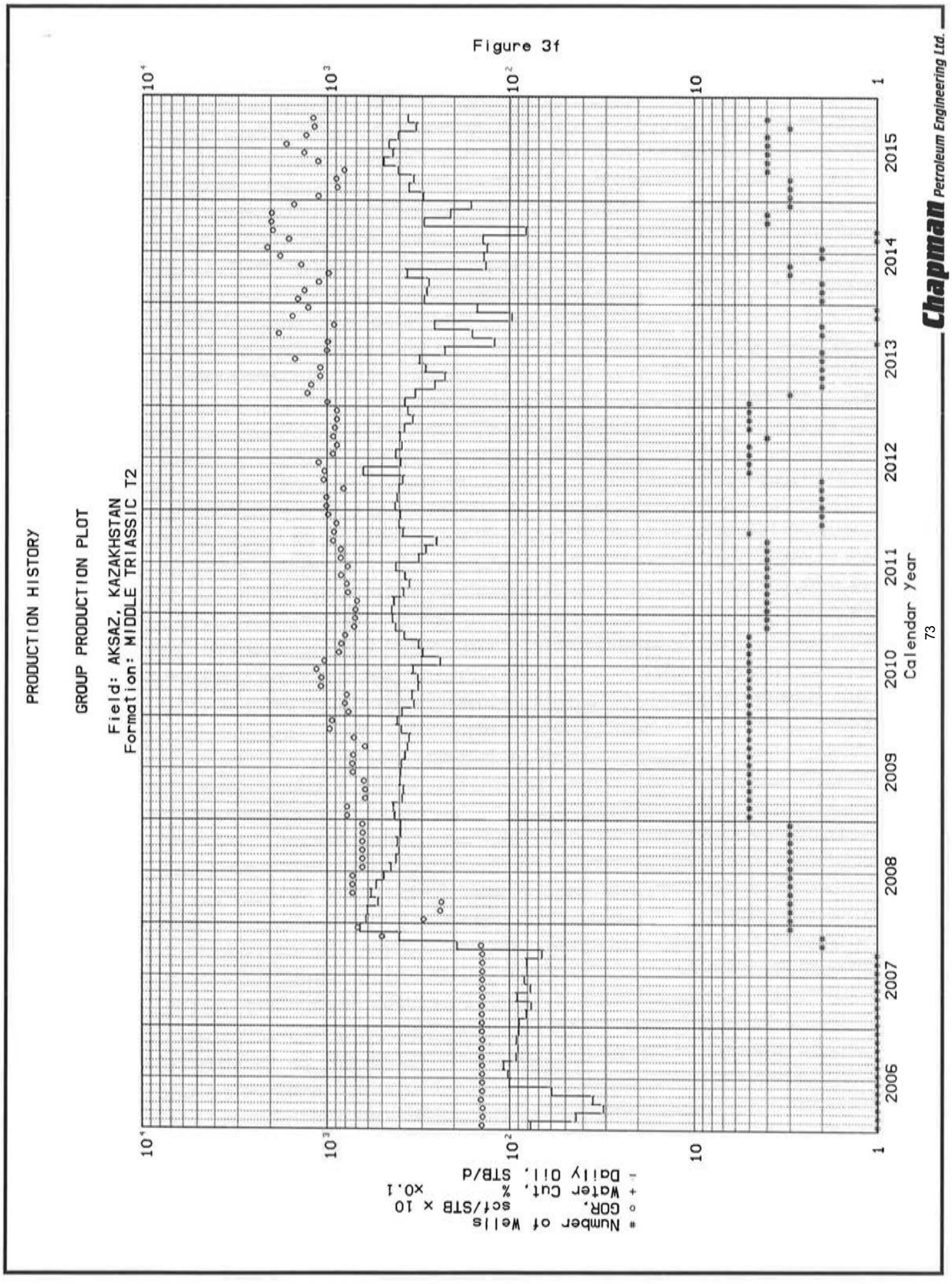


Figure 3f
PRODUCTION HISTORY
GROUP PRODUCTION PLOT
Field: AKSAZ, KAZAKHSTAN
Formation: MIDDLE TRIASSIC T2
Number of Wells
° GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10⁴
10³
10²
10
1
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Calendar Year
Chapman Petroleum Engineering Ltd.

Table 3a

Summary of Anticipated Capital Expenditures
Development
January 1, 2016
MIE Holdings Corporation

Aksaz, Republic of Kazakhstan

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Proved					
Proved Developed Non-producing					
Aksaz-1	2018	Perforate and Place on Production addition intervals	100.0000	500	500
Aksaz-3	2018	Perforate and Place on Production addition intervals	100.0000	500	500
Aksaz-4	2018	Perforate and Place on Production addition intervals	100.0000	500	500
		Total Proved Developed Non-Producing		**1,500**	**1,500**
		Total Proved Developed		**1,500**	**1,500**
Proved Undeveloped					
Location-1	2018	Drill, Complete and Tie-in for Production	100.0000	6,700	6,700
Aksaz-105	2019	Complete and Tie-in for Production	100.0000	400	400
		Total Proved Undeveloped		**7,100**	**7,100**
Probable		**Total Proved**		**8,600**	**8,600**
Probable Developed					
Pipeline and Central Processing Facilities	2016	Build Pipeline and Central Processing Facilities	100.0000	3,685	3,685
Aksaz-1	2019	Complete and tie-in additional zones	100.0000	400	400
Aksaz-2	2019	Complete and tie-in additional zones	100.0000	400	400
Aksaz-3	2019	Complete and tie-in additional zones	100.0000	400	400
Aksaz-4	2019	Complete and tie-in additional zones	100.0000	400	400
Aksaz-6	2019	Complete and tie-in additional zones	100.0000	400	400
Aksaz-106	2018	Complete and Tie-in for Production	100.0000	400	400
		Total Probable Developed		**6,085**	**6,085**
Probable Undeveloped					
Location-1	2019	Stimulate Producing Intervals	100.0000	300	300
Aksaz-105	2020	Stimulate Producing Intervals	100.0000	300	300
Locations 2, 3 & 4	2020	Drill, Complete and Tie-in for Production	100.0000	20,100	20,100
		Total Probable Undeveloped		**20,700**	**20,700**
		Total Probable		**26,785**	**26,785**
		Total Proved Plus Probable		**35,385**	**35,385**
Possible					
Location 1	2019	Complete and tie-in additional intervals	100.0000	500	500
Aksaz-106	2019	Complete and tie-in additional intervals	100.0000	400	400
Locations 2, 3 & 4	2021	Stimulate Producing Intervals	100.0000	900	900
		Total Possible		**1,800**	**1,800**
		Total Proved Plus Probable Plus Possible		**37,185**	**37,185**

Note: The above capital values are expressed in terms of current dollar without escalation.

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

January 1, 2016

MIE Holdings Corporation

Aksaz, Republic of Kazakhstan

Description	Year	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Aksaz-1		Multiple zone oil producing well	100.0000	50	50
Aksaz-2		Multiple zone oil producing well	100.0000	50	50
Aksaz-3		Multiple zone oil producing well	100.0000	50	50
Aksaz-4		Multiple zone oil producing well	100.0000	50	50
Aksaz-6		Multiple zone oil producing well	100.0000	50	50
Aksaz-106		Multiple zone oil producing well	100.0000	50	50
Location-105		Multiple zone oil producing well	100.0000	50	50
Four Locations		Multiple zone oil producing wells	100.0000	200	200
		Total Abandonment and Restoration		**550**	**550**

Table 4
Summary of Company Reserves and Economics
Before CIT & EPT
January 1, 2016

MIE Holdings Corporation

Aksaz, Kazakhstan

Forecast Prices & Costs

			Net To Appraised Interest										
			Reserves						Cumulative Cash Flow (BT) - M$				
			Light and Medium Oil MSTB		Sales Gas MMscf		NGL Mbbls		Discounted at:				
Description			Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing													
Aksaz 1,2,4,6	Middle Triassic T2C		453	453	4,661	4,661	0	0	6,299	5,240	4,446	3,836	3,357
Total Proved Developed Producing			**453**	**453**	**4,661**	**4,661**	**0**	**0**	**6,299**	**5,240**	**4,446**	**3,836**	**3,357**
Proved Developed Non-Producing													
Aksaz 1,3,4	Middle Triassic T2C		909	909	5,963	5,963	0	0	30,938	21,849	15,978	12,019	9,253
Total Proved Developed Non-Producing			**909**	**909**	**5,963**	**5,963**	**0**	**0**	**30,938**	**21,849**	**15,978**	**12,019**	**9,253**
Total Proved Developed			**1,362**	**1,362**	**10,624**	**10,624**	**0**	**0**	**37,237**	**27,089**	**20,424**	**15,855**	**12,610**
Proved Undeveloped													
Locations 1 & Aksaz-105	Middle Triassic T2C		571	571	3,583	3,583	0	0	10,526	6,304	3,660	1,967	865
Total Proved Undeveloped			**571**	**571**	**3,583**	**3,583**	**0**	**0**	**10,526**	**6,304**	**3,660**	**1,967**	**865**
Total Proved			**1,933**	**1,933**	**14,207**	**14,207**	**0**	**0**	**47,763**	**33,393**	**24,084**	**17,822**	**13,475**
Probable													
Probable Developed Producing													
Aksaz 1,2,4,6	Middle Triassic T2C	Incr.	480	480	4,515	4,515	0	0	6,822	4,848	3,468	2,471	1,731
Total Probable Developed Producing			**480**	**480**	**4,515**	**4,515**	**0**	**0**	**6,822**	**4,848**	**3,468**	**2,471**	**1,731**
Probable Developed Non-Producing													
Aksaz 1,2,3,4,6 & 106	Middle Triassic T1,T2B & T2C	Incr.	640	640	5,779	5,779	0	0	20,103	14,175	10,245	7,564	5,686
Total Probable Developed Non-Producing			**640**	**640**	**5,779**	**5,779**	**0**	**0**	**20,103**	**14,175**	**10,245**	**7,564**	**5,686**
Total Probable Developed			**1,120**	**1,120**	**10,293**	**10,293**	**0**	**0**	**26,925**	**19,023**	**13,713**	**10,035**	**7,418**
Probable Undeveloped													
Locations 1 & Aksaz-105	Middle Triassic T2C	Incr.	262	262	2,041	2,041	0	0	7,935	5,441	3,837	2,771	2,041
Locations 2,3 & 4	Middle Triassic T2C		966	966	7,138	7,138	0	0	11,908	6,066	2,689	734	(385)
Total Probable Undeveloped			**1,228**	**1,228**	**9,179**	**9,179**	**0**	**0**	**19,843**	**11,507**	**6,526**	**3,505**	**1,656**
Total Probable			**2,348**	**2,348**	**19,472**	**19,472**	**0**	**0**	**46,768**	**30,530**	**20,240**	**13,539**	**9,074**
Total Proved Plus Probable			**4,281**	**4,281**	**33,679**	**33,679**	**0**	**0**	**94,531**	**63,923**	**44,324**	**31,361**	**22,548**
Possible													
Aksaz-106	Middle Triassic T2C	Incr.	17	17	92	92	0	0	4,709	2,591	1,492	890	544
Locations -2, 3 & 4	Middle Triassic T2C	Incr.	390	390	3,035	3,035	0	0	12,807	8,176	5,360	3,598	2,467
Location -1	Middle Triassic T2C		81	81	947	947	0	0	59	676	814	777	686
Total Possible			**488**	**488**	**4,074**	**4,074**	**0**	**0**	**17,574**	**11,443**	**7,666**	**5,265**	**3,696**
Total Proved Plus Probable Plus Possible			**4,769**	**4,769**	**37,753**	**37,753**	**0**	**0**	**112,105**	**75,366**	**51,989**	**36,626**	**26,244**

M$ means thousands of dollars.

Gross and net Company's reserves are actually equivalent, however the cash flows for each property show the net reserves reduced, as a result of the treatment of the ERT and MET.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 4T
Summary of Company Reserves and Economics
After CIT & EPT
January 1, 2016

MIE Holdings Corporation

Aksaz, Kazakhstan

Forecast Prices & Costs

	Net To Appraised Interest										
	Oil MSTB		Sales Gas MMscf		BOE Mbbls		Cumulative Cash Flow - M$ Discounted at:				
Description	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing											
Total Proved Developed Producing (BT)	453	453	4,661	4,661	1,230	1,230	6,299	5,240	4,446	3,836	3,357
Corporate Income Tax	-	-	-	-	-	-	(266)	(223)	(188)	(161)	(139)
Excess profits Tax	-	-	-	-	-	-	0	0	0	0	0
Total Proved Developed Producing (AT)	**453**	**453**	**4,661**	**4,661**	**1,230**	**1,230**	**6,032**	**5,017**	**4,258**	**3,675**	**3,218**
Proved Developed Non-Producing											
Total Proved Developed Non-Producing (BT)	909	909	5,963	5,963	1,903	1,903	30,938	21,849	15,978	12,019	9,253
Corporate Income Tax	-	-	-	-	-	-	(6,146)	(4,430)	(3,301)	(2,528)	(1,979)
Excess profits Tax	-	-	-	-	-	-	(10,578)	(7,794)	(5,909)	(4,567)	(3,633)
Total Proved Developed Non-Producing (AT)	909	909	5,963	5,963	1,903	1,903	14,215	9,625	6,768	4,904	3,641
Total Proved Developed (AT)	1,362	1,362	10,624	10,624	3,132	3,132	20,247	14,643	11,026	8,579	6,860
Proved Undeveloped											
Total Proved Undeveloped (BT)	571	571	3,583	3,583	1,168	1,168	10,526	6,304	3,660	1,957	865
Corporate Income Tax	-	-	-	-	-	-	(2,354)	(1,704)	(1,261)	(951)	(730)
Excess profits Tax	-	-	-	-	-	-	(197)	(144)	(78)	(20)	25
Total Proved Undeveloped (AT)	571	571	3,583	3,583	1,168	1,168	7,974	4,456	2,322	996	159
Total Proved (AT)	**1,933**	**1,933**	**14,207**	**14,207**	**4,300**	**4,300**	**28,221**	**19,098**	**13,347**	**9,575**	**7,018**
Probable											
Probable Developed Producing											
Total Probable Developed Producing (BT)	480	480	4,515	4,515	1,232	1,232	6,822	4,848	3,468	2,471	1,731
Corporate Income Tax	-	-	-	-	-	-	(1,400)	(1,129)	(930)	(780)	(663)
Excess profits Tax	-	-	-	-	-	-	0	0	0	0	0
Total Probable Developed Producing (AT)	480	480	4,515	4,515	1,232	1,232	5,422	3,719	2,538	1,692	1,068
Probable Developed Non-Producing											
Total Probable Developed Non-Producing (BT)	640	640	5,779	5,779	1,603	1,603	20,103	14,175	10,245	7,564	5,686
Corporate Income Tax	-	-	-	-	-	-	(4,264)	(3,058)	(2,239)	(1,675)	(1,277)
Excess profits Tax	-	-	-	-	-	-	(9,642)	(6,965)	(5,145)	(3,875)	(2,969)
Total Probable Developed Non-Producing (AT)	640	640	5,779	5,779	1,603	1,603	6,177	4,152	2,862	2,013	1,440
Total Probable Developed (AT)	1,120	1,120	10,293	10,293	2,835	2,835	11,599	7,871	5,399	3,705	2,508
Probable Undeveloped											
Total Probable Undeveloped (BT)	1,228	1,228	9,179	9,179	2,758	2,758	19,843	11,507	6,526	3,505	1,656
Corporate Income Tax	-	-	-	-	-	-	(4,719)	(3,237)	(2,255)	(1,591)	(1,135)
Excess profits Tax	-	-	-	-	-	-	(382)	(54)	157	282	351
Total Probable Undeveloped (AT)	1,228	1,228	9,179	9,179	2,758	2,758	14,742	8,216	4,428	2,196	871
Total Probable (AT)	2,348	2,348	19,472	19,472	5,593	5,593	26,341	16,087	9,827	5,901	3,379
Total Proved Plus Probable (AT)	4,281	4,281	33,679	33,679	9,894	9,894	54,562	35,185	23,175	15,476	10,398
Possible											
Total Possible (BT)	488	488	4,074	4,074	1,167	1,167	17,574	11,443	7,666	5,265	3,696
Corporate Income Tax	-	-	-	-	-	-	(3,728)	(2,453)	(1,666)	(1,164)	(834)
Excess profits Tax	-	-	-	-	-	-	(6,189)	(4,079)	(2,749)	(1,890)	(1,322)
Total Possible (AT)	488	488	4,074	4,074	1,167	1,167	7,657	4,912	3,250	2,211	1,540
Total Proved Plus Probable Plus Possible (AT)	4,769	4,769	37,753	37,753	11,061	11,061	62,220	40,097	26,425	17,686	11,938

M$ means thousands of dollars

Gross and net Company's reserves are actually equivalent, however the cash flows for each property show the net reserves reduced, as a result of the treatment of the ERT and MET.

Columns may not add precisely due to accumulative rounding of values throughout the report.

ADEK BLOCK (LICENCE AREA)
REPUBLIC OF KAZAKHSTAN
DOLINNOE FIELD
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Production
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Capital Expenditures
Operating Costs
Tax
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c) Middle Triassic T2C

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c) Dolinnoe-3, Middle Triassic T2
d) Dolinnoe-5, Middle Triassic T2
e) Dolinnoe-6, Middle Triassic T2
f) Dolinnoe-7, Middle Triassic T2
g) Dolinnoe-12ST, Middle Triassic T2
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Table 2: Summary of Gross Reserves

Summary of Reserves and Reservoir Parameters
Proved Developed Producing
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c) Dolinnoe-2, Middle Triassic T2C (Removed from this version)
d) Dolinnoe-7, Middle Triassic T2B (Removed from this version)
e) Dolinnoe-7, Middle Triassic T2C (Removed from this version)
f) Dolinnoe-110, Middle Triassic T2C (Removed from this version)
g) Dolinnoe-112, Middle Triassic T2C (Removed from this version)

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p) Three Adjacent Locations, Middle Triassic T2C (Removed from this version)

Proved Plus Probable Plus Possible
q) Three Adjacent Locations, Middle Triassic T2B (Removed from this version)
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Table 3: Summary of Anticipated Capital Expenditures
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b) Total Proved Developed (Removed from this version)
c) Total Proved (Removed from this version)
d) Proved Plus Probable Developed Producing (Removed from this version)
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f) Proved Plus Probable Developed (Removed from this version)
g) Probable Undeveloped (Removed from this version)
h) Proved Plus Probable (Removed from this version)
i) Proved Plus Probable Plus Possible Developed (Removed from this version)
j) Probable Plus Possible Developed (Removed from this version)
k) Probable Plus Possible Undeveloped (Removed from this version)
l) Proved Plus Probable Plus Possible (Removed from this version)

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

Property Description

The Company owns a 100 percent working interest in a "Licence" and "Production Contract" referred to as the Dolinnoe 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 Dolinnoe Field is one of seven known fields already discovered on the ADEK Block. Dolinnoe-1 and 2 have been thoroughly tested and placed on production from one and two zones respectively. Wells Dolinnoe-3 is on production from two zones. Well Dolinnoe-5 was on production for a few months, but was shut-in for further stimulation, than placed on production and shut-in again. Well Dolinnoe-6 is currently shut-in due to drilling of the sidetrack. Well Dolinnoe-7 has been drilled, tested and placed on production and currently is producing from one zone. Wells Dolinnoe-110 is currently producing from one zone. Well Dolinnoe-112 was on production for a few months, but currently is shut-in.

A map of the field, showing the well locations and reservoir structure 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 Dolinnoe field is a faulted anticline comprising several faulted blocks. The main producing horizon is the Middle Triassic carbonate.

Hydrocarbon traps are formed within the transition zone of the Beke-Bashkudsky high and Karagiin saddle. Dolinnoe borders upon regional fault which separates these two large tectonic elements.

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 horizon T2, which is presented on Figures 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 in Dolinnoe-1 well. 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 Upper and Lower Triassic reservoirs.

The Gamma Ray was used as a shale indicator in the Dual 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 Upper and Lower Triassic reservoirs as shown in the interpreted log.

Reserves

Proved developed producing reserves of 1,022 MSTB of oil and 2,461 MMscf of marketable solution gas have been estimated for producing intervals in the Middle Triassic T2 zones in wells Dolinnoe-1, 2, 7, 110 and 112, based on decline analysis of production decline analysis, and reflected in the rocktables.

Fluid property correlations have been utilized to determine the oil formation volume factor and solution gas oil ratio based on known oil density and reservoir pressure and temperature along with early production performance of the well.

Additional proved developed non-producing oil reserves of 2,969 MSTB and marketable solution gas reserves of 6,180 MMscf have been estimated for additional Triassic intervals in wells Dolinnoe-1, 3, 6, 110 and 112.

Reservoir parameters have been determined on the basis of detailed digital log analysis from each well as discussed earlier.

Proved undeveloped oil reserves of 2,212 MSTB and 3,832 MMscf of marketable solution gas have been assigned to three direct offset locations to be drilled directly adjacent to wells Dolinnoe-1 and 2, based on the same well bore parameters as wells 1 and 2, assuming a recovery factor of 20 percent and a drainage area of 60 acres.

Incremental probable developed producing oil reserves of 529 MSTB and marketable solution gas reserves of 1,189 MMscf have been assigned predominantly for producing intervals in the existing wells Dolinnoe-1, 2, 7, 110 and 112 assuming a higher recovery factor than for the Proved case.

Incremental probable developed no-producing oil reserves of 897 MSTB and marketable solution gas reserves of 1,756 MMscf have been assigned predominantly for non-producing intervals in the existing wells Dolinnoe-1, 3, 6, 110 and 112 assuming a higher recovery factor than for the Proved case (35 percent).

Additional probable developed non-producing oil reserves of 567 MSTB and marketable solution gas reserves of 1,578 MMscf have been assigned to the Middle Triassic T2C zone in the well Dolinnoe-5 and to the Middle Triassic T2B zone in the well Dolinnoe-12ST. Well Dolinnoe-5 commenced production in March 2008; produced for five days and was shut in for future workover. These

reserves are based on the reservoir parameters derived from independent log analysis assuming a recovery factor of 30 percent and a drainage area of 60 acres.

Incremental probable undeveloped oil reserves of 1,455 MSTB and marketable solution gas reserves of 2,521 MMscf have been assigned to three direct locations assuming a higher recovery factor than for the proved undeveloped case (30 percent).

Additional probable undeveloped oil reserves of 3,260 MSTB and marketable solution gas reserves of 5,648 MMscf have been estimated for four additional locations to be drilled on the same accumulation as encountered by Dolinnoe-1, 2, 3, 5, 6 and 7 based on 3D seismic mapping as shown on Figure 1. These reserves have been based on the analogy to the proved undeveloped locations with the assumption of a 20 percent recovery factor and 60 acres of drainage area.

Incremental possible oil reserves of 2,540 MSTB and marketable solution gas reserves of 4,713 MMscf have been assigned to the existing well Dolinnoe-5 and seven locations reflecting an increase in recovery factor.

Additional possible oil reserves of 3,448 MSTB and marketable solution gas reserves of 6,171 MMscf have been assigned to two zones in the well Dolinnoe-5 and additional four locations that have to be drilled outside of the proved and probable area, but within the defined accumulation.

Reserves assigned to the four additional locations are based on analogy to the proved undeveloped location, assuming equal drainage area and recovery factor.

Reserves in this report have been assigned to the accumulation which has been encountered by wells Dolinnoe-1, 2, 3, 5, 6, 7, 110 and 112 as presented by the geological and geophysical consultants responsible for the 3-D seismic interpretation as shown on Figure 1. Additional resource potential may exist on the surrounding fault blocks which have not yet been drilled.

Also, the Jurassic has indicated significant possible reserves potential, based on log analysis, which has not been evaluated herein. There is insufficient data at present to accurately quantify reserves however log analysis demonstrates hydrocarbon potential as discussed above.

A summary of the reserves for this area is presented in Table 2 and the reserve data and reservoir parameters for each interval are presented in Tables 2a through 2u.

Production

Well Dolinnoe-1 is currently producing 77 STB/d from the Middle Triassic T2C zone. Well Dolinnoe-2 is currently producing 74 STB/d from the Middle Triassic T2B and T2C zones. Well Dolinnoe-3 is currently shut down. Well Dolinnoe-7 is on production since September 2008 and the current rate is 133 STB/d Middle Triassic T2B zone. Well Dolinnoe-110 is currently producing 143 STB/d from the Middle Triassic T2C zone. Well Dolinnoe-112 is currently producing 87 STB/d from the Middle Triassic T2C zone.

Production history graphs for individual wells and a Group Production Plot are presented on Figures 3a through 3i. Initial rates for the non-producing wells are shown in Table 2.

Product Prices

Under the terms of the contract, a portion of production is required to satisfy the domestic market and the remaining is allowed to be exported. We have utilized an export/domestic sales split of 89% /11% for the purposes of this report based on the company's previous year's actual result.

The exported oil price is equivalent to Brent oil price, which has been estimated to be $46.25/STB in 2016 for this project. The forecast Brent price has been based on the average forecast of two prominent consulting firms, Sproule and McDaniel.

The domestic price is legislated by the government, reduced by the Value Added Tax (VAT) of 12%, resulting in $9.39/STB in 2016. This price is forecast to gradually increase related to Brent price.

A natural gas price of $0.85/Mscf has been utilized for solution gas sales and assumed to be constant throughout the report

Capital Expenditures

Total capital expenditures of $65,324,000 have been estimated for the development of the proved, probable and possible reserves in this field as presented in Table 3a.

An average cost of $6,300,000 has been used to drill, complete, equip and tie-in each new well based on historical information in this area.

Abandonment and lease restoration costs of $800,000 ($50,000 per well) net of salvage have been included after the depletion of the reserves, as presented in Table 3b.

Abandonment and lease restoration costs of $800,000 ($50,000 per well) net of salvage have been included after the depletion of the reserves, as presented in Table 3b.

Operating Costs

Field fixed costs of $296,000/well/year for existing wells and all new wells have been used for this evaluation based on Company 2015 revenue statements.

Our processing costs are estimated to be $3.39/STB for all oil. Oil for export (89%) is subjected to Export Sales costs of 6.91/STB in 2016 and 5.41/STB in 2017 and after, transportation costs of $8.06/STB in 2016 and 5.56/STB in 2017 and after.

Additionally, an export duty of $8.00/STB ($60.00/LT) is charged against the export oil.

Tax Consideration

Under the terms of the Production Contract, exports are subject to Export Rent Tax (ERT), Mineral Extraction Tax (MET), Corporate Income Tax (CIT) and Excess Profit Tax, which are based on the Tax Regulations of ROK and its values are presented in Table 1. Export oil is exempt from Value Added Tax (VAT).

Economics

Economic analyses have been prepared on a spread sheet format to appropriately account for the particulars of the Sales Cost, Transportation Discount, Export Duty, Export Rent Tax, Mineral Extraction Tax, Corporate Income Tax and Excess Profit Tax.

The cash flow forecasts have been prepared under a "Forecast Prices and Costs" assumption

Production gross revenue and capital forecasts have been established on a field level and integrated into this economic model to establish cash flows on a Contract area level.

Page 1 – Gross Production and Capital Forecast
Page 2 – Production Splits – Export and Domestic Sales Revenue, Expense, ERT and MET
Page 3 – Company Operating Cost and Cash Flow
Page 4 – Corporate Income Tax and Excess Profit Tax

The results of the economic analysis are presented on Table 4, Before Income Tax and Excess Profit Tax, Table 4T, After Corporate Income Tax and Excess Profit Tax

The individual analyses (4 pages/case) are presented on Tables 4a through 4l.

Table 1

Schedule of Lands, Interests and Royalty Burdens
January 1, 2016

MIE Holdings Corporation

Dolinnoe, Republic of Kazakhstan

Description	Rights Owned	Gross Acres	Appraised Interest Working %	Appraised Interest Royalty %	Royalty Burdens Basic %	Royalty Burdens Overriding %
License No.3735-4BC & Contract No.482	[A]	N/A	100.0000	-	[1]	-

General Notes : [1] According to the New Tax Law of ROK:

Mineral Extraction Tax (MET, Oil and Natural Gas Liquid)

Annual Production		Mineral Extraction Tax for OIL, %	
tons	MSTB	Export	Domestic
up to 250,000	up to 2,017	5.00	2.50
up to 500,000	up to 4,033	7.00	3.50
up to 1,000,000	up to 8,067	8.00	4.00
up to 2,000,000	up to 16,134	9.00	4.50
up to 3,000,000	up to 24,201	10.00	5.00
up to 4,000,000	up to 32,268	11.00	5.50
up to 5,000,000	up to 40,335	12.00	6.00
up to 7,000,000	up to 56,469	13.00	6.50
up to 10,000,000	up to 80,670	15.00	7.50
over 10,000,000	over 80,670	18.00	9.00

Mineral Extraction Tax (MET, Natural Gas)

Annual Production		Mineral Extraction Tax for GAS, %	
10^6 m^3	MMscf	Export	Domestic
up to 1000	up to 35,490	10.00	0.50
up to 2000	up to 70,980	10.00	1.00
over 2000	over 70,980	10.00	1.50

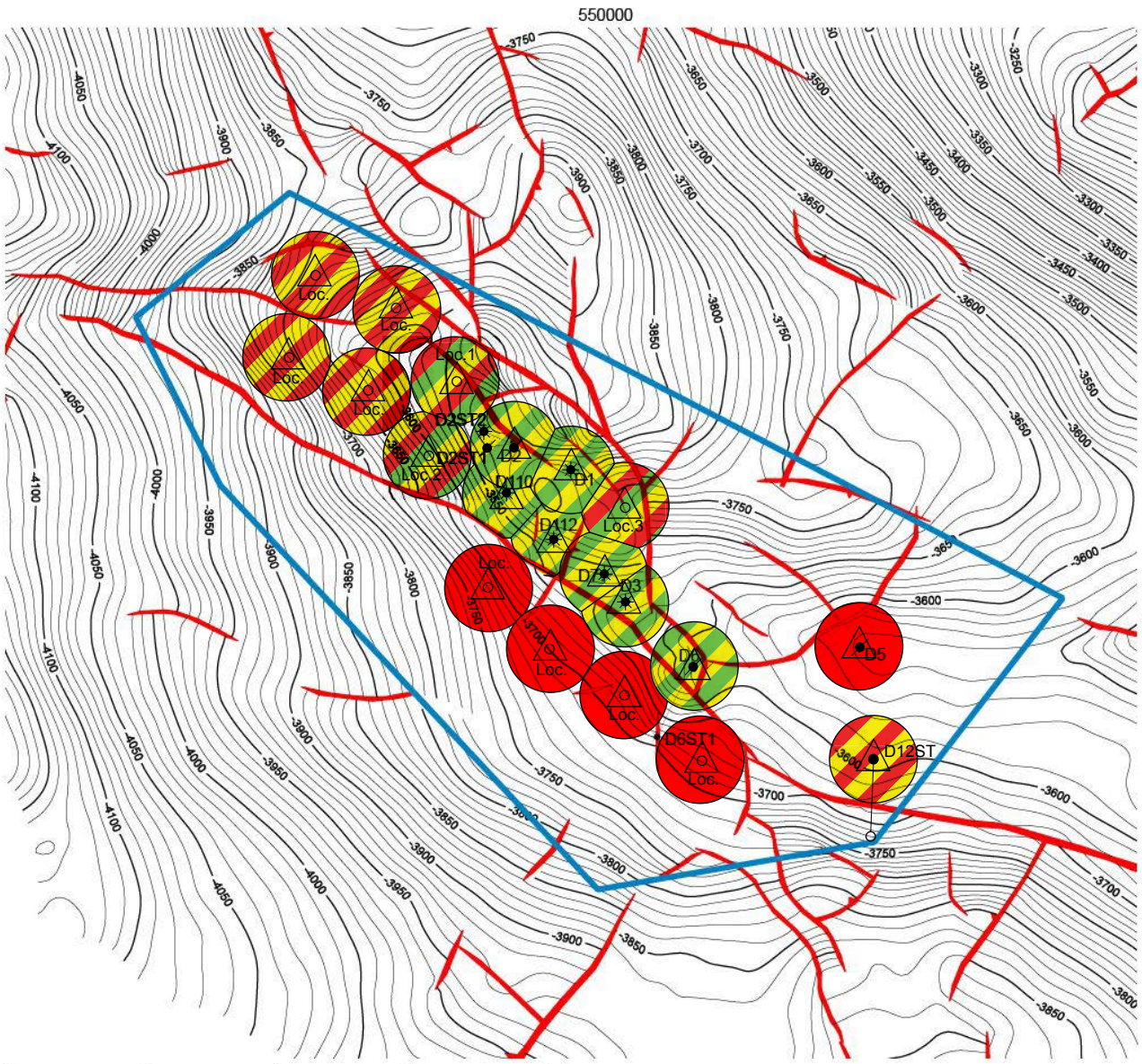
Export Rent Tax (ERT)

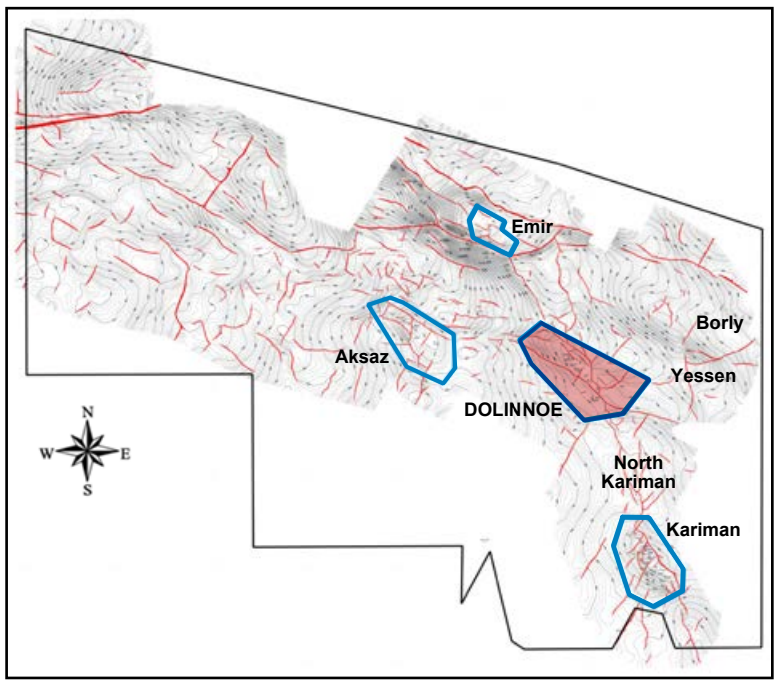
World Price (US$/BBL)	Rate %
Up to 40, Including	0
Up to 50, Including	7
Up to 60, Including	11
Up to 70, Including	14
Up to 80, Including	16
Up to 90, Including	17
Up to 100, Including	19
Up to 110, Including	21
Up to 120, Including	22
Up to 130, Including	23
Up to 140, Including	25
Up to 150, Including	26
Up to 160, Including	27
Up to 170, Including	29
Up to 180, Including	30
Up to 190, Including	32
Up to 200, Including	32

Corporate Income Tax

Corporate Income Tax, %
20

Rights Owned : [A] Dolinnoe Field located in blocks XXXV-11-A(partially), D(partially). Production Contract expires on September 9, 2036.





LEGEND

- FAULT LINES
- AREA OF ASSIGNED RESERVES
- ## STRUCTURAL ELEVATION (sL)- m
- PROPOSED LOCATIONS
- WELL OF INTEREST

MIE HOLDINGS CORPORATION

DOLINNOE FIELD

ADEK BLOCK (LICENSE AREA)

MANGISTAU OBLAST, KAZAKHSTAN

STRUCTURE ON MIDDLE TRIASSIC T2B

JAN. 2016 JOB No. 6144 FIGURE No. 1a

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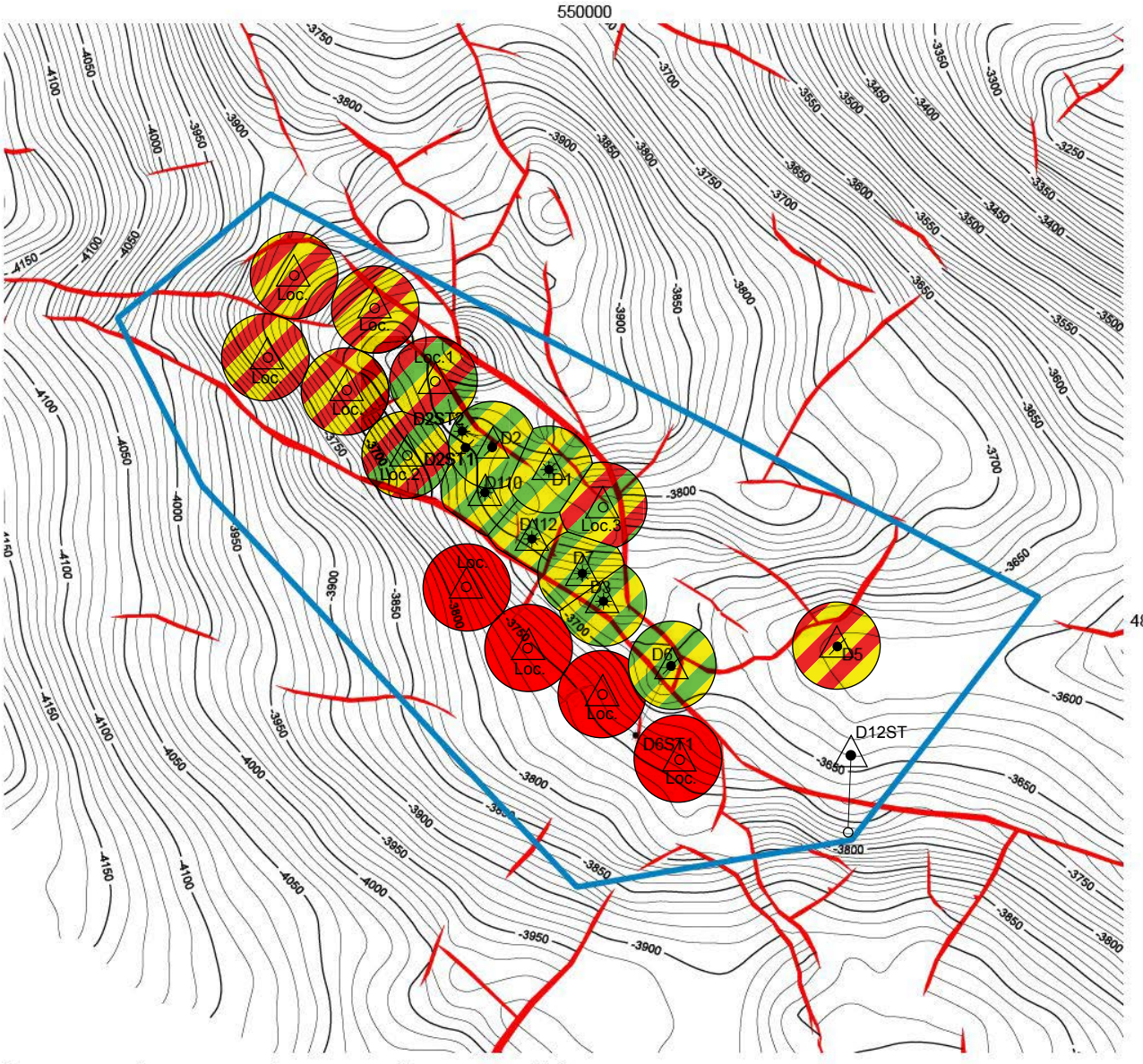

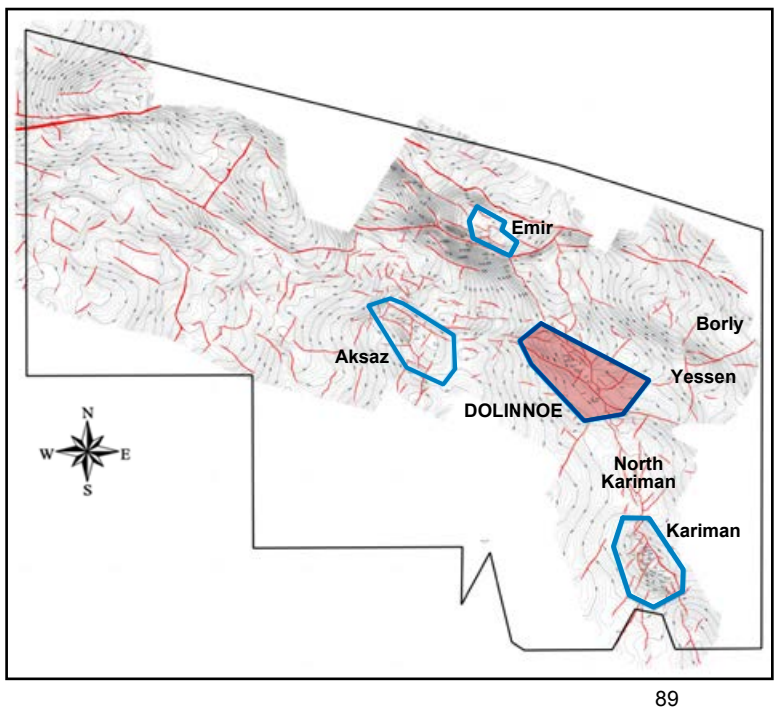

LEGEND

- FAULT LINES
- AREA OF ASSIGNED RESERVES
- ## STRUCTURAL ELEVATION (sL)- m
- PROPOSED LOCATIONS
- WELL OF INTEREST

MIE HOLDINGS CORPORATION

DOLINNOE FIELD

ADEK BLOCK (LICENSE AREA)

MANGISTAU OBLAST, KAZAKHSTAN

STRUCTURE ON MIDDLE TRIASSIC T2C

JAN. 2016 JOB No. 6144 FIGURE No. 1b

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