

Table 3a

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

Dolinnoe, Republic of Kazakhstan

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
Proved					
Proved Developed Non-Producing					
Dolinnoe-1	2022	Complete, Tie-in and Place on Production Additional Intervals	100.0000	500	500
Dolinnoe-3	2018	Place on Production	100.0000	200	200
Dolinnoe-6	2018	Place on Production	100.0000	200	200
Dolinnoe-110	2020	Complete, Tie-in and Place on Production Additional Intervals	100.0000	500	500
Dolinnoe-112	2021	Complete, Tie-in and Place on Production Additional Intervals	100.0000	500	500
Total Proved Developed Non-Producing				1,900	1,900
Total Proved Developed				1,900	1,900
Proved Undeveloped					
Three Locations	2016-2022	Drill, Complete, Tie-in and Place on Production	100.0000	18,900	18,900
Total Proved Undeveloped				18,900	18,900
Total Proved				20,800	20,800
Probable					
Probable Developed Producing					
Pipeline and Central Processing Facilities	2016	Build Pipeline and Central Processing Facilities	100.0000	6,124	6,124
Total Probable Developed Producing				6,124	6,124
Probable Developed Non-Producing					
Dolinnoe-1	2028	Stimulate Producing Intervals	100.0000	400	400
Dolinnoe-3	2028	Stimulate Producing Intervals	100.0000	400	400
Dolinnoe-5	2018	Side Track: Drill, Complete, Tie-in and Place on Production	100.0000	3,500	3,500
Dolinnoe-6	2028	Stimulate Producing Intervals	100.0000	400	400
Dolinnoe-12ST	2029	Place on Production	100.0000	400	400
Dolinnoe-110	2025	Stimulate Producing Intervals	100.0000	400	400
Dolinnoe-112	2029	Stimulate Producing Intervals	100.0000	400	400
Total Probable Developed Non-Producing				5,900	5,900
Total Probable Developed				12,024	12,024
Probable Undeveloped					
Three Locations	2032-2034	Stimulate Producing Intervals	100.0000	1,200	1,200
Four Locations	2023-2024	Drill, Complete, Tie-in and Place on Production	100.0000	25,200	25,200
Total Probable Undeveloped				26,400	26,400
Total Probable				38,424	38,424
Total Proved Plus Probable				59,224	59,224
Possible					
Three Locations	2039-2041	Stimulate Producing Intervals	100.0000	1,200	1,200
Dolinnoe-5	2025	Stimulate Producing Intervals	100.0000	400	400
Dolinnoe-12	2020	Stimulate Producing Intervals	100.0000	400	400
Dolinnoe-5	2027	Complete, Tie-in and Place on Production Additional Intervals	100.0000	500	500
Four Locations	2033-2034	Stimulate Producing Intervals	100.0000	1,600	1,600
Four Locations	2029-2030	Complete, Tie-in and Place on Production Additional Intervals	100.0000	2,000	2,000
Total Possible				6,100	6,100
Total Proved Plus Probable Plus Possible				65,324	65,324

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

Dolinnoe, Republic of Kazakhstan

Description	Year	Well Parameters	Capital Interest %	Gross Capital M\$	Net Capital M\$
<u>Light & Medium Oil</u>					
Dolinnoe-1		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-2		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-3		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-5		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-6		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-7		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-12		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-110		Multiple zone oil producing well	100.0000	50	50
Dolinnoe-112		Multiple zone oil producing well	100.0000	50	50
Seven Locations		Multiple zone oil producing well	100.0000	350	350
Total				800	800

Table 4 Summary of Company Reserves and Economics Before CIT & EPT January 1, 2016 MIE Holdings Corporation Dolinnoe, Kazakhstan											
Forecast Prices & Costs											
Net To Appraised Interest											
Description	Reserves						Cumulative Cash Flow (BT) - M\$				
	Light and Medium Oil MSTB		Sales Gas MMscf		NGL Mmbbls		Undisc.	Discounted at:			
	Gross	Net	Gross	Net	Gross	Net		5%/year	10%/year	15%/year	20%/year
Proved Developed Producing											
Dolinnoe 1,2,7,110,112 Middle Triassic T2B & T2C	1,022	1,022	2,461	2,461	0	0	13,062	10,859	9,236	8,000	7,032
Total Proved Developed Producing	1,022	1,022	2,461	2,461	0	0	13,062	10,859	9,236	8,000	7,032
Proved Developed Non-Producing											
Dolinnoe 1,3,6,110,112 Middle Triassic T2B & T2C	2,969	2,969	6,180	6,180	0	0	115,332	72,973	48,806	34,141	24,772
Total Proved Developed Non-Producing	2,969	2,969	6,180	6,180	0	0	115,332	72,973	48,806	34,141	24,772
Total Proved Developed	3,991	3,991	8,642	8,642	0	0	128,393	83,833	58,042	42,141	31,803
Proved Undeveloped											
Locations 1, 2 & 3 Middle Triassic T2B & T2C	2,212	2,212	3,832	3,832	0	0	58,601	33,099	19,435	11,686	7,066
Total Proved Undeveloped	2,212	2,212	3,832	3,832	0	0	58,601	33,099	19,435	11,686	7,066
Total Proved	6,203	6,203	12,474	12,474	0	0	186,995	116,932	77,477	53,827	38,869
Probable											
Probable Developed Producing											
Dolinnoe 1,2,7,110,112 Middle Triassic T2B & T2C Incr.	529	529	1,189	1,189	0	0	5,495	1,963	(143)	(1,453)	(2,298)
Total Probable Developed Producing	529	529	1,189	1,189	0	0	5,495	1,963	(143)	(1,453)	(2,298)
Probable Developed Non-Producing											
Dolinnoe 1,3,6,110,112 Middle Triassic T2B & T2C Incr.	896	896	1,756	1,756	0	0	37,849	16,498	7,365	3,273	1,376
Dolinnoe-5, 12ST Middle Triassic T2B & T2C	567	567	1,578	1,578	0	0	12,181	8,167	5,596	3,892	2,730
Total Probable Developed Non-Producing	1,463	1,463	3,334	3,334	0	0	50,030	24,665	12,961	7,165	4,106
Total Probable Developed	1,992	1,992	4,523	4,523	0	0	55,524	26,629	12,818	5,712	1,806
Probable Undeveloped											
Locations 1, 2 & 3 Middle Triassic T2B & T2C Incr.	1,455	1,455	2,521	2,521	0	0	58,326	18,012	5,179	947	(443)
Locations 4,5,6 & 7 Middle Triassic T2B & T2C	3,260	3,260	5,648	5,648	0	0	92,603	46,585	24,360	13,118	7,215
Total Probable Undeveloped	4,715	4,715	8,169	8,169	0	0	150,928	64,597	29,539	14,066	6,772
Total Probable	6,707	6,707	12,692	12,692	0	0	206,452	91,226	42,357	19,778	8,579
Total Proved Plus Probable	12,910	12,910	25,166	25,166	0	0	393,447	208,158	119,834	73,605	47,449
Possible											
Locations -1, 2 & 3 Middle Triassic T2B & T2C Incr.	1,019	1,019	1,764	1,764	0	0	43,274	7,316	5	(1,108)	(1,102)
Dolinnoe-5, 12ST Middle Triassic T2B & T2C Incr.	298	298	829	829	0	0	12,616	6,401	3,552	2,122	1,347
Locations 4,5,6 & 7 Middle Triassic T2B & T2C Incr.	1,630	1,630	2,823	2,823	0	0	74,019	26,516	10,357	4,397	2,022
Dolinnoe-5 & 4 Locations Middle Triassic T2B & T2C	3,040	3,040	5,466	5,466	0	0	160,635	89,529	32,131	15,829	8,437
Total Possible	5,987	5,987	10,883	10,883	0	0	290,544	109,762	46,045	21,240	10,703
Total Proved Plus Probable Plus Possible	18,897	18,897	36,049	36,049	0	0	683,991	317,920	165,879	94,845	58,152

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
Dolinnoe, Kazakhstan

Forecast Prices & Costs

	Net To Appraised Interest										
							Cumulative Cash Flow - M\$				
	Oil MSTB		Sales Gas MMscf		BOE Mbbbls		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)	1,022	1,022	2,461	2,461	1,433	1,433	13,062	10,859	9,236	8,000	7,032
Corporate Income Tax	-	-	-	-	-	-	0	0	0	0	0
Excess profits Tax	-	-	-	-	-	-	0	0	0	0	0
Total Proved Developed Producing (AT)	1,022	1,022	2,461	2,461	1,433	1,433	13,062	10,859	9,236	8,000	7,032
Proved Developed Non-Producing											
Total Proved Developed Non-Producing (BT)	2,969	2,969	6,180	6,180	3,999	3,999	115,332	72,973	48,806	34,141	24,772
Corporate Income Tax	-	-	-	-	-	-	(22,449)	(14,317)	(9,652)	(6,805)	(4,976)
Excess profits Tax	-	-	-	-	-	-	(39,604)	(24,616)	(16,165)	(11,107)	(7,922)
Total Proved Developed Non-Producing (AT)	2,969	2,969	6,180	6,180	3,999	3,999	53,279	34,040	22,989	16,229	11,874
Total Proved Developed (AT)	3,991	3,991	8,642	8,642	5,431	5,431	66,340	44,900	32,225	24,229	18,906
Proved Undeveloped											
Total Proved Undeveloped (BT)	2,212	2,212	3,832	3,832	2,851	2,851	58,601	33,099	19,435	11,686	7,066
Corporate Income Tax	-	-	-	-	-	-	(12,391)	(7,546)	(4,883)	(3,331)	(2,377)
Excess profits Tax	-	-	-	-	-	-	(14,956)	(8,260)	(4,789)	(2,899)	(1,826)
Total Proved Undeveloped (AT)	2,212	2,212	3,832	3,832	2,851	2,851	31,254	17,293	9,763	5,456	2,863
Total Proved (AT)	6,203	6,203	12,474	12,474	8,282	8,282	97,594	62,193	41,988	29,685	21,769
Probable											
Probable Developed Producing											
Total Probable Developed Producing (BT)	529	529	1,189	1,189	727	727	5,495	1,963	(143)	(1,453)	(2,298)
Corporate Income Tax	-	-	-	-	-	-	(208)	(152)	(114)	(67)	(67)
Excess profits Tax	-	-	-	-	-	-	0	0	0	0	0
Total Probable Developed Producing (AT)	529	529	1,189	1,189	727	727	5,287	1,811	(257)	(1,540)	(2,366)
Probable Developed Non-Producing											
Total Probable Developed Non-Producing (BT)	1,463	1,463	3,334	3,334	2,019	2,019	50,030	24,665	12,961	7,165	4,106
Corporate Income Tax	-	-	-	-	-	-	(11,428)	(5,997)	(3,444)	(2,145)	(1,432)
Excess profits Tax	-	-	-	-	-	-	(18,091)	(8,276)	(3,967)	(1,973)	(1,009)
Total Probable Developed Non-Producing (AT)	1,463	1,463	3,334	3,334	2,019	2,019	20,510	10,393	5,550	3,047	1,665
Total Probable Developed (AT)	1,992	1,992	4,523	4,523	2,746	2,746	25,797	12,204	5,293	1,507	(701)
Probable Undeveloped											
Total Probable Undeveloped (BT)	4,715	4,715	8,169	8,169	6,076	6,076	150,928	64,597	29,539	14,066	6,772
Corporate Income Tax	-	-	-	-	-	-	(31,192)	(13,989)	(6,800)	(3,494)	(1,851)
Excess profits Tax	-	-	-	-	-	-	(49,681)	(20,524)	(9,078)	(4,214)	(2,011)
Total Probable Undeveloped (AT)	4,715	4,715	8,169	8,169	6,076	6,076	70,055	30,084	13,660	6,357	2,909
Total Probable (AT)	6,707	6,707	12,692	12,692	8,822	8,822	95,852	42,288	18,953	7,865	2,208
Total Proved Plus Probable (AT)	12,910	12,910	25,166	25,166	17,104	17,104	193,447	104,480	60,941	37,550	23,977
Possible											
Total Possible (BT)	5,987	5,987	10,883	10,883	7,801	7,801	290,544	109,762	46,045	21,240	10,703
Corporate Income Tax	-	-	-	-	-	-	(59,737)	(22,642)	(9,536)	(4,418)	(2,237)
Excess profits Tax	-	-	-	-	-	-	(135,974)	(51,392)	(21,497)	(9,853)	(4,916)
Total Possible (AT)	5,987	5,987	10,883	10,883	7,801	7,801	94,833	35,728	15,013	6,970	3,551
Total Proved Plus Probable Plus Possible (AT)	18,897	18,897	36,049	36,049	24,905	24,905	288,279	140,208	75,954	44,519	27,528

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
EMIR FIELD
INDEX

Discussion

Property Description
 Geology
 Petrophysical Data and Analysis
 Reserves
 Production
 Product Prices
 Capital Expenditures
 Operating Costs
 Tax
 Economics

Attachments

Table 1: Schedule of Lands, Interests and Royalty Burdens

Figure 1: Field Map and Structure Top
 a) Triassic T3+T2Upper
 b) Middle Triassic T2A
 c) Middle Triassic T2B
 d) Middle Triassic T2C

Figure 2: Log Analysis Presentation
 a) Emir-1, Middle Triassic T2
 b) Emir-2, Upper Triassic T3
 c) Emir-2, Middle Triassic T2
 d) Emir-5, Upper Triassic T3
 e) Emir-5, Middle Triassic T2
 f) Emir-6, Upper Triassic T3
 g) Emir-6, Middle Triassic T2

Table 2: Summary of Gross Reserves

Summary of Reserves and Reservoir Parameters

Proved Developed Non-Producing

- a) Emir-1, Middle Triassic T2A (Removed from this version)
- b) Emir-5, Middle Triassic T2C (Removed from this version)

Proved Undeveloped

- c) Location-1, Middle Triassic T2A (Removed from this version)
- d) Location-2, Middle Triassic T2C (Removed from this version)

Proved Plus Probable

- e) Emir-6, Middle Triassic T2C (Removed from this version)

Probable Developed

- f) Emir-1, Middle Triassic T2B (Removed from this version)
- g) Emir-2, Triassic T3+T2Upper (Removed from this version)
- h) Emir-2, Middle Triassic T2A (Removed from this version)
- i) Emir-2, Middle Triassic T2B (Removed from this version)
- j) Emir-5, Middle Triassic T2B (Removed from this version)
- k) Emir-6, Middle Triassic T2A (Removed from this version)
- l) Emir-6, Middle Triassic T2B (Removed from this version)

Possible

- m) Emir-5, Triassic T3 (Removed from this version)
- n) Emir-6, Triassic T3+T2Upper (Removed from this version)
- o) Location-1, Middle Triassic T2B (Removed from this version)
- p) Location-2, Middle Triassic T2A (Removed from this version)
- q) Location-2, Middle Triassic T2B (Removed from this version)

Figure 3: Production History Graphs

- a) Emir-1, Middle Triassic T2
- b) Emir-2, Upper Triassic T3 and Middle Triassic T2
- c) Emir-6, Middle Triassic T2
- d) Group Production Plot, Upper Triassic T3 and Middle Triassic T2

Table 3: Summary of Anticipated Capital Expenditures

- a) Development
- b) Abandonment and Restoration

Table 4: Summary of Company Reserves and Economics

- a) Proved Developed Producing (N/A) (Removed from this version)
- 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)
- e) Probable Developed Non-Producing (Removed from this version)
- f) Proved Plus Probable Developed (Removed from this version)
- g) Proved Plus Probable (Removed from this version)
- h) Probable Plus Possible Developed (Removed from this version)
- i) Proved Plus Probable Plus Possible (Removed from this version)

**ADEK BLOCK (LICENCE AREA)
REPUBLIC OF KAZAKHSTAN
EMIR FIELD
DISCUSSION**

Property Description

The Company owns a 100 percent working interest in a "Licence" and "Exploration Contract" referred to as the Emir 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 Exploration Contract was entered into on June 9, 2000 by a preceding company. The Licence and Contract Area were assigned to the Company on September 23, 2002. Since this time, the terms have been reviewed and a Production Contract has been granted.

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 and it expires on March 1, 2030.

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 Emir Field is one of seven known fields already discovered on the ADEK Block. The Company has re-entered well Emir-1, which was placed on production but currently is shut-in waiting on a workover and stimulation. Well Emir-2 was drilled, tested in one zone and placed on production from this zone at the rate of 50 STB/d, and currently is shut-in. Well Emir-6 commenced production in August 2007 at a rate of 30 STB/d and currently is shut-in. The Company has plans to work over and stimulate all three wells.

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 main producing horizon is the Middle Triassic carbonate

The Emir structure is an articulation zone where the Beke-Bashkudsky high and Karagiin saddle transits into the Zhetybay-Uzen tectonic zone. In the north the structure aligns with the line of a regional fault, interpreted as a thrust.

The ADEK 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. 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 carbonate.

The Chapman digital log analysis was made using HDS software over the carbonate reservoirs.

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 carbonate reservoirs as shown in the interpreted log.

Reserves

Proved Developed Non-Producing oil reserves of 785 MSTB and marketable solution gas reserves of 143 MMscf have been estimated for the Middle Triassic T2C zone in wells Emir-1 and Emir-5, based on reservoir parameters determined from digital log analysis and production data from the wells, with assigned recovery factor and drainage area of 80 acres.

Proved Undeveloped oil reserves of 678 MSTB and marketable solution gas reserves of 131 MMscf have been estimated for the Middle Triassic T2A and T2C zones in two adjacent locations, based on reservoir parameters determined from digital log analysis, with assigned recovery factor of 15 percent and drainage area of 80 acres.

Incremental Probable Developed Producing oil reserves of 174 MSTB and marketable solution gas reserves of 19 MMscf have been estimated for the Middle Triassic T2C zone in wells Emir-6, based on reservoir parameters determined from digital log analysis and production data from the wells, with assigned increased recovery factor of 16.3 percent and drainage area of 80 acres. These assumptions are based on the well performance.

Incremental Probable Developed Non-Producing oil reserves of 444 MSTB and marketable solution gas reserves of 82 MMscf have been estimated for the Middle Triassic T2A and T2C zones in wells Emir-1 and Emir-5, based on reservoir parameters determined from digital log analysis and production data from the wells, with assigned higher than in Proved Developed Non-Producing category recovery factor and drainage area of 80 acres

Probable Developed Non-Producing oil reserves of 3,915 MSTB and marketable solution gas reserves of 557 MMscf have been estimated for the Upper and Middle Triassic zones in wells Emir-1, Emir-2, Emir-5 and Emir-6, based on reservoir parameters determined from digital log analysis and production data from the wells, with assigned recovery factor and drainage area of 80 acres.

Incremental Probable Undeveloped oil reserves of 379 MSTB and marketable solution gas reserves of 76 MMscf have been estimated for two adjacent locations in the same interval as the Proved Undeveloped Reserves based on increased recovery factor from 20 to 30 percent.

Incremental Possible oil reserves of 3,698 MSTB and marketable solution gas reserves of 479 MMscf have been estimated for wells Emir-1, Emir-2, Emir-5 and Emir-6 in the same interval as the Probable Developed Non-Producing Reserves based on increased recovery factor from 20 to 30 percent.

Additional Possible oil reserves of 2,286 MSTB and marketable solution gas reserves of 307 MMscf have been estimated for wells Emir-5 and Emir-6 and two adjacent locations in the Upper Triassic T3 and Middle Triassic T2 zone based on reservoir parameters determined from digital log analysis, with assigned recovery factor of 30 percent and drainage area of 80 acres.

As mentioned above, reserves assigned in this report have been restricted to the fault block which has been encountered by wells Emir-1, Emir-2, Emir-5 and Emir-6. Additional resource potential may exist on the surrounding fault blocks (Figure 1) which has not yet been drilled.

Also, the Jurassic has indicated significant possible reserves potential, based on log analysis, which has not been evaluated herein, but will be tested with additional wells. There is insufficient data at present to accurately quantify reserves, however log analysis on Emir-1 demonstrates potential hydrocarbon 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 2q.

Production

Emir-1 was placed on production in 2004 flowing at average of 100 STB/d against a wellhead back pressure of greater than 500 psi from a 45 meter perforated interval. During the drilling and testing phase of this well the well was killed with heavy mud of unknown chemical content which caused damage to the formation in the immediate wellbore. The well eventually became unproductive, likely due to the damage and is shut-in waiting on remedial action. Prior to killing the well it had flowed at a rate of 2,377 STB/d (378 m³/d) of oil and mud, for a short time before it was killed with heavy fluid. Currently, well is shut down.

Well Emir-6 is currently producing at a rate of 76 STB/d.

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

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 \$19,139,000 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 \$5,200,000 has been used to drill, complete, equip and tie-in each new well based on historical information in this area. The Company advises that it has recently been experiencing lower costs than this overall, in which case this reflects some increase in value to the properties not considered in this report.

Abandonment and lease restoration costs of \$300,000 (\$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 4i.

Table 1

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

MIE Holdings Corporation

Emir, Republic of Kazakhstan

Description	Rights Owned	Gross Acres	Appraised Interest Working %	Royalty %	Royalty Burdens	
					Basic %	Overriding %
Contract No.482, Addendum 11 License AI No. 1552	[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 33,157	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

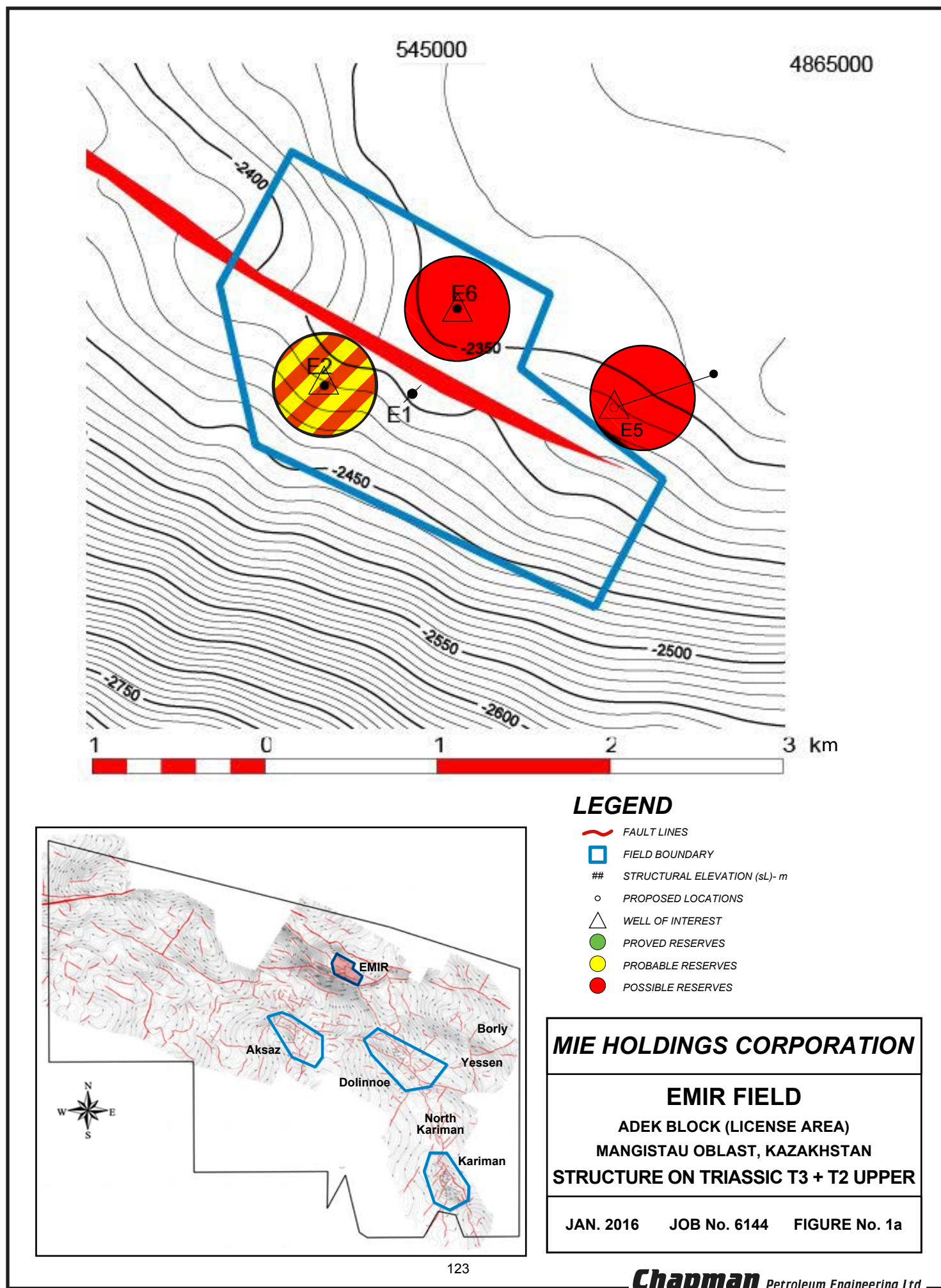
Export Rent Tax (ERT)

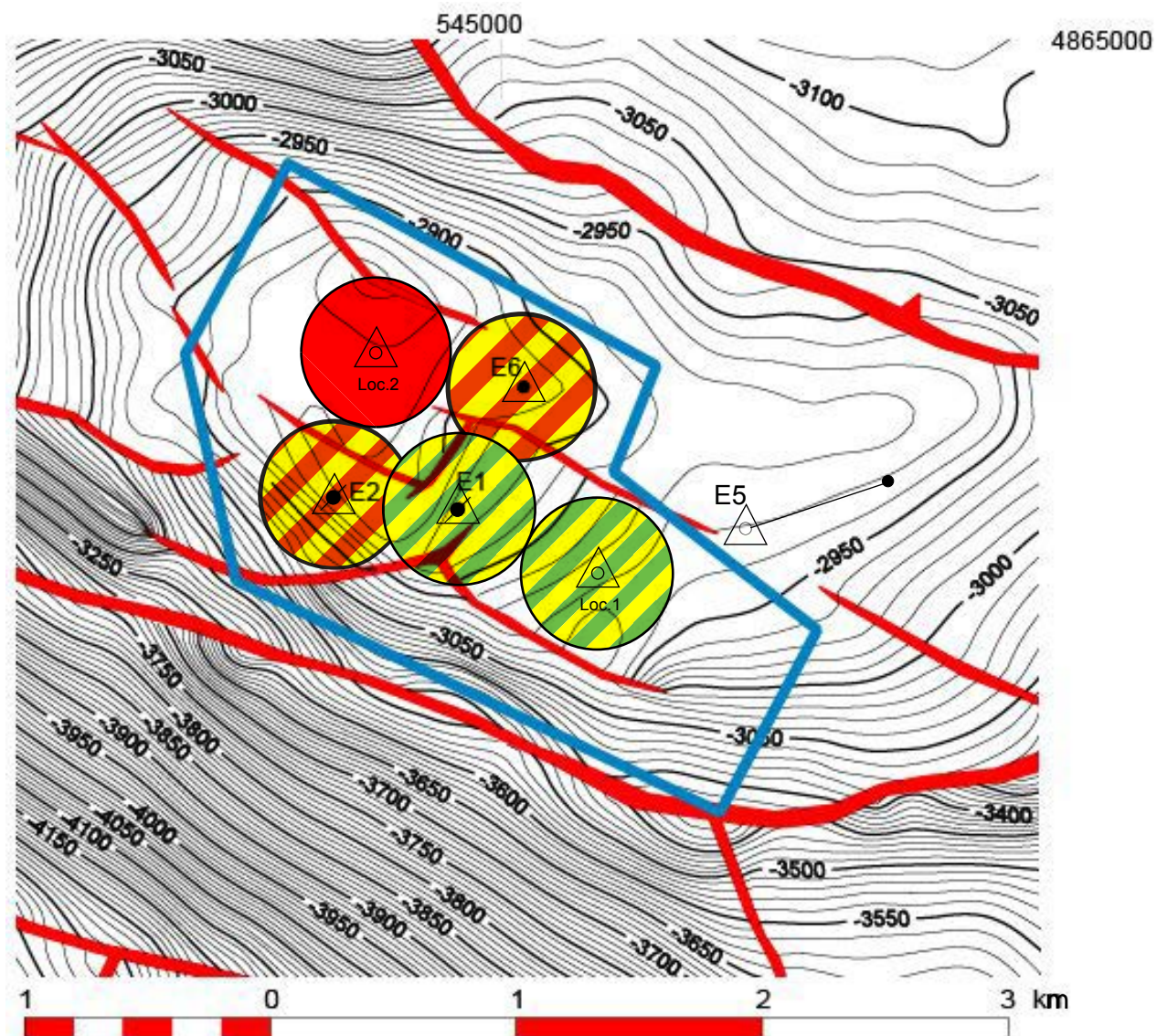
World Price (US\$/BBL)	Rate %
Up to 40, Including	0
Up to 50, Including	7
Up to 60, Including	11
Up to 70, Including	14
Up to 80, Including	16
Up to 90, Including	17
Up to 100, Including	19
Up to 110, Including	21
Up to 120, Including	22
Up to 130, Including	23
Up to 140, Including	25
Up to 150, Including	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

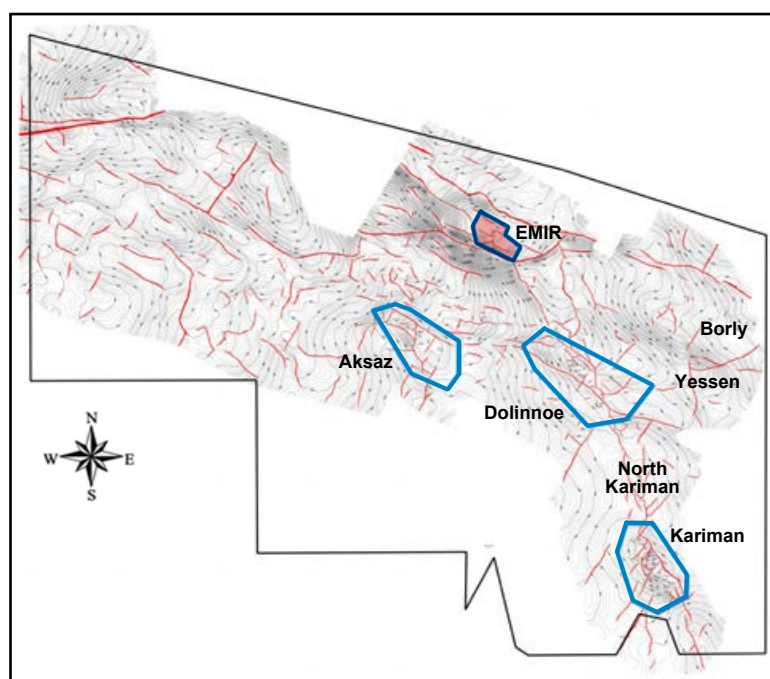
Corporate Income Tax, %
20

Rights Owned : [A] Emir Field located in blocks XXXV-10-C(partially), XXXVI-11-A(partially).
Production Contract expires on March 1, 2030.



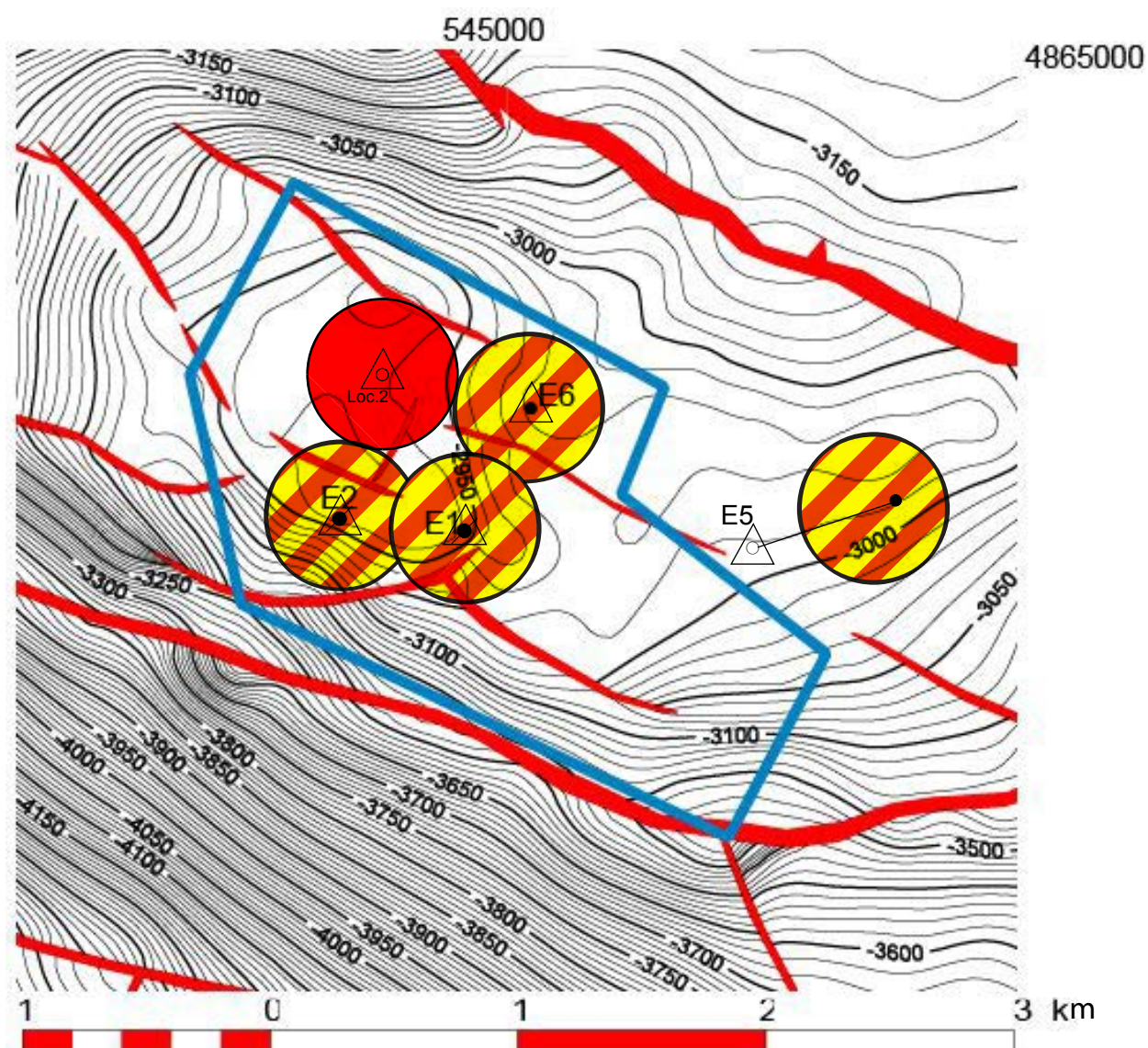
**LEGEND**

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

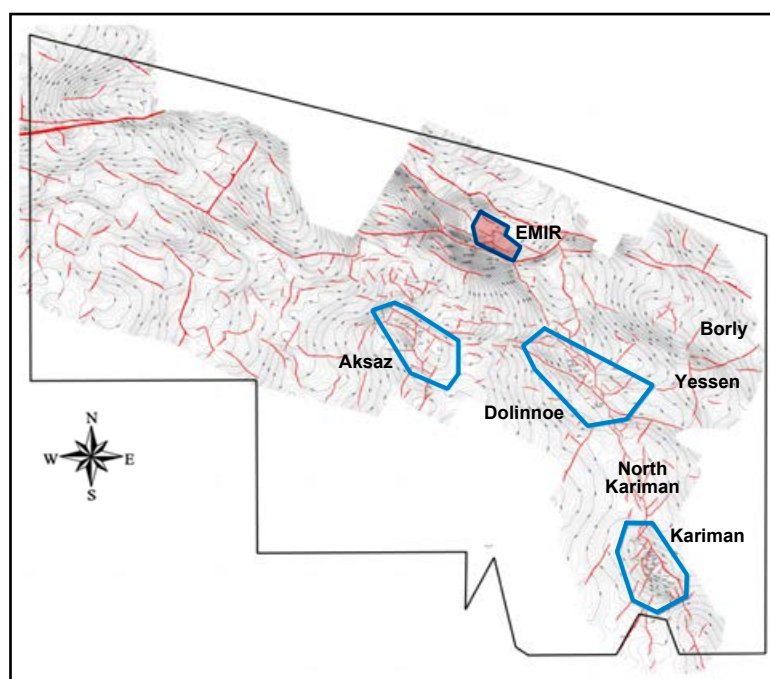
**MIE HOLDINGS CORPORATION****EMIR FIELD**

ADEK BLOCK (LICENSE AREA)
MANGISTAU OBLAST, KAZAKHSTAN
STRUCTURE ON MIDDLE TRIASSIC T2A

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

**LEGEND**

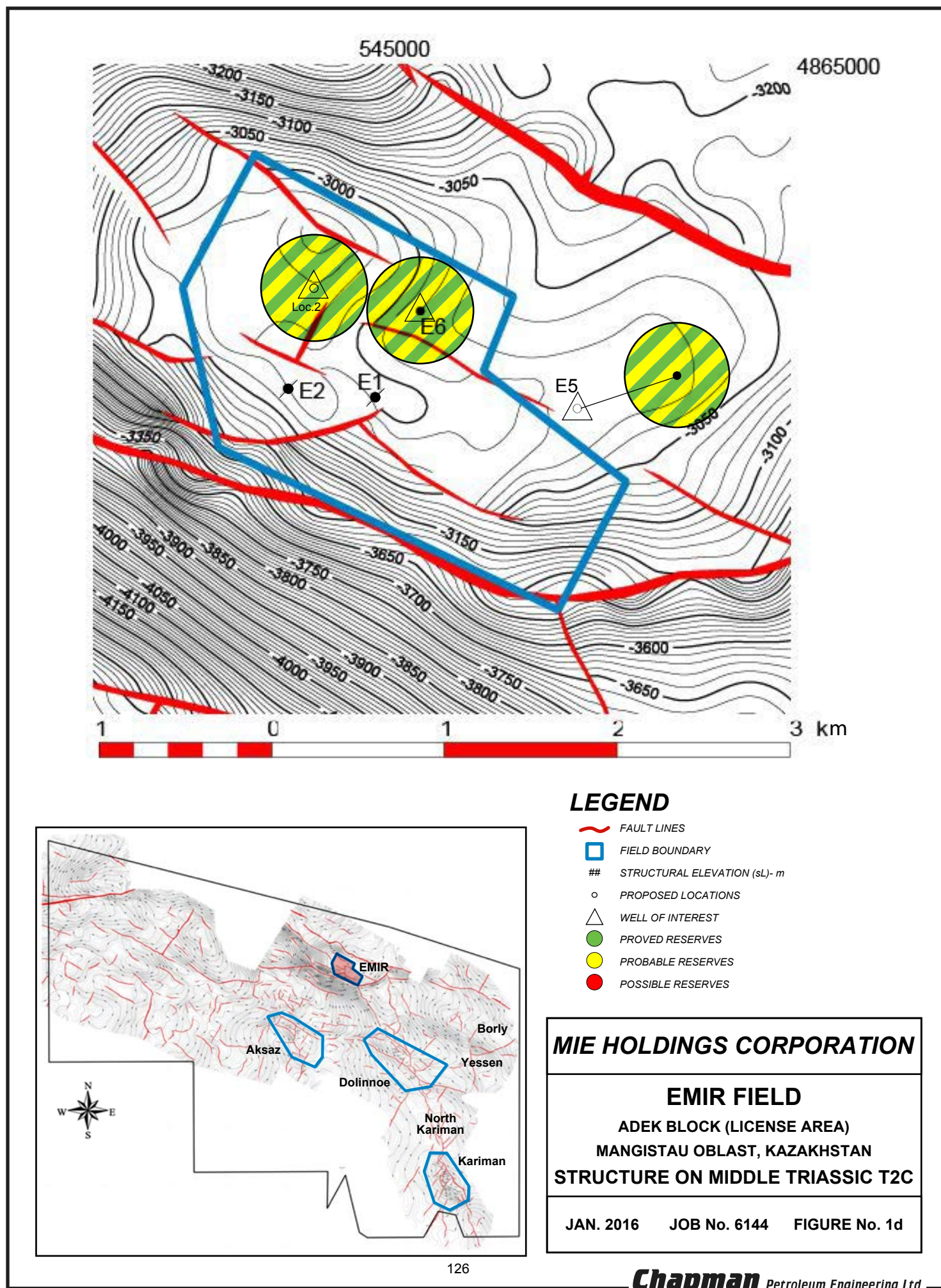
- FAULT LINES
- FIELD BOUNDARY
- ## STRUCTURAL ELEVATION (sL)- m
- PROPOSED LOCATIONS
- △ WELL OF INTEREST
- PROVED RESERVES
- PROBABLE RESERVES
- POSSIBLE RESERVES

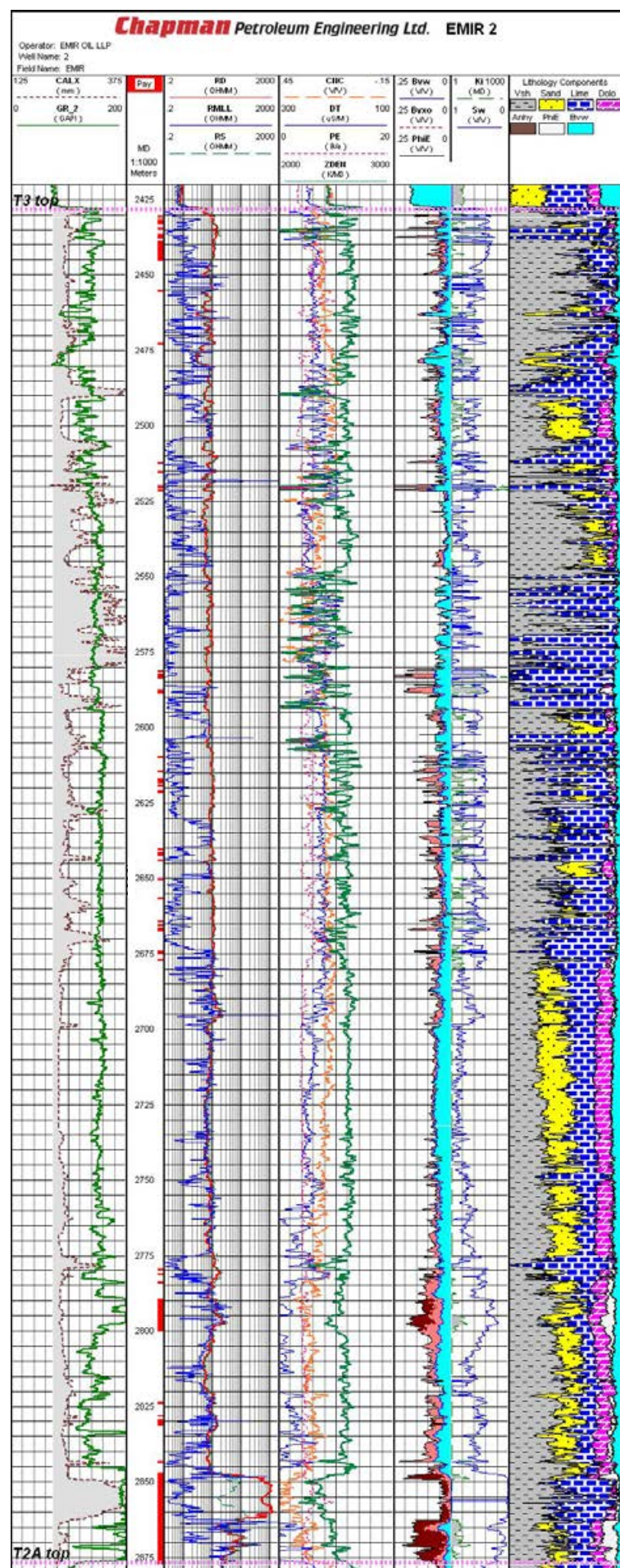
**MIE HOLDINGS CORPORATION****EMIR FIELD**

ADEK BLOCK (LICENSE AREA)
MANGISTAU OBLAST, KAZAKHSTAN
STRUCTURE ON MIDDLE TRIASSIC T2B

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

Chapman Petroleum Engineering Ltd.





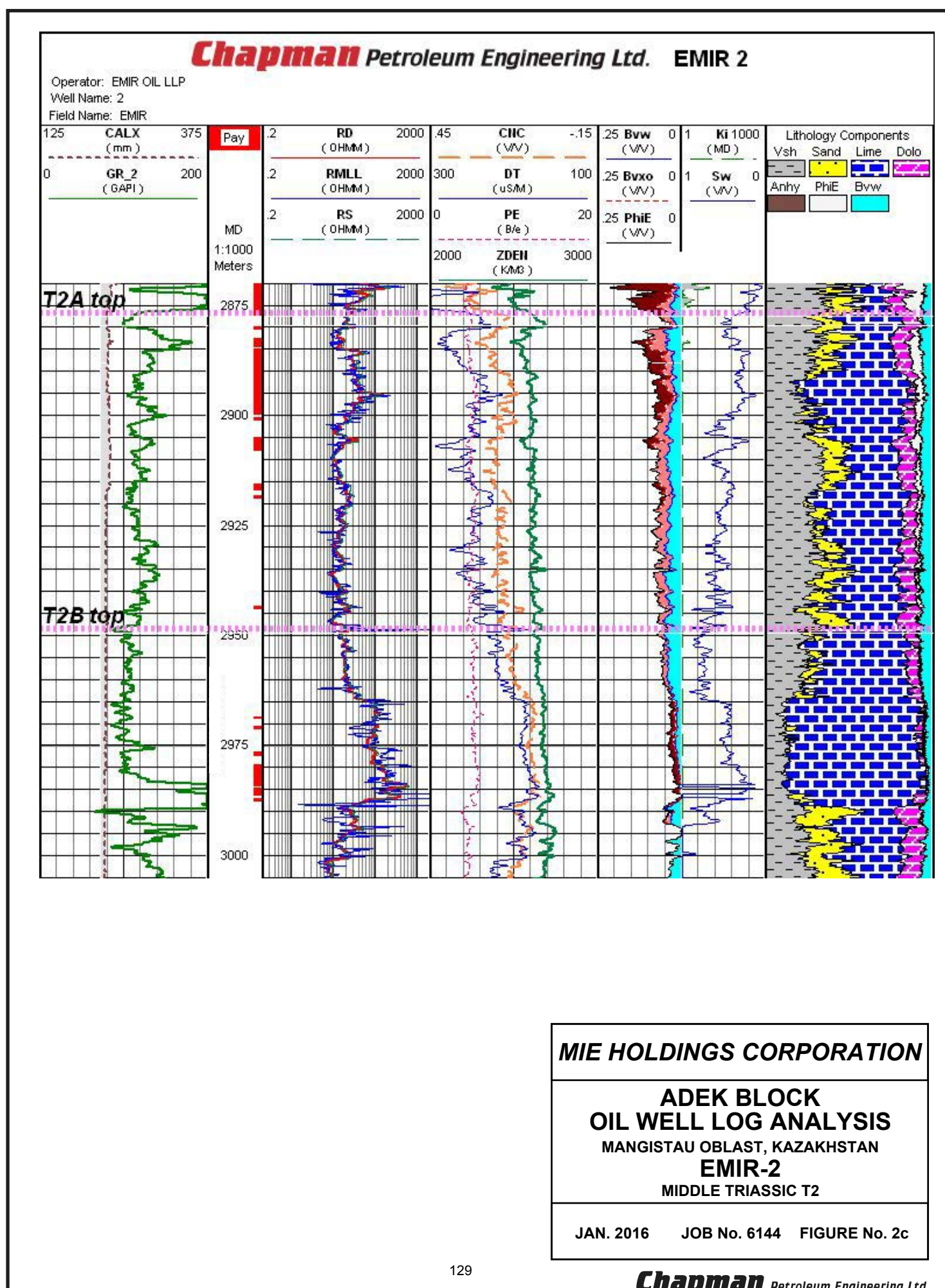
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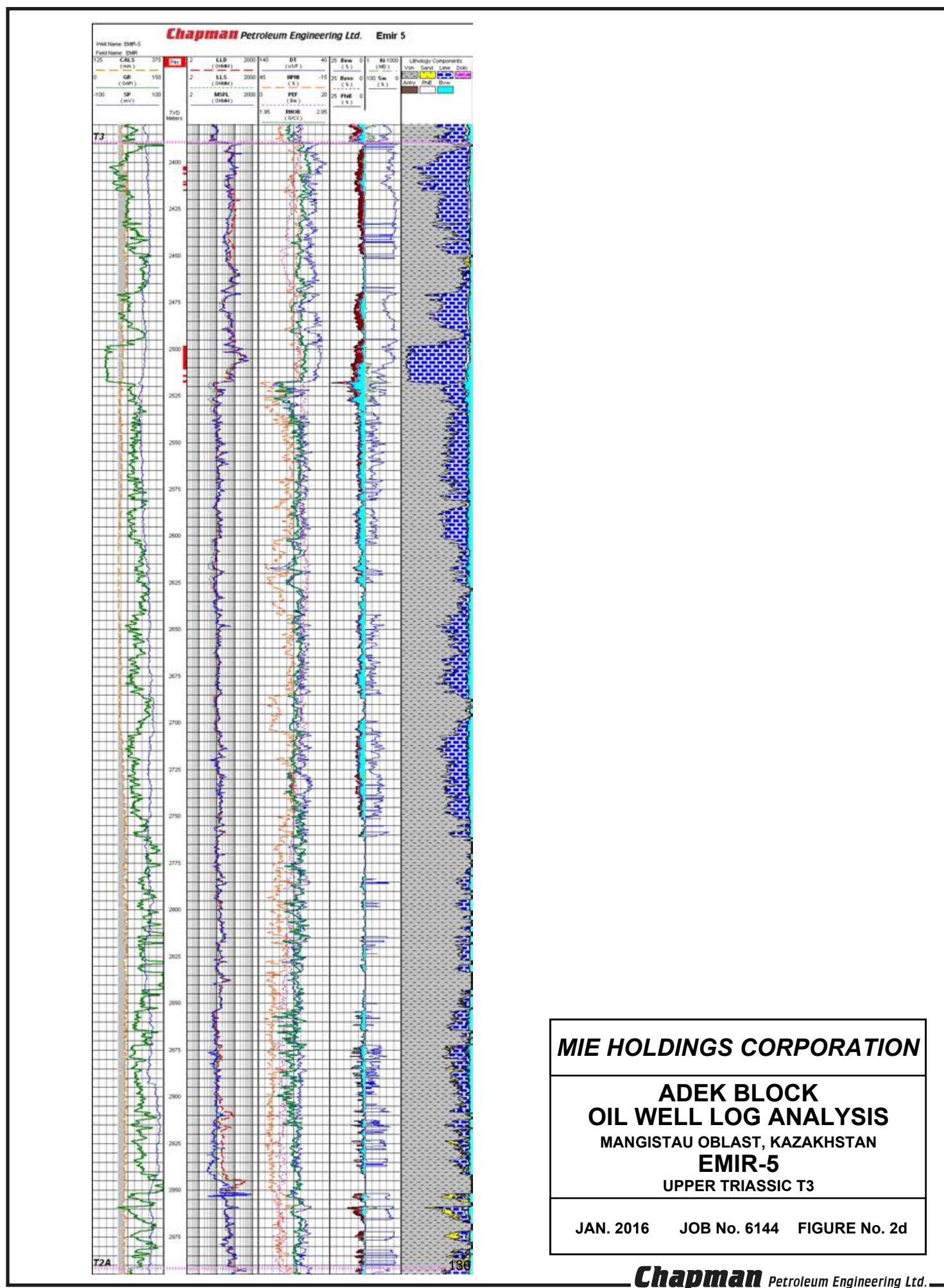
MIE HOLDINGS CORPORATION

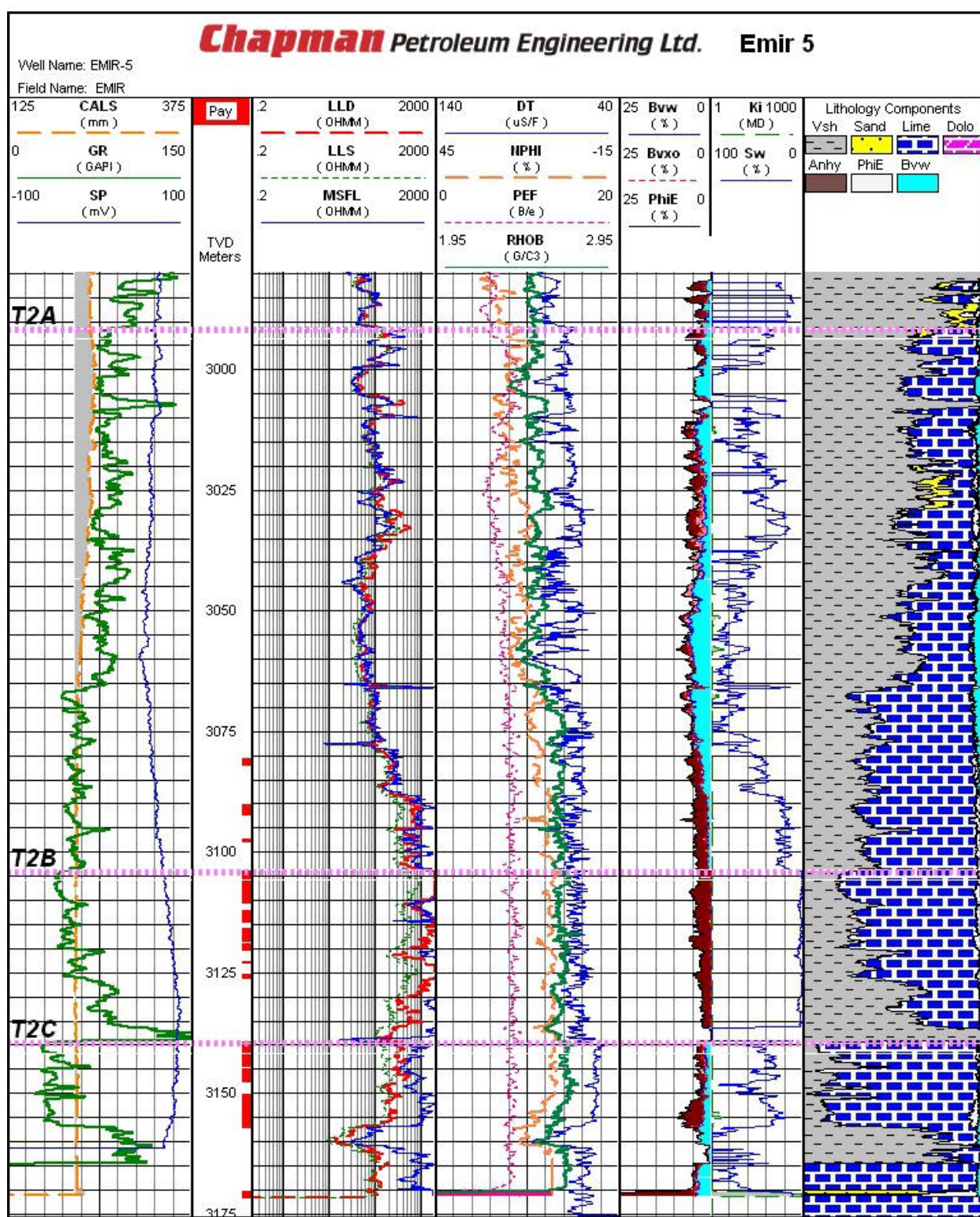
ADEK BLOCK
OIL WELL LOG ANALYSIS
 MANGISTAU OBLAST, KAZAKHSTAN
EMIR-2
 UPPER TRIASSIC T3

JAN. 2016 JOB No. 6144 FIGURE No. 2b

Chapman Petroleum Engineering Ltd.



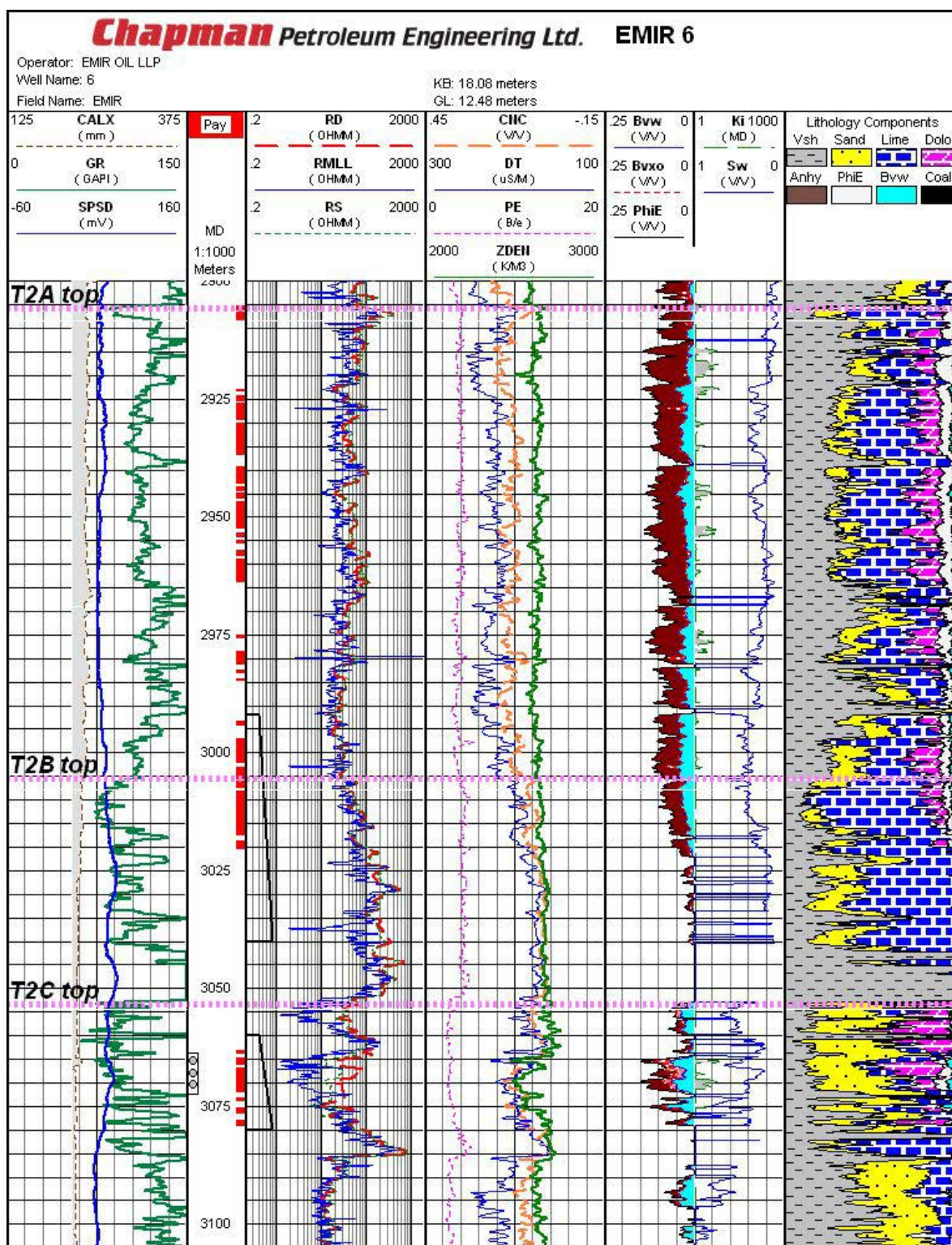




MIE HOLDINGS CORPORATION

**ADEK BLOCK
OIL WELL LOG ANALYSIS
MANGISTAU OBLAST, KAZAKHSTAN
EMIR-5
MIDDLE TRIASSIC T2**

JAN. 2016 JOB No. 6144 FIGURE No. 2e

**MIE HOLDINGS CORPORATION**

ADEK BLOCK
OIL WELL LOG ANALYSIS
 MANGISTAU OBLAST, KAZAKHSTAN
EMIR-6
 MIDDLE TRIASSIC T2

JAN. 2016 JOB No. 6144 FIGURE No. 2g

Table 2								
Summary of Gross Reserves								
January 1, 2016								
MIE Holdings Corporation								
Emir, 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								
Emir-6	Middle Triassic T2C	76	40	13	13	0	0	Decline, Figure 3c
Proved Developed Producing		76		13	13	0	0	
Proved Developed Non-Producing								
Emir-1	Middle Triassic T2A	250	40	636	6	629	531	Table 2a
Emir-5	Middle Triassic T2C	150	40	258	0	258	253	Table 2b
Proved Developed Non-Producing		400		894	6	887	785	
Proved Undeveloped								
Location-1	Middle Triassic T2A	300	40	636	0	636	526	Table 2c
Location-2	Middle Triassic T2C	100	40	157	0	157	152	Table 2d
Total Proved Undeveloped		400		793	0	793	678	
Total Proved		876		1,700	20	1,681	1,463	
Probable								
Probable Developed Producing								
Emir-6	Middle Triassic T2C	(incr.) 0	40	174	0	174	174	Table 2e
Total Probable Developed Producing		0		174	0	174	174	
Probable Developed Non-Producing								
Emir-1	Middle Triassic T2A	(incr.) 100	40	212	0	212	310	Table 2a
Emir-5	Middle Triassic T2C	(incr.) 100	40	129	0	129	134	Table 2c
Emir-1	Middle Triassic T2B	600	40	1,123	0	1,123	1,123	Table 2f
Emir-2	Upper T3 & Middle T2 Triassic	600	40	1,586	0	1,586	1,586	Tables 2g, 2h & 2i
Emir-5	Middle Triassic T2B	100	40	248	0	248	248	Table 2j
Emir-6	Middle Triassic T2A & T2B	400	40	959	0	959	959	Tables 2k & 2l
Total Probable Developed Non-Producing		1,900		4,256	0	4,256	4,359	
Total Probable Developed		1,900		4,430	0	4,430	4,533	
Probable Undeveloped								
Location-1	Middle Triassic T2A	(incr.) 200	40	212	0	212	321	Table 2c
Location-2	Middle Triassic T2C	(incr.) 50	40	52	0	52	58	Table 2d
Total Probable Undeveloped		250		264	0	264	379	
Total Probable		2,150		4,695	0	4,695	4,912	
Total Proved Plus Probable		3,026		6,395	20	6,375	6,375	
Possible								
Emir-1	Middle Triassic T2B	(incr.) 200	40	561	0	561	561	Table 2f
Emir-2	Upper T3 & Middle T2 Triassic	(incr.) 600	40	2,534	0	2,534	2,534	Tables 2g, 2h & 2i
Emir-5	Middle Triassic T2B	(incr.) 100	40	124	0	124	124	Table 2j
Emir-6	Middle Triassic T2A & T2B	(incr.) 200	40	479	0	479	479	Tables 2k & 2l
Emir-5	Middle Triassic T3	100	40	121	0	121	121	Table 2m
Emir-6	Upper T3 & Middle T2 Triassic	500	40	1,125	0	1,125	1,125	Table 2n
Location-1	Middle Triassic T2B	50	40	561	0	561	561	Table 2o
Location-2	Middle Triassic T2A & T2B	100	40	479	0	479	479	Tables 2p & 2q
Total Possible		1,850		5,986	0	5,986	5,986	
Total Proved Plus Probable Plus Possible		4,876		12,381	20	12,361	12,361	

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

Table 2 Cont.

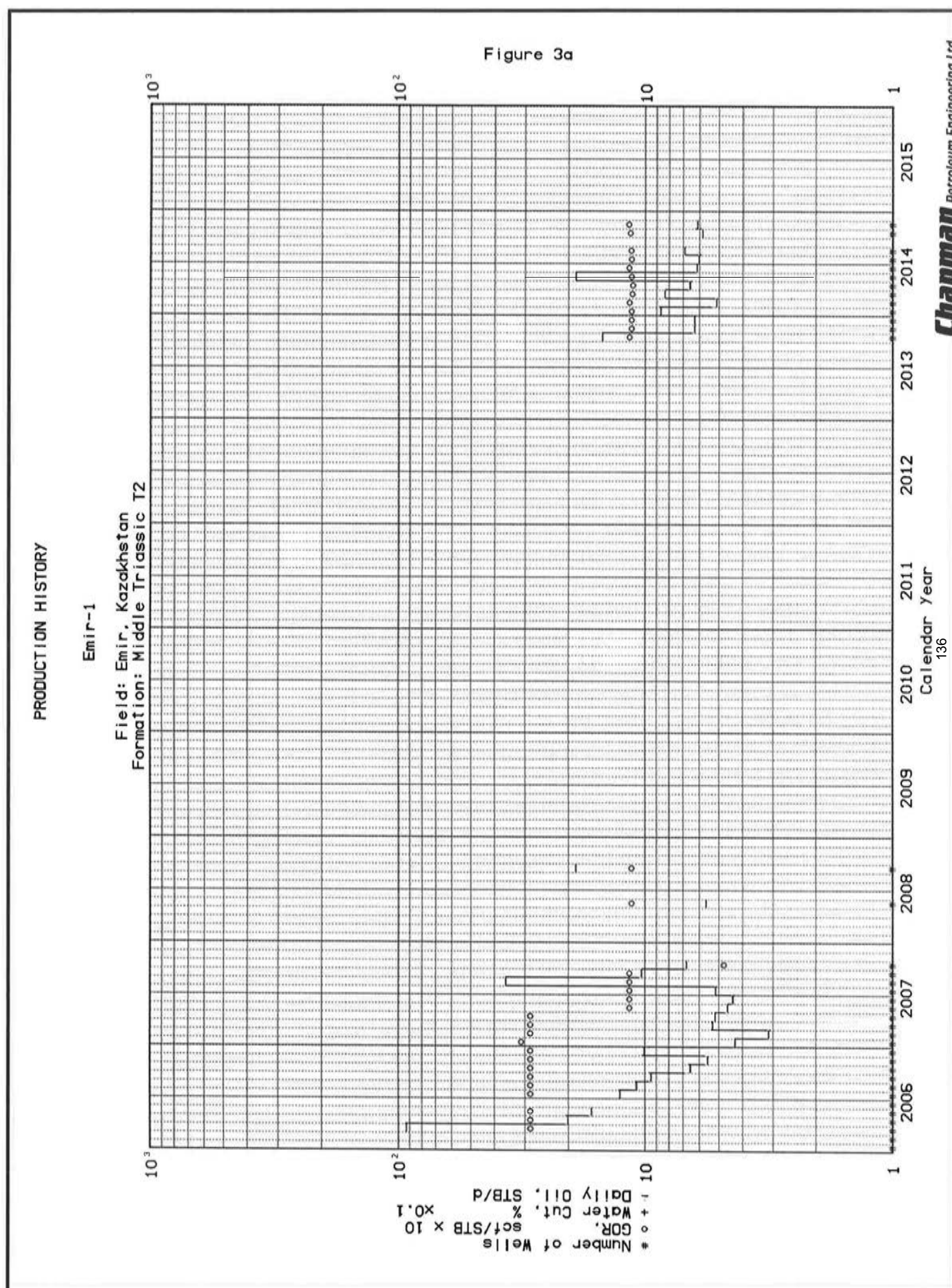
Summary of Gross Reserves
January 1, 2016

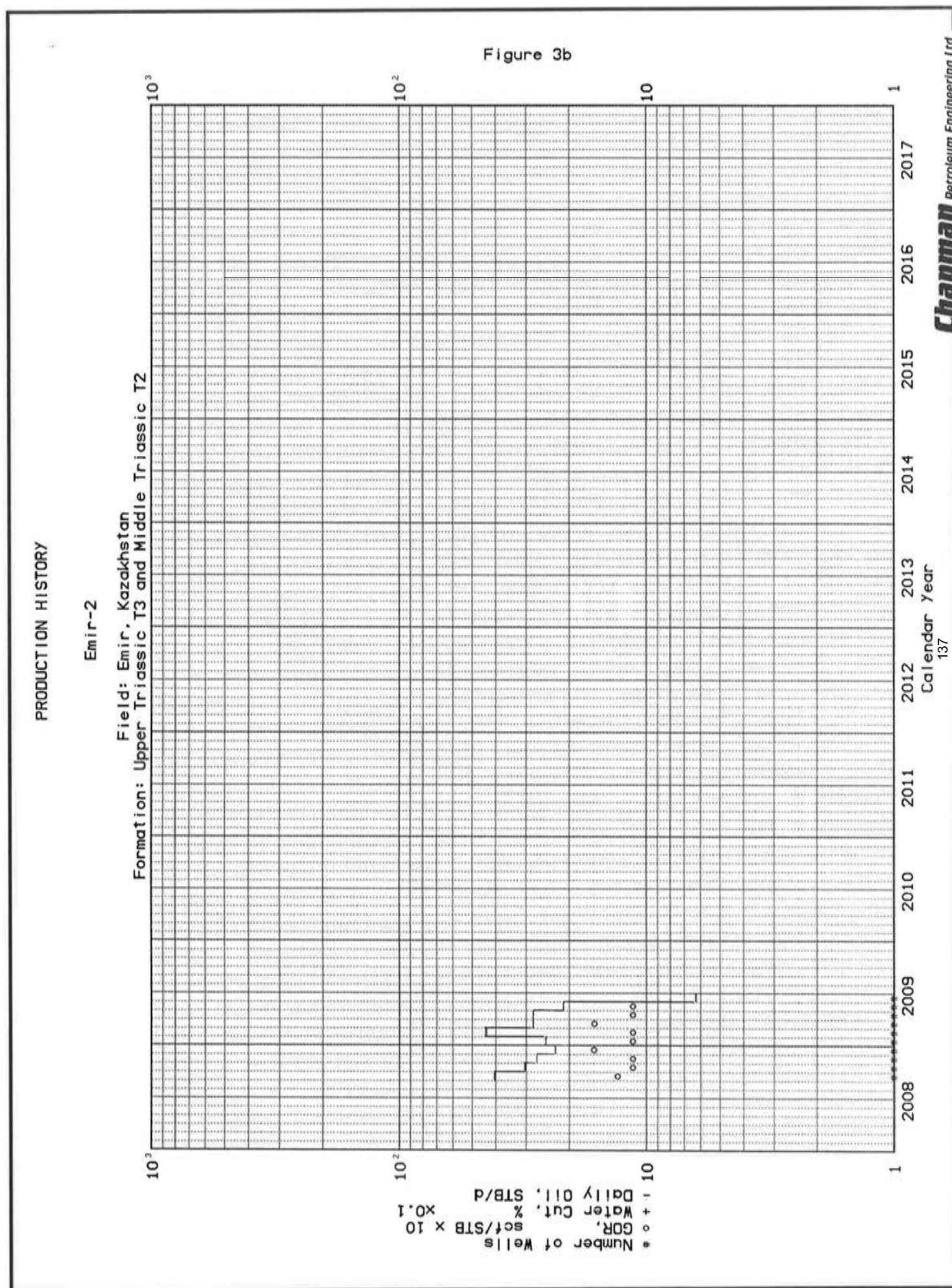
MIE Holdings Corporation

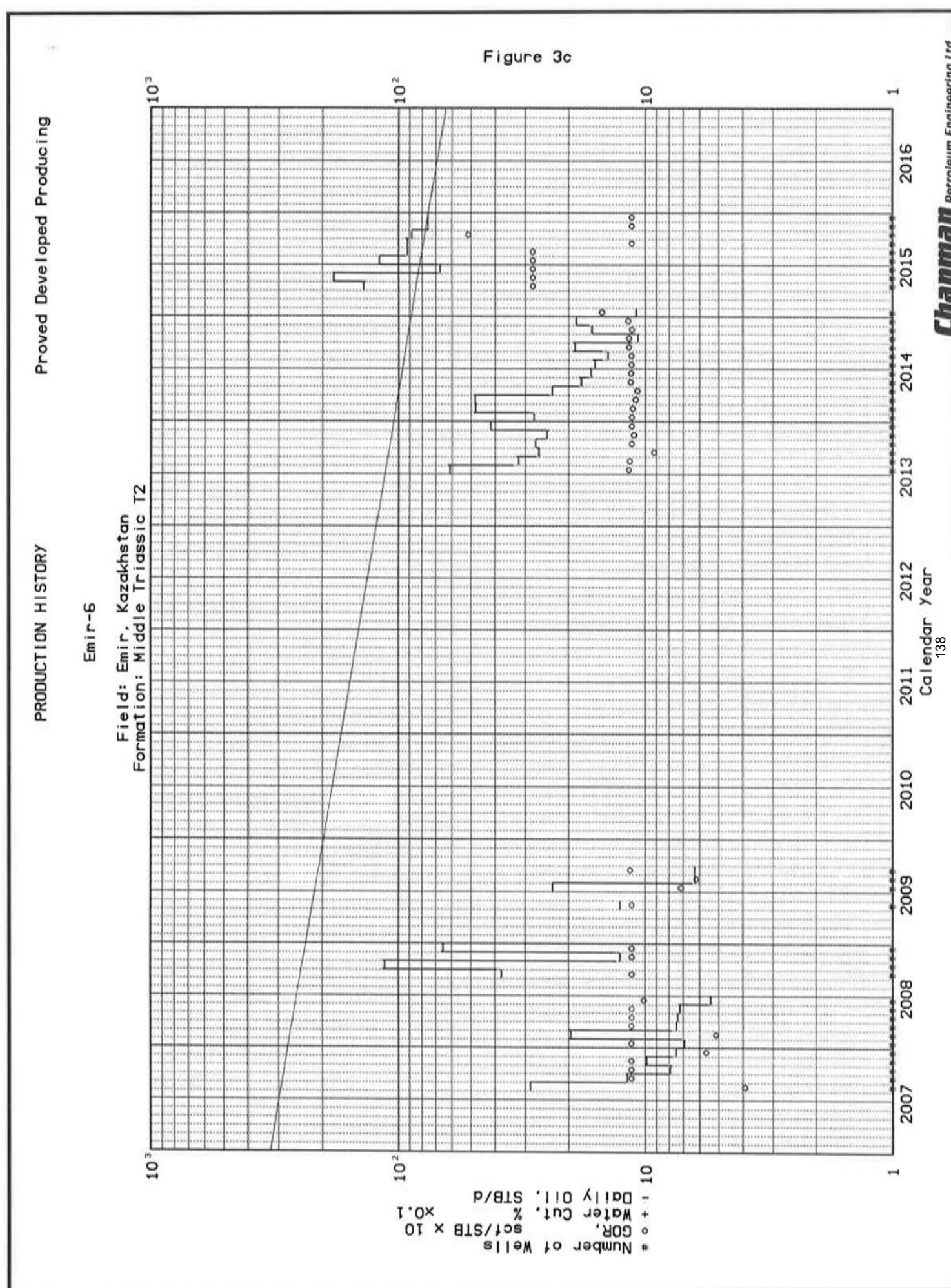
Emir, Republic of Kazakhstan

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							
Emir-6	Middle Triassic T2C	2	2	0	0	0	GOR : 115 scf/STB
	Proved Developed Producing	2	2	0	0		
Proved Developed Non-Producing							
Emir-1	Middle Triassic T2A	149	1	148	138	116	GOR : 235 scf/STB
Emir-5	Middle Triassic T2C	30	0	30	28	27	GOR : 115 scf/STB
	Proved Developed Non-Producing	179	1	178	165	143	
Proved Undeveloped							
Location-1	Middle Triassic T2A	149	0	149	139	115	GOR : 235 scf/STB
Location-2	Middle Triassic T2C	18	0	18	17	16	GOR : 115 scf/STB
	Total Proved Undeveloped	168	0	168	156	131	
	Total Proved	348	3	345	321	274	
Probable							
Probable Developed Producing							
Emir-6	Middle Triassic T2C	20	0	20	19	19	GOR : 115 scf/STB
	Total Probable Developed Producing	20	0	20	19	19	
Probable Developed Non-Producing							
Emir-1	Middle Triassic T2A	50	0	50	46	68	GOR : 235 scf/STB
Emir-5	Middle Triassic T2C	15	0	15	14	14	GOR : 115 scf/STB
Emir-1	Middle Triassic T2B	264	0	264	245	245	GOR : 235 scf/STB
Emir-2	Upper T3 & Middle T2 Triassic	197	0	197	183	183	GOR : 124 scf/STB
Emir-5	Middle Triassic T2B	28	0	28	26	26	GOR : 115 scf/STB
Emir-6	Middle Triassic T2A & T2B	110	0	110	103	103	GOR : 115 scf/STB
	Total Probable Developed Non-Producing	654	0	654	617	639	
	Total Probable Developed	684	0	684	636	658	
Probable Undeveloped							
Location-1	Middle Triassic T2A	50	0	50	46	70	GOR : 235 scf/STB
Location-2	Middle Triassic T2C	6	0	6	6	6	GOR : 115 scf/STB
	Total Probable Undeveloped	56	0	56	52	76	
	Total Probable	740	0	740	688	734	
	Total Proved Plus Probable	1,088	3	1,085	1,009	1,009	
Possible							
Emir-1	Middle Triassic T2B	132	0	132	123	123	GOR : 235 scf/STB
Emir-2	Upper T3 & Middle T2 Triassic	314	0	314	292	292	GOR : 124 scf/STB
Emir-5	Middle Triassic T2B	14	0	14	13	13	GOR : 115 scf/STB
Emir-6	Middle Triassic T2A & T2B	55	0	55	51	51	GOR : 115 scf/STB
Emir-5	Middle Triassic T3	14	0	14	13	13	GOR : 115 scf/STB
Emir-8	Upper T3 & Middle T2 Triassic	129	0	129	120	120	GOR : 115 scf/STB
Location-1	Middle Triassic T2B	132	0	132	123	123	GOR : 235 scf/STB
Location-2	Middle Triassic T2A & T2B	55	0	55	51	51	GOR : 115 scf/STB
	Total Possible	846	0	846	787	787	
	Total Proved Plus Probable Plus Possible	1,934	3	1,931	1,796	1,796	

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







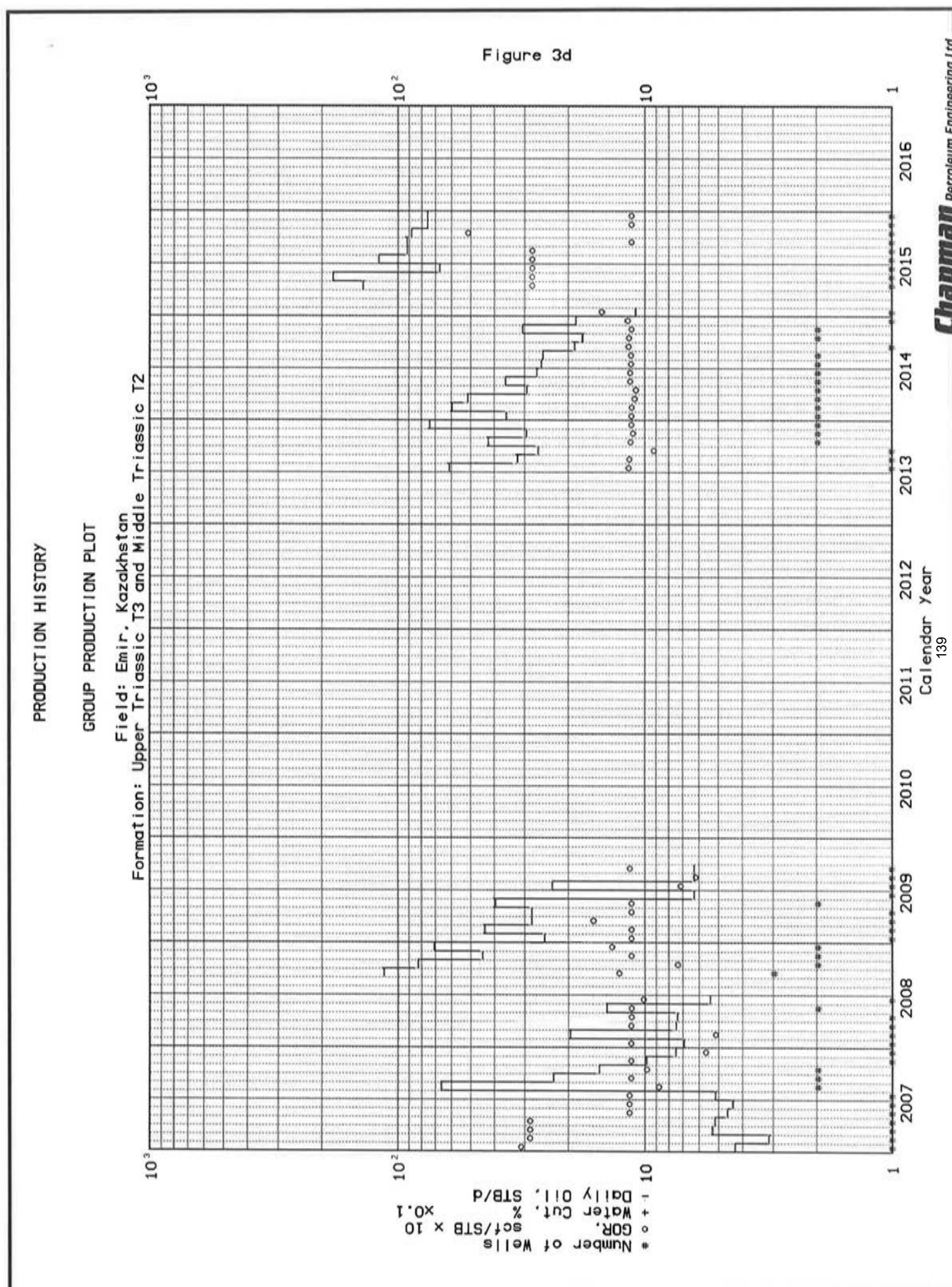


Table 3a

**Summary of Anticipated Capital Expenditures
Development**

January 1, 2016

MIE Holdings Corporation

Emir, Republic of Kazakhstan

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
<u>Proved</u>					
<u>Proved Developed Non-Producing</u>					
Emir-1	2018	Place back on Production	100.0000	100	100
Emir-5	2018	Stimulate and Place back on Production	100.0000	450	450
Total Proved Developed Producing				550	550
<u>Proved Undeveloped</u>					
Location-1	2020	Drill, Test, Complete and Tie-in for Production	100.0000	5,200	5,200
Location-2	2021	Drill, Test, Complete and Tie-in for Production	100.0000	5,200	5,200
Total Undeveloped				10,400	10,400
Total Proved				10,950	10,950
<u>Probable</u>					
<u>Probable Developed Producing</u>					
Pipeline and Central Processing Facilities	2016	Build Pipeline and Central Processing Facilities	100.0000	689	689
Total Probable Developed				689	689
<u>Probable Developed Non-Producing</u>					
Emir-1	2022	Stimulate Producing Intervals	100.0000	350	350
Emir-5	2022	Stimulate Producing Intervals	100.0000	350	350
Emir-1	2022	Recomplete and tie-in additional intervals	100.0000	500	500
Emir-2	2023	Recomplete and tie-in additional intervals	100.0000	500	500
Emir-5	2024	Recomplete and tie-in additional intervals	100.0000	500	500
Emir-6	2025	Recomplete and tie-in additional intervals	100.0000	500	500
Total Probable Developed				2,700	2,700
<u>Probable Undeveloped</u>					
Location-1	2025	Stimulate Producing Intervals	100.0000	400	400
Location-2	2026	Stimulate Producing Intervals	100.0000	400	400
Total Probable Undeveloped				800	800
Total Probable				4,189	4,189
Total Proved Plus Probable				15,139	15,139
<u>Possible</u>					
Emir-1	2027	Stimulate Producing Intervals	100.0000	500	500
Emir-2	2028	Stimulate Producing Intervals	100.0000	500	500
Emir-5	2029	Stimulate Producing Intervals	100.0000	500	500
Emir-6	2030	Stimulate Producing Intervals	100.0000	500	500
Emir-5	2031	Recomplete and tie-in additional intervals	100.0000	500	500
Emir-6	2031	Recomplete and tie-in additional intervals	100.0000	500	500
Location-1	2032	Recomplete and tie-in additional intervals	100.0000	500	500
Location-2	2032	Recomplete and tie-in additional intervals	100.0000	500	500
Total Possible				4,000	4,000
Total Proved Plus Probable Plus Possible				19,139	19,139

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

Table 3b
Summary of Anticipated Capital Expenditures
Abandonment and Restoration

January 1, 2016

MIE Holdings Corporation

Emir, Republic of Kazakhstan

Description	Year	Well Parameters	Capital Interest %	Gross Capital M\$	Net Capital M\$
Emir -1		Oil well Abandonment and Restoration	100.0000	50	50
Emir -2		Oil well Abandonment and Restoration	100.0000	50	50
Emir -5		Oil well Abandonment and Restoration	100.0000	50	50
Emir -6		Oil well Abandonment and Restoration	100.0000	50	50
Location-1		Oil well Abandonment and Restoration	100.0000	50	50
Location-2		Oil well Abandonment and Restoration	100.0000	50	50
Total Abandonment and Restoration				300	300

Table 4 Summary of Company Reserves and Economics Before CIT & EPT January 1, 2016 MIE Holdings Corporation Emir, Kazakhstan											Forecast Prices & Costs	
Net To Appraised Interest												
Description		Reserves						Cumulative Cash Flow (BT) - M\$				
		Light and Medium Oil MSTB		Sales Gas MMscf		NGL Mmbbls		Discounted at:				
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing												
Emir -6	Middle Triassic T2C	0	0	0	0	0	0	0	0	0	0	0
Total Proved Developed Producing		0	0	0	0	0	0	0	0	0	0	0
Proved Developed Non-Producing												
Emir -1,5	Middle Triassic T2A & T2C	785	785	143	143	0	0	23,022	16,654	12,392	9,446	7,352
Total Proved Developed Non-Producing		785	785	143	143	0	0	23,022	16,654	12,392	9,446	7,352
Total Proved Developed		785	785	143	143	0	0	23,022	16,654	12,392	9,446	7,352
Proved Undeveloped												
Locations 1 & 2	Middle Triassic T2A & T2C	678	678	131	131	0	0	10,970	6,086	3,290	1,667	719
Total Proved Undeveloped		678	678	131	131	0	0	10,970	6,086	3,290	1,667	719
Total Proved		1,463	1,463	274	274	0	0	33,992	22,740	15,681	11,112	8,070
Probable												
Probable Developed Producing												
Emir -6	Middle Triassic T2C	Incr. 174	174	19	19	0	0	1,180	852	610	427	287
Total Probable Developed Producing		174	174	19	19	0	0	1,180	852	610	427	287
Probable Developed Non-Producing												
Emir - 1, 5	Middle Triassic T2A, & T2C	Incr. 444	444	82	82	0	0	16,804	9,450	5,625	3,510	2,279
Emir -1,2,5,6	Upper T3, Middle Triassic T2,T2A, & T2B	3,915	3,915	557	557	0	0	173,659	89,645	49,784	29,284	17,997
Total Probable Developed Non-Producing		4,359	4,359	639	639	0	0	190,464	99,095	55,409	32,775	20,277
Total Probable Developed		4,533	4,533	658	658	0	0	191,643	99,947	56,019	33,202	20,564
Probable Undeveloped												
Locations 1 & 2	Middle Triassic T2A & T2C	Incr. 379	379	76	76	0	0	11,634	5,154	2,330	1,053	461
Total Probable Undeveloped		379	379	76	76	0	0	11,634	5,154	2,330	1,053	461
Total Probable		4,912	4,912	735	735	0	0	203,278	106,101	58,349	34,255	21,025
Total Proved Plus Probable		6,375	6,375	1,009	1,009	0	0	237,269	127,841	74,030	45,367	29,095
Possible												
Emir-1,2,5,6		Incr. 3,699	3,699	479	479	0	0	181,829	89,565	29,700	13,760	6,827
Locations -1, 2	Upper T3, Middle Triassic T2,T2A,T2B & T2C	2,267	2,267	308	308	0	0	116,454	39,961	14,802	5,891	2,479
Total Possible		5,966	5,966	787	787	0	0	300,283	109,526	44,502	19,672	9,306
Total Proved Plus Probable Plus Possible		12,361	12,361	1,796	1,796	0	0	537,552	237,367	118,532	65,039	38,401

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 Emir, Kazakhstan							Forecast Prices & Costs				
Description	Net To Appraised Interest						Cumulative Cash Flow - M\$				
	Oil MSTB		Sales Gas MMscf		BOE Mbbbls		Discounted at:				
	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing											
Total Proved Developed Producing (BT)	0	0	0	0	0	0	0	0	0	0	0
Corporate Income Tax	-	-	-	-	-	-	0	0	0	0	0
Excess profits Tax	-	-	-	-	-	-	0	0	0	0	0
Total Proved Developed Producing (AT)	0	0	0	0	0	0	0	0	0	0	0
Proved Developed Non-Producing											
Total Proved Developed Non-Producing (BT)	785	785	143	143	808	808	23,022	16,854	12,392	9,446	7,352
Corporate Income Tax	-	-	-	-	-	-	(3,318)	(2,396)	(1,784)	(1,363)	(1,064)
Excess profits Tax	-	-	-	-	-	-	(853)	(618)	(458)	(347)	(268)
Total Proved Developed Non-Producing (AT)	785	785	143	143	808	808	18,851	13,641	10,150	7,736	6,020
Total Proved Developed (AT)	785	785	143	143	808	808	18,851	13,641	10,150	7,736	6,020
Proved Undeveloped											
Total Proved Undeveloped (BT)	678	678	131	131	700	700	10,970	6,086	3,290	1,667	719
Corporate Income Tax	-	-	-	-	-	-	(2,835)	(1,825)	(1,208)	(816)	(562)
Excess profits Tax	-	-	-	-	-	-	(1,949)	(1,278)	(857)	(585)	(407)
Total Proved Undeveloped (AT)	678	678	131	131	700	700	6,186	2,983	1,227	286	(250)
Total Proved (AT)	1,463	1,463	274	274	1,509	1,509	25,037	16,624	11,377	8,002	5,769
Probable											
Probable Developed Producing											
Total Probable Developed Producing (BT)	174	174	19	19	177	177	1,180	852	610	427	287
Corporate Income Tax	-	-	-	-	-	-	0	0	0	0	0
Excess profits Tax	-	-	-	-	-	-	0	0	0	0	0
Total Probable Developed Producing (AT)	174	174	19	19	177	177	1,180	852	610	427	287
Probable Developed Non-Producing											
Total Probable Developed Non-Producing (BT)	4,359	4,359	639	639	4,465	4,465	190,484	99,095	55,409	32,775	20,277
Corporate Income Tax	-	-	-	-	-	-	(38,926)	(20,354)	(11,452)	(6,822)	(4,254)
Excess profits Tax	-	-	-	-	-	-	(91,176)	(47,773)	(26,906)	(16,032)	(9,993)
Total Probable Developed Non-Producing (AT)	4,359	4,359	639	639	4,465	4,465	60,382	30,968	17,052	9,921	6,029
Total Probable Developed (AT)	4,533	4,533	658	658	4,643	4,643	61,541	31,820	17,661	10,348	6,317
Probable Undeveloped											
Total Probable Undeveloped (BT)	379	379	76	76	392	392	11,634	5,154	2,330	1,053	461
Corporate Income Tax	-	-	-	-	-	-	(1,938)	(944)	(475)	(247)	(132)
Excess profits Tax	-	-	-	-	-	-	166	225	284	289	263
Total Probable Undeveloped (AT)	379	379	76	76	392	392	9,863	4,435	2,138	1,094	591
Total Probable (AT)	4,912	4,912	735	735	5,035	5,035	71,404	36,255	19,800	11,442	6,908
Total Proved Plus Probable (AT)	6,375	6,375	1,009	1,009	6,543	6,543	96,441	52,879	31,176	19,444	12,677
Possible											
Total Possible (BT)	5,988	5,988	787	787	6,117	6,117	300,283	109,526	44,502	19,672	9,306
Corporate Income Tax	-	-	-	-	-	-	(61,549)	(22,526)	(9,188)	(4,078)	(1,937)
Excess profits Tax	-	-	-	-	-	-	(142,953)	(52,158)	(21,207)	(9,384)	(4,444)
Total Possible (AT)	5,988	5,988	787	787	6,117	6,117	95,780	34,842	14,106	6,210	2,925
Total Proved Plus Probable Plus Possible (AT)	12,361	12,361	1,796	1,796	12,660	12,660	192,221	87,721	45,282	25,654	15,602

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
KARIMAN FIELD
INDEX

Discussion

Property Description
 Geology
 Petrophysical Data and Analysis
 Reserves
 Production
 Product Prices
 Capital Expenditures
 Operating Costs
 Tax
 Economics

Attachments

Table 1: Schedule of Lands, Interests and Royalty Burdens

Figure 1: Field Map and Structure Top

- a) Upper Triassic T3
- b) Middle Triassic T2Upper
- c) Middle Triassic T2A
- d) Middle Triassic T2B
- e) Middle Triassic T2C

Figure 2: Log Analysis Presentation

- a) Kariman-1, Upper Triassic T3 & Middle Triassic T2 Upper
- b) Kariman-1ST2, Upper Triassic T3
- c) Kariman-1ST2, Middle Triassic T2
- d) Kariman-2, Upper Triassic T3
- e) Kariman-2, Middle Triassic T2
- f) Kariman-3ST2, Middle Triassic T2
- g) Kariman-4, Middle Triassic T2
- h) Kariman-5, Upper Triassic T3
- i) Kariman-5, Middle Triassic T2
- j) Kariman-6, Middle Triassic T2
- k) Kariman-6ST3, Upper Triassic T3
- l) Kariman-6ST3, Middle Triassic T2
- m) Kariman-7, Middle Triassic T2
- n) Kariman-8, Upper Triassic T3
- o) Kariman-8, Middle Triassic T2
- p) Kariman-10, Upper Triassic T3
- q) Kariman-10, Middle Triassic T2
- r) Kariman-11, Middle Triassic T2
- s) Kariman-12, Middle Triassic T2
- t) Kariman-113, Middle Triassic T2
- u) Kariman-114, Middle Triassic T2
- v) Kariman-116, Upper Triassic T3

- w) Kariman-116, Middle Triassic T2
- x) Kariman-117, Middle Triassic T2
- y) Kariman-118, Upper Triassic T3
- z) Kariman-118, Middle Triassic T2
- aa) Kariman-119, Upper Triassic T3
- ab) Kariman-119, Middle Triassic T2
- ac) Kariman-120, Middle Triassic T2
- ad) Kariman-121, Middle Triassic T2
- ae) Kariman-124, Middle Triassic T2

Table 2: Summary of Gross Reserves

Summary of Reserves and Reservoir Parameters

Proved Developed Producing

- a) Kariman-3ST2, Middle Triassic T2B (Removed from this version)
- b) Kariman-5, Upper Triassic T3 (Removed from this version)
- c) Kariman-5, Middle Triassic T2 Upper (Removed from this version)
- d) Kariman-6ST3, Middle Triassic T2B (Removed from this version)
- e) Kariman-6ST3, Middle Triassic T2C (Removed from this version)
- f) Kariman-8, Middle Triassic T2B (Removed from this version)
- g) Kariman-11ST1, Middle Triassic T2B (Removed from this version)
- h) Kariman-11ST1, Middle Triassic T2C (Removed from this version)
- i) Kariman-12, Middle Triassic T2B (Removed from this version)
- j) Kariman-12, Middle Triassic T2C (Removed from this version)
- k) Kariman-113, Middle Triassic T2B (Removed from this version)
- l) Kariman-116, Middle Triassic T2C (Removed from this version)

Proved Developed Non-Producing

- m) Kariman-1ST2, Upper Triassic T3 (Removed from this version)
- n) Kariman-1ST2, Middle Triassic T2B (Removed from this version)
- o) Kariman-1ST2, Middle Triassic T2C (Removed from this version)
- p) Kariman-2, Middle Triassic T2Upper (Removed from this version)
- q) Kariman-2, Middle Triassic T2B (Removed from this version)
- r) Kariman-2, Middle Triassic T2C (Removed from this version)
- s) Kariman-3ST2, Upper Triassic T3 (Removed from this version)
- t) Kariman-4, Middle Triassic T2Upper (Removed from this version)
- u) Kariman-4, Middle Triassic T2B (Removed from this version)
- v) Kariman-4, Middle Triassic T2C (Removed from this version)
- w) Kariman-5, Middle Triassic T2B (Removed from this version)
- x) Kariman-5, Middle Triassic T2C (Removed from this version)
- y) Kariman-6ST3, Upper Triassic T3 (Removed from this version)
- z) Kariman-6ST3, Middle Triassic T2Upper (Removed from this version)
- aa) Kariman-7, Middle Triassic T2B (Removed from this version)
- ab) Kariman-7, Middle Triassic T2C (Removed from this version)
- ac) Kariman-8, Middle Triassic T2C (Removed from this version)
- ad) Kariman-10, Upper Triassic T3 (Removed from this version)
- ae) Kariman-10, Middle Triassic T2 Upper (Removed from this version)
- af) Kariman-10, Middle Triassic T2B (Removed from this version)
- ag) Kariman-10, Middle Triassic T2C (Removed from this version)
- ah) Kariman-11ST1, Middle Triassic T2Upper (Removed from this version)
- ai) Kariman-12, Upper Triassic T3 (Removed from this version)
- aj) Kariman-13, Middle Triassic T2C (Removed from this version)
- ak) Kariman-114, Middle Triassic T2B (Removed from this version)
- al) Kariman-114, Middle Triassic T2C (Removed from this version)
- am) Kariman-116, Upper Triassic T3 (Removed from this version)
- an) Kariman-116, Middle Triassic T2B (Removed from this version)

ao) Kariman-118, Middle Triassic T2Upper (Removed from this version)
 ap) Kariman-118, Middle Triassic T2B (Removed from this version)
 aq) Kariman-118, Middle Triassic T2C (Removed from this version)
 ar) Kariman-119, Middle Triassic T2Upper (Removed from this version)
 as) Kariman-119, Middle Triassic T2B (Removed from this version)
 at) Kariman-119, Middle Triassic T2C (Removed from this version)
 au) Kariman-120, Middle Triassic T2B (Removed from this version)
 av) Kariman-120, Middle Triassic T2C (Removed from this version)
 aw) Kariman-121, Middle Triassic T2Upper (Removed from this version)
 ax) Kariman-121, Middle Triassic T2B (Removed from this version)
 ay) Kariman-121, Middle Triassic T2C (Removed from this version)
 az) Kariman-123, Middle Triassic T2Upper (Removed from this version)
 ba) Kariman-123, Middle Triassic T2B (Removed from this version)
 bb) Kariman-123, Middle Triassic T2C (Removed from this version)
 bc) Kariman-124, Middle Triassic T2B (Removed from this version)

Proved Undeveloped

bd) Kariman-6, Middle Triassic T2C (Removed from this version)
 be) Location-1, Middle Triassic T2 Upper (Removed from this version)
 bf) Location-1, Middle Triassic T2B (Removed from this version)
 bg) Location-1, Middle Triassic T2C (Removed from this version)
 bh) Location-2, Middle Triassic T2 Upper (Removed from this version)
 bi) Location-2, Middle Triassic T2B (Removed from this version)
 bj) Location-2, Middle Triassic T2C (Removed from this version)
 bk) Location-3, Middle Triassic T2 Upper (Removed from this version)
 bl) Location-3, Middle Triassic T2B (Removed from this version)
 bm) Location-3, Middle Triassic T2C (Removed from this version)

Probable Developed

bn) Kariman-1ST2, Middle Triassic T2 Upper (Removed from this version)
 bo) Kariman-1ST2, Middle Triassic T2A (Removed from this version)
 bp) Kariman-2, Middle Triassic T2A (Removed from this version)
 bq) Kariman-3ST2, Middle Triassic T2A (Removed from this version)
 br) Kariman-4, Middle Triassic T2A (Removed from this version)
 bs) Kariman-5, Middle Triassic T2A (Removed from this version)
 bt) Kariman-6ST3, Middle Triassic T2A (Removed from this version)
 bu) Kariman-7, Middle Triassic T2 Upper (Removed from this version)
 bv) Kariman-7, Middle Triassic T2A (Removed from this version)
 bw) Kariman-8, Middle Triassic T2A (Removed from this version)
 bx) Kariman-10, Middle Triassic T2A (Removed from this version)
 by) Kariman-11ST1, Middle Triassic T2A (Removed from this version)
 bz) Kariman-12, Middle Triassic T2 Upper (Removed from this version)
 ca) Kariman-12, Middle Triassic T2A (Removed from this version)
 cb) Kariman-13, Middle Triassic T2A (Removed from this version)
 cc) Kariman-13, Middle Triassic T2B (Removed from this version)
 cd) Kariman-113, Middle Triassic T2A (Removed from this version)
 ce) Kariman-114, Middle Triassic T2A (Removed from this version)
 cf) Kariman-116, Middle Triassic T2A (Removed from this version)
 cg) Kariman-117ST, Middle Triassic T2A (Removed from this version)
 ch) Kariman-117ST, Middle Triassic T2B (Removed from this version)
 ci) Kariman-117ST, Middle Triassic T2C (Removed from this version)
 cj) Kariman-118, Upper Triassic T3 (Removed from this version)
 ck) Kariman-118, Middle Triassic T2A (Removed from this version)
 cl) Kariman-119, Upper Triassic T3 (Removed from this version)
 cm) Kariman-119, Middle Triassic T2A (Removed from this version)
 cn) Kariman-120, Middle Triassic T2A (Removed from this version)

- co) Kariman-121, Middle Triassic T2A (Removed from this version)
- cp) Kariman-123, Middle Triassic T2A (Removed from this version)
- cq) Kariman-124, Middle Triassic T2A (Removed from this version)

Probable Undeveloped

- cr) Location-1, Upper Triassic T3 (Removed from this version)
- cs) Location-1, Middle Triassic T2A (Removed from this version)
- ct) Location-2, Upper Triassic T3 (Removed from this version)
- cu) Location-2, Middle Triassic T2A (Removed from this version)
- cv) Location-3, Middle Triassic T2A (Removed from this version)
- cw) Location-5, Middle Triassic T2 Upper (Removed from this version)
- cx) Location-5, Middle Triassic T2B (Removed from this version)
- cy) Location-5, Middle Triassic T2C (Removed from this version)
- cz) Location-6, Middle Triassic T2 Upper (Removed from this version)
- da) Location-6, Middle Triassic T2B (Removed from this version)
- db) Location-6, Middle Triassic T2C (Removed from this version)
- dc) Location-8, Middle Triassic T2B (Removed from this version)

Possible

- dd) Kariman-113, Middle Triassic T2 Upper (Removed from this version)
- de) Location-5, Upper Triassic T3 (Removed from this version)
- df) Location-5, Middle Triassic T2A (Removed from this version)
- dg) Location-6, Upper Triassic T3 (Removed from this version)
- dh) Location-6, Middle Triassic T2A (Removed from this version)
- di) Location-8, Middle Triassic T2A (Removed from this version)

Figure 3: Production History Graphs

- a) Kariman-1, Middle Triassic T2, Rate vs. Time Plot
- b) Kariman-2, Middle Triassic T2, Rate vs. Time Plot
- c) Kariman-3, Middle Triassic T2, Rate vs. Time Plot
- d) Kariman-4, Middle Triassic T2, Rate vs. Time Plot
- e) Kariman-5, Middle Triassic T2, Rate vs. Time Plot
- f) Kariman-6, Middle Triassic T2, Rate vs. Time Plot
- g) Kariman-7, Middle Triassic T2, Rate vs. Time Plot
- h) Kariman-8, Middle Triassic T2, Rate vs. Time Plot
- i) Kariman-10, Middle Triassic T2, Rate vs. Time Plot
- j) Kariman-11, Middle Triassic T2, Rate vs. Time Plot
- k) Kariman-12, Middle Triassic T2, Rate vs. Time Plot
- l) Kariman-113, Middle Triassic T2, Rate vs. Time Plot
- m) Kariman-114, Middle Triassic T2, Rate vs. Time Plot
- n) Kariman-116, Middle Triassic T2, Rate vs. Time Plot
- o) Kariman-117, Middle Triassic T2, Rate vs. Time Plot
- p) Kariman-118, Middle Triassic T2, Rate vs. Time Plot
- q) Kariman-119, Middle Triassic T2, Rate vs. Time Plot
- r) Kariman-120, Middle Triassic T2, Rate vs. Time Plot
- s) Kariman-121, Middle Triassic T2, Rate vs. Time Plot
- t) Kariman-124, Middle Triassic T2, Rate vs. Time Plot
- u) Group Production Plot, Middle Triassic T2, Rate vs. Time Plot

Table 3: Summary of Anticipated Capital Expenditures

- a) Development
- b) Abandonment and Restoration

Table 4: Summary of Company Reserves and Economics

- a) Proved Developed Producing (Removed from this version)
- 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)
- e) Probable Developed Non-Producing (Removed from this version)
- 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) Possible (Removed from this version)
- j) Proved Plus Probable Plus Possible (Removed from this version)

**ADEK BLOCK (LICENCE AREA)
REPUBLIC OF KAZAKHSTAN
KARIMAN FIELD
DISCUSSION**

Property Description

The Company owns a 100 percent working interest in a "Licence" and "Production Contract" referred to as the Kariman 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.

Five fields have been discovered on the ADEK Block, which are on production from the Triassic formation.

The Kariman field, earlier known as an Extended Territory, is the one of the fields of the ADEK Block. The Company has drilled twelve wells: Kariman-1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 113, 114, 116, 117, 118, 119, 120, 121, 123 and 124 and several sidetracks. Currently, there are eight wells are on production: wells Kariman-3ST2, Kariman-5, Kariman-6ST3, Kariman-8, Kariman-11ST1, Kariman-12, Kariman-113 and Kariman-116 are producing from several zones of the Upper Triassic T3 and Middle Triassic T2.

A map of the field, showing well locations and reservoir structure is presented on Figures 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 Kariman field which contains 64,247 acres (260 km²) lies to the east adjacent to the original Block. The typical reservoir 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.

The productive Middle Triassic consists of limestone in the upper portion and dolomite in the lower portion. In this area sandstone has been encountered in the Upper Triassic. The Triassic is located at a depth between 3,150 and 3,500 meters.

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.

For Kariman-7, 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 50%.

Net pay was identified in the Upper and Lower Triassic reservoirs as shown in the interpreted log.

Reserves

Proved developed producing oil reserves of 4,466 MSTB and marketable solution gas reserves of 1,827 MMscf have been estimated for the Upper Triassic T3 and Middle Triassic T2 Zones (completed

producing intervals) in currently producing wells based on production decline analysis. Assumptions for the drainage area and recovery factor are presented in Tables 2a through 2l.

Additional proved developed non-producing oil reserves of 12,970 MSTB and marketable solution gas reserves of 5,083 MMscf have been estimated for additional Triassic intervals in wells Kariman-1ST2, 2, 3ST1, 4, 5, 6ST3, 7, 8, 10, 11ST1, 12, 13, 114, 116, 118, 119, 120, 121, 123 and 124.

Proved Undeveloped oil reserves of 2,664 MSTB and marketable solution gas reserves of 1,126 MMscf have been assigned for well Kariman-6 (Middle Triassic T2C) and three locations directly adjacent to wells Kariman-4 and 5 based on the reservoir parameters, drainage areas, recovery factors and gas-oil ratios of these wells.

Probable developed oil reserves of 25,325 MSTB and marketable solution gas reserves of 9,729 MMscf have been assigned to existing wells for producing and non-producing intervals.

Marketable solution gas reserves have been estimated for existing wells based on each well's actual gas-oil ratio as presented in Table 2.

Probable undeveloped oil reserves of 4,658 MSTB and marketable solution gas reserves of 1,846 MMscf have been assigned for Middle Triassic T2C in Kariman-6 and for the Upper Triassic T3 and Middle Triassic T2 zones in six locations.

Possible oil reserves of 1,687 MSTB and marketable solution gas reserves of 645 MMscf have been estimated for one interval in well Kariman-113, three intervals in well Kariman-117ST (incremental reserves) and three adjacent locations based on analogy to the adjacent locations and the wells Kariman-4 and 5 based on reservoir parameters, drainage area, a recovery factor and gas-oil ratio of these wells and locations.

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

Production

Well Kariman-1ST2 is currently shut down.

Well Kariman-2 commenced production during early 2007 at an initial rate of up to 2,000 STB/d and is currently shut down.

Well Kariman-3ST1 was drilled and placed on production in 2010, but is currently producing at a rate of 36 STB/d.

Well Kariman-4 was placed on production in August 2007 at an initial rate of 1,600 STB/d, but currently is shut down.

Well Kariman-5 is currently producing at a rate of 203 STB/d. The well commenced production in January 2008 with an initial rate of 210 STB/d.

Wells Kariman-6ST3 was drilled in 2010 and is currently producing from two zones at a rate of 239 STB/d.

Well Kariman-7 commenced production in April 2008 at an initial rate of 800 STB/d and is currently shut down.

Well Kariman-8 commenced production in June 2008 at an initial rate of 400 STB/d and is currently producing from one zone at a rate of 321 STB/d.

Well Kariman-10 commenced production in June 2008 at an initial rate of 420 STB/d and is currently shut down.

Well Kariman-11ST1 was drilled in 2011 and placed on production in March 2011 at an initial rate of 859 STB/d and is currently producing at a rate of 208 STB/d from two zones.

Well Kariman-12 was drilled in 2013 and is currently producing from zone at a rate of 274 STB/d.

Well Kariman-113 was drilled in 2013 and is currently producing from zone at a rate of 739 STB/d.

Well Kariman-114 was drilled in 2013 and is currently shut down.

Well Kariman-116 was drilled in 2013 and is currently producing from one zone at a rate of 164 STB/d.

Well Kariman-118 was drilled in 2012 and is currently shut down.

Well Kariman-119 was drilled in 2012 and is currently shut down.

Well Kariman-124 was drilled in 2014 and is currently shut down.

Additional zones in all existing wells are expected to be completed and placed on production according the schedule. Rates for the additional zones are shown in Table 2.

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

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 \$97,562,000 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 \$6,500,000 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 \$1,400,000 (\$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
Kariman, Republic of Kazakhstan

Description	Rights Owned	Gross Acres	Appraised Interest Working %	Royalty %	Royalty Burdens	
					Basic %	Overriding %
License No.3736-4BC & 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 1,861	5.00	2.50
up to 500,000	up to 3,722	7.00	3.50
up to 1,000,000	up to 7,444	8.00	4.00
up to 2,000,000	up to 14,889	9.00	4.50
up to 3,000,000	up to 22,333	10.00	5.00
up to 4,000,000	up to 29,777	11.00	5.50
up to 5,000,000	up to 37,222	12.00	6.00
up to 7,000,000	up to 52,111	13.00	6.50
up to 10,000,000	up to 74,444	15.00	7.50
over 10,000,000	over 74,444	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] Kariman Field located in blocks XXXV-11-D(partially), E(partially).
 Production Contract expires on September 9, 2036.

