

## Caspian Sunrise PLC ("Caspian Sunrise" or the "Company") Interim results for the six months ended 30 June 2024

### Highlights for the period under review and subsequently

#### Corporate

- Conditional 88 million sale of the MJF & South Yelemes structures
- Conditional acquisition of the West Shalva Contract Area

#### Operational

- Aggregate production in the period 293,088 bbls (2023: 351,620 bbls)
- Well 155 producing at the rate of 700 bopd
- Deep Well 803 initial testing at 500 bopd
- Post period end production 1,600 bopd (2023: 1,953 bopd)\*\*
- First commercial charter for the Caspian Explorer

#### Financial

- Total revenue 18.5 million (2023 17.3 million)
- Revenue from oil production 10.5 million (2023: 12.5 million)
- Revenue from sales trading 5.9 million (2023: 3.8 million)
- Revenue from on shore drilling nil (2023: 1.0 million)
- Revenue from offshore drilling 2 million (2023: nil)
- Gross Profit 8.0 million (2023: 12.4 million)
- Operating profit 3.2 million (2023: 8.1 million)
- Profit before tax 2.9 million (2023: 7.9 million)
- Net current liabilities 18.1 million (2023: 24.6 million)
- Cash 0.7 million (2023: 0.5 million)
- Total assets 140.6 million (2023: 130.7 million)

\*\* based on production at end August 2024 & end August 2023

#### Introduction

I am pleased to present the unaudited interim results for the six months ended 30 June 2024.

#### Overview

2024 to date has been a year of notable progress, including the

- conditional sale of the MJF & South Yelemes structures for a headline price of 88 million
- first independently assessed reserves at the BNG deep structures
- first oil from initial testing at the Yelemes Deep structure
- completion of the first commercial drilling charter for the Caspian Explorer
- independent shareholder approval of the acquisition of the West Shalva Contract Area

We continue to transition from a business with revenue derived principally from a single structure on a single asset to a more

broadly based Group with established and profitable businesses in oil exploration & production, oil trading and oilfield services.

## **Oil Exploration & Production**

### **BNG**

Currently, the Group's principal operational asset is its 99% stake in the BNG Contract Area, which is located approximately 40 km from Tengiz and extends over 1,561 km<sup>2</sup>. The contract area has four identified structures, two of which are shallow (MJF & South Yelemes and which are in the process of being sold) and two of which are deep (Airshagyl and Yelemes Deep).

The prize at BNG is to demonstrate that the same geological characteristics which are present at the world class Kashagan and Tengiz assets also extend to the BNG Contract Area's deep structures.

### ***BNG shallow structures***

The bulk of the Group's production since 2016 has come from the MJF structure, which in aggregate has produced in excess of 4.25 million barrels, but where, as expected, production volumes from our established wells has declined.

Consequently, for most of the period under review, production volumes were lower than in the corresponding period as a number of older wells were out of production pending workovers to reverse production declines, which required rigs in use elsewhere.

Since the period end workovers at some of the established wells and production from new Well 155, where production volumes have stabilised at approximately 700 bopd, initially increased production from the MJF structure to approximately 2,450 bopd before falling back to approximately 1,350 bopd at the date of this report as production from new Well 155 has affected production from some of our older wells.

At the South Yelemes structure production volumes during the period under review remained broadly stable at 250 bopd. Well 815 on the South Yelemes structure was spudded in July 2024 with a planned total depth of 1,900 meters.

Total production from the BNG shallow structures at the date of this report is approximately 1,600 bopd.

### ***BNG deep structures***

During the period under review and subsequently most of our efforts with BNG's deep structures has been at the Yelemes Deep structure and in particular at Deep Well 803, which was spudded in December 2023 with a prime target at 3,950 meters and a secondary target at 4,200 meters.

The well, although above the main salt layer is part of the Yelemes Deep structure and not part of the shallow structures, which are the subject of the conditional 88 million disposal noted above.

Towards the end of the period under review oil was detected between depths of 3,360 meters and 3,420 meters and in September 2024 we announced initial testing of the well at a rate of approximately 500 bopd. Further testing which is required before a reliable assessment of the well can be completed is now waiting on the licence upgrade discussed below.

At Deep Well 802 on the Yelemes Deep structure we are looking to partner with a leading technical expert to bring the well into commercial production.

On the Airshagyl structure prolonged attempts to remove a stuck pipe at Deep Well A5 were not successful and the rig used in the attempt was moved to drill Well 815 on the shallow South Yelemes structure.

The plan with Deep Well A5 is to drill a new side track as a rig becomes available. Again, as rigs become available, the intention is to use an acid treatment at Deep Well A6 and to resume drilling at Deep Well A7.

### ***BNG Licences***

The existing full production licence at the MJF structure runs to 2043 and the existing full production licence at the South Yelemes structure runs to 2046.

The joint appraisal licence for the Airshagyl and Yelemes Deep structures expired in August 2024 but has been extended for up to 12 months to allow the applications for separate 25 year full production licences to be considered. Until the licences have been awarded no further work at either the Airshagyl or Yelemes Deep structures is permitted.

### **BNG Reserves**

At 31 December 2023 the reserves at the MJF and South Yelemes shallow structures were in aggregate P1 13.6 mmbbls and P2 21.8 mmbbls.

Since then and in support of the licence upgrade at the Airshagyl structure C1 reserves under the former Soviet classification system and based solely on the immediate vicinity of Wells A5, A6 & A7, were independently assessed at 6.8 million tonnes or approximately 48 mmbbls. C2 reserves under the same classification system were similarly assessed at approximately 4.0 million tonnes or approximately 28.9 mmbbls.

As noted above the same assessment at the Yelemes Deep structure first requires completion of testing at Deep Well 803.

### **Other assets**

At 3A Best no work was undertaken as the licence there has expired and cannot be renewed without the payment of outstanding social obligations.

At Block 8 and West Shalva, which are both in the process of being acquired, no work was undertaken. At Block 8 the plan is to reopen existing wells and test new wells once the licences are renewed and we plan to drill a new well at West Shalva in Q4 2024.

### **Oil Trading**

We fund the refining of a portion of the oil produced at BNG and sell the resulting oil products via a joint venture established on a 70:30 basis with ourselves as the majority partner and with the minority partner providing the required working capital.

Only oil sold to the domestic market, as opposed to oil sold either to domestic mini refineries or to the international market, is eligible for oil trading. Although total production in the period under review fell the volumes of oil produced sold to the domestic market increased from approximately 183,000 barrels to approximately 252,000 barrels. We therefore had approximately 38% more oil to trade than in the corresponding period.

However, to fund the Group while waiting on the proceeds from the sale of the MJF and South Yelemes structures and from the Caspian Explorer charter the oil trading division was forced to enter into contracts with longer settlement dates and on terms less favourable than in the corresponding period. This, together with declining prices for finished oil products, led to a significant fall in oil trading gross profit.

### **Onshore oilfield services**

CTS is the Group's wholly owned drilling company with four rigs, approximately 150 contractors and the ability to drill four wells simultaneously. In 2022 and 2023 CTS drilled wells on the Block 8 Contract Area, generating onshore drilling revenue. To date in 2024 CTS has worked only on Group assets and so has not recorded any external revenue.

### **Offshore oilfield services**

During the period under review significant effort was expended on preparing the Caspian Explorer for its first commercial drilling contract under the Group's ownership. The charter for the first of two potential wells for a consortium in which Eni S.p.A, the Italian multinational energy company is the leading member commenced on time in July 2024 and was completed on 24 September 2024. Accordingly, the bulk of the revenue from the charter will be recorded in the second half of the financial year.

While client confidentiality considerations limits the amount we can say on the charter's progress, we are pleased with the outcome. Drilling was faster than expected, which as we were employed on a daily rate basis will reduce earlier expectations of total revenues. More importantly though, the strong operational performance in our first commercial charter has significantly increased the likelihood of securing additional charters in the coming years and also significantly increased the resale value of the Caspian Explorer should we ever consider selling.

### **Corporate Transactions**

We have a number of live and prospective corporate transactions.

### **Sale of BNG's MJF & South Yelemes structures**

In April 2024 we announced that we had granted 90 days exclusivity to Absolute Resources LLP, a Kazakh registered entity, to conduct further due diligence in connection with a conditional 83 million offer for the shallow structures on the BNG Contract Area. At that time Absolute Resources LLP paid a 1 million deposit.

In July 2024 we announced an extension to the exclusivity period until the end of August 2024 and that the proposed acquisition price had increased to 88 million. At that time Absolute Resources LLP paid a further 1 million deposit in part to cover the ongoing drilling costs at Well 815.

In September 2024 we announced that a conditional binding agreement had been entered into to sell the MJF and South Yelemes structures to Absolute Resources LLP for a headline cash consideration of 88 million, of which advanced payments totaling approximately 14 million have been received.

Under the AIM Rules the size of the disposal compared to the size of the Group requires the approval of Caspian Sunrise shareholders. A General Meeting has been convened for 26 September 2024 at which shareholder approval will be sought.

#### Acquisition of Block 8

In September 2023 we exercised our option to acquire the Block 8 Contract Area.

On formal renewal of the Block 8 licences, completion of the acquisition will then be dependent on the customary approvals from the Kazakh authorities and the re-registration of ownership in the UAE.

Under the terms of the Block 8 Acquisition Agreement there is no significant up-front cash payment or issue of shares. Virtually all the purchase consideration is to be satisfied in cash via a royalty of 5 per barrel from oil produced from Block 8 once owned by the Group with the purchase price capped at 60 million.

We believe Block 8 represents, in addition to the deep structures at BNG, a second potentially transformative asset in that either or both could enjoy the same geological characteristics of the nearby world class Tengiz and Kashagan assets.

The licence for the Sholkara structure has been renewed for a period of 3 years. We await the renewal of the licence for the Akkuduk structure and based on further analysis and seismic interpretation we have decided not to seek the renewal of the licence on the Toresay structure.

#### West Shalva

In April 2024 independent shareholders approved the acquisition of the West Shalva Contract Area for an initial consideration of 5 million to be satisfied by the issue of 99,206,349 shares to be issued at 4p per share. On first oil an additional 5 million becomes payable by the issue of a further 99,206,349 shares, again to be issued at 4p per share. Additionally, the first 5 million of revenue derived from the sale of West Shalva oil once under the Group's ownership is payable in cash to the vendor in which case the maximum total consideration would be 15 million.

West Shalva is expected to be a far easier oilfield from which to produce oil than either BNG or Block 8. It does not have the salt layer present at both BNG and Block 8, beneath which the exceptional temperatures and pressures have made drilling difficult. Conversely, it does not have the same potential to become a world class asset.

It is better located for access and to deliver oil being much closer to refineries than either BNG or Block 8. It is also approximately 600 km further south than BNG and Block 8 thereby enjoying a better climate, which should result in fewer weather related delays than we encounter at BNG and are likely to encounter at Block 8.

More strategically, owning West Shalva makes it easier to consider selling the shallow structures at BNG while preserving oil trading revenues and without the need to have rigs idle. We plan to use the rig previously used for testing Deep Well 803 on the BNG Contract Area to drill our first well at West Shalva.

The appraisal licence at the West Shalva Contract Area runs until 2029. West Shalva is a new Contract Area and accordingly has no existing assessed reserves.

#### Financial Review

| Revenue  | Six months ended<br>30 June 2024 | Six months ended<br>30 June 2023 |
|--|----------------------------------|----------------------------------|
|  | '000                             | '000                             |
| Oil sales                                      | 10,496                           | 12,464                           |
| Oil trading                                    | 5,893                            | 3,798                            |
| On shore oil field services (CTS)              | 28                               | 1,024                            |
| Offshore oil field services (Caspian Explorer) | 2,090                            | nil                              |
|  |                                  |                                  |
| Total  | 18,507                           | 17,286                           |

## **Oil sales**

In the period under review, as with the corresponding period, all the oil produced was sold on the domestic or domestic mini refinery market with no oil sold on the international markets.

Oil sales revenue for the period under review at approximately 10.5 million was approximately 16% lower than in the corresponding period (2023: 12.5 million). This is principally the result of an approximate 18% fall in the volume of oil produced.

## **Production volumes**

In the period under review 293,088 barrels of oil were produced (2023: 351,620 barrels) at an average of 1,606 bopd (2023: 1,926 bopd).

Production from the MJF structure at 248,246 barrels was approximately 18% lower than in 2023 (303,332 bbls), principally because wells 141, 142 and 145 were awaiting remedial action and either totally or mostly out of production.

Production from South Yelemes at 44,842 bbls at an average of 246 bopd was approximately 8% lower than in 2023 48,671 at 267 bopd.

No oil was produced in either the period under review or the corresponding period from either the Airshagyl or Yelemes Deep structures.

## **Achieved prices**

No oil was sold on the international market where prices were typically 80 per barrel or better throughout the period under review.

Approximately 86% of oil produced was sold on the domestic market (2023: 48%) where prices averaged approximately 36 per barrel excluding VAT (2023: 33 per barrel). Approximately 14% of oil produced was sold to local mini refineries (2023: 52%) with prices averaging 37 per barrel.

The average price achieved for all production in the period under review was approximately 36 per barrel excluding VAT (2023: 35 per barrel).

## **Cost of sales and gross profit**

In the period under review the cost of sales for oil exploration and production were approximately 3.2 million (2023: 2.7 million) resulting in a gross profit for oil exploration and production of 7.3 million (2023: 9.8 million).

In the period under review approximately 4.6 million of exploration costs were capitalised and added to unproven oil and gas assets (2023: 2 million).

## **Oil trading**

### **Revenue**

In the period under review sales trading revenue was approximately 55% greater than in the corresponding period at 5.9 million (2023: 3.8 million) reflecting the increased volumes of oil sold to the domestic market that was eligible for oil trading.

### **Cost of sales and gross profit**

The cost of sales, which are principally the refining and finance costs, were 4.1 million (2023 0.7 million), resulting in a lower gross profit of 1.7 million (2023: 3.1 million). The need to structure oil trading contracts to fund the rest of the Group's operations while waiting on the proceeds from the sale of the MJF and South Yelemes structures and from the Caspian Explorer charter meant the oil trading contracts struck were generally on less favourable terms than in the corresponding period.

## **On shore drilling services**

### **Revenue & cost of sales**

Where CTS works on assets already owned by the Group its charges are treated as Group costs and included in the cost of sales for oil exploration and production. However, where CTS works on assets in the process of being acquired by the Group or on third party assets its charges are treated as revenue.

During the period under review CTS did not undertake any work on assets held outside the Group and accordingly no external revenue was earned and no separately identifiable costs of sales are recorded.

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In the corresponding period, revenue for CTS's work for third parties was approximately 1.0 million, the cost of sales was 1.6 million and the gross loss was (0.6) million.

## Offshore drilling services

### Revenue

Approximately 2.1 million is recognised as income in the period under review comprising advanced payments under the ENI charter. There was no such income in the corresponding period.

The bulk of the revenue for the ENI charter will be recognised in the second half of the current financial year.

### Cost of sales and gross profit

Approximately 3.2 million of costs were incurred in preparing the Caspian Explorer for its first commercial charter under the Group's ownership. The extent of the charges reflects the length of time since the Caspian Explorer was previously chartered for commercial drilling and the need to upgrade safety equipment on board. It is unlikely similar costs would be incurred preparing for drilling charters in future years

In the corresponding period there was no revenue for the Caspian Explorer.

### Segmental trading summary

| '000                       |      | 6 months ended 30 June 2024 |               |              | 6 months ended 30 June 2023 |               |               |
|----------------------------|------|-----------------------------|---------------|--------------|-----------------------------|---------------|---------------|
|                            | note | Revenue                     | Cost of sales | Gross profit | Revenue                     | Cost of sales | Gross profit  |
| Oil production             |      | 10,496                      | 3,153         | 7,343        | 12,464                      | 2,666         | 9,798         |
| Oil trading                |      | 5,893                       | 4,173         | 1,720        | 3,798                       | 671           | 3,127         |
| On shore drilling services | 1    | 28                          | nil           | 28           | 1,024                       | 1,566         | (542)         |
| Offshore drilling services | 2    | 2,090                       | 3,146         | (1,056)      | nil                         | nil           | nil           |
| <b>Total</b>               |      | <b>18,507</b>               | <b>10,472</b> | <b>8,035</b> | <b>17,286</b>               | <b>4,903</b>  | <b>12,383</b> |

#### Notes

1. On shore drilling services (CTS)
2. Offshore drilling services (Caspian Explorer)

### Selling expenses

In the period under review, selling expenses, which are principally export duties on oil sales, fell by approximately 71% from approximately 2.8 million to approximately 0.9 million largely as the result of the absence of any international sales.

### Other administrative expenses

These are mostly general and administrative expenses, which increased by approximately 78% to approximately 3.9 million (2023: 1.4 million) reflecting the Group's increased level of operational activities.

### Operating income

The result of the above is that operating income fell by approximately 60% to approximately 3.2 million from 8.1 million in 2023.

### Finance costs

Net finance costs were approximately 0.3 million (2023: approximately 0.16 million).

### Profit before and after tax

Profit before and after tax was approximately 2.9 million (2023: approximately 7.9million).

### Non-current assets

Non-current assets at approximately 123.5 million were approximately 2.6 million greater than at the 2023 year end. This was the result of 4.6 million additions to unproven oil & gas assets and plant property and equipment related depreciation charges of approximately 1.6 million together with smaller movements on other receivable and restricted use cash .

### Net current liabilities

Net current liabilities at approximately 18.1 million were approximately 6.5 million lower than at the 2023 year end ( 24.6 million).

### Cash

Cash at the end of the period under review was approximately 0.7 million compared to approximately 0.5 million at the 2023 year end.

### **Cashflows**

Of the approximately 22.7 million received from customers approximately 16.5 million was paid to suppliers and staff; approximately 4.6 million was spent on additions to unproven oil and gas assets; approximately 5.3 million was spent on proven oil & gas assets; with a net increase in bank loans of approximately 3.9 million.

The above resulted in an approximately 0.2 million increase in cash from 0.5 million at the 2023 year end to approximately 0.7 million at 30 June 2024.

### **Going concern**

The audit report for the financial statements for the year ended 31 December 2023, which was published on 15 July 2024, set out why the Directors continue to adopt the going concern approach to the preparation of those financial statements. The Directors believe the same considerations and conclusions apply to these interim financial statements.

### **Strategy**

The Group's purpose remains to increase shareholder value through the acquisition and development of its assets.

In the short term the Board intends to continue to generate profit and cashflows from its existing established businesses and to complete the various corporate transactions already under way.

Over the medium and longer term the Board intends to use the cash generated from operations and asset realisations to continue to broaden the Group's activities through targeted and opportunistic acquisitions, principally focused on the oil & gas and mining sectors.

### **Outlook**

Completion of the sale of the MJF and South Yelemes structures and the acquisitions of the Block 8 and West Shalva contract areas would move the group forward and provide significant additional funding for other projects.

Clive Carver  
Chairman  
24 September 2024

### **Contacts:**

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### **Qualified person**

*Mr. Assylbek Umbetov, a member of the Association of Petroleum Engineers, has reviewed and approved the technical disclosures in this announcement.*

*This announcement has been posted to:*

[www.caspiansunrise.com/investors](http://www.caspiansunrise.com/investors)

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be





|                 |        |     |          |       |        |        |        |         |        |
|-----------------|--------|-----|----------|-------|--------|--------|--------|---------|--------|
| At 30 June 2024 | 33,116 | 125 | (70,301) | 2,102 | 11,511 | 93,119 | 69,672 | (4,714) | 64,958 |
|-----------------|--------|-----|----------|-------|--------|--------|--------|---------|--------|

For the six months ended 30 June 2023

| Unaudited   | Share capital<br>US '000 | Cumulative<br>translation<br>reserve<br>US '000 | Capital<br>contribution<br>reserve<br>US '000 | Merger<br>Reserve<br>US '000 | Retained deficit<br>US '000 | Total<br>US '000 | Non-<br>controlling<br>interests<br>US '000 | Total equity<br>US '000 |
|---|--------------------------|---|---|------------------------------|-----------------------------|------------------|---|-------------------------|
| At 1 January 2023   | 33,060                   | (66,521)  | (2,362)                                       | 11,511                       | 84,872                      | 60,560           | (5,667)                                     | 54,893                  |
| Income after taxation                                     | -                        | -   | -   | -                            | 7,447                       | 7,447            | 61  | 7,508                   |
| Exchange differences on<br>translation foreign operations | -                        | 968   | -   | -                            | -                           | 968              | -   | 968                     |
| Total comprehensive<br>income for the period              | -                        | 968   | -   | -                            | 7,447                       | 8,415            | 61  | 8,476                   |
| Dividends declared  | -                        | -   | -   | -                            | (2,442)                     | (2,442)          | -   | (2,442)                 |
| At 30 June 2023   | 33,060                   | (65,553)  | (2,362)                                       | 11,511                       | 89,877                      | 66,533           | (5,606)                                     | 60,927                  |

| Reserve                                 | Description and purpose   |
|---|---|
| Share capital                           | The nominal value of shares issued  |
| Share premium                           | Amount subscribed for share capital in excess of nominal value                        |
| Deferred shares                         | The nominal value of deferred shares issued   |
| Cumulative translation reserve          | Losses arising on retranslating the net assets of overseas operations into US Dollars |
| Merger reserves                         | Gains accrued as the result of acquisitions made in previous periods                  |
| Capital contribution Reserve<br>Company | Capital contribution arised when a shareholder has made an irrevocable gift to the    |
| Retained deficit                        | Cumulative losses recognised in the profit or loss                                    |
| Non-controlling interest                | The interest of non-controlling parties in the net assets of the subsidiaries         |

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Note                                 | As at<br>30 June<br>2024<br>US 000s | As at<br>31 December<br>2023<br>US 000s | As at<br>30 June<br>2023<br>US 000s |
|--------------------------------------|-------------------------------------|---|-------------------------------------|
|                                      | Unaudited                           | Audited                                 | Unaudited                           |
| <b>Assets</b>                        |                                     |   |                                     |
| <b>Non-current assets</b>            |                                     |   |                                     |
| Unproven oil and gas assets          | 5 56,526                            | 51,963                                  | 46,243                              |
| Property, plant and equipment        | 6 63,318                            | 64,930                                  | 67,815                              |
| Other receivables                    | 7 3,612                             | 3,230                                   | 6,359                               |
| Restricted use cash                  | -                                   | 706                                     | 707                                 |
| <b>Total non-current assets</b>      | <b>123,456</b>                      | <b>120,829</b>                          | <b>121,124</b>                      |
| <b>Current assets</b>                |                                     |   |                                     |
| Inventories                          | 3,475                               | 1,497                                   | 2,457                               |
| Other receivables                    | 13,041                              | 12,149                                  | 6,668                               |
| Cash and cash equivalents            | 674                                 | 447                                     | 475                                 |
| <b>Total current assets</b>          | <b>17,190</b>                       | <b>14,093</b>                           | <b>9,600</b>                        |
| <b>Total assets</b>                  | <b>140,646</b>                      | <b>134,922</b>                          | <b>130,724</b>                      |
| <b>Equity and liabilities</b>        |                                     |   |                                     |
| <b>Equity</b>                        |                                     |   |                                     |
| Share capital                        | 8 33,116                            | 33,060                                  | 33,060                              |
| Share premium                        | 125                                 | -                                       | -                                   |
| --Other reserves                     | 2,102                               | 2,102                                   | (2,362)                             |
| Merger reserve                       | 11,511                              | 11,511                                  | 11,511                              |
| Retained earnings                    | 93,119                              | 90,626                                  | 89,877                              |
| Cumulative translation reserve       | (70,301)                            | (65,838)                                | (65,553)                            |
| <b>Shareholders' equity</b>          | <b>69,672</b>                       | <b>71,461</b>                           | <b>66,533</b>                       |
| <b>Non-controlling interests</b>     | <b>(4,714)</b>                      | <b>(5,152)</b>                          | <b>(5,606)</b>                      |
| <b>Total equity</b>                  | <b>64,958</b>                       | <b>66,309</b>                           | <b>60,927</b>                       |
| <b>Current liabilities</b>           |                                     |   |                                     |
| Trade and other payables             | 17,425                              | 16,095                                  | 22,498                              |
| Current tax liabilities              | 1,959                               | 989                                     | -                                   |
| Short-term borrowings                | 9 8,692                             | 3,624                                   | 2,456                               |
| Provision for BNG license payment    | 3,178                               | 3,178                                   | 3,178                               |
| Other current provisions             | 4,029                               | 4,481                                   | 6,089                               |
| <b>Total current liabilities</b>     | <b>35,283</b>                       | <b>28,367</b>                           | <b>34,221</b>                       |
| <b>Non-current liabilities</b>       |                                     |   |                                     |
| Borrowings                           | 2,991                               | 3,070                                   | -                                   |
| Deferred tax liabilities             | 6,989                               | 7,378                                   | 6,219                               |
| Provision for BNG license payment    | 12,326                              | 13,746                                  | 14,875                              |
| Other non-current provisions         | 1,420                               | 1,160                                   | 477                                 |
| Other payables                       | 16,679                              | 14,892                                  | 14,005                              |
| <b>Total non-current liabilities</b> | <b>40,405</b>                       | <b>40,246</b>                           | <b>35,576</b>                       |
| <b>Total liabilities</b>             | <b>75,689</b>                       | <b>68,613</b>                           | <b>69,797</b>                       |
| <b>Total equity and liabilities</b>  | <b>140,646</b>                      | <b>134,922</b>                          | <b>130,724</b>                      |

This financial information was approved and authorised for issue by the Board of Directors on 24 September 2024 and was signed on its behalf by:  
Clive Carver  
Chairman

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Six months ended<br>30 June 2024 | Six months ended<br>30 June 2023 |
|--|----------------------------------|----------------------------------|
|  | Unaudited<br>US 000s             | Unaudited<br>US 000s             |
| <b>Cash flow provided by operating activities</b>          |                                  |                                  |
| Cash received from customers                               | 22,691                           | 13,764                           |
| Payments made to suppliers and employees                   | (16,448)                         | (4,751)                          |
| <b>Net cash used by operating activities</b>               | 6,244                            | 9,013                            |
| <b>Cash flow used in investing activities</b>              |                                  |                                  |
| Additions to unproven oil and gas assets                   | (4,564)                          | (2,430)                          |
| Purchase of PP&E   | (5,270)                          | (5,536)                          |
| <b>Cash flow used in investing activities</b>              | (9,834)                          | (7,966)                          |
| <b>Cash flow used by financing activities</b>              |                                  |                                  |
| Loans provided (repaid)                                    | (468)                            | (1,545)                          |
| Loans received   | 4,990                            | 316                              |
| Other  | (705)                            | -                                |
| Dividends paid   | -                                | (3,025)                          |
| <b>Net cash used by financing activities</b>               | 3,817                            | (4,254)                          |
| <b>Net increase /decrease in cash and cash equivalents</b> | 227                              | (3,207)                          |
| Cash and cash equivalents at the start of the period       | 447                              | 3,682                            |
| <b>Cash and cash equivalents at the end of the period</b>  | 674                              | 475                              |

#### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

##### 1. STATUTORY ACCOUNTS

The interim financial results for the period ended 30 June 2024 are unaudited. The financial information contained within this report does not constitute statutory accounts as defined by Section 434(3) of the Companies Act 2006.

##### 2. BASIS OF PREPARATION

Caspian Sunrise plc is registered and domiciled in England and Wales.

This interim financial information of the Company and its subsidiaries ("the Group") for the six months ended 30 June 2024 has been prepared on a basis consistent with the accounting policies set out in the Group's consolidated annual financial statements for the year ended 31 December 2023. It has not been audited or reviewed, does not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2023. The 2023 annual report and accounts, which received a qualified opinion from the auditors, included a material uncertainty in respect of going concern but did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006, have been filed with the Registrar of Companies. As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Reporting'.

The financial information is presented in US Dollars and has been prepared under the historical cost convention.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial

statements for the year ended 31 December 2023 except for the effect of new standards effective from 1 January 2024 as explained below. These are expected to be consistent with the financial statements of the Group as at 31 December 2023 that are/will be prepared in accordance with IFRS and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

Several other amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim consolidated financial statements of the Group as well.

#### Going Concern

The Group's Financial Statements for the year ended 31 December 2023, which were published on 15 July 2024, contained reference to the existence of a material financial uncertainty, which only some 12 months on continues to exist. This may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial information in these interim results has been prepared on a going concern basis using current income levels but a reduced work programme. On this basis the Directors believe that the Group will have sufficient resources for its operational needs over the relevant period, being until September 2024. Accordingly, the Directors continue to adopt the going concern basis.

However, the Group's liquidity is dependent on a number of key factors:

- The Group continues to forward sell its domestic production and receive advances from oil traders with US\$3.4 million advanced at 30 June 2024, and the continued availability of such arrangements is important to working capital. Whilst the Board anticipates such facilities remaining available given its trader relationships, should they be withdrawn or reduced more quickly than expected then additional funding would be required.
- Similarly, the Group sells to local mini refineries. Should these arrangements be terminated or reduced then additional funding would be required.
- For the time being the Group is not selling to the international markets as a consequence of the impact of sanctions on Russia, including access to pipelines and the price at which oil emerging from Russian pipelines is sold. As ever, forecasts remain sensitive to oil prices, which have shown significant volatility in recent times. In the event of a significant decline in world and domestic oil prices additional funding would be required.

### 3. INCOME PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year including shares to be issued.

There is no difference between the basic and diluted loss per share as the Group made a loss for the current and prior year. Dilutive potential ordinary shares include share options granted to employees and directors where the exercise price (adjusted according to IAS33) is less than the average market price of the Company's ordinary shares during the period.

The calculation of loss per share is based on:

|   | Six months<br>ended<br>30 June<br>2024<br>Unaudited | Six months<br>ended<br>30 June<br>2023<br>Unaudited |
|---|---|---|
| The basic weighted average number of ordinary shares in issue during the period | 2,254,978,483                                       | 2,250,501,559                                       |
| The income (loss) for the year attributable to owners of the parent (US '000)   | 2,931   | 7,447   |

### 4. FINANCIAL EXPENSE

The Group incurred financial expenses of US \$421,000 during the 6 months to 30 June 2024 (2023: US \$330,000).

### 5. UNDEVELOPED AND CASH ASSETS

## 5. UNPROVEN OIL AND GAS ASSETS

During the six months period ended June 30 2024 the Company's unproven oil and gas assets increased on US 4.6 million (2023: increase on US 2 million).

## 6. PROPERTY, PLANT & EQUIPMENT

| Group                                   | Proved oil<br>and gas assets<br>US '000 | Motor<br>Vehicles<br>US '000 | Other<br>US '000 | Total<br>US '000 |
|---|---|------------------------------|------------------|------------------|
| <b>Cost at 1 January 2023</b>           | <b>59,097</b>                           | <b>2,191</b>                 | <b>8,470</b>     | <b>69,758</b>    |
| Additions                               | 7,646                                   | -                            | 16               | 7,662            |
| Foreign exchange difference             | 648                                     | 39                           | 70               | 757              |
| <b>Cost at 31 December 2023</b>         | <b>67,391</b>                           | <b>2,230</b>                 | <b>8,556</b>     | <b>78,177</b>    |
| Additions                               | 2,938                                   | -                            | 2,332            | 5,270            |
| Foreign exchange difference             | (2,874)                                 | -                            | -                | (2,874)          |
| <b>Cost at 30 June 2024</b>             | <b>67,456</b>                           | <b>2,230</b>                 | <b>10,888</b>    | <b>80,573</b>    |
| <b>Depreciation at 1 January 2023</b>   | <b>5,020</b>                            | <b>641</b>                   | <b>2,996</b>     | <b>8,657</b>     |
| Charge for the year                     | 1,722                                   | 7                            | 865              | 2,594            |
| Foreign exchange difference             | 89                                      | 511                          | 411              | 1,041            |
| <b>Depreciation at 31 December 2023</b> | <b>6,831</b>                            | <b>1,159</b>                 | <b>5,257</b>     | <b>13,247</b>    |
| Charge for the year                     | 722                                     | 8                            | 1,973            | 2,703            |
| Foreign exchange difference             | 528                                     | 323                          | 455              | 1,306            |
| <b>Depreciation at 30 June 2024</b>     | <b>8,081</b>                            | <b>1,490</b>                 | <b>7,685</b>     | <b>17,256</b>    |
| Net book value at:                      |   |                              |                  |                  |
| 01 January 2023                         | 54,077                                  | 1,550                        | 4,519            | 56,453           |
| 31 December 2023                        | 60,560                                  | 1,071                        | 3,299            | 64,930           |
| <b>30 June 2024</b>                     | <b>59,375</b>                           | <b>740</b>                   | <b>3,203</b>     | <b>63,318</b>    |

## 7. OTHER NON-CURRENT RECEIVABLES

During the six months period ended June 30 2024 the Company has provided no advances related to its drilling operations (2023: US 0.12 million). VAT recoverable at the Group level as at 30.06.2024: US 3,215,000 (2023: US 4,629,000).

## 8. CALLED UP SHARE CAPITAL

|                                    | Number of ordinary<br>shares | '000          |
|------------------------------------|------------------------------|---------------|
| <b>Balance at 31 December 2023</b> | <b>2,250,501,560</b>         | <b>33,060</b> |
| <b>Balance at 30 June 2024</b>     | <b>2,254,978,483</b>         | <b>33,116</b> |

## 9. BORROWINGS

|                            | Six months ended<br>30 June 2024<br>US '000<br>Unaudited | Year ended 31<br>December 2023<br>US '000<br>Audited |
|----------------------------|--|--|
| <b>Total</b>               | <b>11,683</b>  | <b>6,694</b>   |
| Bank loans                 | 8,692  | 3,211  |
| Loans from related parties | 2,991  | 3,483  |

At 30 June 2024 and 30 June 2023 all the loans at the group were payable to the individuals and entities related to Oraziman family.

## 10. SUBSEQUENT EVENTS

On 3 September 2024 the Company announced it had entered into a conditional and binding term sheet with Absolute Resources LLP for the disposal of the shallow MJF and South Yelemes structures on the BNG contract area, for a headline cash consideration of the Kazakh Tenge equivalent of approximately US 88 million and that a further advance payment of approximately US 12 million was received on 5 September 2024 taking the upfront consideration then received to approximately US 14 million.



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