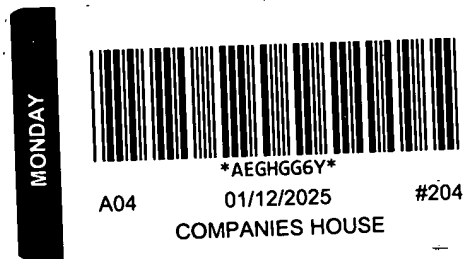


Company registration number: 05966431

# Caspian Sunrise plc

Annual report and financial statements  
for the year ended 31 December 2024



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## **DIRECTORS, REGISTERED OFFICE & ADVISERS**

### **DIRECTORS**

Mr C Carver	Chairman
Mr K Oraziman	Chief Executive Officer
Mr S Shin	Chief Operating Officer
Mr A Oraziman	Non-Executive Director

Company Secretary	Mr D Blik
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### **REGISTERED OFFICE**

Registered Office and Business address	5 New Street Square, London EC4A 3TW
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Company Number	05966431
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### **ADVISERS**

Nominated Adviser and Broker	Zeus Capital Ltd, 125 Old Broad Street, London, EC2N 1AR
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Solicitors	Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW
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Auditor	PKF Littlejohn LLP, 15 Westferry Circus, London, E14 4HD
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Share Registrar	MUFG Corporate Markets, 6th Floor, 65 Gresham Street, London, EC2V 7NQ
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Principal Banker	Barclays Bank, 1 Churchill Place, London, E14 5HP
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## HIGHLIGHTS

### 2024 Financial highlights #

- Total revenues \$52.3m of which \$31.5m is from continuing operations (2023: \$36.7 m of which \$15.0m is from continuing operations)
- Oil sales revenues \$20.8m all of which is from discontinued operations (2023: \$21.6m all of which is from discontinued operations)
- Oil trading revenues \$15.9m all of which is from continuing operations (2023: \$10.3m all of which is from continuing operations)
- Oil services revenues \$15.6m all of which is from continuing operations. (2023: \$4.7 million all of which is from continuing operations)
- Operating profit/(loss) \$17.4m of which \$5.1m is from continuing operations (2023: \$15.5m of which \$(0.01) m is from continuing operations)
- Profit/(loss) before tax \$17.1m of which \$5.3m is from continuing operations (2023: \$14.8m of which \$(0.2) m from continuing operations)
- Profit after tax \$16.8m of which \$7.4m is from continuing operations (2023: \$11.1m of which \$(0.9) m is from continuing operations)
- Gross assets \$135.2m (2023: \$134.9m)

# 2024 & 2023 numbers extracted from the underlying Group accounts before adjustments made under IFRS 5 Non Current Assets held for Sale and Discontinued Operations relating to the presentation of the subsequent sale in July 2025 of the MJF and South Yelemes structures at the BNG Contract Area

### 2024 Operational highlights

- Production volumes 623,312 barrels (bbls) (2023: 665,114 bbls)
- First drilling charter completed for the Caspian Explorer under the Group's ownership
- Renewal of the Sholkara licence on the Block 8 Contract Area

### 2025 Corporate highlights to date

- \$88 million disposal of the shallow MJF and South Yelemes structures on the BNG Contract Area
- Acquisition of the West Shalva Contract Area

### 2025 operational highlights to date

- Award of a 25 year production licence on the Airshagyl structure for an initial three year period
- Acceptance by the Kazakh authorities of an initial 26 mmbbls C1 reserves on the Airshagyl structure, with the scope to increase reserves in the next three years
- Test production measured at the rate of 270 barrels of oil per day (bopd) from Deep Well P1 & 846 bopd from Deep Well P2 on the Sholkara structure on the Block 8 Contract Area
- 3,000 meter well spudded at the West Shalva Contract Area

### Expected events during the remainder of 2025

- Yelemes Deep licence award
- Completion of the Block 8 Contract Area acquisition and continuation of testing
- Target depths reached at the well being drilled at the West Shalva Contract Area
- Results of the chemical treatment at Deep Well A6 on the BNG's Airshagyl structure
- Signing of further drilling charters for the Caspian Explorer
- First mineral acquisitions

## CHAIRMAN'S STATEMENT

### Introduction

We are pleased to present the financial statements for the year ended 31 December 2024.

The Group's principal focus is on

- oil exploration and production
- oil trading
- onshore and offshore oilfield services
- mineral exploration and production
- other commercial projects

All projects to date are in Kazakhstan.

### Overview

Much of the year under review was spent with corporate transactions, the most notable being the sale of the producing shallow structures at our flagship BNG Contract Area for a cash consideration of \$88 million of which the \$69.1 million due to date has been received.

Although the sale completed after the year end as it was planned before the year end these financial statements are issued with the MJF and South Yelemes structures being presented under IFRS 5 Non Current Assets Held for Sale and Discontinued Operations in the consolidated statement of profit or loss as discontinued operations and in the consolidated statement of financial position as assets held for sale.

The decision to sell the BNG Contract Area's shallow structures made further drilling there uneconomic after the completion of Well 815. Additionally, for regulatory reasons, we were not able to drill new wells at either the assets we were seeking to buy or at the BNG Contract Area's deep structures once the full production licence upgrade applications there had been submitted.

Despite these distractions, declining production volumes and significant regulatory delays, we report increased revenues and profit before and after tax.

Since the period end we have completed the acquisition of the West Shalva Contract Area. We are also at an advanced stage in the assessment of several potential mineral acquisitions and other non-natural resources acquisitions.

The Group is now focused on developing its existing assets and those in the process of being acquired and under evaluation.

### Oil exploration and production

#### BNG Contract Area

##### *Shallow structures*

Since production commenced from the shallow structures in 2016 in excess of 4.5 million barrels of oil have been produced.

Aggregate production from the BNG shallow structures in 2024 was 623,312 barrels (2023: 665,114 barrels) at a rate of 1,707 bopd (2023 1,822 bopd). The MJF and South Yelemes structures, which accounted for 100% of the Group's oil production, were sold for \$88 million in July 2025 and in these financial statements in accordance with IFRS 5, the results of the disposal group have been presented as profit or loss from discontinued operations in the consolidated statement of profit or loss.

##### *Deep structures*

The Group has also invested more than \$100 million at BNG's deep structures where we believe the geology is a continuation of that present at the nearby world class Tengiz and Kashagan assets. The deep structures are not part of the \$88 million BNG asset sale.

The combined appraisal licence for the Airshagyl and Yelemes deep structures at the BNG Contract Area expired in 2024 and applications to upgrade to two separate 25 year production licences were then submitted to the Kazakh authorities.

Under the rules, no further development work is permitted from the expiry of the old licences until the new licences are issued. In May 2025 the licence for the Airshagyl structure was issued on a full production basis for an initial three year period. We await a decision on the licence application for the Yelemes Deep structure.

### **3A Best**

Lack of available funding prevented any work at 3A Best, where the licence has expired. Given the other opportunities available the Board has decided not to seek the renewal of the 3A Best licence. As the investment at 3A Best was already fully impaired there will be no material accounting impact.

### **Oil trading**

Following a change in the regulations at the start of 2023 it became possible to trade some of the oil we produce. Despite the volume of oil produced falling during the year under review oil trading revenues grew strongly as the result of a higher proportion of sales being to the domestic market rather than the domestic mini refinery market.

### **Oilfield services**

#### **Onshore**

The regulatory related delays at the Group's onshore existing and prospective assets meant our CTS drilling subsidiary was far less active in 2024 than in 2023 with at the year-end two of its four principal rigs in storage.

As noted elsewhere in these financial statements the Group is in the process of acquiring the Block 8 Contract Area.

Given the extensive delays in receiving the required regulatory approvals for the acquisition of the Block 8 structure, noted in more detail later in this report, once the licence at the Sholkara structure was renewed in Q4 2024, the Group resumed testing work.

The costs for the work undertaken in 2024 are shown as CTS income. However, as the benefit from the work undertaken will be for the Group rather than its current owners, provided the acquisition of the Block 8 Contract Area completes as expected these costs will be paid by the Group.

#### **Offshore**

During the summer months of 2024 we completed the Caspian Explorer's first drilling contract under the Group's ownership for the Isatay Operating Company LLP ("IOC"), a Kazakh registered explorer, in which Italy's ENI was the leading participant, with the charter generating revenue of approximately \$14.3 million and a gross profit of approximately \$3.8 million.

The well was drilled without any notable issues and quicker than expected. However, with ENI subsequently exiting its Kazakh operations, we do not now expect to drill the additional option well under the original contract and as a result the Caspian Explorer has not been chartered in 2025.

While no additional charters for the Caspian Explorer have yet been confirmed we are in discussions with potential partners concerning multi-year / multi- well projects.

### **Recent financial strategy**

With the potential huge upside of the BNG deep structures our focus in recent years was to ensure we completed the onerous BNG deep structures work programmes to qualify to extend the BNG deep structure licences to two separate 25 year full production licences. This was not an easy task.

For the past 6 years we have funded the ongoing payment of \$32 million historic costs at the BNG Contract Area at the annual rate of \$3.2 million. We also had to deal with the impact of Covid during which the price for our oil fell to \$6 per barrel. More recently we have been faced with the impact of Russian sanctions, which has resulted in oil sales since Q2 2022 being to the domestic market at prices closer to \$30 per barrel rather than more than double that for international sales. We also had to source and pre-fund the acquisition of drilling consumables from countries other than Russia.

Nevertheless, we were able to fulfil the BNG deep structure work programme obligations without significant shareholder dilution. We did this by working the BNG shallow structures hard and by incurring additional debt, principally in the form of trade and other payables, which limited our ability to develop our other existing assets and to take advantage of opportunities with new assets.

In this light the Board considered a cash offer of \$88 million for the BNG Contract Area's shallow structures, on which the older wells were showing signs of deterioration, was both attractive on a standalone basis and would significantly improve the Group's stretched financial position.

The sale proceeds for the BNG shallow structures have for the first time in many years allowed the Group to be properly funded, part of which is expected to be used for new projects including mineral acquisitions, which typically have shorter payback periods than for early stage oil & gas exploration and where we would have a number of routes to market which would not be affected by the impact of Russian sanctions.

Following completion of the announced corporate transactions underway the Group would own three oilfields, being the BNG deep structures, Block 8 and West Shalva and have an oil trading business; while also owning four on shore drilling rigs and the Caspian Explorer.

## **Corporate Transactions**

### **Disposal of the MJF & South Yelemes structures on the BNG Contract Area**

In September 2024 shareholders overwhelmingly approved the sale of the BNG shallow structures first announced in May 2024 for a headline cash consideration of \$88 million. Accordingly, no new significant development work at the BNG Contract Area's shallow structures was undertaken after Well 815, which was spudded in the summer of 2024, as the costs of new drilling could not be recouped through additional production before the expected completion of the asset sale.

The full \$69.1 million due to date of the purchase consideration has been received. A further \$5.1 million is due to be paid in equal monthly instalments over a 12 month period commencing 6 months after the formal completion of the disposal. Additionally, a further \$13.8 million is payable by the purchaser to the Kazakh authorities over the next 5 years at the rate of approximately \$800,000 per quarter to fund the outstanding MJF structure's Historic Cost liability.

The expected profit on disposal to be recognised in the 2025 financial statements is \$23 million.

### **Acquisition of the Block 8 Contract Area**

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

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 the Block 8 Contract Area 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 may enjoy the same geological characteristics of the nearby world class Tengiz and Kashagan assets. Disappointingly, the process to secure the required regulatory approvals has extended far beyond previous timescales.

The Block 8 Contract Area has three identified structures, namely the Sholkara, Akkaduk and Toresay structures.

- The licence for the Sholkara structure was renewed for a 3 year period in Q4 2024, which allowed development and testing work there to resume.
- Regarding the Akkaduk structure the application to renew the licence has yet to be approved as delays in processing the application at one Kazakh ministry resulted in a second Kazakh ministry deeming the subsequent application to them to be out of time. While the Kazakh courts have confirmed that they believe this is an issue between the two ministries they have yet to order the second ministry to process the licence renewal application.
- We are no longer interested in the Toresay structure.

We have decided to complete the acquisition of the Block 8 Contract Area on the basis of the Sholkara licence alone while continuing to push for the renewal of the Akkaduk licence.

To minimise the impact of the already extensive delays we asked the existing owners to resume drilling and testing work on the Sholkara structure, which will be funded by the Group assuming the acquisition of the Block 8 Contract Area completes as expected.

### **Acquisition of West Shalva**

In April 2024 independent shareholders approved the acquisition of the West Shalva Contract Area for a maximum consideration of \$15 million. The acquisition was deemed to be completed post year end in April 2025 (see note 31 for further details).

The initial \$5 million consideration was satisfied in April 2025 by the issue of 99,206,349 shares 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 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 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 made it easier to consider selling the shallow structures at BNG while preserving oil trading revenues and without the need to have rigs idle. At the date of this report a CTS G40 rig is drilling the first West Shalva well.

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, although based on internal analysis and production from adjoining fields, the Group's operational management believes that up to 80 million barrels might be recoverable.

#### **Mineral acquisitions**

We continue to pursue several mineral opportunities, the most advanced is a manganese project which is already profitable and generating cash.

Other projects being assessed include gold, copper, zinc and titanium. A key determinant in the assessment of all these projects is the speed at which they become cashflow positive.

#### **Other projects**

The Group's prime competitive advantages are its knowledge of Kazakhstan and its access to international funding. Accordingly, on an opportunistic basis, we will look at projects in Kazakhstan other than from our core oil & gas and mineral sectors, where the board believes the Group's involvement would add significant shareholder value. However, it is not expected that the scale of such projects would exceed the Group's natural resources activities.

#### **Governance & Regulation**

As a company with shares that are publicly traded and also operating complex oilfields, dealing with regulation is an everyday part of our corporate life. However, the costs of maintaining the Company's public listing and the delays in securing Kazakh regulatory consents for corporate transactions are at all-time highs.

In particular, the delays in securing the regulatory consents required to complete our corporate transactions coupled with the inability to develop those assets while the transactions work their way through the regulatory system come at a high price and one that ultimately falls on shareholders.

#### **Realising shareholder value**

Based on interest from time to time for certain of the Group's assets we believe the Group's overall asset value is significantly greater than the value implied by the Group's current market capitalisation.

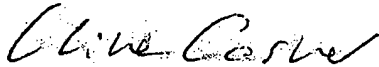
The decline of AIM has been extensively chronicled elsewhere with many companies opting to leave the market. However, we believe we can make the market work for the benefit of shareholders. This would include at the appropriate time using targeted share buy backs and / or special dividends to provide liquidity no longer available through normal market trading.

## Outlook

We believe we are in a much stronger position than for many years:

- The sale proceeds from the MJF / South Yelemes disposal provide funding to move the Group forward.
- The financial pressure to complete the work programme to apply for full production licences at the BNG Contract Area's deep structures is behind us.
- The award of a full production licence for an initial three year period for the Airshagyl structure allows the continued development of a potentially transformational asset.
- The well tests at the Block 8 Contract Area are encouraging and once the Block 8 Contract Area acquisition completes should provide a second potentially transformative asset to develop
- We have solid interest in further charters for the Caspian Explorer
- The mineral projects under consideration are exciting and in a sector far less affected by international sanctions than oil & gas

We therefore look to the future with renewed confidence.



Clive Carver  
Chairman  
28 November 2025

## OUR ASSETS

### BNG Contract Area

The Group holds a 99% interest in the BNG Contract Area, having first taken a stake in 2008, as part of the acquisition of 58.41% of a portfolio of assets owned by Eragon Petroleum Limited. In 2017, we increased our stake to 99% upon the completion of the merger with Baverstock GmbH. Since 2008, in excess of \$120 million has been spent at BNG, mostly at its deep structures.

The BNG Contract Area is located in the west of Kazakhstan 40 km southeast of Tengiz on the edge of the Mangistau Oblast. We became operators at BNG in 2011, since when we have identified and developed both shallow and deep structures.

#### Shallow structures

The shallow structures at the BNG Contract Area (MJF & South Yelemes) in aggregate produced 623,312 barrels of oil in 2024 (2023: 665,114 barrels). The decline in production being principally the result of increasing water content at the older wells and after Well 815 there being no further drilling following the agreement to sell.

The BNG shallow structures were sold in July 2025 for an aggregate headline consideration of \$88 million. To date \$69.1 million of the disposal proceeds have been received with \$5.1 million of the balance due in 12 equal monthly instalments commencing in Q1 2026. A further \$13.8 million is due to be paid by the purchasers direct to the Kazakh Government over the next 5 years in respect of the MJF and South Yelemes structures outstanding Historic Costs liability.

#### Deep structures

We have identified two deep structures at the BNG Contract Area. The first is the Airshagyl structure, which extends to 58 km<sup>2</sup>. The second is the Yelemes Deep structure, which extends over an area of 36 km<sup>2</sup>.

##### *Airshagyl structure*

Four deep wells have been drilled on the Airshagyl structure.

- Deep Well A5 was spudded in July 2013 and drilled to a total depth of 4,442 meters. Attempts to remove a stuck pipe have to date not proved successful and a new side track is planned in 2026
- Deep Well A6 was spudded in 2015 and drilled to a depth of 4,528 meters. A chemical treatment at the well is underway
- Deep Well A7 was spudded in December 2021, with a planned Total Depth of 5,300 meters but primarily targeting an interval at a depth of 4,000 meters. In March 2022 drilling at Deep Well A7 was paused at a depth of 2,150 meters to allow the rig to be used to drill a horizontal well on the shallow South Yelemes structure. Work is planned to drill the well to its planned Total Depth in 2026
- Deep Well A8 was spudded in 2018 with a planned Total Depth of 5,300 meters, initially targeting the same pre-salt carbonates that were successfully identified in Deep Well A5. The well has been assessed as non-commercial and marked for abandonment.

No development work was permitted while the regulatory authorities considered the applications to upgrade appraisal licences to two separate 25 year production licences.

##### *Yelemes Deep structure*

Three deep wells have been drilled on the Yelemes Deep structure.

- Deep Well 801 was drilled in 2014/ 2015 to a depth of 5,050 meters. The well has been assessed as non-commercial and marked for abandonment.
- Deep Well 802 was spudded in June 2022, with a planned Total Depth of 5,300 meters. To date the well has not flowed at commercial rates. We would wish to undertake a joint venture with a leading technical partner before continuing work on this well.
- Deep Well 803 was spudded in December 2023 with a planned Total Depth of 4,500 meters. Oil was encountered over a 60 meter interval between depths of 3,360 and 3,420 meters. No further testing is permitted during the period that the application to upgrade the licence is under consideration, However, the oil pressure at the well has increased with oil of good quality seeping to the surface.

Work at the Airshagyl structure became possible once again following the award in May 2025 of the production licence, initially for a period of three years. Work at the Yelemes Deep structure remains subject to the licence renewal there.

### **3A Best**

In January 2019, we acquired 100% of the 3A Best Group JSC, a Kazakh corporation owning an existing Contract Area of some 1,347 sq. km located near the Caspian port city of Aktau and where the licence expired some time ago. The Board has decided with the other opportunities available to the Group not to seek the renewal of the 3A Best licence.

### **Block 8**

#### **Background**

The Block 8 Contract Area extends over 2,823 sq. km with three identified structures and is approximately 160 km from the BNG Contract Area. The Block 8 licence was previously held by LG International the Korean conglomerate.

At 31 December 2024 and also at the date these financial statements were approved the Block 8 Contract Area was not owned by the Group. The required consent from the Kazakh Ministry of Energy has been received with completion now dependent on the approval of the Kazakh Antimonopoly Authority.

#### **Development activity**

In 2023, in anticipation of the completion of the Block 8 acquisition and to avoid delays in developing the asset while the ownership was changing, the Group advanced \$3.5 million by way of a secured loan to the vendors so they could satisfy the then outstanding work programme commitments and develop the oilfield for the ultimate benefit of the Group. This allowed two deep wells to be drilled to depths of 4,203 meters and 3,449 meters respectively on the Sholkara structure.

Following the renewal of the Sholkara structure licence in Q4 2024 development and testing work resumed on that structure which, assuming the acquisition completes as expected, will be funded by the Group.

At Well P1 on the Sholkara structure, oil has flowed on a test basis at rates of up to 270 bopd. At Well P2 on the Sholkara structure oil has flowed on a test basis at the rate of 846 bopd.

Two other wells were drilled in 2022 and 2023 to depths of 3,922 and 3,408 meters respectively on the Akkaduk structure. As noted elsewhere, testing of these wells has not been permitted during the very extended period during which the licence renewal applications are being considered by the Kazakh regulatory authorities.

A 63 km gravel road is under construction to improve transportation for the oil produced at the Block 8 Contract Area.

### **West Shalva**

#### **Background**

At 31 December 2024 the West Shalva Contract Area was not owned by the Group. Shareholders approved the acquisition in April 2024 and the acquisition completed in April 2025.

#### **The West Shalva Contract Area**

The West Shalva Contract Area is rectangular in shape and extends over approximately 25 km<sup>2</sup>. It is located in the oil producing Zhetybay Steppe Area in the Mangyshlak region of Western Kazakhstan approximately 90 km east of Aktau and approximately 20 km north from the Zhetybay field, where an oil processing plant is located and oil enters the Aktau / Atyrau main pipeline.

West Shalva was first identified as a potential oil producing location in the mid 1970's. In 1977 and based on 2D seismic data, Well no. 4 (Wsh-4) was drilled to the north and outside the structural closure of the West Shalva prospect to a depth of 3,500 meters with a prime potential oil bearing interval detected at a depth of 1,033 meters in the lower Triassic. After open hole testing lasting only a few minutes the well was deemed not to have found any commercial volumes of oil or gas despite oil being detected at three other intervals. The well was then abandoned without running a production string.

In 2008 a 3D seismic survey was undertaken on the contract area, which identified the West Shalva structure. In June 2022 oil was detected spilling to the surface.

West Shalva is an early stage oilfield but with strong indicators from both the adjacent Shalva field and from the available seismic information that it is likely to produce oil in decent quantities. Additionally, it is expected to be easier to drill than either BNG and Block 8 as the high pressure and high temperature encountered in those fields are not present at West Shalva. There is also no salt layer to penetrate and the field is closer to local refineries with a history of higher prices than the refineries nearer BNG and Block 8.

In summary, West Shalva is expected to be a much easier field to work than either BNG or Block 8 and a good addition to the portfolio. As at Block 8 the acquisition has been structured to avoid any up front cash payments.

## **CTS**

### **Drilling rigs**

The Group, through its wholly owned subsidiary CTS, owns four drilling rigs together with a workover rig. The largest rig is a G50 (capable of supporting a drill string of 50 tonnes). There are two G40 rigs and a G20 rig.

At 31 December 2024 with no drilling at either the BNG shallow or deep structures the two G40 rigs were in storage, with one identified to drill the planned well on the West Shalva Contract Area. The G20 rig remains available for smaller workovers.

## **Caspian Explorer**

### **Introduction**

The Caspian Explorer is a drilling vessel designed specifically for use in the shallow northern Caspian Sea where traditional deep water rigs cannot be used.

The principal ways of exploring in such shallow waters are either from a land base or using a specialist shallow drilling vessel such as the Caspian Explorer, which we believe to be the only one of its type operational in the Caspian Sea.

Land based options typically involve either the creation of man-made islands from which to drill as if onshore or less commonly drilling out from an onshore location. Both are expensive compared to the use of a specialist drilling platform such as the Caspian Explorer.

### **Background**

The Caspian Explorer was conceived of by a consortium of leading Korean companies including KNOC, Samsung and Daewoo Shipbuilding. The vessel was assembled in the Ersay shipyard in Kazakhstan between 2010 and 2011 for a construction cost believed to be approximately \$170 million. The Caspian Explorer became operational in 2012 at a time of relatively low oil prices and reduced exploration activity in the northern Caspian Sea.

The total costs after fit-out are believed to have been approximately \$200 million. We believe a replacement would today cost in the region of \$300 million and take several years from a decision to commission it for such a new vessel to become operational.

### **Operational characteristics**

The Caspian Explorer:

- operates principally between May and November in the Northern Caspian Sea, which is subject to winter ice, and all year round elsewhere
- operates in seas with depths between 2.5 meters and 7.5 meters
- can drill to depths of 6,000 meters
- typically has a crew to operate the drilling vessel of 20
- has accommodation for approximately 100

### **Mooring**

The Caspian Explorer has recently moved to the port of Ersay when not on charter resulting in significant cost savings.

## LICENCES & RESERVES

### Licences

#### BNG

At the time of the acquisition of the BNG Contract Area in 2008, there was a single licence issued in 2007, which was successively extended and that covered the whole Contract Area.

- In 2018 a separate 25 year production licence running to 2043 was granted for the shallow MJF structure from which the bulk of the oil produced since 2016 has come. The other structures remained covered under the existing appraisal licence.
- In 2021 another separate 25 year production licence running to 2046 was granted for the shallow South Yelemes structure, with the deep Airshagyl and Yelemes Deep structures remaining covered by the existing appraisal licence, which expired in Q3 2024.
- Applications for individual 25 year production licences for both the Airshagyl and Yelemes Deep structures were submitted in Q3 2024.
- In May 2025 the production licence for the Airshagyl structure was awarded for an initial three year period.
- We await the award of a new licence for the Yelemes Deep structure.

The principal advantage of a full production licence is that the majority of the oil produced may typically be sold by reference to international prices rather than on the domestic market. However, since the introduction of sanctions on Russia, which do not cover oil produced in Kazakhstan and transported via the Russian pipeline network, all the Group's production has been sold on the domestic market.

#### Block 8

The Block 8 licence at the Sholkara structure was renewed for a three year period in Q4 2024.

As noted more fully elsewhere in this report the renewal of the Akkaduk structure has been the subject of disagreements between two separate Kazakh ministries. Further applications to the Kazakh court will be made to seek the court to order the relevant ministries to renew the Akkaduk licence.

#### West Shalva

The licence at the West Shalva Contract Area is a six-year appraisal licence running until 2029.

#### 3A Best

The licence renewal at 3A Best expired some time ago. Given the Group's other opportunities the board has decided not to seek the renewal of the 3A Best licence.

### Reserves

#### BNG

##### *Shallow structures*

In 2011 Gaffney, Cline & Associates ("GCA") undertook a technical audit of the BNG licence area and subsequently Petroleum Geology Services ("PGS") undertook depth migration work, based on the 3D seismic work carried out in 2009 and 2010.

In September 2016 GCA assessed the reserves attributable to the BNG shallow structures (MJF & South Yelemes). Between then and the end of 2024, approximately 4.5 mmbls of oil were produced, which under financial reporting rules are deducted from the assessment of reserves as at 31 December 2024.

BNG	As at 31 December 2024 mmbls	As at 31 December 2023 mmbls
Shallow P1	13.0	13.6
Shallow P2	24.2	24.8

The structures on which these reserves were calculated were sold after the year end and are no longer owned by the Group.

**Deep structures**

In conjunction with the licence extension applications in respect of the Airshagyl and Yelemes Deep structures and referred to above under licences, we were required to make submissions for formal recognition under the former Soviet classification system used in Kazakhstan of reserves at both deep structures based on information gained from the four deep wells drilled to date at the Airshagyl structure and the three deep wells drilled to date on the Yelemes Deep structure.

In June 2024 reserves under the former Soviet classification system were independently assessed by SciRes, a Kazakh consultancy, based solely on the vicinity of the immediate drainage area around Deep Wells A5, A6 & A7 as being C1 49.0 million barrels & C2 as 28.9 million barrels.

In awarding the production licence for the Airshagyl structure, initially for a three year period, the Kazakh Committee on Reserves certified C1 reserves of 26 mmbbls with the opportunity over the next three years for increases dependent on further drilling.

**Block 8**

An estimate of the reserves at Block 8 is planned following further testing.

**West Shalva**

To date there are no certified reserves in respect of the West Shalva Contract Area. Again, we intend to commission an independent assessment of the West Shalva reserves after completing the current 3,000 meter well.

**3A Best**

There were no certified reserves in respect of the 3A Best Contract Area.

## FINANCIAL REVIEW

### Basis of inclusion

Under IFRS 5 the shallow MJF and South Yelemes structures at the BNG Contract Area are treated as assets held for sale at 31 December 2024 despite the sale not being concluded until July 2025. Accordingly, in the consolidated profit or loss statement there are no entries for the revenues, or the costs relating to those assets for either the year ended 31 December 2024 or 31 December 2023 and instead the results are presented as profit for the year from discontinued operations in the statement of comprehensive income.

To allow a meaningful analysis of trading through the year the following segmental and other financial information set out below has been extracted from the underlying financial records and reconciled to the financial information set out in the consolidated profit or loss account, statement of financial position and cashflows.

### Overview

Years ended 31 December	2024	2024	2024	2023	2023	2023
	Discontinued \$million	Continuing \$million	Total \$million	Discontinued \$million	Continuing \$million	Total \$million
<b>Revenue</b>						
Oil production	20.8	-	20.8	21.6	-	21.6
Oil trading	-	15.9	15.9	-	10.3	10.3
Onshore oilfield services	-	1.3	1.3	-	4.1	4.1
Offshore oilfield services	-	14.3	14.3	-	0.7	0.7
<b>Total</b>	<b>20.8</b>	<b>31.5</b>	<b>52.3</b>	<b>21.6</b>	<b>15.1</b>	<b>36.7</b>
<b>Gross profit</b>						
Oil production	14.4	-	14.4	16.5	-	16.5
Oil trading	-	6.2	6.2	-	4.9	4.9
Onshore oilfield services	-	(0.8)	(0.8)	-	(0.9)	(0.9)
Offshore oilfield services	-	3.8	3.8	-	0.2	0.2
<b>Total</b>	<b>14.4</b>	<b>9.2</b>	<b>23.6</b>	<b>16.5</b>	<b>4.2</b>	<b>20.7</b>

### Revenue

Total revenue in 2024 increased by approximately 43% to \$52.3 million (2023: \$36.7 million). Of this revenue \$20.8 million relates to discontinued activities (2023: \$21.6 million).

39.8% of total revenue was derived from oil sales (2023: 58.9%); 30.4% from oil trading (2023: 28.1%), 2.5% from on shore oil services (2023: 11.2%) and 27.3% from offshore oil services (2023: 1.9%).

### Gross profit

Gross profit increased by approximately 14 % to approximately \$23.6 million (2023: \$20.7 million) of which \$14.4 million relates to discontinued activities (2023: \$16.5 million). This is principally as a result of the contribution from the Caspian Explorer's first commercial drilling charter under the Group's ownership and additional oil trading activity.

### Oil production

With the 2025 sale of the MJF and South Yelemes structures oil production is classified as a discontinued activity in these financial statements, notwithstanding the Group's ongoing interest and very significant investment in three other active oilfields.

### Oil production revenue

Oil production revenue in 2024 was 3.8% lower at \$20.8 million (2023: \$21.6 million). Oil production gross profit was 13% lower at \$14.4 million (2023: \$16.5 million). All oil production revenue in 2023 and 2024 related to discontinued operations.

### Oil prices

All production in the year under review was sold on the domestic market as was the case in the preceding year. In 2024 the average price received per barrel was approximately \$33.4 compared to \$32.5 in 2023.

**Production volumes**

Production in 2024 at 623,312 barrels was approximately 6% lower than in 2023 (665,114 barrels).

**Oil trading**

Oil trading is classified in these financial statements as a continuing activity.

Under this heading we purchase crude oil and fund its refining, selling the resultant oil products to third parties. To date we have adopted a relatively low risk approach to oil trading having formed a 70:30 partnership with an established trader with ourselves being the larger party and with our 30% partner providing the required funding.

Revenue from oil trading in 2024 was \$15.9 million (2023: \$10.3 million). Gross profit from oil trading was \$6.2 million (2023: \$4.9 million). The increase in oil trading revenue and gross profit in the period under review reflects the increased proportion of oil sold to the domestic market compared to the domestic mini refinery market.

**Onshore oilfield services**

Onshore oilfield services are classified in these financial statements as a continuing activity.

Onshore oilfield services are conducted through our wholly owned CTS subsidiary, which owns and operates four drilling rigs. Onshore oilfield services revenue in 2024 was \$1.3 million (2023: \$4.1 million). Onshore oilfield services gross loss in 2024 was \$0.8 million (2023: a gross loss of \$0.9 million).

CTS's work at Block 8 following the renewal of the Sholkara structure's licence in Q4 2024, which accounts for 100% of the CTS income for the year, under IFRS rules is treated as third party income. However, provided the Block 8 acquisition completes as expected then any benefits from this drilling work will ultimately be obtained by the Group and the costs will be paid by the Group.

**Offshore oilfield services**

Offshore oilfield services is classified in these financial statements as a continuing activity.

Offshore oilfield oil services are conducted through the Caspian Explorer, a drilling platform specifically designed to explore the shallow northern Caspian Sea.

Offshore oilfield services revenue, delivered by the Caspian Explorer's charter for a consortium led by Italy's ENI, was \$14.3 million (2023: \$0.6 million). Gross profit in 2024 was \$3.8 million (2023: \$0.2 million).

**Selling expenses**

Selling expenses fell by approximately 27% to \$2.2 million (2023: \$3.0 million) mainly as the result of a higher proportion of sales in the year being to the mainstream domestic market rather than to the domestic mini refinery market. Of these amounts \$0.2 million related to continuing operations (2023: \$1.9 million) and \$2.1 million related to discontinued operations (2023: \$1.0 million).

**Administrative costs**

Administrative costs fell by approximately 35% from \$6.0 million in 2023 to \$3.9 million in 2024. Continuing administrative costs were approximately \$1.6 million lower at \$2.4 million compared with \$4.0 million in 2023. Discontinued administrative costs also fell from \$2.1 million in 2023 to \$1.5 million in 2024.

**Other income**

Other income in 2024 was nil (2023: \$3.8 million, which related to the write back of long standing but no longer required provisions).

**Operating profit**

2024 operating profit was \$17.5 million, of which operating profit from continuing operations was \$5.1 million (2023: \$15.5 million, of which the operating profit from continuing operations was nil).

**Profit for the year before tax**

Profit before tax was \$17.1 million (2023: \$14.8 million) of which \$5.3 million was for continuing activities (2023: a loss of \$0.2 million) and \$11.8 million related to discontinued operations (2023: \$15.0 million).

**Tax**

Total tax fell from \$3.7 million in 2023 to \$0.2 million in 2024. The tax credit on continuing activities in 2024 was \$2.1 million (2023: \$0.7 million charge) with a tax charge in 2024 on discontinued operations of \$2.4 million (2023: 3.0 million).

**Profit for the year after tax**

Profit for the year after tax was \$16.8 million (2023: \$11.1 million) of which \$7.4 million related to continuing operations (2023: loss of \$0.9 million) and \$9.4 million related to discontinued operations (2023: \$12.0 million).

**Oil and gas assets*****Unproven oil & gas assets***

The carrying value of unproven oil and gas assets fell by approximately \$2.9 million to approximately \$49.1 million (2023: \$52.0 million) principally as the result of foreign exchange differences despite a further \$6.4 million additions during 2024.

***Proven oil & gas assets***

Proven oil & gas assets at 31 December 2024 were \$ nil million (2023: \$60.6 million), following the transfer of all proven oil & gas assets to assets held for sale.

***Oilfield services assets***

These are the Caspian Explorer, the drilling rigs owned by the Group and other equipment and motor vehicles and increased in value from \$4.4 million in 2023 to \$4.5 million in 2024 through a combination of depreciation, foreign exchange differences and some transfers to assets held for sale. Of this the Caspian Explorer's carrying value remained at \$1.7 million. (2023: \$1.7 million).

**Trade and other receivables**

Trade and other receivables due within 12 months fell to approximately \$8.2 million (2023: \$12.1 million). Of this trade receivables were \$3.8 million (2023: \$3.7 million); prepayments were \$2.2 million (2023: \$4.3 million); recoverable VAT fell by \$2.0 million to \$0.9 million (2023: \$2.9 million); with other receivables remaining at \$1.3 million (2023: \$1.3 million).

**Cash position**

At the year-end we had cash at bank balances of approximately \$2.6 million (2023: \$0.4 million). At the date of these financial statements the Group held approximately \$23 million in cash.

***Tax liabilities and receivable***

At the year-end, the Group had a corporation income tax receivable of \$1.8 million (2023: \$1.0 million liability) due to mandatory tax payments on account being higher than the expected tax charge.

**Current liabilities*****Trade and other payables under 12 months (excluding historic costs and provisions)***

Trade and other payables increased by \$4.7 million to \$20.8 million (2023: \$16.1 million). The increase reflected the Group's financial constraints in the run up to completion of the sale of the MJF and South Yelemes structures.

***Third party borrowings***

Borrowings at 31 December 2024 was \$5.5 million (2023: \$6.7 million).

***Provisions***

The provisions for payments due in less than 12 months were approximately \$3.7 million (2023: \$4.5 million), which are mainly social obligations.

***Liabilities relating to assets held for sale***

Liabilities relating to assets held for sale at 31 December 2024 were \$15.2 million (2023: \$ nil) comprising \$13.8 million MJF and South Yelemes structures historic cost and approximately \$1.4 million associated asset retirement obligations.

**Liabilities due after 12 months**

These decreased by \$19 million to \$21.2 million at 31 December 2024 (2023: \$40.2 million). Of the decrease \$13.7 million related to the MJF and South Yelemes structures historic costs liabilities transferred to liabilities relating to assets held for sale noted above

Additionally, within the overall \$21.2 million due, deferred tax liabilities fell to \$6.4 million (2023: \$7.4 million) and other long term payables fell from \$14.9 million to \$12.3 million.

### **BNG historic costs**

We have continued to pay down the historic costs assessed against the BNG Contract Area. At 31 December 2024, of the original \$32 million levied in 2019 approximately \$13.9 million remained to be paid over the next five years, of which approximately \$3.2 million was to be paid within 12 months.

Following completion of the sale of the MJF and South Yelemes structures the purchaser is responsible for the repayment of these historic costs.

### **Cashflows**

During the period under review approximately \$54.8 million was received from customers and approximately \$37.3 million paid out to suppliers, creditors and staff with a further \$6.4 million spent on unproven oil and gas assets and \$9.4 million spent on property plant and equipment. A further \$0.7 million was paid to related parties in connection with the Block 8 loan.

The above less the total repayments of loans and interest of \$0.5 million resulted in cash balances at the year-end increasing from \$1.2 million to \$2.6 million.

### **Going Concern**

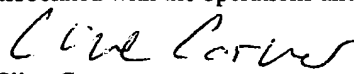
The financial strategy of the Group in recent years has been to fund compliance with work programme commitments in particular at the BNG Contract Area's deep structures and where possible to expand the Group's activities without unduly diluting shareholders longer term interests. This inevitably stretched the short and medium term creditor position to levels at the period end and subsequently which in a more established Group might appear excessive.

Completion of the sale of the MJF and South Yelemes structures, with at the date of this report the receipt of \$69.1 million of the disposal proceeds, has allowed the repayment of a significant portion of the year end debt and a material reduction in the amounts due to trade and other creditors. Additionally the \$13.8 million outstanding historic costs relating to the MJF and South Yelemes structures are now the responsibility of the purchaser of the MJF and South Yelemes structures.

At the date of these financial statements the Group has cash of approximately \$23 million, which is significantly in excess of the Group's financial commitments over the next 12 months

Accordingly, the Board for the first time in many years, no longer considers there to be a material uncertainty regarding the assessment of the Group's financial position and have adopted the going concern basis in preparing these financial statements.

In assessing the Group's adoption of the going concern basis in the preparation of these financial statements the Board has assessed cash flow forecasts prepared for the period to 31 December 2026 and assessed the risks and uncertainties associated with the operations and funding position, including Block 8 and West Shalva.

  
Clive Carver  
Chairman  
28 November 2025

## **QUALIFIED PERSON & GLOSSARY**

### **Qualified Person**

Mr. Sunjin Chang, a member of the Society of Petroleum Engineers, has reviewed and approved the technical disclosures in these financial statements.

### **Glossary**

SPE – the Society of Petroleum Engineers

Bbl – barrels of oil

Bopd – barrels of oil per day

mmbbls – million barrels

### **Proven reserves**

Proven reserves (P1) are those quantities of petroleum which, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

### **Probable reserves**

Probable reserves are those additional reserves which analysis of geosciences and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

### **Possible reserves**

Possible reserves are those additional reserves which analysis of geosciences and engineering data indicate are less likely to be recovered than probable reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of proved plus probable plus possible (3P), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

### **Contingent resources**

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

Contingent resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.

### **Prospective resources**

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects.

# THE KAZAKH OIL AND GAS LICENCING AND TAXATION ENVIRONMENT

## **Kazakhstan**

The Republic of Kazakhstan is mostly in Central Asia, with a part in Eastern Europe. It borders Russia to the north and west, China to the east, Kyrgyzstan to the southeast, Uzbekistan to the south and Turkmenistan to the southwest, with a coastline along the Caspian Sea.

Kazakhstan is the ninth largest country by land area and the largest landlocked country. Its population is 20 million with one of the world's lowest population densities. It dominates Central Asia economically accounting for 60 per cent of the region's GDP, primarily through its oil & gas industry and its vast mineral resources.

Oil produced in Kazakhstan but transported through the Russian pipeline network is specifically exempted from international sanctions. However, for our recent production volumes accessing the Russian pipeline network is not economical and there are no other commercially effective distribution options to access international markets. We have sold on the domestic markets where prices are far lower but so too are the applicable taxes and operational costs and where it is permitted to trade the oil produced.

Oil & gas is a heavily regulated industry throughout the world, with strict rules on licencing and taxation. Set out below is a summary of the position in Kazakhstan.

## **Licensing**

### **Exploration licences**

The initial licence to develop a field is an exploration licence where the focus is on completing agreed work programmes. Exploration licences are typically two years in duration and it is usual for there to be several consecutive two-year exploration licence extensions agreed during the exploration phase.

### **Appraisal licences**

In the event the project appears commercial, the exploration licence is typically upgraded to an appraisal licence.

Under an appraisal licence, oil produced incidentally while exploring and assessing may be sold but only at domestic prices. Taxation under an appraisal licence is limited with only modest deductions. Changes to the legislation in the last few years have reduced the length of appraisal licences from six to five years, with a concession of reduced social obligation payments.

### **Full production licences**

To sell oil by reference to world prices requires that either the Contract Area as a whole or a particular structure has to be upgraded to a full production licence. Under a full production licence there is only limited scope to develop areas not already drilled. Additionally, a significant minority portion of production typically remains at domestic prices although the majority can be sold by reference to international prices.

### **Recent experience**

Our experience with the ongoing asset acquisitions and licence upgrade applications is that the process seems to be taking significantly longer than in previous years. As set out in greater detail in the Chairman's Statement the restrictions on drilling and developing assets during the review process is accordingly having a much greater negative financial impact than expected.

## **Taxes**

There are five different taxes that apply to Kazakh oil & gas producers. Each has its own basis of calculation with some being related to profits, others by reference to international oil prices and yet others by reference to the volume of oil sold. The overall impact is that as international prices increase so typically does the percentage taken by the Kazakh state.

## **STRATEGIC REPORT**

### **Introduction**

This strategic report comprises: the Group's objectives; the strategy; the business model; and a review of the Group's business using key performance indicators. The Chairman's statement, which together with the review of the Group's assets and the financial review also form the main part of the strategic review, contain an assessment of the development and performance of the Group's business during the financial year, and the position of the Group's business at the end of that year. Additionally, a summary of the principal risks and uncertainties facing the business is set out immediately after the Directors' report.

### **Objectives**

The Group's objective is to create sustainable shareholder value from the development of oil & gas and mineral projects and associated activities and also other assets in Kazakhstan where the board believes they would add shareholder value.

The Group has a number of secondary objectives, including promoting the highest level of health and safety standards, developing our staff to their highest potential and being a good corporate citizen in our chosen countries of operations.

### **Strategy**

The Group's long-term strategy is to increase shareholder value by building an attractive portfolio of oil & gas, mineral and other assets, initially in Central Asia, and in particular Kazakhstan, where the board has the greatest experience.

Since 2008, the Group's principal asset has been its 99% interest in the BNG Contract Area, on which both shallow and deep structures have been identified. In September 2024 shareholders overwhelmingly approved the sale of the BNG shallow structures for a headline cash consideration of \$88 million of which \$69.1 million has to date been received.

Separately, in February 2025 we announced a potential \$72.5 million investment in the BNG Contract Area's deep structures from a prominent middle east institutional investor to fund the further development of the BNG Contract Area's deep structures, which if completed would result in the Group's shareholding in the BNG deep structures reduced to 50%.

In April 2025 the Group completed the acquisition of the West Shalva Contract Area for a maximum consideration of \$15 million.

The Group also has a 100% interest in the Caspian Explorer, a shallow water drilling vessel designed for the northern parts of the Caspian Sea.

The Group has also conditionally agreed to acquire a 100% interest in the Block 8 Contract Area for a maximum consideration of \$60 million, payable via royalties on future Block 8 oil production at the rate of \$5 per barrel.

The Group is also close to making its first mineral acquisitions.

### **Business model**

The business model is straightforward. To take assets at any stage of the development cycle and to improve them to the point they contribute to the Group's profitability or that they may be sold on at a profit to provide funding for additional development.

As important as drilling success is judging when to sell. In 2015 we sold the Group's second Contract Area Galaz for \$100 million and in 2025 we sold the ageing BNG shallow structures for \$88 million.

Approaching \$200 million has been spent on the BNG assets of which approximately \$120 million has been spent by the Group since 2008, the majority of which on the deep structures. Success with BNG's deep structures would be a transformative event. The \$72.5 million third party funding identified to further develop BNG's deep structures would help diversify the Group's risk and allow other projects to be progressed while still maintaining significant upside potential.

We also believe Block 8 has the potential to at least match BNG. West Shalva adds a third oil & gas asset, but without the high temperature and pressures present at BNG and Block 8.

Mineral and other acquisitions are expected to further diversify risk and generate revenues at a faster pace than early stage oil & gas projects.

### **Further growth by acquisition**

The Group will consider acquiring additional assets or related businesses where the Board believes they would increase shareholder value, including assets outside its core oil & gas and mineral sectors where such acquisitions would not represent the majority of the Group's activities.

The Directors also believe the Group is exceptionally well placed through its strong local Kazakh presence to identify and buy undervalued oil & gas assets and mineral and other assets on an opportunistic basis.

### **Climate Change**

As principally a natural resources exploration and production company, we recognise our environmental responsibilities to all our stakeholders and in particular to the local communities in which we operate.

However, other than a longer term general move away from fossil fuels once renewable alternatives are available in sufficient quantities and at comparable prices, the Board is not aware of any indications that the impact of climate change is likely to have a material impact on the Group's business over the short and medium terms. We believe the current need for oil will continue for many decades to come.

### **Key performance indicators**

*The Non-Financial Key Performance Indicators (based on continuing and discontinued activities) were:*

- Operational (active wells not identified for abandonment at end of year) 2024: 10 (2023: 8)
- Aggregate production for 2024: 623,312 mmbbls (2023: 665,114 barrels) a fall of 6%
- Reserves at 31 December 2024
  - Shallow structures: 13.0 mmbbls P1 & 24.2 mmbbls P2 (2023: 13.6 P1 mmbbls & 24.8 P2 mmbbls) -but subsequently sold
  - Airshagyl deep structure (in the immediate vicinity of the drainage area around wells A5, A6 & A7): were independently assessed at 31 December 2024 as C1 49 mmbbls & C2 28.9 mmbbls, of which the Kazakh State Geological Committee in May 2025 has initially confirmed C1 reserves of 26 mmbbls with scope to increase the certified amount over the next three years

*The Financial Key Performance Indicators (based on continued and discontinued operations) were:*

- Revenue: up 43% at \$52.3 million of which \$31.5 million is from continuing operations (2023: \$36.7 million of which \$15.0 million is from continuing operations)
- Profit before tax \$17.1 million of which \$5.3 million is from continuing operations (2023: \$14.8 million of which a loss of \$0.2 million is from continuing operations)
- Profit after tax for the year \$16.8 million of which \$7.4 million is from continuing operations (2023: \$11.1 million of which a loss of 0.9 million is from continuing operations)
- Cash at bank: \$2.6 million (2023: \$1.2 million)
- Total assets: \$135.2 million (2023: \$134.9 million)
- Unproven oil & gas assets \$49.1 million (2023: \$52.0 million)

### **Assets & Reserves**

Further details of the Group's assets and reserves are set out in the Chairman's statement and throughout this Annual Report.

### **Financial**

The proceeds from the sale of the BNG shallow structures has provided funding to pay down the Group's debts, fund the further development of existing and previously announced assets and to fund the acquisition and development of a number of new projects.

Potential sources of additional funding if required would include advances from local oil traders for the sale of oil yet to be produced; industry funding in the form of partnerships with larger industry players; further support from existing shareholders; and equity funding from financial institutions. Additionally, funding may be available from selected asset sales or from the acquisition for shares of cash generative businesses.

### **Dividends**

The Board has decided against the resumption of regular dividend payments in favour of periodic special dividends and / or share buy backs, although none are currently proposed.

## S. 172 Statement

The Board is mindful of the duties of directors under S.172 of the Companies Act 2006.

Directors act in a way they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members. In doing so, they each have regard to a range of matters when making decisions for the long term success of the Company.

Our culture is that of treating everyone fairly and with respect and this extends to all our principal stakeholders. Through engaging formally and informally with our key stakeholders, we have been able to develop an understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition.

As part of the Board's decision-making process, the Board and its committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Our objective is to act in a way that meets the long term needs of all our main stakeholder groups. However, in so doing we pay particular regard to the longer term needs of shareholders. We engage with investors on our financial performance, strategy and business model. Our Annual General Meeting provides an opportunity for investors to meet and engage with members of the Board. The Board also continues to encourage senior management to engage with staff, suppliers, customers and the community in order to assist the Board in discharging its obligations.

Further details of how the Directors have had regard to the issues, factors and stakeholders considered relevant in complying with S 172 (1) (a)-(f), the methods used to engage with stakeholders and the effect on the Group's decisions during the year can be found throughout this report and in particular at page 21 (where the Group's strategy, objectives and business model are addressed), page 24 (in relation to employees) the ESG report on page 29 (in relation to social and environmental matters).

We seek to attract and retain staff by acting as a responsible employer. The health and safety of our employees is important to the Group and an area we have to regularly report on to the Kazakh regulatory authorities.

We continue to provide support to communities and governments through the provision of employment, the payment of taxes and supporting social and economic development in the surrounding areas, both through social investment and local procurement. We have contributed to a range of social programmes for well over a decade.

We have established long-term partnerships that complement our in-house expertise and have built a network of specialised partners within the industry and beyond.

Clive Carver  
Chairman  
28 November 2025



## **DIRECTORS' REPORT**

The Directors present their annual report on the operations of the Company and the Group, together with the audited financial statements for the year ended 31 December 2024.

The Strategic Report forms part of the business review for this year.

### **Principal activities**

The principal focus of the Group is on

- oil exploration and production
- oil trading
- onshore and offshore oilfield services
- mineral exploration and production

All the Groups operational activities are in Kazakhstan.

### **Results and dividends**

The consolidated statement of profit or loss is set out on page 46 and shows a \$16.8 million profit for the year after tax (2023: US\$11.1 million).

The Board has decided not to resume regular dividend payments but rather to look to periodically declare special dividends and/or share buy backs although none are currently proposed.

### **Review of the year**

The review of the year and the Directors' strategy are set out in the Chairman's Statement, the Strategic Report and throughout these financial statements.

### **Events after the reporting period**

Other than the operational and financial matters set out in these financial statements there have been no material events between 31 December 2024, and the date of this report, which are required to be brought to the attention of shareholders. Please refer to note 31 of these financial statements for further details.

### **Board changes**

There were no board changes during the year under review.

Aibek Oraziman, the Group's largest shareholder who joined the board as a non-executive director in 2020, will, effective from 1 January 2026, be appointed Chief Operating Officer, which is an executive director position. At the same time Seokwoo Shin, who joined the company in 2018 and the board as Chief Operating Officer in 2021, will become a non-executive director. These appointments will in due course result in a change in the composition of certain board committees.

### **Employees**

Staff employed by the Group are based primarily in Kazakhstan.

The recruitment and retention of staff, especially at management level, is increasingly important as the Group continues to build its portfolio of oil & gas and mineral assets. As well as providing employees with appropriate remuneration and other benefits together with a safe and enjoyable working environment, the Board recognises the importance of communicating with employees to motivate them and involve them fully in the business.

For the most part, this communication takes place at a local level and staff are kept informed of major developments through email updates. They also have access to the Group's website.

The Group has taken out full indemnity insurance on behalf of the Directors and its officers.

### **Health, safety and environment**

It is the Group's policy and practice to comply with health, safety and environmental regulations and the requirements of the countries in which it operates, to protect its employees, assets and the environment.

### **Environmental reporting**

The Group is exempt from the Streamlined Energy and Carbon Reporting (SECR) requirements since its energy consumption is less than 40,000 kWh per annum in the UK.

### Charitable and Political donations

During the year the Group made no charitable or political donations.

### Directors and Directors' interests

The Directors of the Group and the Company who held office during the period under review and up to the date of these financial statements are as follows:

#### Directors' interests

Director	Number of Ordinary Shares	
	As at 31 December 2024	As at 31 December 2023
Clive Carver	2,245,000	2,245,000
Kuat Oraziman*	nil	nil
Aibek Oraziman*	1,046,909,031	1,046,909,031
Seokwoo Shin	nil	nil

\* taken together on 31 December 2024 and 31 December 2023 the Oraziman Family, comprising Kuat Oraziman, Aibek Oraziman, Altynbek Bolatzhan and Bolatzhan Kerimbayev held 1,089,544,791 shares representing approximately 48.32% of the issued share capital. Together with Daulet Beisenov they formed a Concert Party then holding 1,091,189,529 shares representing 48.39% of the issued share capital at 31 December 2024 and 31 December 2023.

Biographical details of the Directors are set out on the Company's website [www.caspiansunrise.com](http://www.caspiansunrise.com).

Details of the Directors' individual remuneration, service contracts and interests in share options are shown in the Remuneration Committee Report.

#### Other shareholders over 3% at the date of this report

Shareholder	Shares held	%
Dae Han New Pharm Co Limited	224,830,964	9.55
Midiel Engineering AG	110,812,501	4.71
Ahmed Al Marri	110,812,500	4.71
Abai Kalmyrzayev	79,058,642	3.36

### Financial instruments

Details of the use of financial instruments by the Group and its subsidiary undertakings are contained in note 28 of these financial statements.

### Statement of disclosure of information to auditor

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditor for the purposes of their audit and to establish that the auditors are aware of that information.

The Directors are not aware of any relevant audit information of which the auditor is unaware.

Auditors PKF Littlejohn LLP, who were first appointed in 2023 and reappointed in 2024, have indicated their willingness to continue in office and a resolution concerning their reappointment was approved by shareholders at the Annual General Meeting held on 25 June 2025.

### Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the London Stock Exchange AIM Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Website publication**

The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. [www.caspian sunrise.com/investors/reports](http://www.caspian sunrise.com/investors/reports)

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### **Responsibility statement**

The Directors confirm that to the best of their knowledge

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties
- the Annual Report and the financial statements taken as a whole, are fair balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Clive Carver  
Chairman  
28 November 2025



## PRINCIPAL AND OTHER RISKS AND UNCERTAINTIES FACING THE BUSINESS

### Introduction

Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control systems.

Oil & gas and mineral exploration and production are dangerous activities and as such are necessarily subject to an extremely rigorous health and safety regime. The Board aims to identify and evaluate the risks the Group faces or is likely to face in future both from its immediate activities and from the wider environment. This helps to inform and shape the Group's strategy and to quantify its tolerance to risk.

Operational success generally helps to mitigate financial risks. Increases in production as new wells or mines come on stream generates cash and improves the Group's financial position, which can then lead to further operational success.

As the Group develops, its approach to risk management and mitigation will be refined. In due course we plan to include a formal risk register including all the principal operational and non-operational risks to the business. Such a risk register would be reviewed and assessed at least once a year.

The Group is subject to various risks relating to political, economic, legal, social, industry, business and financial conditions. The following risk factors, which are not exhaustive, are particularly relevant to the Group's business activities and are listed in the Board's assessment in the order of greatest potential impact.

Risk	Description	Mitigation
<b>Financial risk</b>	Oil & gas and mineral exploration and production typically requires a large upfront investment with no guarantee of success. As such the Group is exposed to the risk that it may be unable to fund its obligations under various work programme commitments and to pay creditors	The receipt of the bulk of the \$88 million sale of the MJF and South Yelemes structure has significantly strengthened the Group's financial position as would the completion of an investment transaction based on selling a 50% stake in the BNG Contract Area deep structures for \$72.5 million to be invested in further developing those structures.
<b>Operating risk</b>	Oil & gas exploration and production and mineral are dangerous activities. The Group is exposed to risks such as well blowouts, fire, pollution, bad weather and equipment failure.	The Group seeks to adopt best in class industry operating standards and complies with rigorous health & safety regulations.  The Group also seeks to work with contractors who can demonstrate similar high standards of safety.
<b>Exploration risk</b>	Despite the success of the BNG shallow structures, there can be no assurance the Group's exploration activities in the BNG deep structures or anywhere else will be successful.	The Group seeks to reduce this risk by acquiring and evaluating 3D seismic information before committing to drill exploration and appraisal wells.  The Group also seeks to engage suitably skilled personnel either as employees or contractors to undertake detailed assessments of the areas under exploration.
<b>Political Risk</b>	Political division which leads to civil disorder is likely to have an adverse impact on the Group's operations.	Widespread disorder in Kazakhstan had been absent since the Group's formation until the beginning of 2022, when the Group together with other operators was forced to suspend operations due to civil unrest.  The importance of the oil & gas and mineral industries to the Kazakh economy makes a prolonged suspension of operations unlikely, as was the case in 2022.
<b>Russian sanctions</b>	The sanctions imposed on Russia may affect both the Group's ability to transport its oil and the price at which the oil may be sold.  It may also affect the Group's ability to source equipment and other consumables required to produce oil.	For international sales and like most oil produced in Kazakhstan for the international market the Company's oil is transported to international buyers via the Russian oil pipeline network.  While there are and were no UK or EU sanction on Kazakh oil transported through the Russian pipeline system in practice in the past such oil was subject to a hefty unofficial "Urals Oil" discount. This made selling the Group's oil on the international market uneconomic.  More recently the discount on "Urals Oil" to international oil prices has narrowed to the point it is no longer an issue for volumes greater than those currently produced by the Group. However, for our recent

		<p>levels of production and given our sales trading income we are not to date at the point where international sales are yet commercial.</p> <p>We therefore currently sell all our oil either on the traditional domestic market or the domestic mini refinery market where taxes and other deductions are much lower.</p> <p>Equipment and consumables previously sourced from Russia are now found elsewhere, typically China, adding time and expense.</p>
<b>Permitting risks</b>	<p>Every stage of the Group's operations requires the approval of the industry regulators.</p> <p>While the Group enjoys good working relationships with the Kazakh regulatory authorities there can be no assurances that the laws and regulations and their reinterpretation will not change in future periods and that, as a result, the Group's activities would be affected.</p>	<p>Regulatory delays are inevitable and common place.</p> <p>Our experienced Kazakh workforce has both a thorough knowledge of the complex rules and a detailed practical understanding of the workings of each of the regulatory bodies with whom we need to deal. Accordingly, we believe we are as well placed as possible to minimise the financial impact of regulatory delays.</p>
<b>Pricing risk</b>	<p>We operate in an industry where the international price is set by world markets and the domestic price is set by the Kazakh regulatory authorities.</p>	<p>We have no influence on the price at which we can sell our oil or any minerals produced.</p> <p>Greater storage and or financial hedging would provide some protection against adverse oil price movements but would be expensive and short lived.</p>
<b>Environmental risk</b>	<p>There would be serious consequences should there be a polluting event.</p>	<p>The Group seeks to maintain compliance with all applicable regulatory standards and practices.</p> <p>Further information is set out in the Environmental, Social and Governance Report.</p>
<b>Climate change</b>	<p>That climate change might impact the prospects for the Group</p>	<p>The board does not believe in the short to medium term that climate change will have a material impact on the Group's revenues or operations. In particular the board believes the demand for oil will continue for at least the next decade and that climate change is unlikely to materially impact the Group's ability to produce that oil.</p>
<b>Exchange rate risk</b>	<p>Movements in exchange rates may result in actual losses or in the results reported in the Group financial statements.</p>	<p>The Group's income is denominated in US\$ and Kazakh Tenge its expenditure is denominated principally in US\$, Kazakh Tenge and UK £. In the year under review and subsequently the Kazakh Tenge weakened by approximately 15% against the US\$.</p> <p>Any decline in the Kazakh Tenge against the US\$ affects the US\$ reported income for domestic sales which transacted in Tenge. However, in such circumstances the Group generally benefits as international income is unaffected but approximately 50% of the Group's costs are incurred in Tenge reducing the US\$ reported operating costs.</p> <p>Given the relative strengths of the US\$ and the Kazakh Tenge, the Group has decided not to seek to hedge this foreign currency exposure.</p>
<b>Loss of major shareholder support</b>	<p>In previous periods the Group has relied on the financial support of the Oraziman family, which currently holds 50.5% of the Company's shares.</p>	<p>The Group now has significant cash balances from the sale of the MJF and South Yelemes structures.</p> <p>However, in the event further support was required it would clearly be in the interests of the Oraziman family as the major shareholding group to provide it.</p>
<b>Supplier risk</b>	<p>Continued operations depend on regular deliveries to site of consumables, such as water, food, heating oil and replacement parts for our drilling equipment. Delays in such deliveries to site could impact production volumes.</p> <p>The war in Ukraine has resulted in supplies no longer being sourced from Russia. Replacement supplies from China take much longer to arrive.</p>	<p>We have been operating the BNG Contract Area for more than a decade during which we have encountered numerous supply issues, all of which have been overcome.</p> <p>Managing supplies has become one of the most important aspects of the business.</p> <p>With a large proportion of supplies now coming from China, whose border is approximately 3,000 kilometers from the BNG Contract Area, lead times are now much greater. In addition, the working capital investment is also much greater as supplies need to be paid for much earlier than before.</p>

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT**

This report covers our ESG approach and performance for the year ended 31 December 2024.

### **ENVIRONMENTAL**

#### **Introduction**

Oil and gas exploration and production is a long-term activity requiring effective environmental stewardship. We have operated in Kazakhstan now for more than 18 years and have only been able to do so by complying with applicable environmental standards.

We recognise that society is transitioning towards a low-carbon future, and we support this goal. However, we believe that oil will continue to play an important role in the global economy for many decades to come, and new sources of oil supply will be required for a sustainable energy transition.

#### **Climate change**

##### *Assessing the risks*

We look to the Kazakh regulatory authorities to set the standards to which we work.

##### *Compliance with the standards*

We seek to comply with all relevant Kazakh environmental requirements, including environmental laws & regulations and industry guidelines.

##### *Specific initiatives*

- We seek to recycle gas produced as a by-product at BNG to power the Contract Area's day-to-day operations.
- We seek wherever possible to avoid flaring, which in any event is a regulated activity.
- Our workers at the BNG Contract Area are drawn from the local community, lessening the transportation carbon footprint.
- Where practical we make use of existing oil pipelines to move our oil.

#### **Health and safety**

Our daily operations prioritise health and safety and we seek to comply with all applicable health and safety related regulations.

### **SOCIAL**

Since the Group's formation in 2006, the social obligations payments made principally to the authorities in the regions in which the group operates have funded a range of projects for the benefit of the local communities concerned.

### **GOVERNANCE**

#### **Introduction**

Overall responsibility over the Group's corporate governance, risk management, market disclosure and related obligations rests with the Board.

Recently, as noted elsewhere in these financial statements, the Group has struggled to operate the board committee system set out below because of the small size of the board. Accordingly, in recent times the board as a whole has considered many of the issues typically previously dealt with by board committees.

#### **Committee composition**

The Governance & Risk Committee now comprises Clive Carver and Aibek Oraziman with Clive Carver acting as chairman. The committee typically meets at least once a year to review the Group's governance procedures compared to accepted industry best practice.

At the appropriate time the Board plans to include a formal risk register including all the principal operational and non-operational risks to the business to be considered by the Governance & Risk Committee.

#### **Share dealing policy**

The Group has adopted and operates a share dealing code for Directors and employees in accordance with the AIM Rules.

### Internal controls

The Board acknowledges responsibility for maintaining appropriate internal control systems and procedures to safeguard the shareholders' investments and assets, employees and the business of the Group. The Board also intends to periodically review the Group's financial controls and operating procedures.

### Internal audit

The Board does not consider it appropriate for the current size of the Group to establish an internal audit function. However, this will be kept under review.

### Bribery and corruption

The UK Bribery Act 2010 came into force on 1 July 2011.

The Company is committed to acting ethically, fairly and with integrity in all its endeavours and compliance with legislation is monitored. The principal terms of the UK Bribery Act have been translated into Russian and circulated to our Kazakh based staff. Consideration of the UK Bribery Act is a standing item at board meetings.

### The Company's culture

Our culture might best be described as one where we strive for commercial success while treating others fairly and with respect. The Board firmly believes that sustained success will best be achieved by following this simple philosophy. Accordingly, in dealing with each of the Group's principal stakeholders, we encourage our staff to operate in an honest and respectful manner. We also believe in getting proper value for money spent and believe this goes hand in hand with being a low-cost operator.

Kazakhstan plays an important part in the Group's culture. It is where we operate; where almost all staff are based; it is the nationality of most staff and of the majority of shareholders.

The Group is committed to promoting a culture based on ethical values and behaviours across the business. Policies are in place covering key matters such as equality, protection of sensitive information, conflicts of interest, whistleblowing and health and safety as well as environmental concerns.

### QCA Code

Caspian Sunrise, in line with most AIM companies, elected to apply the rules of the Quoted Companies Alliance (QCA) Corporate Governance Code ("QCA Code"), which is based around 10 broad principles.

The QCA has introduced an updated code which for Caspian Sunrise takes effect in the financial statements for the year ended 31 December 2025. This review is based on the existing QCA Code.

<p><b>Principle 1</b></p> <p><b>Establish a strategy and business model which promotes long term value for shareholders</b></p>	<p><b>Objective</b></p> <p>Caspian Sunrise's objective is to create shareholder value from the development of oil &amp; gas and mineral projects and associated activities.</p> <p>The Group has a number of secondary objectives, including promoting the highest level of health and safety standards, developing our staff to their highest potential and being a good corporate citizen in our chosen countries of operations.</p> <p><b>Strategy</b></p> <p>The Group's long-term strategy is to build shareholder value by assembling an attractive portfolio of oil &amp; gas and mineral exploration and production assets in Central Asia, and more particularly in Kazakhstan where the board has the greatest experience. The Group is also exploiting associated opportunities, such as oilfield services and commodity trading, and mineral exploration and production where the board believes it can add significant value and contribute towards the success of the Group as a whole.</p> <p><b>Our business model</b></p> <p>Our business model is to invest in and develop promising oil &amp; gas, mineral and other projects. Success in the long term will be measured by a sustainable appreciation in the Group's profitability and, in well functioning stock markets, the Company's share price.</p> <p><b>Principal assets</b></p> <p>The Group's principal asset is its 99% interest in the BNG Contract Area, which is in the west of Kazakhstan, 40 kilometres southeast of Tengiz on the edge of the Mangistau Oblast. In July 2025 the Group sold the MJF and South Yelemes shallow structures at the BNG Contract Area for a consideration of \$88 million.</p> <p>The Group owns the West Shalva Contract Area, an oilfield expected to be easier to develop than either BNG or Block 8 and nearer road and refinery infrastructure but without the potential</p>
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	<p>of BNG and Block 8.</p> <p>The Group owns the Caspian Explorer, a purpose built drilling vessel designed to explore the shallow reaches of the Caspian Sea. The Caspian Explorer had a construction cost of approximately \$200 million in 2012 and a replacement cost believed to be approximately \$300 million today.</p> <p>The Group owns four drilling rigs and a wide range of equipment which allows four wells to be drilled simultaneously.</p> <p>The Group is in the process of acquiring Block 8, an oilfield with many of the characteristics of BNG.</p> <p>Further acquisitions particularly in the minerals sector are expected.</p>
<p><b>Principle 2</b></p> <p><b>Seek to understand and meet shareholder needs and expectations</b></p>	<p><b>Shareholder communications</b></p> <p>The Company communicates with its shareholders via RNS announcements, its website, formal company meetings and periodic investor presentations. However, the need to avoid selectively releasing price sensitive information often limits our ability to provide the answers many investors seek.</p> <p>The Company has in recent times declined to provide information to shareholders on a selective basis believing this to be a fundamental breach of the need to treat all shareholders equally.</p> <p><b>Our shareholders</b></p> <p>A large proportion of the Company's shares are held by a relatively small group, namely: The Oraziman family (50.5%); Korean shareholders (9.5%); shareholders in Switzerland (4.7%); shareholders in the UAE (4.7%); with the remaining (30.6)% being principally other Kazakh or UK based investors.</p>
<p><b>Principle 3</b></p> <p><b>Take into account wider stakeholder and social responsibilities and their implications for long term success</b></p>	<p><b>Our stakeholders</b></p> <p>In addition to our shareholders the Company regards its employees and their families, local and national government, suppliers and customers to form the core of the wider stakeholder group.</p> <p><b>Employees</b></p> <p>Almost all staff employed by the Group are based in Kazakhstan. The Group draws most of its field workers from the Mangistau region where alternative employment opportunities are limited. At our head office in Almaty we employ further staff, some of whom hold highly skilled positions.</p> <p>As well as providing employees with appropriate remuneration and other benefits together with a safe and enjoyable working environment, the Board recognises the importance of communication with employees to motivate them and involve them fully in the business. For the most part, this communication takes place at a local level, but staff are kept informed of major developments through email updates and staff meetings.</p> <p><b>Local communities</b></p> <p>The Group has provided significant financial support to the Mangistau region for over a decade by way of social payments sometimes delivered in the form of medical or educational facilities for the local population.</p> <p>Part of our work programme obligations are paid in the form of contributions to local social programmes. We are pleased to have assisted in the development of these projects and look forward to contributing to others in the coming years.</p> <p><b>Kazakh Government agencies and regulators</b></p> <p>The Kazakh authorities are responsible for granting licences to explore for and produce oil. Licences are awarded subject to agreed work programmes being adhered to over the period of each licence renewal. This includes compliance with rules designed to preserve the environment.</p> <p>Caspian Sunrise has an extremely high proportion of Kazakh nationals in our workforce and among our core shareholder group. The Board believes that this helps create a positive relationship with the Kazakh authorities and has assisted in the Group's day-to-day dealings with regulators.</p> <p><b>External stakeholders</b></p> <p>Many additional jobs have been funded in the Company's suppliers, partners and professional advisers.</p> <p><b>Feedback</b></p> <p>The Company considers feedback from its stakeholders in its decisions and actions.</p>

<p><b>Principle 4</b></p> <p><b>Embed effective risk management, considering both opportunities and threats, throughout the organisation</b></p>	<p><b>Risk assessment</b></p> <p>Oil &amp; gas and mineral exploration and production are dangerous activities and as such are necessarily subject to an extreme health and safety regime. Risk assessment and evaluation is an essential part of the Company's planning and an important aspect of the Company's internal control system.</p> <p>It is planned to introduce a formal risk register, including all the principal operational and non-operational risks to the business. Such a risk register would be reviewed and assessed at least once a year by the Audit Committee.</p> <p>A summary of the principal risks facing the Group are set out in the Principal Risks section on page 27 of these Financial Statements.</p> <p>As stated elsewhere in these financial statements, the relatively small size of the board and the lack of independent non-executive directors makes the operation of the board committee systems envisaged under the QCA code difficult to follow. The board intends to address this in due course with the appointment of additional and independent non-executive directors.</p>
<p><b>Principle 5</b></p> <p><b>Maintain the board as a well-functioning, balanced team led by the chair</b></p>	<p><b>Board composition</b></p> <p>The board currently comprises three executive directors and one non-executive director. All are male with two Kazakh nationals, one South Korean national and a national from the United Kingdom.</p> <p><b>Executive directors</b></p> <p>At the executive level Kuat Oraziman, Chief Executive Officer, and Seokwoo Shin Chief Operating Officer run the Company's operations in Kazakhstan with Clive Carver, Chairman, taking the lead on financial and non-operational matters including all aspects related to the listing of the Company's shares on AIM and Corporate Governance compliance.</p> <p>Kuat Oraziman is a trained geologist and member of the Academy of Sciences. He has nearly 30 years oil and gas experience in Kazakhstan.</p> <p>Seokwoo Shin worked for the Korean National Oil Corporation from 1987 until 2018 with spells in Korea, the United Kingdom, Russia and most recently Kazakhstan, where he was responsible for KNOC's Kazakh oil fields. He joined Caspian Sunrise in 2018.</p> <p>Clive Carver is a fellow of the Institute of Chartered Accountants in England and Wales (FCA). While working in the UK broking industry Clive gained more than 15 years' experience as a Qualified Executive under the AIM Rules having led the Corporate Finance departments of several of the larger and more active Nominated Adviser firms.</p> <p><b>Non-executive director</b></p> <p>Aibek Oraziman, is the Company's largest shareholder with 44.5% of the Company's shares. He has more than 15 years oil and gas experience in Kazakhstan, including three years in the field at Aktobe working for a local oil company.</p> <p>The board believes it possesses the skills required to build a successful and durable oil and gas business focused on Kazakhstan.</p> <p>The board meets a minimum of four times each year supported by periodic telephone meetings. At such meetings the board receives a report from Kuat Oraziman on all matters operational and from Clive Carver on non-operational matters.</p> <p>The board also has a list of standing items, including compliance with the UK Bribery Act, litigation, and existence of open and closed periods for director dealings, which are considered at each meeting.</p> <p>The number of board meetings attended each year by the directors is set out in the Directors' report which forms part of the Annual Report and Financial Statements.</p> <p><b>Board committees</b></p> <p>While the Audit, Remuneration and Governance committees remain in place, but with only four directors and only one non-executive director much of the work typically undertaken in the board committees has been handled by the board as a whole.</p> <p>In due course we expect to make additional appointments to the board that would help return to a more traditional board committee set up.</p>

	<p><b>Departures from the Code</b></p> <p><b>Chairman</b> The principal reason advanced by proponents of the Code that the Chairman be non-executive is to split the roles of Chairman and Chief Executive Officer as combining them can put too much control in one pair of hands. This is not the case with our Company where the Chief Executive Officer's family is the largest shareholding group, with some 50.5%.</p> <p>Clive Carver was appointed Non-Executive Chairman of the Company in 2006 in the lead-up to the IPO the following year. In 2012 he was appointed Executive Chairman at the same time as Kuat Oraziman moved from Non-Executive Director to Chief Executive Officer.</p> <p>Clive Carver has served as non-executive chairman of eight AIM listed companies. In addition, his 15 years as a Qualified Executive and experience as head of several active corporate finance departments make him extremely well placed to be Chairman, notwithstanding his executive status.</p> <p><b>Non-Executive Directors' participation in Option Schemes</b> In common with many AIM companies, we actively encourage non-executive directors to participate in the Company's option schemes, although it is not currently the case. Proponents of the Code believe this affects the independence of the non-executive directors concerned.</p> <p>We believe that independence is a matter of mind, judgement, and integrity rather than having a disclosed interest in the success of the Company. We consider our non-executives' ability to act independently to be unaffected by the level of participation in the Company's option scheme.</p>
<p><b>Principle 6</b></p> <p>Ensure that between them the directors have the necessary up-to-date experience, skills, and capabilities.</p>	<p><b>Experience</b></p> <p>The experience of the directors is set out in the response to Principle 5 above and in the Annual Report and Financial Statements.</p> <p>Operational skills are maintained through an active day to day interaction with leading international consultancies and contractors engaged to assist in the development of the Company's assets.</p> <p>Non-operational skills are maintained principally via the Company's interaction with its professional advisers plus the experience gained from sitting on the boards of other commercial enterprises.</p> <p>As the Company develops and moves from predominantly an oil exploration company to a balanced production and exploration company with both oil &amp; gas and mineral projects, the board will periodically re-assess the adequacy of the skills on both the main board and the operational board. Where gaps are found, new appointments will be sought.</p>
<p><b>Principle 7</b></p> <p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p><b>Performance</b></p> <p>The Company currently does not evaluate board performance on a formal basis. However, it will in due course seek to formalise the assessment of both executive and non-executive board members.</p> <p>The Company is aware of its need to facilitate succession planning and the board evaluation process would address this.</p>
<p><b>Principle 8</b></p> <p>Promote a corporate culture that is based on ethical values and behaviours.</p>	<p><b>Culture</b></p> <p>Our culture can best be described as one where we strive for commercial success while treating others fairly and with respect. The board firmly believes that sustained success will best be achieved by following this simple philosophy.</p> <p>Accordingly, in dealing with each of the Company's principal stakeholders, we encourage our staff to operate in an honest and respectful manner.</p> <p>Operating with integrity is clearly good business and forms an important part of the annual assessment of staff and in setting their pay for future periods.</p>
<p><b>Principle 9</b></p> <p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p><b>Governance</b></p> <p>The Company believes that its stated governance structures and processes are consistent with its current size and complexity, while acknowledging the size of the board as currently constituted makes adherence to such a governance regime difficult in practice.</p> <p>The Board is aware that it must continue to review its practices as the Company evolves and grows and intends to make further appointments to the board as circumstances permit.</p>

	<p>The executive members of the Board have overall responsibility for managing the day-to-day operations of the Company and the Board as a whole is responsible for implementing the Company's strategy.</p> <p>The Audit Committee typically meets before each set of results (interim and final) are published and the Remuneration Committee typically meets at least once a year, when the Financial Statements for the full year results are approved. All Committee members attend these meetings.</p> <p>Our Report and Accounts contain reports from the Chairman of the Remuneration, and the Audit Committees.</p> <p>The appropriateness of the Company's governance structures will be reviewed annually in light of further developments of accepted best practice and the development of the Company.</p>
<p><b>Principle 10</b></p> <p><b>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</b></p>	<p><b>Communications</b></p> <p>The Company reports formally to its shareholders and the market twice each year with the release of its interim and full year results.</p> <p>The Annual Report and Financial Statements set out how the corporate governance of the Company has been applied in the period under review including the work undertaken by the Audit Committee and the Remuneration Committee.</p> <p>The Annual Report and Financial Statements contain full details of the principal events of the relevant period together with an assessment of current trading and prospects. They are sent to shareholders and made available on the Company's website to anyone who wishes to review them.</p> <p>The Board discloses the result of general meetings by way of RNS announcements, disclosing the voting numbers. The Company's website also contains all the information prescribed for an AIM Company under Rule 26.</p> <p>The Company does not typically engage in selective conversations with shareholders to avoid the risk of disclosing information on a selective basis, which is against the rules.</p> <p>The company's policy towards social media is that it does not use social media. If we have something to say it is said to all shareholders at the same time via the established regulatory announcement framework and in the publication of financial and other reports.</p> <p>Further details of the Company's dialogue with its shareholders are set out under Principle 2 above.</p> <p>Employee stakeholders are regularly updated with the development of the Company and its performance.</p> <p>We are in almost constant communication with our Governmental and regulatory stakeholders via their involvement in our day-to-day operational activities.</p>

#### **Board composition, skills and capabilities**

From 1 January 2024 to 31 December 2024 the Board comprised three executive directors and one non-executive director. This remains the position at the date of this report.

#### **Clive Carver, Chairman**

Clive is a fellow of the Institute of Chartered Accountants in England and Wales (FCA). He is an experienced public company director having been chairman of a number of AIM companies in recent years.

#### **Kuat Oraziman, Chief Executive Officer**

Kuat Oraziman runs the Company's operations in Kazakhstan. Kuat Oraziman is a trained geologist and member of the Academy of Sciences. He has nearly 31 years oil and gas experience in Kazakhstan.

#### **Seokwoo Shin, Chief Operating Officer**

Seokwoo Shin was educated at Sungkyunkwan University in Korea. He worked for the Korean National Oil Corporation from 1987 until 2019 with spells in Korea, the United Kingdom, Russia and most recently Kazakhstan, where he was responsible for KNOC's Kazakh oil fields. He joined Caspian Sunrise in 2018 and on 4 March 2021 was appointed to the board as Chief Operating Officer.

### Aibek Oraziman, Non-executive director

Aibek Oraziman was educated in Kazakhstan and in the United Kingdom. He has more than 15 years oil and gas experience in Kazakhstan, including three years in the field at Aktobe working for a local oil company. He was appointed to the Caspian Sunrise board on 21 August 2020.

The Board believes it possesses the skills required to build a successful and durable oil and gas business focused on Kazakhstan but recognises in due course the need for the appointment of additional non-executive directors.

### Board and committee meetings

Attendances of Directors at board and committee meetings convened in the year, and which they were eligible to attend in person or by telephone, are set out below:

Director	Board meetings attended	Remuneration Committees attended	Audit Committee attended	Governance committee attended
Clive Carver	4 of 4	1 of 1	2 of 2	1 of 1
Kuat Oraziman	4 of 4	N/A	N/A	N/A
Seokwoo Shin	4 of 4	N/A	N/A	N/A
Aibek Oraziman	4 of 4	1 of 1	2 of 2	1 of 1

The Board has established the following committees:

### Audit Committee

The Audit Committee which comprises Aibek Oraziman and Clive Carver, with Clive Carver as acting Chairman, determines and examines any matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditor, the scope of the audit.

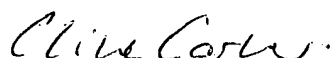
The Audit Committee receives and reviews reports from the management and the external auditor of the Group relating to the annual and interim accounts and the accounting and internal control systems of the Group. In addition, it considers the financial performance, position and prospects of the Group and the Company and ensures they are properly monitored and reported on.

### Remuneration Committee

The Remuneration Committee, which comprises Aibek Oraziman and Clive Carver, with Aibek Oraziman as Chairman, reviews the performance of the senior management, sets and reviews their remuneration and the terms of their service contracts and considers the Group's bonus and option schemes.

### Board committee membership in 2024

Director	Audit Committee		Remuneration Committee		Corporate Governance Committee	
	Served from	Served to	Served from	Served to	Served from	Served to
Clive Carver	1 January	31 December	1 January	31 December	1 January	31 December
Kuat Oraziman	N/A	N/A	N/A	N/A	N/A	N/A
Seokwoo Shin	N/A	N/A	N/A	N/A	N/A	N/A
Aibek Oraziman	1 January	31 December	1 January	31 December	1 January	31 December



Clive Carver  
Chairman  
28 November 2025

## REMUNERATION COMMITTEE REPORT

### Remuneration Committee

Between 1 January 2024 and 31 December 2024, the Remuneration Committee comprised Aibek Oraziman and Clive Carver and was chaired by Aibek Oraziman.

### Remuneration policy

The Remuneration Committee determines the contract term, basic salary, and other remuneration for the members of the Board and the senior management team.

The Group's and the Company's policy is to provide remuneration packages that will attract, retain and motivate its executive Directors and senior management. This consists of a basic salary, ancillary benefits and other performance-related remuneration appropriate to their individual responsibilities and having regard to the remuneration levels of comparable posts. However, starting in 2020 the Covid-19 impact on the Group's finances required the Directors to accept reductions of up to 75% of contracted salary which continued to be the case throughout 2024 and to date in 2025.

### Service contracts

Details of the current Directors' service contracts are as follows:

Executive	Date of service agreement / appointment letter	Date of last renewal of appointment
Clive Carver	20 March 2019	27 June 2024
Kuat Oraziman	6 December 2019	30 June 2023
Aibek Oraziman	21 August 2020	30 June 2023
Seokwoo Shin	4 March 2021	30 June 2023

### Basic salary and benefits

The basic salaries of the Directors who served during the financial year are established by reference to their responsibilities and individual performance.

Directors	Role	2024 Salary (US\$)	2024 Benefits US\$	2024 Total US\$	2023 Total US\$
Clive Carver	Chairman	152,698	-	152,698	162,503
Kuat Oraziman	CEO	99,930	-	99,930	145,484
Seokwoo Shin	COO	60,000	-	60,000	55,000
Aibek Oraziman	Non-executive	60,000	-	60,000	55,000
Edmund Limerick	Non-executive	-	-	-	72,382
Total		372,628	-	372,628	490,369

Edmund Limerick resigned as a director effective from 7 July 2023.

There were no company pension contributions in respect of any director.

### Bonus schemes

All Executive Directors are eligible for consideration of participation in the Company bonus scheme. However, as in previous years no bonuses are payable in respect of the year ended 31 December 2024 (2023: \$ nil).

### Long term incentives

#### Share options

The current interests as at the date of the approval of these financial statements of the current Directors in share options agreements are as follows:

Directors	Granted	Exercise price (p)	Expiry Date
Clive Carver	2,400,000	4	30 April 2025
Seokwoo Shin	2,500,000	4	24 April 2034

On 24 April 2024 the Company awarded 2,500,000 new 4p options to Seokwoo Shin, a director of the Company, 2,500,000 5.5p options previously awarded to Seokwoo Shin have been cancelled,

The position as set out in the 2023 financial statements was as follows:

Directors	Granted	Exercise price (p)	Grant date	Expiry Date
Clive Carver	2,400,000	4	15 December 2013	30 April 2025
Clive Carver	3,000,000	20	22 August 2014	21 August 2024
Kuat Oraziman	3,000,000	20	22 August 2014	21 August 2024
Seokwoo Shin	2,500,000	4	10 January 2022	17 April 2034

There were no options exercised or granted in 2024. The total number of options at the date of this report is 9,000,000 representing approximately 0.38% of the total number of issued shares.

**Cash based incentives**

In May 2019, we introduced cash based long term incentive arrangements for the senior management team since 2012, Kuat Oraziman and Clive Carver. Under these arrangements, provided the share price growth exceeds pre-set targets starting at 17.23p, then for every \$500 million increase in the Group's market capitalisation above \$300 million, as adjusted to take account of dividends paid, both Kuat Oraziman and Clive Carver, would receive payments of \$3 million each.

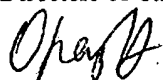
The principal hurdles under these arrangements are set out in the table below.

Market cap threshold	Share price target	Pay-out rate (each)	Pay-out amount (each)
\$ billion	Pence per share	%	\$ million
0.8	17.23	0.6	3.0
1.3	20.67	0.6	3.0
1.8	24.81	0.6	3.0
2.3	29.77	0.6	3.0
2.8	35.72	0.6	3.0

The scheme continues beyond the numbers in the table such that with the threshold for market capitalisation increasing at the rate of \$0.5 billion and the corresponding share price threshold increasing from the earlier threshold by a constant factor of 1.2.

Each threshold must be sustained for at least 30 consecutive days for the awards to be triggered. There may be only one pay-out for each market capitalisation threshold crossed no matter how many times it is crossed.

On behalf of the Directors of Caspian Sunrise plc



**Aibek Oraziman**  
Chairman of Remuneration Committee  
28 November 2025

## AUDIT COMMITTEE REPORT

### The Audit Committee

The Audit Committee, which between 1 January and 31 December 2024 comprised Clive Carver and Aibek Oraziman, with Clive Carver as the acting Chairman, determines and examines any matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditor, the scope of the audit.

### Role and responsibilities

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Group's internal control and risk management systems.

In addition, it considers the financial performance, position and prospects of the Group and the Company and ensures they are properly monitored and reported on. It oversees the relationship with the Auditor (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

### Meetings

The committee met on two occasions during the year under review.

### Internal audit

The Board and the Audit Committee do not consider it appropriate for the current size of the Group to establish an internal audit function. However, this will be kept under review.


### Attendance at Audit Committee meetings

Please see the table in the preceding Corporate Governance Report for attendance by the members of the Audit Committee.

### Group auditors

In October 2023 PKF Littlejohn LLP were appointed Group auditors and were reappointed at the Annual General Meetings in June 2024 and June 2025.

On behalf of the Directors of Caspian Sunrise plc



**Clive Carver**  
Acting Chairman of Audit Committee  
28 November 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASPIAN SUNRISE PLC

### Opinion

We have audited the financial statements of Caspian Sunrise Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included

- Obtaining the directors' going concern assessment and evaluating the appropriateness of this assessment;
- Obtaining management's base case forecasts covering the period to 31 December 2026 used to support this assessment, ascertaining the key assumptions and inputs used in the preparation of the forecasts, and assessing the reasonableness of such assumptions and inputs. This included, where possible, agreeing the inputs to underlying supporting documentation, and sensitising key assumptions;
- Comparing forecast income and expenses with recent historical financial information to consider the accuracy of management's forecasting;
- Agreeing the latest post-year end cash balances to the working capital position within the going concern forecast and testing the mathematical accuracy of the forecasts;
- Obtaining management's downside scenarios, which reflects management's assessment of uncertainty and the mitigating actions in place, and evaluating the assumptions regarding reduced trading levels under this scenario;
- Considering post-year end events and their impact on the group's financial position; and
- Assessing the appropriateness and completeness of disclosures in respect of going concern made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Our application of materiality**

We apply the concept of materiality in both planning and performing the audit and evaluating the effect of misstatements. Based on our professional judgement, we determined materiality for the financial statements as follows:

	<b>Group financial statements</b>	<b>Parent Company financial statements</b>
<b>Materiality</b>	USD 2,010,000 (2023: USD 1,960,000)	USD 1,450,000 (2023: USD 1,170,000)
<b>Basis for determining materiality</b>	1.5% of gross assets (2023: 1.5% of gross assets)	1.5% of net assets (2023: 3% of net assets)
<b>Rationale for the benchmark applied</b>	We have determined an asset based measure is appropriate as the Group continues to focus on the development of its key oil and gas exploration and production activities, which require significant capital expenditure.	The Parent Company is a holding company; therefore, materiality was set on the net assets basis.

*Performance materiality*

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	<b>Group financial statements</b>	<b>Parent Company financial statements</b>
<b>Performance materiality</b>	USD 1,206,000 (2023: USD 1,176,000)	USD 870,000 (2023: USD 702,000)
<b>Basis for determining materiality</b>	60% of materiality (2023: 60% of materiality)	60% of materiality (2023: 60% of materiality)
<b>Rationale for the benchmark applied</b>	Performance materiality for the current year was set based our assessment of the control environment including identified control deficiencies.	

Our audit procedures were performed to materiality levels applicable to each component, which were lower than the Group materiality level and ranged from USD 730,000 to USD 1,000,000 depending on that component's asset contribution.

In the audit of each component, we further applied performance materiality levels of 60% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

We agreed with those charged with governance that we would report to them all audit differences identified during the course of our audit in excess of USD 100,500 (2023: USD 98,000) for the Group and USD 87,000 (2023: USD 58,500) for the Parent Company. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

## Our approach to the audit

Our audit approach was developed by obtaining an understanding of the Group's and Parent Company's activities, the key subjective judgments made by the directors, for example in respect of the significant accounting estimates regarding the valuation of unproven oil and gas assets, as well as revenue recognition and classification and valuation of assets held for sale, as well as considering future events that are inherently uncertain, and the overall control environment. Based on this understanding we assessed those aspects of the Group's and Parent Company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be the key audit matter and planned our audit approach accordingly.

The Group's operations principally comprise oil and gas exploration and production in Kazakhstan. We assessed there to be five material components, in addition to the Parent Company. Three of these five components were subject to full scope audit and two components were subject to audit procedures on specific account balances, disclosures, or classes of transaction.

A non-PKF member firm performed the audit work on these five components, under our direction and supervision as Group auditors. The audit of the Parent Company and the Group consolidation were performed in the United Kingdom by PKF Littlejohn as group auditor. The Group audit team performed additional procedures in respect of certain significant risk areas including the key audit matter.

Our involvement with component auditors included the following:

- Detailed Group reporting instructions were sent to the component auditor, which included the significant areas to be covered by the audit.
- We reviewed the component auditor's working papers remotely from the UK. In addition, we reviewed the Group reporting submissions received from the component audit teams and held regular calls with the component audit teams during the planning, fieldwork and completion phases of their audit to discuss significant findings from their audit.
- We performed additional top-up procedures in respect of the significant risk areas where deemed necessary.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
<p><b>Carrying value of unproven oil and gas assets – Note 2.1.9 and 13</b></p> <p><b>The carrying value of the Group's unproven oil and gas assets as at 31 December 2024 was USD 49,148,000 (2023: USD 51,963,000).</b></p> <p><b>In accordance with IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>, assets should be held at cost and an annual assessment of impairment indicators should be performed.</b></p> <p><b>Given the level of management estimates and judgement required in determining the recoverability of these assets, there is a risk that management may not adequately identify all impairment indicators as outlined in IFRS 6. As</b></p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"><li>• Reviewing the work of the component auditor's testing of additions in the year, as well as obtaining the applicable exploration licences to ensure that these are valid and that relevant terms have been complied with;</li><li>• Obtaining confirmation that the Group has good title to the applicable exploration licences, and assessing compliance with terms of the licences through making enquiries of management and the legal consultant;</li><li>• Obtaining management's review of indicators of impairment, reviewing and challenging</li></ul>

**such, there is a risk that the carrying value of these assets is impaired and that exploration and development costs capitalised during the year have not been capitalised in accordance with IFRS 6.**

**As a result of the significant estimates and judgement required to be exercised by management, we consider this to be a key audit matter.**

management's assessment and independently considering whether any of the impairment indicators as per IFRS 6 have been met and, if so, whether any impairment is necessary;

- Obtaining and reviewing management's impairment assessment in accordance with IAS 36, corroborating and providing challenge to key inputs, and performing stress testing of the model under a range of scenarios;
- Evaluating available technical reports to determine whether the inputs and judgments applied in management's impairment review adequately support the carrying value of unproven oil and gas assets as of 31 December 2024;
- Inspecting cash flow forecasts to confirm that further drilling and exploration is planned for the licenced areas, as well as reviewing internal and external information available during the year and post-year end such as Board minutes and Regulatory News Service announcements for evidence of potential impairment
- Evaluation of the results of exploration activity in the year for indications that the licences would be abandoned or that the recoverable value would be below carrying value; and
- Reviewing disclosures in the financial statements to ensure compliance with the requirements of IFRS.

#### **Key observations**

We draw attention to the disclosure within Note 13 Unproven oil and gas assets and Note 2.1.9 within Critical accounting estimates and judgements which confirm the post-year end award of a 25 year production licence on the Airshagyl structure, for an initial three year period, during which additional reserves may be credited based on drilling results. The application to upgrade to a production licence for the Yelemes deep structure remains with the Kazakh regulatory authorities at the date of these financial statements.

Should the Airshagyl production licence not be extended beyond the initial three year period, and / or the Yelemes deep licence not be forthcoming, then this could trigger an impairment to the carrying value of exploration and evaluation assets.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form

of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the Group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the directors are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through
  - discussing with management, those charged with governance and those responsible for legal and compliance procedures, to understand how the Group is complying with those legal and regulatory frameworks; and
  - conducting and applying industry research and application of cumulative audit knowledge.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from:
  - UK-adopted international accounting standards;
  - Companies Act 2006;
  - AIM Rules and the Quoted Companies Alliance Corporate Governance Code;
  - Relevant industry laws and regulations in Kazakhstan, including relevant environmental regulations associated with oil and gas exploration and production activities;
  - UK and Kazakh taxation and employment laws; and
  - Terms of compliance included in the Group's production and exploration licences.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Reviewing minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
  - Review of Regulatory News Service announcements;
  - Directing the auditors of the significant components to ensure an assessment was performed on the extent of the components' compliance with the relevant local and regulatory environment and a review of correspondence with regulatory and tax authorities was performed for any instances of non-compliance with laws and regulations;
  - Reviewing the terms of the relevant licences pertaining to proven and unproven oil and gas assets to assess the extent to which the Group was in compliance with the conditions of the licence and considering management's assessment of the impact of instances of non-compliance where applicable; and
  - Review of legal expenditure accounts to understand the nature of expenditure incurred.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the area most susceptible to fraud was the valuation of unproven oil and gas assets, on the basis that there is potential for management bias as a result of judgement being exercised, and we addressed this by challenging the assumptions and judgements made by management when auditing these areas. See Key Audit Matter section above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Imogen Massey*

**Imogen Massey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
28 November 2025

15 Westferry Circus  
Canary Wharf  
London E14 4HD

## Consolidated Statement of Profit or Loss

	Notes	Year ended 31 December 2024 US\$'000	*Restated Year ended 31 December 2023 US\$'000
<b>Continuing Operations:</b>			
Revenue	4	31,470	15,036
Cost of sales		(22,221)	(10,838)
<b>Gross profit</b>		<b>9,249</b>	<b>4,198</b>
Selling expense		(167)	(1,947)
Administrative costs		(3,967)	(6,031)
Other operating income	5	-	3,774
<b>Operating profit</b>	5	<b>5,115</b>	<b>(6)</b>
Finance cost	8	(365)	(399)
Finance income	9	501	231
<b>Profit before taxation</b>		<b>5,251</b>	<b>(174)</b>
Tax credit / (charge)	10	2,109	(689)
<b>Profit after taxation from continuing operations</b>		<b>7,360</b>	<b>(863)</b>
<b>Discontinued operations<sup>(#)</sup></b>			
Profit for the year from discontinued operations	11	9,431	11,968
<b>Profit for the year</b>		<b>16,791</b>	<b>11,105</b>
Profit for the year attributable to owners of the parent		16,614	10,590
Profit for the year attributable to non-controlling interest		177	515
		16,791	11,105
<b>Profit / (loss) attributable to owners of the parent arises from:</b>			
Continuing operations		7,278	(1,258)
Discontinued operations		9,336	11,848
		16,614	10,590
<b>Earnings per ordinary share attributable to owners of the parent</b>			
From continuing operations:			
Basic and diluted (US cents)	12	0.32	(0.06)
From continuing and discontinued operations:			
Basic and diluted (US cents)	12	0.74	0.47

\*See note 3 for details of prior year restatement.

(#) The discontinued operations noted above relate only to the MJF and South Yelemes structures on the BNG Contract Area, which were sold for \$88 million in July 2025.

The notes on pages 53 to 80 are essential part of these financial statements

## Consolidated Statement of Comprehensive Income

	Year ended 31 December 2024 US\$'000	* Restated Year ended 31 December 2023 US\$'000
Profit after taxation	16,791	11,105
<b>Other comprehensive income, net of tax:</b>		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	(11,295)	676
<b>Total comprehensive income for the year</b>	<b>5,496</b>	<b>11,781</b>
Total comprehensive income attributable to:		
Owners of parent	5,319	11,266
Non-controlling interest	177	515
<b>Total comprehensive income for the year</b>	<b>5,496</b>	<b>11,781</b>

The notes on pages 53 to 80 are an essential part of these financial statement

## Consolidated Statement of Changes in Equity

	Share capital US\$'000	Share premium US\$'000	Cumulative translation reserve US\$'000	Other reserves US\$'000	Merger reserve US\$'000	Retained profit US\$'000	Total attributable to the owner of the Parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
<b>Total equity as at 1 January 2024</b>	<b>33,060</b>	-	<b>(65,838)</b>	<b>2,102</b>	<b>11,511</b>	<b>90,626</b>	<b>71,461</b>	<b>(5,152)</b>	<b>66,309</b>
Profit for the year	-	-	-	-	-	16,614	16,614	177	16,791
<i>Other comprehensive income for the year:</i>									
Exchange differences on translating foreign operations	-	-	(11,295)	-	-	-	(11,295)	-	(11,295)
<b>Total comprehensive income/(loss) for the year</b>	-	-	<b>(11,295)</b>	-	-	<b>16,614</b>	<b>5,319</b>	<b>177</b>	<b>5,496</b>
Transactions with owners in their capacity as owners:									
Dividends declared (to the non-controlling holder)	-	-	-	-	-	-	-	(1,496)	(1,496)
Shares issued	56	126	-	-	-	-	182	-	182
<b>Total transactions with owners</b>	<b>56</b>	<b>126</b>	-	-	-	-	<b>182</b>	<b>(1,496)</b>	<b>(1,314)</b>
<b>Total equity as at 31 December 2024</b>	<b>33,116</b>	<b>126</b>	<b>(77,133)</b>	<b>2,102</b>	<b>11,511</b>	<b>107,240</b>	<b>76,962</b>	<b>(6,471)</b>	<b>70,491</b>

	Share capital US\$'000	Share premium US\$'000	Cumulative translation reserve US\$'000	Other reserves US\$'000	Merger reserve US\$'000	Retained profit US\$'000	Total attributable to the owner of the Parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
<b>Total equity as at 1 January 2023</b>	<b>33,060</b>	-	<b>(66,514)</b>	<b>(2,362)</b>	<b>11,511</b>	<b>84,775</b>	<b>60,470</b>	<b>(5,667)</b>	<b>54,803</b>
Profit for the year	-	-	-	-	-	10,590	10,590	515	11,105
<i>Other comprehensive income for the year:</i>									
Exchange differences on translating foreign operations	-	-	676	-	-	-	676	-	676
<b>Total comprehensive income for the year</b>	-	-	<b>676</b>	-	-	<b>10,590</b>	<b>11,266</b>	<b>515</b>	<b>11,781</b>
Transactions with owners in their capacity as owners:									
Dividends declared (note 20)	-	-	-	-	-	(2,377)	(2,377)	-	(2,377)
Shareholder advance at below market rate (note 24)	-	-	-	2,102	-	-	2,102	-	2,102
Liquidation of subsidiary*	-	-	-	2,362	-	(2,362)	-	-	-
<b>Total transactions with owners</b>	-	-	-	<b>4,464</b>	-	<b>(4,739)</b>	<b>(275)</b>	-	<b>(275)</b>
<b>Total equity as at 31 December 2023</b>	<b>33,060</b>	-	<b>(65,838)</b>	<b>2,102</b>	<b>11,511</b>	<b>90,626</b>	<b>71,461</b>	<b>(5,152)</b>	<b>66,309</b>

\*Galaz Energy BV was liquidated in 2022 and during 2023 the Directors decided to transfer a separate equity reserve associated with the entity to Retained profit for capital maintenance purposes. The balance arose on acquisition of non-controlling interest in 2010.

Equity	Description and purpose
Share capital	The nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of the nominal value.
Deferred shares	The nominal value of the deferred shares issued.
Cumulative translation reserve	Gains/losses arising on retranslating the net assets of overseas operations into US Dollars, less amounts recycled on disposal of subsidiaries and joint ventures.
Other reserves	Capital contribution arising on discounted loans.
Merger reserves	The excess of the fair value of the issues share capital over the nominal value of these shares issued for acquisition of at least 90 percent equity holding in subsidiaries.
Retained profit/(deficit)	Cumulative losses recognised in the consolidated statement of profit or loss, adjustments on the acquisition of non-controlling interests and transfers in respect of share based payments.
Non-controlling interest	The interest of non-controlling parties in the net assets of the subsidiaries.

The notes on pages 53 to 80 are an essential part of these financial statements

## Parent Company Statement of Changes in Equity

	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	Retained profit US\$'000	Total attributable to the owner of the Parent US\$'000
Total equity as at 1 January 2024	33,060	-	11,511	55,299	99,870
Total comprehensive loss for the year	-	-	-	(1,622)	(1,622)
Shares issued	56	126	-	-	182
Total equity as at 31 December 2024	33,116	126	11,511	53,677	98,430

	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	Retained profit US\$'000	Total attributable to the owner of the Parent US\$'000
Total equity as at 1 January 2023	33,060	-	11,511	59,012	103,583
Total comprehensive loss for the year	-	-	-	(1,336)	(1,336)
Dividends declared (note 20)	-	-	-	(2,377)	(2,377)
Total equity as at 31 December 2023	33,060	-	11,511	55,299	99,870

Equity	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
Merger reserves	The excess of the fair value of the issues share capital over the nominal value of these shares issued for acquisition of at least 90 percent equity holding in subsidiaries
Retained profit/(deficit)	Cumulative losses recognised in the profit or loss

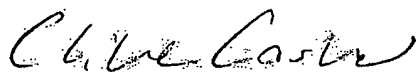
The notes on pages 53 to 80 are an essential part of these financial statements

## Consolidated Statement of Financial Position

Company number 05966431			
	Notes	Group 2024 US\$'000	Group 2023 US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Unproven oil and gas assets	13	49,148	51,963
Property, plant and equipment	14	4,507	64,930
Trade and other receivables	17	3,513	3,230
Restricted use cash		1	706
<b>Total non-current assets</b>		<b>57,169</b>	<b>120,829</b>
<b>Current assets</b>			
Inventories	16	3,245	1,497
Trade and other receivables	17	8,210	12,149
Current tax receivable		1,796	-
Cash and cash equivalents	18	2,644	447
		15,895	14,093
Assets held for sale	32	62,099	-
<b>Total current assets</b>		<b>77,994</b>	<b>14,093</b>
<b>Total assets</b>		<b>135,163</b>	<b>134,922</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>			
Share capital	19	33,116	33,060
Share premium	19	126	-
Other reserves:		2,102	2,102
Merger reserve		11,511	11,511
Retained profit		107,240	90,626
Cumulative translation reserve		(77,133)	(65,838)
<b>Equity attributable to the owners of the Parent</b>		<b>76,962</b>	<b>71,461</b>
Non-controlling interests	30	(6,471)	(5,152)
<b>Total equity</b>		<b>70,491</b>	<b>66,309</b>
<b>Current liabilities</b>			
Trade and other payables	21	20,820	16,095
Borrowing	24	3,678	3,624
Current tax liabilities		-	989
BNG historic costs payable	23	-	3,178
Current provisions	25	3,749	4,481
		28,247	28,367
Liabilities related to assets held for sale	32	15,181	-
<b>Total current liabilities</b>		<b>43,428</b>	<b>28,367</b>
<b>Non-current liabilities</b>			
Borrowing	24	1,830	3,070
Deferred tax liabilities	26	6,406	7,378
BNG historic costs payable	23	-	13,746
Non-current provisions	25	705	1,160
Withholding tax payable	22	12,303	14,892
<b>Total non-current liabilities</b>		<b>21,244</b>	<b>40,246</b>
<b>Total liabilities</b>		<b>64,672</b>	<b>68,613</b>
<b>Total equity and liabilities</b>		<b>135,163</b>	<b>134,922</b>

Approved by the Board and authorised for issue:

Clive Nathan Carver



Chairman,  
28 November 2025

Company number: 5966431

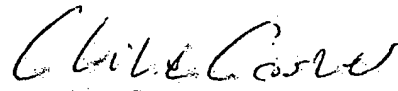
The notes on pages 53 to 80 are an essential part of these financial statements

## Parent Company Statement of Financial Position

Company number 05966431	Notes	Company 2024 US\$'000	Company 2023 US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	15	15,487	15,487
Trade and other receivables	17	88,490	89,083
<b>Total non-current assets</b>		<b>103,977</b>	<b>104,570</b>
<b>Current assets</b>			
Trade and other receivables	17	85	73
Cash and cash equivalents	18	28	48
<b>Total current assets</b>		<b>113</b>	<b>121</b>
<b>Total assets</b>		<b>104,090</b>	<b>104,691</b>
<b>Equity and liabilities</b>			
Share capital	19	33,116	33,060
Share premium	19	126	-
Merger reserve		11,511	11,511
Retained profit		53,677	55,299
<b>Total equity</b>		<b>98,430</b>	<b>99,870</b>
<b>Current liabilities</b>			
Borrowing	24	168	104
Trade and other payables	21	5,492	4,717
<b>Total current liabilities</b>		<b>5,660</b>	<b>4,821</b>
<b>Total equity and liabilities</b>		<b>104,090</b>	<b>104,691</b>

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income. The Company incurred loss after tax for the year ended 31 December 2024 in the amount of US\$1,622,000 (2023: loss of US\$ 1,336,000).

Approved by the Board and authorised for issue:

  
Clive Nathan Carver,

Chairman,  
28 November 2025

Company number: 05966431

The notes on pages 53 to 80 are an essential part of these financial statements

## Consolidated and Parent Company Statements of Cash Flows

	Notes	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
<b>Cash flows from operating activities</b>					
Cash received from customers		54,760	39,539	-	-
Payments made to suppliers for goods and services		(34,414)	(28,525)	(857)	(637)
Payments made to employees		(2,476)	(5,353)	(361)	(413)
<b>Net cash flow generated from/ (used in) operating activities</b>		<b>17,870</b>	<b>5,661</b>	<b>(1,218)</b>	<b>(1,050)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	14	(9,445)	(7,283)	-	-
Additions to unproven oil and gas assets	13	(6,441)	(4,939)	-	-
Loan provided to the related party as part of the potential acquisition	17	-	(1,545)	-	-
Advances repaid by subsidiaries		-	-	1,143	1,099
<b>Net cash flow (used in)/ generated from investing activities</b>		<b>(15,886)</b>	<b>(13,767)</b>	<b>1,143</b>	<b>1,099</b>
<b>Cash flows from financing activities</b>					
Dividends paid	20	-	(3,026)	-	(2,605)
Net movement in revolving bank credit facility	24	505	3,199	-	-
Loans received from related parties	24	55	4,779	55	200
Repayment of loans from related parties		(696)	-	-	-
Bank interest paid		(356)	(69)	-	-
<b>Net cash flow (used in)/ generated from financing activities</b>		<b>(492)</b>	<b>4,883</b>	<b>55</b>	<b>(2,405)</b>
Net increase/ (decrease) in cash and cash equivalents		1,492	(3,223)	(20)	(2,357)
Cash and cash equivalents at the beginning of the year		1,153	4,376	48	2,405
<b>Cash and cash equivalents at the end of the year</b>	<b>18</b>	<b>2,645</b>	<b>1,153</b>	<b>28</b>	<b>48</b>

Changes in liabilities arising from financing activities are disclosed in note 24 and no non-cash additions to unproven oil and gas assets and property, plant, and equipment are included in notes 13 and 14 respectively.

The notes on pages 53 to 80 form part of these financial statements

# Notes to the Financial Statements

## General information

Caspian Sunrise plc (“the Company”) is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 5 New Street Square, London, EC4A 3TW.

The principal activities of the Company and its subsidiaries (the “Group”) are the exploration for and the production of oil & gas and minerals.

## 1 Principal accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements (“Group financial statements”) and the Company’s standalone financial statements (“Company financial statements”) are set out below.

### 1.1 Basis of preparation

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards (“IFRS”) in conformity with the requirements of the Companies Act 2006.

The Group and Company financial statements are presented in US dollars (“US\$”), which is the Group’s and Company’s presentational currency, rounded to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 2.

### *Going concern*

The financial strategy of the Group in recent years has been to fund compliance with work programme commitments in particular at the BNG Contract Area’s deep structures and where possible to expand the Group’s activities without unduly diluting shareholders longer term interests. This inevitably stretched the short and medium term creditor position to levels at the period end and subsequently which in a more established Group might appear excessive.

Completion of the sale of the MJF and South Yelemes structures, with at the date of this report the receipt of \$69.1 million of the disposal proceeds, has allowed the repayment of a significant portion of the year end debt and a material reduction in the amounts due to trade and other creditors. Additionally the outstanding historic costs relating to the MJF and South Yelemes structures are now the responsibility of the purchaser of the MJF and South Yelemes structures.

At the date of these financial statements the Group has cash of approximately \$23 million, which is significantly in excess of the Group’s financial commitments over the next 12 months

Accordingly, the Board for the first time in many years, no longer considers there to be a material uncertainty regarding the assessment of the Group’s financial position and have adopted the going concern basis in preparing these financial statements.

In assessing the Group’s adoption of the going concern basis in the preparation of these financial statements the Board has assessed cash flow forecasts prepared for the period to 31 December 2026 and assessed the risks and uncertainties associated with the operations and funding position, including Block 8 and West Shalva.

Should it be necessary, the Board has the following options available to mitigate any short-term funding issues:

- To seek additional funding from advance oil sales once the Group’s remaining oil & gas assets begin production
- To sell all or part of one or more of the Group’s assets – including either the BNG Contract Area’s deep structures or the Caspian Explorer
- Seek additional short term funding from the Group’s largest shareholder group
- To seek additional equity capital
- To acquire for shares one or more cash generative businesses

### 1.2 New and amended standards and interpretations

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 January 2024 that had a material effect on the Group and Company financial statements.

At the date of approval of these financial statements, there were no new standards or amendments to IFRS which have not been applied in these financial statements which were in issue but not yet effective and are expected to have a material impact on the consolidated and company financial statements.

## Notes to the Financial Statements (continued)

### 1 Principal accounting policies (continued)

#### 1.3 Basis of consolidation

Subsidiary undertakings are entities that are directly or indirectly controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Directors considers all relevant facts and circumstances in assessing whether the Group has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Directors reassess whether or not the Group controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from equity attributable to the owner of the Company. On acquisition of subsidiaries, non-controlling interests are measured at their proportionate share of the fair value of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

#### 1.4 Foreign currency translation

##### *Functional and presentational currencies*

The functional currency for each entity in the Group is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the US Dollar. Other entities in the Group have the US Dollar or Kazakh Tenge ("KZT") as their functional currencies.

The Group and Company financial statements are presented in US Dollars, which is the Group's and Company's presentational currency.

##### *Transactions and balances in foreign currencies*

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items, including the parent's share capital, that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

##### *Consolidation*

For the purpose of consolidation all assets and liabilities of Group entities with a functional currency that is not US Dollars are translated at the rate prevailing at the reporting date. The profit or loss is translated at the exchange rate approximating to those ruling when the transaction took place. Exchange difference arising on retranslating the opening net assets from the opening rate and results of operations from the average rate are recognised directly in other comprehensive income (the "cumulative translation reserve"). On disposal of a foreign operator, related cumulative foreign exchange gains and losses are reclassified to profit and loss and are recognised as part of the gain or loss on disposal.

##### *Exchange rates*

For reference, the year end exchange rate from sterling to US\$ was 1.24 (2023: 1.27) and the average rate during the year was 1.30 (1.27). The year-end exchange rate from KZT to US\$ was 523.54 (2023: 454.56) and the average rate during the year was 469.44 (2023: 456.248).

## Notes to the Financial Statements (continued)

### 1 Principal accounting policies (continued)

#### 1.5 Revenue

Revenue from contracts with customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service.

Revenue is measured at the fair value of the consideration received, excluding value added tax (“VAT”) and other sales taxes or duty.

##### *Sale of crude oil*

The transfer of control of oil and oil products sold by the Group usually coincides with title passing to the customer. The Group satisfies its performance obligations at a point in time.

Under the terms of domestic oil sales arrangements, the performance obligation is satisfied when the local refinery provides the seller and the customer with the act of acceptance of crude oil or oil products of the quantity and quality according to the agreement between the parties.

Under the terms of export sales arrangements, the performance obligation is satisfied when the Ocean Bill of Lading is issued by the transport company following loading of the crude oil of specified quantity and quality on the tanker.

Payments in advance by oil traders are recorded initially as deferred revenue, reflecting the nature of the transaction. Subsequently, the deferred revenue is reduced and revenue is recorded, as sales are made under the Group’s revenue recognition policy with the performance obligation satisfied.

##### *Oil trading*

The Group refines some of the crude oil it produces, via a third-party refineries, and sells the resulting oil products on the domestic market. Revenue for the sale of oil products is recognised at a point in time when the ownership passes to the customer.

##### *Onshore and offshore drilling services*

The Group has applied the input method of revenue recognition in accounting for revenue on unit rate/lump sum contracts, under which revenue is recognised over time according to the stage of completion reached in the contract by measuring the proportion of costs incurred for work performed relative to the total estimated costs. For contracts that are at an early stage of the drilling process, total costs to complete may not be estimated reliably, in which case the cost recovery method is used whereby revenue is only recognised for the costs that are recoverable.

Drilling services contain distinct goods and services, but these are not considered distinct in the context of the contract and are therefore combined into a single performance obligation. At contract inception management consider all applicable factors to determine whether the contract contains a single performance obligation or multiple performance obligations.

A change to an existing contract for a project of the Group is a modification, which could change the scope of the contract, the price of the contract, or both. The Group uses two methods to account for a contract modification: (1) as a separate contract when the modification promises distinct goods or services and the price reflects the stand alone selling price; or (2) as a cumulative catch-up adjustment when the modification does not add distinct goods or services and is part of the same performance obligation.

#### 1.6 Cost of sales

For structures or contract areas with full production licences oil sales are recognised as revenue and the associated costs as costs of sales. For sale of oil products, cost of sales includes the cost of refining crude oil.

Direct costs to fulfil drilling contracts, including employee costs of field staff, are recognised in cost of sales as incurred. When it is probable that the total contract costs will exceed total contract revenue, the contract becomes onerous, and an onerous contract provision is created in accordance with the Group’s accounting policy 1.10. Changes in the onerous contract provision are recognised within other operating costs.

#### 1.7 Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

In case of the uncertainty of the tax treatment, the Group assess, whether it is probable or not, that the tax treatment will be accepted, and to determine the value, the Group use the most likely amount or the expected value in determining taxable profit, tax bases, unused tax losses, unused tax credits and tax rates.

##### *Withholding tax payable in Kazakhstan*

According to requirements of the Tax Code of Kazakhstan, withholding taxes payable for non-residents should be withheld from the total amount of interest income of non-residents and paid to the government when interest is paid (in cash) to non-residents. The companies should pay taxes from non-residents’ interest income derived from sources in the Republic of Kazakhstan on behalf of these non-residents.

## Notes to the Financial Statements (continued)

### 1 Principal accounting policies (continued)

#### 1.8 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are generally recognised for all taxable temporary differences. A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences can be utilised.

#### 1.9 Unproven oil and gas assets

The Group applies the full cost method of accounting for exploration and unproven oil and gas asset costs, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources' ("IFRS 6"). Under the full cost method of accounting, costs of exploring for and evaluating oil and gas properties are accumulated and capitalised by reference to appropriate cost pools. Such cost pools are based on license areas. The Group currently has two cost pools: the shallow structures in BNG and the 3A Best licence area.

Exploration and evaluation costs include costs of license acquisition, technical services and studies; seismic acquisition, exploration drilling and testing, but do not include costs incurred prior to having obtained the legal rights to explore an area, which are recognised directly in profit or loss as they are incurred.

Plant and equipment assets acquired for use in exploration and evaluation activities are classified as property, plant and equipment. However, to the extent that such asset is consumed in developing an unproven oil and gas asset, the amount reflecting that consumption is recorded as part of the cost of the unproven oil and gas asset.

The amounts included within unproven oil and gas assets include the fair value that was paid for the acquisition of partnerships holding subsoil use in Kazakhstan. These licenses have been capitalised to the Group's full cost pool in respect of each license area.

Exploration and unproven oil and gas assets related to each exploration license or prospect are not amortised but are carried forward until the technical feasibility and commercial feasibility of extracting a mineral resource are demonstrated, at which point an impairment review is carried out and assets are transferred to proven oil and gas properties.

Exploration and unproven oil and gas assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable as at the reporting date. In accordance with IFRS 6, the Directors firstly consider the following facts and circumstances in their assessment of whether the Group's exploration and evaluation assets may be impaired, whether:

- the period for which the Group has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
- exploration for and evaluation of hydrocarbons in a specific area have not led to the discovery of commercially viable quantities of hydrocarbons and the Group has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

If any such facts or circumstances are noted, the Directors perform an impairment test in accordance with the provisions of IAS 36 'Impairment of assets'. The aggregate carrying value is compared against the expected recoverable amount of the cash generating unit, being the relevant cost pool. The recoverable amount is the higher of value in use and the fair value less costs to sell.

## Notes to the Financial Statements (continued)

### 1 Principal accounting policies (continued)

#### 1.10 Property, plant and equipment

Property, plant and equipment ("PPE") consists of proven oil and gas properties and other assets.

##### *Proven oil and gas assets*

Once an exploration project reaches the stage of commercial production and production permits are received, the carrying values of the relevant exploration and evaluation asset are assessed for impairment and transferred to proven oil and gas properties and included within property plant and equipment. The costs transferred comprise direct costs associated with the relevant wells and infrastructure, together with an allocation of the wider unallocated exploration costs in the cost pool such as original acquisition costs for the field.

*Proven oil and gas properties* are subsequently accounted for in accordance with provisions of the cost model and are depleted on unit of production basis based on commercial reserves of the pool to which they relate.

As part of the Kazakh licencing regime, upon award of a production contract in respect of the BNG licence area, an obligation to make a payment to the licencing authority may be triggered, which is settled over a 10 year period in equal quarterly instalments. Such payments are considered to form a cost of the licence and are capitalised to proven oil and gas assets and subsequently depreciated on a units of production basis in accordance with the Group's depreciation policy. In circumstances where the amount assessed by the authorities is contested, the Group records a provision discounted using a Kazakh government bond yield with a term approximating to the payment profile and the discount is unwound over the payment term and charged to finance costs. Payments made are charged against the provision.

##### *Other PPE assets*

All other PPE assets, including the Caspian Explorer, are stated at cost less accumulated depreciation and impairment. The assets are depreciated on a straight-line basis, at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life. Expected useful economic life and residual values are reviewed annually. The annual rates of depreciation are as follows:

- |                  |                |
|------------------|----------------|
| - motor vehicles | 4-5 years      |
| - other          | over 2-4 years |

##### *Impairment of PPE*

At each reporting date, the Directors review the carrying values of the Group's PPE to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the smallest cash-generating unit ("CGU") to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value less costs to sell is determined by discounting the post-tax cash flows expected to be generated by the CGU, net of associated selling costs, and takes into account assumptions market participants would use in estimating fair value including future capital expenditure and development cost for extraction of the field reserves.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

##### *Workovers/Overhauls and maintenance*

From time to time a workover or overhaul or maintenance of existing proven oil and gas properties is required, which normally falls into one of two distinct categories. The type of workover dictates the accounting policy and recognition of the related costs:

Capitalisable costs – cost will be capitalised where the performance of an asset is improved, where an asset being overhauled is being changed from its initial use, the assets' useful life is being extended, or the asset is being modified to assist the production of new reserves.

Non-capitalisable costs – expense type workover costs are costs incurred as maintenance type expenditure, which would be considered day-to-day servicing of the asset. These types of expenditures are recognised within cost of sales in the statement of comprehensive income as incurred. Expense workovers generally include work that is maintenance in nature and generally will not increase production capability through accessing new reserves, production from a new zone or significantly extend the life or change the nature of the well from its original production profile.

#### 1.11 Abandonment provision

Provision is made for the present value of the future cost of the decommissioning of oil wells and related facilities. This provision is recognised when the asset is installed. The estimated costs, based on engineering cost levels prevailing at the reporting date, are computed on the basis of the latest assumptions as to the scope and method of decommissioning. The corresponding amount is capitalised as a part of the oil and gas asset and, when in production is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation charge. Any adjustment arising from the reassessment of estimated cost of decommissioning is capitalised, while the charge arising from the unwinding of the discount applied to the decommissioning provision is treated as a component of the interest charge.

## Notes to the Financial Statements (continued)

### 1 Principal accounting policies (continued)

#### 1.12 Investment in subsidiaries

In Company financial statements, investments in subsidiaries undertakings are shown at cost less allowance for impairment. Investments in subsidiaries are reviewed annually for impairment indicators and, if required, are subject to impairment reviews as detailed in note 1.9.

#### 1.13 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

#### 1.14 Deferred and accrued revenue

Deferred revenue is a liability that arises when a customer pays consideration before the respective goods (crude oil or oil products) or services (drilling) are transferred to the customer.

Accrued revenue is an asset that arises when the Group performs its contract obligations by transferring goods or services to a customer before the consideration is paid or before payment is due. A right to payment that is unconditional is a financial asset and is recognised as a trade receivable. Accrued revenue is assessed annually for impairment in accordance with the same accounting policy as applied to trade receivables (note 1.15).

#### 1.15 Financial instruments

Financial instruments, or their component parts, are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement.

Financial assets and financial liabilities are recognised when the Company or Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or have expired.

##### *Financial assets*

Financial assets are classified at initial recognition into one of the categories listed below, depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset.

##### *Amortised cost*

Financial assets held at amortised cost comprise cash and cash equivalents, trade and other receivables and amounts advanced to subsidiaries and loans to related parties.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are recognised based on the simplified approach within IFRS 9 'Financial Instruments' ("IFRS 9") using the lifetime expected credit losses ("ECL") method. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables. For trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade or other receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

##### *Financial liabilities*

Financial liabilities include trade and other payables, borrowings and other payables. All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

If a loan is renegotiated on substantially different terms, this is treated as an extinguishment of the original financial liability and the recognition of a new financial liability with a gain or loss recognised in profit or loss. When the Company extinguishes a financial liability in return for equity, the shares issued are recognised at their fair value with any difference to the carrying value of the financial liability recognised in profit or loss.

##### *Share capital*

Ordinary and deferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

#### 1.16 Restricted use cash

Restricted use cash represents cash set aside by the Group for the purpose of creating an abandonment fund to cover the future cost of the decommissioning of oil and gas wells and related facilities and in accordance with local legal rulings. The cash is held in a segregated bank account and under the Subsoil Use Contracts the Group must place 1% of the capital expenditure incurred in the year into an escrow deposit account, unless agreed otherwise with the Ministry of Energy. At the end of the contract this cash will be used to return the field to the condition that it was in before exploration started.

## Notes to the Financial Statements (continued)

### 1 Principal accounting policies (continued)

#### 1.17 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and demand deposits with maturity of 3 months or less. Restricted use cash is presented separately.

#### 1.18 Other provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amount recognised will be the best estimate of the expenditure required to settle the present obligation at the reporting date.

#### 1.19 Share-based payments

The Group has used shares and share options as consideration for services received from employees.

Equity-settled share-based payments to employees and others providing similar services are measured at fair value at the date of grant. The fair value determined at the grant date of such an equity-settled share-based instrument is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value determined at the grant date of such an equity-settled share-based instrument is expensed since the shares vest immediately. Where the services are related to the issue of shares, the fair values of these services are offset against share premium where permitted.

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

#### 1.20 Warrants

Warrants are separated from the host contract as their risks and characteristics are not closely related to those of the host contracts. Where the exercise price of the warrants is in a different currency to the functional currency of the Company, at each reporting date the warrants are valued at fair value with changes in fair values recognised through profit or loss as they arise. The fair values of the warrants are calculated using the Black-Scholes model. Where the warrant exercise price is in the same currency as the functional currency of the issuer and involve the issuance of a fixed number of shares the warrants are recorded in equity.

#### 1.21 Merger reserve

Merger reserve represents the excess of the fair value of the issued share capital over the nominal value of these shares issued for acquisition of investments in subsidiaries where the Company has secured at least 90% equity holding in accordance with section 612 of the Companies Act 2006. The Company allocates merger reserve to the retained earnings/deficit account on disposal of the investment the reserve relates to or if this investment is written down for impairment.

#### 1.22 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions, has been identified as the Board of Directors. The Group has four operating segments being oil exploration and production; onshore drilling services in Kazakhstan provided by CTS LLP, offshore drilling services provided using the Caspian Explorer, oil trading and the expenses corporate allocated, and therefore there are five reporting segments. Following expected acquisitions in the minerals sectors there would be an additional fifth segment. The Group has several cost pools divided based on the different contractual territory of its assets.

#### 1.23 Assets held for sale and disposal groups

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount at the date of classification and fair value less costs to sell. The depreciation of such assets is discontinued on classification as held for sale.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The Directors must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

#### 1.24 Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

## Notes to the Financial Statements (continued)

### 2 Critical accounting estimates and judgements

In the process of applying the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the revision is made.

#### 2.1 Key sources of estimation uncertainty

##### 2.1.2 Revenue recognition on onshore drilling contracts with third parties

The determination of anticipated costs for completing a drilling contract is based on estimates that can be affected by a variety of factors such as potential variances in scheduling and cost of materials along with the availability and cost of qualified labour and subcontractors, productivity, and possible claims from subcontractors.

The determination of anticipated revenues includes the contractually agreed revenue and may also involve estimates of future revenues from claims and unapproved variations, if such additional revenues can be reliably estimated and it is considered probable that they will be recovered.

A variation results from a change to the scope of the work to be performed compared to the original contract signed. An example of such contract variation could be a change in the specifications or design of the project, whereby costs related to such variation might be incurred prior to the client's formal contract amendment signature. A claim represents an amount expected to be collected from the client or a third party as reimbursement for costs incurred that are not part of the original contract.

As risks and uncertainties are different for each project, the sources of variations between anticipated costs and actual costs incurred will also vary for each project. The determination of estimates is based on internal policies as well as historical experience.

For the year ended 31 December 2024, the Group recognised revenue of US\$1.3 million (2023: US\$4.13 million) relating to onshore drilling contracts provided to third parties.

##### 2.1.3 Decommissioning obligation

Provision has been made in the accounts for future decommissioning costs to plug and abandon wells as set out in note 25. The costs of provisions have been added to the cost of the oil and gas asset or the exploration asset depending on the well's stage of development.

The decommissioning liability is stated in the accounts at discounted present value and accreted up to the final expected liability by way of an annual finance charge. The Group has potential decommissioning obligations in respect of its interests in Kazakhstan.

The extent to which a provision is required in respect of these potential obligations depends, inter alia, on the legal requirements at the time of decommissioning, the cost and timing of any necessary decommissioning works which are estimated to be in 2043, the discount rate to be applied to such costs was 8.35% (2023: 11%) and the expected inflation rate in Kazakhstan was 8.6% (2023: 9.8%). Actual costs incurred in future periods may substantially differ from the amounts of provisions. In addition, future changes in environmental laws and regulations, estimates of deposit useful lives and discount rates may affect the carrying value of this provision.

##### 2.1.4 Estimation of credit losses of receivables from subsidiaries

The Directors have used judgement to determine to the expected credit loss provision against amounts due from subsidiaries in the Company financial statements, which involves estimates of the ability of the subsidiaries to repay these loans, which itself is based on the estimates of the minimum realisable value of the Group's assets, which are primarily the production and exploration assets and the Caspian Explorer. The Directors have estimated an expected credit loss provision of US\$20.7m is required as at the year-end (2023: US\$20.7m). The estimate of the recoverable amounts of receivables due from subsidiaries is primarily linked to the Group's exploration and proven oil and gas assets having net realisable values of at least their carrying values. Sections 2.2.1 and 2.2.2 below detail the significant judgements with respect to impairment indicators of these assets.

##### 2.1.5 Indemnity receivables in relation to the 3A Best acquisition

Under the terms of the Sale and Purchase Agreement ("SPA") for 3A Best, the three vendors provided indemnities that obligations related to the period prior to acquisition would be reimbursed. Judgement has been applied in assessing the recoverability of the indemnity receivables, which included assessment of the terms of the SPA, confirmations received from the vendors and assessments of the ability to meet such payments. The Directors, have in previous accounting periods made a provision for 67% of the amounts due on the expected credit losses, which at 31 December 2023 left a balance of US\$ 1,275,000 in other receivables (note 17). The Directors have now decided not to seek the renewal the 3A Best licence and to write-off the previously provided for balance of US\$ 2,551,000. The Directors continue to pursue the recovery of the remaining balance of US\$ 1,275,000.

##### 2.1.6 Uncertain tax position

The Directors are required to exercise judgment in interpreting continually-changing regulations with regards to the Group's tax position and the extent to which tax treatments historically adopted by the Group will be accepted or rejected by the relevant tax authority. The Directors believe that adequate provisions have been made for all income tax obligations in the current year.

##### 2.1.7 Recoverability of VAT (note 16)

The Group holds VAT receivables of \$1.9 million (2023: \$2.9 million) as detailed in note 17 which are anticipated to be primarily recovered through offset of future VAT payable in accordance with Kazakh legislation. Management have assessed the recoverability of the asset based on forecast levels of VAT payables which demonstrate that the balance will be recovered within 1 year (2023: 1 year). This required estimates regarding future production, oil prices and expenditure.

## Notes to the Financial Statements (continued)

### 2 Critical accounting estimates and judgements (continued)

#### 2.1 Key sources of estimation uncertainty (continued)

##### 2.1.8 Hydrocarbon reserve and resource estimate

The Group estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. The volume of proved and probable oil reserves is an estimate that affects the unit of production depreciation of producing oil and gas property, and a downward revision of the estimate is an impairment indicator. Proved and probable reserves and contingent resources are estimated using standard recognised evaluation techniques.

##### 2.1.9 Carrying value of exploration and evaluation costs

Under the full cost method of accounting for exploration and evaluation costs, such costs are capitalised as intangible assets by reference to appropriate cost pools, and are assessed for impairment on a concession basis based on the impairment indicators detailed in accounting policy note 1.9.

The Directors note that the Group's exploration appraisal licence for the BNG deep structures Airshagyl & Yelemes Deep expired in June 2024. The Airshagyl licence has been renewed in May 2025 as a 25 year production licence but for an initial three-year period to May 2028 during which additional reserves may be credited based on drilling results. The renewal application for the Yelemes Deep licence at the date of these financial statements remains with the Kazakh regulatory authorities. Based on the fact that the Group has met its spending commitments under the Yelemes Deep structure agreed work programme, the Directors expect the licence for the structure to be renewed although the timing for such a renewal is unclear.

Due to the uncertainty around the licence renewal for Yelemes Deep and a lower reserve estimate accepted by the Kazakh authorities for Airshagyl than what the Directors expected, the Directors determined that impairment indicators existed as at 31 December 2024 and thus an impairment review has been carried out. Details of the impairment calculations, significant inputs and sensitivities are detailed in note 13. No impairment charge has been recognised (2023: none).

#### 2.2 Judgements

The following are the critical judgements, apart from those involving estimations (which are disclosed in 2.1 above), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

##### 2.2.1 Recoverability of investments in subsidiaries

The recoverability of investments in subsidiaries is driven primarily by the same judgements and uncertainties as the recoverability of the carrying value of the proven and unproven oil and gas assets which are discussed above. The Directors have concluded that no additional impairment provision is required in the current financial year (2023: US\$ nil).

##### 2.2.2 Classification of disposal group as assets held for sale and discontinued operation

During the year ended 31 December 2024, the Group signed a heads of terms of agreement ("HoT") and then executed a sale and purchase agreement ("SPA") to sell its production assets in MJF and South Yelemes, and the associated historical cost liabilities and asset retirement obligations (together the "BNG Disposal Group") to Absolute Resources LLP ("Absolute"), an unconnected third party. The transfer of ownership of the MJF and South Yelemes structures completed on 7 July 2025. In preparing these consolidated financial statements, the Directors made the following judgments:

- The Directors concluded that the BNG Disposal Group met the definition of a disposal group held for sale at the date of signing of the HoT, 2 September 2024, as the conditions precedent to complete the transaction, including, inter alia, regulatory and shareholder approvals and Absolute's confirmation of financing, were highly probable to be met;
- The BNG Disposal Group accounts for all of the Group's crude oil production and is a separate CGU and therefore meets the definition of a discontinued operation. The Group's oil trading business has to date only purchased crude oil from the BNG Disposal Group, however it is not part of the discontinued operation. The Directors judged that the elimination of intercompany sale and purchases between the BNG Disposal Group and the oil trading business should be included as part of the continuing operations, as this would result in the continuing operations showing the incremental revenue and profit contributed by trading business to the Group, which is more representative of the Group going forward.

### 3 Restatement of comparative amounts

In these financial statements, as required by IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the comparative amounts for the year ended 31 December 2023 in the consolidated income statement and the related notes were retrospectively restated to exclude the results of the BNG Disposal Group which was classified as a discontinued operation during the year ended 31 December 2024 (see note 11).

## Notes to the Financial Statements (continued)

### 4 Segment reporting and revenue analysis

#### *Operating segments*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments and making strategic decisions, has been identified as the Board of Directors.

The Group operated in four (2023: four) operating segments during 2024 and 2023: Exploration for and production of crude oil; onshore drilling services (CTS LLP); offshore drilling services (Caspian Explorer); and oil trading, which was a new segment for 2023. All four segments operate and generate revenues in Kazakhstan.

While under IFRS reporting requirements the consolidated profit and loss statement shows the results of the BNG MJF and South Yelemes shallow structures as a discontinued operation, without a breakdown of those structures revenue, operating profit and profit before tax, for the purposes of meaningful comparison, the segmental analysis set out below includes for 2024 and 2023 the revenue, operating profit and profit before tax derived from the MJF and South Yelemes structures.

In 2024 BNG Ltd. LLP (BNG) accounted for 100% (2023: 100%) of the exploration and production revenues set out in the segmental analysis, which shows that total revenue from crude oil sales generated by BNG in 2024 was US\$ 20,795,000 (2023: US\$ 21,615,000), net operating income for the year from the exploration and production of crude oil was US\$9,954,000 (2023: US\$13,401,000). Segmental assets have decreased to US\$ 115,106,000 during 2024 primarily due to a devaluation of the Kazakh tenge by about 15%, which are further detailed in the Financial Review.

KC Caspian Explorer LLP (KCCE), representing the offshore drilling services operating segment, historically providing drilling and related services in the shallow northern Caspian Sea. In 2024, KCCE earned revenue of US\$14,300,000 (2023: US\$641,000) as a result of the drilling services provided for a consortium led by Italy's ENI.

In 2024 Caspian Technical Services LLP (CTS LLP) continued to provide onshore drilling and repair services primarily to BNG. Revenue for onshore drilling and repair services provided to EPC Munai LLP ("Block 8"), a related party, during 2024 was US\$ 1,300,000 (2023: US\$ 4,126,000).

#### *Revenue*

The Group's revenues are principally derived from the sale of oil in Kazakhstan. In September 2019 following the award of a full production licence, a proportion of oil produced from the MJF structure at BNG became eligible to be sold on the export market.

Under the terms of sales on the local market, the performance obligation is the supply of oil and the performance obligation is satisfied at a point in time, being the delivery of oil to the refinery. Control passes to the customer at this point with title and risk transferred.

Under the terms of sales on the local market, to local mini refineries the performance obligation is the supply of oil and the performance obligation is satisfied at a point in time, being the collection of oil at the wellhead. Control passes to the customer at this point with title and risk transferred.

Under the terms of export sales control over the oil delivered is with the Group until the customer confirms it has been shipped onto the tanker. When advances are received from oil traders for delivery of future production at specified prices, deferred revenue is recorded and the liability reduced as oil is delivered. Where advances are made for future production and the financing component of such transactions is material, a finance charge is recorded based on the market rate of interest.

In 2024, KCCE earned revenue of US\$14,300,000 (2023: US\$641,000) as a result of the drilling services provided for a consortium led by Italy's ENI.

In 2024 CTS LLP continued to provide onshore drilling and repair services for the Group and for EPC Munai LLP, a related party.

Oil trading consists of purchasing crude oil, funding its refining and selling the resultant oil products produced to third parties.

Below is the summary of the results of the segments during 2024 and 2023:

## Notes to the Financial Statements (continued)

### 4 Segment reporting and revenue analysis (continued)

2024	Oil and gas assets \$000	Drilling services CTS \$000	Drilling services by Caspian Explorer \$000	Oil Trading \$000	Corporate allocation \$000	Total \$000
External revenues	20,795	1,311	14,300	15,859	–	52,265
Cost of sales	(6,436)	(2,112)	(10,480)	(9,629)	–	(28,657)
<b>Gross profit/(loss)</b>	<b>14,359</b>	<b>(801)</b>	<b>3,820</b>	<b>6,230</b>	<b>–</b>	<b>23,608</b>
Administrative costs	(1,478)	382	272	(1,090)	(2,053)	(3,967)
Selling expense	(2,055)	–	–	(167)	–	(2,222)
Other operating income	–	–	–	–	–	–
<b>Segment operating profit/(loss)</b>	<b>10,826</b>	<b>(419)</b>	<b>4,092</b>	<b>4,973</b>	<b>(2,053)</b>	<b>17,419</b>
Finance income	–	–	–	295	206	501
Finance costs	(871)	–	–	–	(9)	(880)
<b>Profit/(loss) before income tax</b>	<b>9,955</b>	<b>(419)</b>	<b>4,092</b>	<b>5,268</b>	<b>(1,856)</b>	<b>17,040</b>
Total assets	115,106	9,035	6,679	4,196	147	135,163
Total liabilities	39,678	13,656	462	9,836	1,040	64,672

2023	Oil and gas assets \$000	Drilling services CTS \$000	Drilling services by Caspian Explorer \$000	Oil Trading \$000	Corporate allocation \$000	Total \$000
External revenues	21,615	4,126	644	10,266	–	36,651
Cost of sales	(5,088)	(5,007)	(491)	(5,340)	–	(15,926)
<b>Gross profit/(loss)</b>	<b>16,527</b>	<b>(881)</b>	<b>153</b>	<b>4,926</b>	<b>–</b>	<b>20,725</b>
Administrative costs	(2,080)	(1,275)	(1,006)	(710)	(960)	(6,031)
Selling expense	(1,046)	(1)	–	(1,946)	–	(2,993)
Other operating income	–	–	–	–	3,774	3,774
<b>Segment operating profit/(loss)</b>	<b>13,401</b>	<b>(2,157)</b>	<b>(853)</b>	<b>2,270</b>	<b>2,814</b>	<b>15,475</b>
Finance income	62	–	–	–	169	231
Finance costs	(920)	–	–	–	–	(920)
<b>Profit/(loss) before income tax</b>	<b>12,543</b>	<b>(2,157)</b>	<b>(853)</b>	<b>2,270</b>	<b>2,983</b>	<b>14,786</b>
Total assets	117,571	8,187	3,289	2,468	3,407	134,922
Total liabilities	53,714	5,073	674	5,834	3,318	68,613

The Oil and gas operating segment includes the results of discontinued operations, BNG Disposal Group, which are further detailed in note 11. BNG Disposal Group contributed US\$11,788,000 (2023: US\$14,940,000) to the profit before tax of the Oil and gas operating segment.

For the year ended 31 December 2024, no external customer accounted for more than 10% of the revenue arising from the sale of crude oil in BNG (included within discontinued operations). One external customer accounted for more than 10% of the revenue arising from the sale of crude oil for the year ended 31 December 2023 as detailed below:

	Group 2024 US\$'000	Group 2023 US\$'000
Customer A	1,450	8,068
	1,450	10,071

## Notes to the Financial Statements (continued)

### 5 Operating profit

Group operating profit from continuing operations for the year has been arrived after charging / (crediting):

	Group 2024 US\$'000	Group 2023 US\$'000 (restated)
Staff costs (note 7)	2,711	3,000
Depreciation of property, plant and equipment (note 14)	82	872
Cost of inventories recognised within cost of sales	11,640	6,925
Auditor remuneration (note 6)	496	327
Loss allowance on trade receivables	-	629
Other operating (income)	-	(3,774)
Net foreign exchange losses	(287)	65

Other operating income for the year ended 31 December 2023 represents a release of the social development programme provision in relation to the Group's obligations under the 3A Best licence of US\$ 1,505,000 disclosed in note 12 and write-off of other payables of US\$ 2,269,000 in relation to a past transaction.

### 6 Group Auditor's remuneration

Fees payable by the Group to the Company's auditors, PKF Littlejohn LLP (BDO LLP were the auditors for the year ended 31 December 2022) and its member firms in respect of the year:

	Group 2024 US\$'000	Group 2023 US\$'000
Fees payable to the Company's auditor and its associates for the audit of the Company and Group financial statements:		
PKF Littlejohn LLP – current year fee	286	162
PKF Littlejohn LLP – additional fee in respect of prior year audit	119	-
BDO LLP	-	104*
	405	266
Other services provided by BDO LLP – tax compliance services	11	10
	416	276

\*additional fees in respect of the audit of the 2022 Group financial statements.

Fees payable by the Group to Grant Thornton and its associates in respect of the year:

	Group 2024 US\$'000	Group 2023 US\$'000
Auditing of accounts of subsidiaries of the Company	80	70
	80	70

### 7 Staff costs

Staff costs during the year	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Wages and salaries	2,476	2,675	255	364
Social security costs	192	227	-	-
Pension costs	43	98	-	-
	2,711	3,000	255	364

In addition, payroll expenses of US\$2,084,000 were capitalised into unproven oil and gas assets in 2024 (2023: US\$1,494,000) and the amounts included within cost of sales were US\$3,109,000 (2023: US\$2,449,000).

Average monthly number of employees (including executive Directors)	Group 2024	Group 2023	Company 2024	Company 2023
Technical	18	17	-	-
Field operations	214	233	-	-
Finance	14	13	1	1
Administrative and support	37	33	3	3
	283	296	4	4

## Notes to the Financial Statements (continued)

### 8 Finance cost

	Group 2024 US\$'000	Group 2023 US\$'000
Interest on borrowings (note 24)	365	399
Unwinding of discount on BNG licence payment payable	396	471
Unwinding of discount on provisions (note 25)	119	50
	880	920

### 9 Finance income

	Group 2024 US\$'000	Group 2023 US\$'000
Interest on loans to related parties	206	169
Bank interest	295	62
	501	231

### 10 Taxation

Analysis of charge for the year	Group 2024 US\$'000	Group 2023 US\$'000
Current tax charge	249	3,681
Deferred tax charge	-	-
	249	3,681
<b>Taxation attributable to:</b>		
(Loss) / profit from continuing operations	(2,109)	689
Profit from discontinued operations	2,358	2,992
	249	3,681

	Group 2024 US\$'000	Group 2023 US\$'000 (restated)
Profit before tax from continuing operations	5,251	(174)
Profit before tax from discontinued operations	11,788	14,960
Profit before tax	17,039	14,786
Tax on the above at the standard rate of corporate income tax in the UK 25% (2023: 25%)	4,260	3,697
<i>Effects of:</i>		
Differences in tax rates	(1,642)	(2,803)
Non-taxable income	(542)	-
Non-deductible expenses	42	890
Withholding tax on interest expense	(699)	909
Unrecognised tax losses carried forward (note 26)	(1,170)	988
	249	3,681

## Notes to the Financial Statements (continued)

### 11 Discontinued operations

As detailed in note 2.2.3, during the year ended 31 December 2024, the BNG Disposal Group has been classified as held for sale and represents a discontinued operation. The financial performance and cash flow information for the BNG Disposal Group for the years ended 31 December 2024 and 31 December 2023 is detailed below:

	Group 2024 US\$'000	Group 2023 US\$'000
Revenue	20,795	21,615
Cost of sales	(6,436)	(5,088)
Gross profit	14,359	16,527
Selling expense	(2,055)	(1,046)
Administrative costs	-	-
Operating profit	12,304	15,481
Finance cost	(515)	(521)
Profit before taxation	11,789	14,960
Tax charge	(2,358)	(2,992)
Profit after taxation from discontinued operations	9,431	11,968
Cash flows:		
Net cash inflow from operating activities	9,489	9,734
Net cash outflow from investing activities	(10,691)	(7,267)
Net cash (decrease)/increase in cash generated by the discontinued operations	(1,202)	2,467

Details of assets and liabilities of the BNG Disposal Group are included in note 32.

### 12 Earnings per share

Earnings per share ("EPS") is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year including shares to be issued.

	Group 2024 US\$'000	Group 2023 US\$'000
Profit for the year from continuing operations, attributable to parent	7,278	(1,258)
Profit for the year from discontinued operations, attributable to parent	9,336	11,848
	16,614	10,590

EPS - Basic	Group 2024	Group 2023
Weighted average no of shares	2,253,580,210	2,250,501,559
Basic Earnings per share from continuing operations (US cents)	0.32	(0.06)
Basic Earnings per share from discontinued operations (US cents)	0.41	0.53
Total Basic Earnings per share (US cents)	0.74	0.47

EPS - Diluted	Group 2024	Group 2023
Weighted average no of shares	2,253,580,210	2,250,501,559
Dilutive effect of potentially dilutive ordinary shares due to share options (note 27)	-	2,197,802
Weighted average no of shares for the purpose of Diluted EPS	2,253,580,210	2,252,699,361
Diluted Earnings per share from continuing operations (US cents)	0.27	(0.06)
Diluted Earnings per share from discontinued operations (US cents)	0.41	0.53
Total Diluted Earnings per share (US cents)	0.68	0.47

Other than share options there are no instruments that are potentially dilutive.

## Notes to the Financial Statements (continued)

### 13. Unproven oil and gas assets

<b>COST</b>		<b>Group US\$'000</b>
Cost at 1 January 2023		65,028
Additions		5,801
Foreign exchange difference		1,894
<b>Cost at 31 December 2023</b>		<b>72,723</b>
Additions		6,441
Foreign exchange difference		(11,990)
<b>Cost at 31 December 2024</b>		<b>67,174</b>
<b>ACCUMULATED IMPAIRMENT</b>		<b>Group US\$'000</b>
Accumulated impairment at 1 January 2023		20,397
Foreign exchange difference		363
<b>Accumulated impairment at 31 December 2023</b>		<b>20,760</b>
Foreign exchange difference		(2,734)
<b>Accumulated impairment at 31 December 2024</b>		<b>18,026</b>
<b>NET BOOK VALUE</b>		
Net book value at 1 January 2023		44,631
Net book value at 31 December 2023		51,963
<b>Net book value at 31 December 2024</b>		<b>49,148</b>

Unproven oil and gas assets represent licence acquisition costs and subsequent exploration expenditure in respect of the licences held by Kazakh group entities. The carrying values of those assets at 31 December 2024 were 100% represented by BNG Ltd LLP (2023: 100% by BNG Ltd. LLP).

The Directors have carried out an impairment review of these assets on a cost pool level as detailed in note 1.9. As at 31 December 2024, the balance of accumulated impairment was US\$ 18,026,000 (2023: US\$ 20,760,000) and no additional impairment is required.

For the year ended 31 December 2024, the Directors identified the following two impairment indicators in relation to the Group's exploration licence for the Group's two deep structures: Airshagyl and Yelemes Deep on the BNG Contract: the production licence for Yelemes Deep has not been granted as at the date of approval of these financial statements and the government approved reserve estimate for Airshagyl is lower than the Company's estimates.

The lower C1 reserve estimate for Airshagyl of 26 mmbbls is based solely on the area within 100 meters of the wells drilled on the Airshagyl structure, which can be upgraded in the future, however the Directors deemed it would be prudent to base the impairment review on this reserve estimate.

The licence for the Airshagyl structure was renewed as a 25 year production licence with an initial three year period in May 2025. The application for a production licence for the Yelemes Deep structure continues to be assessed by the Kazakh authorities.

Airshagyl and Yelemes Deep have been treated as one CGU as they were previously covered by one exploration licence representing one geological structure. In assessing whether an impairment is required, the carrying value of the CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). As the CGU is an exploration asset, the FVLCD method has been used to arrive at the CGU's recoverable amount. The fair value of an exploration asset is difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Therefore, the fair value of the CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGU using market-based oil price and exchange assumptions, estimated quantities of recoverable reserves, production levels, operating costs and capital requirements, including any expansion projects, and decommissioning costs. These cash flows are then discounted using a real post-tax discount rate. Therefore, the determination of FVLCD for the CGU are considered to be Level 3 fair value measurements as they are derived from valuation techniques that include inputs that are not based on observable market data.

The key assumptions used to estimate the FVLCD of the Airshagyl and Yelemes Deep CGU are as follows:

Recoverable reserves:	26 mmbbls
Real discount rate:	15%
Annual depreciation of USD against KZT:	2%
Crude export price:	Brent less \$5/bbl;
Crude domestic price:	\$30 in 2026; pegged to Brent thereafter
Export start year:	2028
Life of field	25 years remaining

The price of crude on the domestic market is regulated by the Kazakh government and the Directors have used Brent as a proxy for its future movement.

Based on the above assumptions, the FVLCD of the Airshagyl and Yelemes Deep CGU exceeds its carrying book value and no impairment change is therefore required. The Directors consider the inputs and the valuation approach to be consistent with the approach taken by market participants.

The Directors assessed whether reasonably possible changes to the above assumptions would lead to an impairment and concluded that the apart from the real discount rate and the year of commencement of export sales there are none. The real discount rate would have to increase to 24%, or the export sales would have to commence after 2034 for the FVLCD to equal its carrying amount.

## Notes to the Financial Statements (continued)

### 14 Property, plant and equipment

Following the commencement of commercial production in July 2019 the Group reclassified part of BNG assets from unproven oil and gas assets to proven oil and gas assets.

Group	Proven oil and gas assets	Motor Vehicles	Other	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Cost at 1 January 2023	59,097	2,191	8,470	69,758
Additions	7,646	-	16	7,663
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	8,519	-	926	9,445
Foreign exchange difference	(5,971)	(313)	(1,249)	(7,533)
Transfer to the Assets held for sale	(69,939)	-	-	(69,939)
<b>Cost at 31 December 2024</b>	<b>-</b>	<b>1,917</b>	<b>8,233</b>	<b>10,150</b>
Depreciation at 1 January 2023	5,020	641	3,951	9,612
Charge for the year	1,722	7	865	2,594
Foreign exchange difference	89	511	442	1,042
<b>Depreciation at 31 December 2023</b>	<b>6,831</b>	<b>1,159</b>	<b>5,258</b>	<b>13,248</b>
Charge for the year	2,342	8	74	2,424
Foreign exchange difference	(1,333)	(153)	(703)	(2,189)
Transfer to the Assets held for sale	(7,840)	-	-	(7,840)
<b>Depreciation at 31 December 2024</b>	<b>-</b>	<b>1,014</b>	<b>4,629</b>	<b>5,643</b>
Net book value at:				
1 January 2023	54,077	1,550	4,519	60,146
31 December 2023	60,560	1,071	3,299	64,930
31 December 2024	-	903	3,604	4,507

For the year ended 31 December 2024, the additions balance included capitalisation of changes in estimate of the asset retirement obligation of US\$983,000 (2023: US\$380,000) (note 25).

Drilling equipment with net book value of US\$4,144,000 has been pledged as security against bank borrowing (note 24).

The Directors considered whether there are indicators that the carrying value of the Group's property, plant and equipment are impaired and concluded that there are none (note 2.2.1).

### 15 Investments in subsidiaries

	Company US\$'000
Cost	
At 1 January 2023, 31 December 2023 and 31 December 2024	225,441
Accumulated impairment	
At 1 January 2023, 31 December 2023 and 31 December 2024	209,954
Net book value	
At 1 January 2023, 31 December 2023 and 31 December 2024	15,487

The Directors review the investments for the recoverability on a regular basis, together with the associated cash flows of each company, and assess their impairment. Based on this assessment if the Company considers that the carrying value of the investments may not be fully recoverable as the subsidiaries may not generate sufficient future profits and accordingly, then these amounts may be impaired. The Company recorded no impairment in relation to the investments in 2024 (2023: nil).

## Notes to the Financial Statements (continued)

### 15 Investments in subsidiaries (continued)

#### Direct investments

Name of undertaking	Country of incorporation	Effective holding of ordinary shares and proportion of voting rights held at 31 December 2024 and 2023	Registered address	Nature of business
Eragon Petroleum Limited	United Kingdom	100%	5 New Street Square London EC4A 3TW	Holding Company
Eragon Petroleum FZE	Dubai	100%	CN-135789, Jebel Ali, Dubai, UAE	Management Company
Prosperity Petroleum LTD	Dubai	100%	CN-135789, Jebel Ali, Dubai, UAE	Management Company
Roxi Petroleum Kazakhstan LLP	Kazakhstan	100%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Management Company

#### Indirect investments:

Name of undertaking	Country of incorporation	Effective holding of ordinary shares and proportion of voting rights held at 31 December 2024 and 2023	Registered address	Nature of business
BNG Energy BV	Netherlands	100%	Utrechtseweg 79 1213 TM Hilversum The Netherlands	Holding Company
BNG Ltd LLP	Kazakhstan	99%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Oil Production & Exploration Company
3A-Best Group JSC	Kazakhstan	100%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Exploration Company
CTS LLP	Kazakhstan	100%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Drilling & Service Company
Sur Nedr LLP	Kazakhstan	100%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Drilling & Service Company
SK-NS Aktau LLP	Kazakhstan	100%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Drilling & Service Company
KC Caspian LLP	Kazakhstan	100%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Drilling Vessel owner
Roxi Trading LLP	Kazakhstan	70%	38 Dostyk Ave., Medueskiy District, Almaty, 050000, Kazakhstan	Oil Products Selling Company
DOMOSCO LLP	Kazakhstan	70% (2023:n/a)	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Oil Products Selling Company
Absolute Oil PC*	Kazakhstan	100% (2023:n/a)	37 Mangilik El Str., Astana, Kazakhstan	Oil Production & Exploration Company
Beibars Munai LLP**	Kazakhstan	60%	152/140 Karasay Batyr Str., Almaty, Kazakhstan	Exploration Company

\*Absolute Oil PC is the company established by Caspian Sunrise and BNG LLP in 2024 for the purpose of the transfer of the MJF and South Yelme structures before their \$88 million sale which took place in July 2025.

\*\*Beibars Munai LLP is a subsidiary as the Group is considered to have control over the financial and operating policies of this entity. Its results have been consolidated within the Group.

## Notes to the Financial Statements (continued)

### 16 Inventories

	Group 2024 US\$'000	Group 2023 US\$'000
Materials and supplies	2,170	603
Crude oil and oil products	1,075	894
	3,245	1,497

During the year, no inventories were written down or impaired (2023: US\$ nil). The year-on-year increase in the materials and suppliers balance is driven by charter of the Caspian Explorer during the year ended 31 December 2024.

### 17 Trade and other receivables

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
<b>Amounts falling due after one year:</b>				
Prepayments made	1	93	-	-
Loans to related party	3,512	3,137	3,277	3,137
Intercompany receivables	-	-	85,213	85,946
	3,513	3,230	88,490	90,083
<b>Amounts falling due within one year:</b>				
Trade receivables	3,842	3,704	-	-
Prepayments made	2,180	4,277	12	8
VAT receivable	912	2,893	73	65
Other receivables	1,275	1,275	-	-
	8,210	12,149	85	73

The VAT receivables relate to purchases made by operating companies in Kazakhstan and will be recovered through VAT payable resulting from sales to the local market.

#### Amounts due from related parties

The amounts due from related parties are detailed below:

##### Loans to related parties

On 25 September 2022, the Independent Directors approved a 7% interest-bearing loan to a maximum value of \$5 million to Altynbek Bolatshan, a member of the Oraziman family, in connection with the party acquisition of EPC Munai LLP ("Block 8"). At 31 December 2024, US\$ 3,276,000 (2023: US\$ 3,070,000) of that loan had been drawn down, including US\$ 375,000 of the interest accrued to date (2023: US\$ 169,000). The loan is to be repaid when the acquisition of Block 8 completes.

##### Trade receivables

The trade receivables balance includes US\$ 1,933,000 (2023: US\$ 3,703,000) due from Block 8 for the provision of drilling services by the Group on the Block 8 licence area. The balance of US\$ 1,593,000 remains outstanding as of the date of this report due to the ongoing acquisition of Block 8.

##### Other receivables from related parties

As at 31 December 2024, other receivables from related parties included US\$ 176,375 due from Kuat Oraziman (2023: US\$ 67,000).

##### Other receivables

The other receivables balance includes US\$ 1,275,000 (2023: US\$ 1,275,000) which represent the amounts reimbursable by the vendors of 3A Best under the indemnities provided on acquisition of the exploration asset. During the year ended 31 December 2024, the Directors decided not to seek the renewal the 3A Best licence and as a result the gross amount of receivables of US\$ 3,826,000 was formally written off by US\$2,551,000 down to US\$ 1,275,000 which the Directors consider recoverable. The write-off amount of US\$2,551,000 was previously part of the ECL provision and therefore there is no charge recognised in the profit or loss.

##### Prepayments made

The balance consists primarily of advance payments made to subcontractors. During 2022 BNG Ltd. LLP impaired the advance payment made to Sinopec in 2019. Sinopec, the Chinese drilling contractor, was engaged to drill Deep Well A8. However, BNG did not accept the drilling works and did not pay any amount beyond the prepaid amount. At the date of this report, the parties have yet to come to a final agreement. Accordingly, the prepayment has fully impaired.

##### Intercompany loans

Intercompany receivables are interest free. An expected credit loss provision of US\$ 20,700,000 (2023: US\$ 20,700,000) has been recognised with the respect of the amounts due from subsidiaries based on the recoverable amount calculated with reference to factors such as the status of underlying licenses, reserves, financial models and future risks and uncertainties.

## Notes to the Financial Statements (continued)

### 17 Trade and other receivables (continued)

#### Expected credit losses:

Financial assets shown gross of ECL are detailed below:

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Trade receivables	4,471	3,703	-	-
Intercompany receivables	-	-	105,913	106,646
Loans to related parties	3,512	3,137	3,277	3,137
Other receivables	3,826	3,826	-	-
	11,809	10,666	109,190	109,783

The movements in ECL provision are detailed below:

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
At 1 January	3,180	2,551	20,700	20,700
Change in estimate recognised in profit or loss	-	629	-	-
Utilisation of provision	(2,551)	-	-	-
As at 31 December	629	3,180	20,700	20,700

As at 31 December 2024, there was no ECL loss recognised in relation to trade debtors that are over a year old (2023: US\$ 629,000 ECL loss recognised). The Directors note that non-payment is rare and would typically only provide for trade debtors over a year old. During the year ended 31 December 2024, the ECL provision in respect of the 3A Best receivable was utilised (2023: US\$nil).

### 18 Cash and cash equivalents

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Cash at bank and in hand	2,644	447	28	48
Restricted use cash	1	706	-	-
As at 31 December	2,645	1,153	28	48

Cash at bank and in hand are held in US Dollars, Sterling and Kazakh Tenge currency accounts to enable the Group to trade and settle its debts in the currency in which they occur and in order to mitigate the Group's exposure to short-term foreign exchange fluctuations. All cash is held in floating rate accounts.

Restricted use cash represents cash set aside by the Group for the purpose of creating an abandonment fund to cover the future cost of the decommissioning of oil and gas wells and related facilities and in accordance with local legal rulings. The cash is held in a segregated bank account and under the Subsoil Use Contracts the Group must place 1% of the capital expenditure incurred in the year into an escrow deposit account, unless agreed otherwise with the Ministry of Energy. At the end of the contract this cash will be used by the Group to return the field to the condition that it was in before exploration started.

### 19 Called up share capital

#### Group and Company

	Shares No	Share capital US\$'000	Share premium US\$'000
Balance at 31 December 2023	2,250,501,560	33,060	-
Issuance of share on settlement of liability	4,476,923	56	126
Balance at 31 December 2024	2,254,978,483	33,116	126

The Company has one class of ordinary shares of 1 penny each which entitle the holders to receive dividends as declared from time to time to vote at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual net assets. There are no restrictions on the transfer of shares, and all ordinary shares are fully paid.

On 24 April 2024 the Company issued 4,476,923 new ordinary shares at 3.25 pence per share in settlement of certain outstanding fees owed to an adviser.

### 20 Dividends

#### Year ended 31 December 2023 and 31 December 2024

No dividend in respect of the year is proposed in 2024 (2023: US\$2,377,000). As at 31 December 2024, the dividends due to the Oraziman family totalling US\$ 698,000 have not been paid (2023: US\$698,000).

## Notes to the Financial Statements (continued)

### 21 Trade and other payables

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Prepayment received for sale Oil and Gas production assets	12,827	-	-	-
Trade payables	2,261	4,689	289	150
Taxation and social security	1,090	3,224	20	20
Accruals	88	252	63	83
Other payables	1,051	2,101	50	83
Intercompany payables	-	-	4,372	3,683
Dividends payable to related parties	698	698	698	698
Deferred revenue	2,805	5,131	-	-
	20,820	16,095	5,492	4,717

At 31 December 2024 and 31 December 2023, the Group had received significant prepayments from customers in respect of oil sales and oil trading. The amount of advances received from oil traders with respect to oil sales as at 31 December 2024 were \$1,492,000 (2023: \$2,836,000). As at 31 December 2024, a refundable downpayment of US\$ 12,827,000 was received from the buyers of the BNG Disposal Group (note 32). Advance payments received by the oil trading business was US\$103,000 (2023: US\$ 2,295,000) and is included within deferred revenue.

### 22 Withholding tax payable

	Group 2024 US\$'000	Group 2023 US\$'000
Withholding tax payable in Kazakhstan	12,303	14,892
	12,303	14,892

Taxation payable relates to withholding tax accrued on the interest expense at the BNG subsidiary level.

### 23 BNG historic cost liability

	Group 2024 US\$'000	Group 2023 US\$'000
Current	-	3,178
Non-current	-	13,746
	-	16,924

The subsoil use contract held by BNG Ltd for the MJF field stipulates that it must make a payment to the Kazakhstan Government upon award of a production contract after commercial feasibility. The Kazakhstan Government has assessed the amount payable as a total of US\$32.5m. The sum is payable on a quarterly basis from 1 July 2019 in equal instalments with the final payment due to be paid on 1 April 2029. The future payments have been discounted to their net present value.

As at 31 December 2024, the outstanding amount payable was US\$13.8m which is included within the Liabilities related to the assets held for sale (note 32) and were transferred to the acquirer of the MJF and South Yelemes structure on completion the sale.

## Notes to the Financial Statements (continued)

### 24 Borrowings

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Bank credit facility	3,242	3,211	-	-
Loans from related parties	2,266	3,483	168	104
	<b>5,508</b>	<b>6,694</b>	<b>168</b>	<b>104</b>
Analysed between current and non-current:				
Current	3,678	3,624	168	104
Non-current	1,830	3,070	-	-
	<b>5,508</b>	<b>6,694</b>	<b>168</b>	<b>104</b>

#### Bank credit facility

In August 2023, the Group took out a bank credit facility, valid until August 2026, which allows the Group to borrow US\$ at an annual interest rate of 8.3% per annum. Any amounts drawn are repayable within 6 months unless redrawn. The loan is secured against the Group's drilling equipment. As at 31 December 2024, US\$3,241,000 remains outstanding (2023: US\$3,211,000).

#### Loans from related parties

The Group and Company had interest-free short-term loans with the following related parties:

	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Aibek Oraziman	297	285	110	-
Vertom International N.V. (a company controlled by Kuat Oraziman)	140	129	58	104
	<b>437</b>	<b>414</b>	<b>168</b>	<b>104</b>

During the year-ended 31 December 2023, one of the Groups subsidiaries entered into interest-free long-term borrowing agreements with Akku Investments LLP, a company controlled by the Oraziman family and shareholders of the Company totalling US\$4,845,000. The loans are due for repayment in 2026. The fair value of the loans, denominated in KZT, was estimated using market discount rate of 19.5% to be US\$2,743,000. The difference between the fair value of the loans and their nominal amounts of US\$ 2,102,000 was recognised as a capital contribution in equity. The carrying value of loan is US\$1,830,000 (2023: US\$3,070,000).

#### Analysis of movements

The table below details changes in the Group's liabilities arising from financing activities, which consist entirely of borrowings.

	1 January 2024 US\$'000	Financing cash flows		Non-cash changes			31 December 2024 US\$'000
		Drawdowns US\$'000	Repayments US\$'000	Interest charge US\$'000	Foreign exchange US\$'000	Other US\$'000	
Bank loan	3,211	14,109	(13,959)	356	(475)	-	3,242
Loans from related parties	3,483	55	(696)	9	(318)	(267)	2,266
<b>Total for 2024</b>	<b>6,694</b>	<b>14,164</b>	<b>(14,655)</b>	<b>365</b>	<b>(793)</b>	<b>(267)</b>	<b>5,508</b>

	1 January 2023 US\$'000	Financing cash flows		Non-cash changes			31 December 2023 US\$'000
		Drawdowns US\$'000	Repayments US\$'000	Interest charge US\$'000	Foreign exchange US\$'000	Other US\$'000	
Bank loan	-	5,820	(2,689)	69	12	-	3,212
Loans from related parties	352	5,343	(465)	330	24	(2,102)	3,483
<b>Total for 2023</b>	<b>352</b>	<b>11,163</b>	<b>(3,154)</b>	<b>399</b>	<b>36</b>	<b>(2,102)</b>	<b>6,694</b>

The table below details changes in the Company's liabilities arising from financing activities, which consist entirely of borrowings.

	1 January 2024 US\$'000	Financing cash flows		Non-cash changes		31 December 2024 US\$'000
		Drawdowns US\$'000	Repayments US\$'000	Interest charge US\$'000	Foreign exchange US\$'000	
Loans from related parties	104	55	-	9	-	168
	<b>104</b>	<b>55</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>168</b>

	1 January 2023 US\$'000	Financing cash flows		Non-cash changes		31 December 2023 US\$'000
		Drawdowns US\$'000	Repayments US\$'000	Interest charge US\$'000	Foreign exchange US\$'000	
Loans from related parties	-	100	-	4	-	104
	<b>-</b>	<b>100</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>104</b>

## Notes to the Financial Statements (continued)

### 25 Provisions

	Group 2024 US\$'000	Group 2023 US\$'000
Abandonment provision	831	1,286
Social development programme	3,623	4,355
	4,454	5,641
Analysed between current and non-current:		
Current	3,749	4,481
Non-current	705	1,160
	4,454	5,641

The movement in provisions is detailed below:

	Social development programme US\$'000	Abandonment provision US\$'000	Total US\$'000
At 1 January 2024	4,355	1,286	5,641
Change in estimate	295	983	1,278
Provision utilised	(453)	119	(334)
Foreign exchange differences	(574)	(213)	(787)
Transfer to the liabilities related to Assets held for sale (note 32)		(1,344)	(1,344)
At 31 December 2024	3,623	831	4,454
Analysed between current and non-current:			
Current	3,623	126	3,749
Non-current		705	705
	3,623	831	4,454

Amounts in relation to Subsoil Use Contracts are included in the table above and relate to the licence areas disclosed below:

#### BNG Ltd LLP

BNG Ltd LLP a subsidiary, signed a contract #2392 dated 7 June 2007 with the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan for exploration at Airshagyl deposit, located in Mangistau region. According to the latest Amendments BNG is required to pay around US\$ 231,650 annually in respect of social programs in the Mangistau region for the period from 7 June 2018 to 7 June 2024. Also, it is required to pay 1% of investments under the contract on production during the period based on the results of the previous year. BNG is also required to invest in the training of Kazakh personnel of an amount of not less than 1% of the annual amount of investments. Another requirement of the Company is to accumulate funds for the site restoration by transferring annually 1% of annual exploration costs to a special deposit in accordance with the Contract on exploration. As at 31 December 2024 BNG was in compliance with all the requirements listed above.

On 11 July 2019, BNG Ltd LLP signed a production contract with the Ministry of Energy of the Republic of Kazakhstan at the North-West Yelemes structure (MJF). The Contract is valid for 25 years till 2043. On 23 December 2021, BNG signed the production contract at South Yelemes structure for an initial period of 6 months. The terms were extended in accordance with the additional agreement No. 1 dated 24 June 2023, and valid until June 23, 2044. No additional social obligations were added for the 2019 and 2022 contract extensions and upgrades.

### 26 Deferred tax

Deferred tax liabilities comprise:

	Group 2024 US\$'000	Group 2023 US\$'000
Deferred tax on exploration and evaluation assets acquired	6,406	7,378
	6,406	7,378

The Group recognises deferred taxation on fair value uplifts to its oil and gas projects arising on acquisition. These liabilities reverse as the fair value uplifts are depleted or impaired.

The movement on deferred tax liabilities was as follows:

	Group 2024 US\$'000	Group 2023 US\$'000
At beginning of the year	7,378	6,335
Foreign exchange	(972)	1,043
	6,406	7,378

As at 31 December 2024 the Group has accumulated deductible tax expenditure related to BNG of approximately US\$48 million (31 December 2023: US\$48 million) available to carry forward and offset against future profits. This represents an unrecognised deferred tax asset of approximately US\$10 million (31 December 2023: US\$10 million). Given the uncertainties regarding such deductions and the developing nature of the relevant tax system no deferred tax asset is recorded.

## Notes to the Financial Statements (continued)

### 27 Share option scheme and LTIP scheme

During the year the Company had in issue equity-settled share-based instruments issued to its Directors and certain employees.

During the year ended 31 December 2024, the Company granted 4,500,000 new options, including 2,500,000 4p options to Seokwoo Shin, a director of the Company and expiring in 2032, with the additional 2,000,000 options being issued non board staff and expiring in 2034. In addition, 2,500,000 5.5p options previously awarded to Seokwoo Shin have been cancelled, and the exercise date for 2,400,000 4p options held by Clive Carver has been extended until 30 April 2025.

The new options granted vested immediately and their fair value, calculated using the Black Scholes option pricing model, was found to be immaterial. Significant amount of the earlier issued options expired during the year.

No share options were issued during the year ended 31 December 2023.

The movements in the number of share options and their weighted average exercise price is detailed below:

	2024	2024	2023	2023
	Number of options	Average exercise price (pence)	Number of options	Average exercise price (pence)
1 January	14,850,000	13.9	14,850,000	13.9
Granted in the year	4,500,000	4.0	-	-
Cancelled during the year	(2,500,000)	(5.5)	-	-
Expired during the year	(6,850,000)	(20.0)	-	-
<b>31 December</b>	<b>10,000,000</b>	<b>5.9</b>	<b>14,850,000</b>	<b>13.9</b>
<b>Exercisable at 31 December</b>	<b>10,000,000</b>	<b>5.9</b>	<b>14,850,000</b>	<b>13.9</b>

The range of exercise prices of share options outstanding at 31 December 2024 and 31 December 2023 is 4p – 20p (2023: 4p – 20p). The weighted average remaining contractual life of share options outstanding at the end of 2023 is 5.3 years (2023: 3.1 years).

#### Long Term Incentive Plan (LTIP) scheme:

On 5 June 2019 the Company made awards under a long-term incentive plan. Clive Carver, Chairman, and Kuat Oraziman, Chief Executive Officer, are entitled to receive cash payments to be triggered by the Company's attainment of both pre-set market capitalisation and share price targets as follows:

Market cap threshold \$ billion	Share price target Pence per share	Pay-out rate (each) %	Pay-out amount (each) \$ million
0.8	17.23	0.6	3.0
1.3	20.67	0.6	3.0
1.8	24.81	0.6	3.0
2.3	29.77	0.6	3.0
2.8	35.72	0.6	3.0

The scheme continues beyond the numbers in the table such that with the threshold for market capitalisation increasing at the rate of \$0.5 billion and the corresponding share price threshold increasing from the earlier threshold by a constant factor of 1.2. Each threshold must be sustained for at least 30 consecutive days for the awards to be triggered. Payments shall be made only when the Company has free cash either in the form of distributable reserves or as a result of a non-interest bearing subordinated shareholder loan or an equity placing at a price not below the relevant share price threshold.

There may be only one pay-out for each market capitalisation threshold crossed no matter how many times it is crossed.

The Directors have determined that at inception and as at 31 December 2023 and 2024, the fair value of the cash settled share based payment award is immaterial based on analysis of the thresholds, historical volatility rates and the applicable share price and market capitalisation in the period.

For the year ended 31 December 2024, no charge has been recognised in profit or loss in respect of the share options and LTIP (2023: US\$ nil).

## Notes to the Financial Statements (continued)

### 28 Financial instrument risk exposure and management

In common with all other businesses, the Group and Company are exposed to risks that arise from its use of financial instruments. This note describes the Group and Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 1.

There have been no substantive changes in the Group or Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

#### (a) Categories of financial instruments

The principal financial instruments used by the Group and Company, from which financial instrument risk arises, are as follows:

Financial assets	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Intercompany receivables	-	-	85,213	85,946
Loan to related parties	3,512	3,137	3,277	3,137
Trade receivables	3,842	3,704	-	-
Other receivables	1,275	1,275	-	-
Restricted-use cash	1	706	-	-
Cash and cash equivalents	2,644	447	28	48
	11,274	9,269	88,518	89,131

Financial liabilities	Group 2024 US\$'000	Group 2023 US\$'000	Company 2024 US\$'000	Company 2023 US\$'000
Trade and other payables	2,260	4,689	289	150
Accruals	88	252	63	83
Intercompany payables	-	-	4,372	3,683
Borrowings	5,508	6,694	168	104
BNG historic costs payable	13,914	16,924	-	-
	21,770	28,559	4,892	4,020

All financial assets and liabilities of the Group and Company are carried at amortised cost.

#### (b) Risk management

The principal financial instruments used by the Group and Company, from which financial instrument risk arises, are as follows:

- other receivables;
- cash at bank;
- trade and other payables; and
- borrowings.

#### General objectives, policies and processes

The Board has overall responsibility for the determination of the Group and Company's risk management objectives and policies. Whilst retaining ultimate responsibility for these objectives and policies, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group and Company's finance function. The Board receives regular reports from the finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group and Company's competitiveness and flexibility. Further details regarding these policies are set out below:

#### Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, which at the year-end amounted to US\$ 9.3 million for the Group (2023: US\$ 5.6 million) and US\$ 88.5 million for the Company (2023: US\$ 89,131 million). Credit risk with respect to Group receivables and advances is mitigated by active and continuous monitoring of the credit quality of its counterparties through internal reviews and assessment.

The Company is exposed to credit risk on its receivables from its subsidiaries. The subsidiaries are exploration and development companies with no current commercial exploitation sales and therefore, whilst the receivables are due on demand, they are not expected to be paid until there is a successful outcome on a development project resulting in commercial exploitation sales being generated by a subsidiary. In application of IFRS 9 the Company has calculated the expected credit loss from these receivables (Note 17).

The carrying amount of financial assets recorded in the Group and Company financial statements, which is net of any impairment losses, represents the Group's and Company's maximum exposure to credit risk:

Credit risk with cash and cash equivalents is reduced by placing funds with banks with high credit ratings.

## Notes to the Financial Statements (continued)

### 28 Financial instrument risk exposure and management (continued)

#### Capital

The Company and Group define capital as share capital, other reserves, retained profit and borrowings. In managing its capital, the Group's primary objective is to provide a return for its equity shareholders through capital growth. The Group will seek to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues or the issue of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

The Group's gearing ratio as at 31 December 2024 was 8% (2023: 9%).

There have been no other significant changes to the Group's Management objectives, policies and processes in the year.

#### Liquidity risk

Liquidity risk arises from the Group and Company's management of working capital and the amount of funding committed to its exploration programme. It is the risk that the Group or Company will encounter difficulty in meeting its financial obligations as they fall due.

The Group and Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to raise funding through equity finance, debt finance and farm-outs sufficient to meet the next phase of exploration and where relevant development expenditure.

The Board receives cash flow projections on a periodic basis as well as information regarding cash balances. The Board will not commit to material expenditure in respect of its ongoing exploration programmes prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes.

For maturity dates of financial liabilities as at 31 December 2024 and 2023 see the table below. The amounts are contractual payments and may not tie to the carrying value:

	On Demand	Less than 3 months	3-12 months	1-5 years	Total
Group 2024 US\$'000	(1,307)	3,163	5,815	19,479	27,150
Group 2023 US\$'000	6,694	5,754	2,439	17,886	32,773
Company 2024 US\$'000	4,372	352	-	-	4,724
Company 2023 US\$'000	3,683	232	-	-	3,915

#### Interest rate risk

The majority of the Group's borrowings are at fixed rate. As a result the Group is not exposed to significant interest rate risk.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a different currency to the entity's functional currency in which they are measured.

The Group and Company's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily US\$ and Kazakh Tenge) in that currency. Where the Group or Company entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group and Company's currency risk exposure arises primarily from the following currencies:

	Group 2024 US\$'000	Company 2024 US\$'000
<b>Assets</b>		
USD	-	66
		66
<b>Liabilities</b>		
USD	3,241	3,211
GBP	698	848
	3,939	4,059

A 30% strengthening of USD would decrease the Group profit for the year by US\$ 972,000 (2023: US\$ 944,000) and increase a loss for the year of US\$ 112 million recognised in other comprehensive income due to retranslation of intercompany loans, with a total decrease in equity of US\$ 114 million (2023: US\$ 114 million) A 30% weakening of USD would have an equal but opposite effect.

The 30% sensitivity is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end. The sensitivity analysis includes long term intercompany loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower where changes in the foreign exchange rate are recognised in other comprehensive income.

## Notes to the Financial Statements (continued)

### 29 Related party transactions

The Company has no ultimate controlling party. Related party transactions are detailed below and have been carried out at arms-length.

#### 29.1 Key management remuneration

	Group 2024 US\$'000	Group 2023 US\$'000
Short-term employee benefits	373	436
	373	436

The Directors are the key management personnel of the Company and the Group. Details of Directors' emoluments and interests in shares are shown in the Remuneration Committee Report. The highest paid director had emoluments totalling US\$153,000 (2023: US\$153,000).

Kuat Oraziman and Aibek Oraziman are directors of the Company and members of the Oraziman family, which collectively is deemed a related party to the Group. Apart from remuneration, there were no other transactions with other members of the key management personnel not separately disclosed in these financial statements.

#### 29.2 Block 8 Acquisition agreement

In September 2022, the Company entered into an option agreement with Mr. Altynbek Bolatzhan, an Oraziman family member, for the Company to acquire EPC Munai LLP ("Block 8"). The maximum consideration for the asset is \$60 million, payable in cash from future production from Block 8, at the rate of \$5 per barrel of oil produced. The Company exercised its option to acquire Block 8 during the year ended 31 December 2023. The completion of the acquisition is subject to, inter alia, Block 8 renewing its licences and gaining regulatory approvals, which as at the date of approving these financial statements have not been received and therefore the acquisition has not been completed.

#### 29.3 Loan agreements and other payables and receivables.

The Company and Group has amounts payable to and receivable from members of the Oraziman family and legal entities controlled by them. The details of loan and other receivables are included in note 17. Dividends due to related parties are disclosed in note 20.

#### 29.4 Sales of services

CTS LLP, the Group's onshore drilling subsidiary, undertakes repair and drilling work at Block 8 (EPC LLP), which as detailed above is owned by a related party and the Group is in the process of acquiring. Summary of contracts are detailed below.

##### Well P2

CTS LLP signed the contract for sidetrack drilling of Well P2 in November 2024. As at 31 December 2024, the project overrun and Group was only able to recover costs incurred, with the revenue and cost of sales of US\$ 1,311,000 recognised in the year.

##### Well P3

The drilling contract for Well P3 was entered into in 2022, with a contract value of US\$ 6,484,000. At 31 December 2022 only the preparatory works had been completed, which Directors estimate to be approximately 7% of the total work. During 2023 work at the well has been put on hold to allow other projects to proceed and was eventually terminated when EPC's licence over the contract area expired. Over the contract life, CTS LLP billed US\$ 500,000 against costs incurred of US \$558,000.

##### Well AKD

The drilling contract for Well AKD was entered into 2022 with the original contract value of US\$ 4.3 million. At 31 December 2022 the well had reached a depth of 2,187 meters, representing approximately 20% of the total work. Similarly to the Well P3 contact, during 2023 the contact was put on hold and eventually terminated when EPC's licence over the contract area expired. Over the contract life, CTS LLP billed US\$ 2,648,000 against costs incurred of US \$2,966,000.

##### Toresai Drilling

In October 2023, CTS LLP entered into a contract to drill a well at Toresai, however it was also terminated when EPC's licence over the contract area expired. CTS LLP billed US\$ 2,214,000 against costs incurred of US \$2,480,000.

The impact on the Group financial statements, is summarised below:

	Group 2024 US\$'000	Group 2023 US\$'000
Revenue	1,311	4,126
Cost of sales	(1,311)	(4,735)
Net loss	-	(609)
Amounts due from related parties	-	3,703
Contract assets, due from related parties	1,311	-

## Notes to the Financial Statements (continued)

### 30 Non-controlling interest

	Group 2024 US\$'000	Group 2023 US\$'000
Balance at the beginning of the year	(5,152)	(5,667)
Share of profit for the year	177	515
Dividend	(1,496)	-
	(6,471)	(5,152)

Non-controlling interest represents minority share in BNG Ltd LLP, Beibars Munai LLP, Roxi Trading LLP, and Domosco LLP.

### 31 Events after the reporting period

#### West Shalva

On 15 April 2025 Caspian Sunrise PLC announced the acquisition of 100% of the shares of CS Energy LLP, the Kazakh entity, which holds the licence for the West Shalva Contract Area.

The acquisition terms, which were approved by independent shareholders at a General Meeting on 25 April 2024, comprised the issue to Altynbek Bolatzhan, the vendor of CS Energy LLP, of up to 198,412,698 shares and a potential additional cash sum of up to \$5 million, partially dependent on the success of drilling at the West Shalva Contract Area, as follows:

On Completion 99,206,349 new ordinary shares to be issued at 4p per share (the "Initial Consideration Shares") which were issued on 15 April 2025.

On first oil from the West Shalva Contract Area a further 99,206,349 new ordinary shares would be issued at 4p per share (the "Additional Consideration Shares")

Additionally, the first \$5 million revenue from oil sales from the West Shalva Contract Area under the Group's ownership is required to be paid to the vendor of CS Energy LLP.

The acquisition is treated as an asset acquisition and an unproved oil and gas asset of US\$5.2 million was recognised on 15 April 2025

#### MJF / South Yelemes

On 7 July 2025 the Group completed the sale of the MJF and South Yelemes shallow structures at the BNG Contract Area, from which 100% of oil in recent years was produced by the Group, to Absolute Resources LLP. The Group received a total of \$69 million in cash on completion and the remaining \$5.1 million is due to be received over a 12-month period commencing 6 months after formal completion of the sale. A gain on disposal of \$23.2 million was recognised after transaction costs of \$4 million due to VAT charges.

#### Block 8

A submission to complete the acquisition of EPC Munai LLP, the Kazakh registered entity which holds the licence for the Block 8 Contract Area has been submitted to the Kazakh regulatory authorities.

In September 2023 the Directors exercised an option to acquire EPC Munai first granted in 2022. The acquisition terms involve the payment of £100 for 100% of the shares in EPC Munai with further royalty payments of up to \$60 million at the rate of \$5 per barrel on oil produced from the Block 8 Contract Area once owned by the Group.

A condition of the acquisition was the renewal of licences at three separate structures on the Block 8 Contract Area. The licence for the Sholkara structure was renewed in Q4 2024 and the Group is no longer interested in the Toresai structure. The Group continues to seek the renewal of the licence for the Akkaduk structure but in the meantime has decided to seek to complete the EPC Munai acquisition initially solely based on the Sholkara structure.

#### UAE Claim

A current and three former shareholders are seeking to bring claims against the Company and certain of its Directors for US\$25 million before the Dubai Courts, principally on the basis that as the shareholders concerned did not approve the disposal of the MJF and South Yelemes the transaction is not valid.

On the basis of advice from leading commercial lawyers in the UK and Dubai and also from one of the world's leading professional services consultancies the Directors and Company believe that the claims have no merit and are therefore being vigorously defended. Accordingly, no provision has been made in these financial statements.

## Notes to the Financial Statements (continued)

### 32 Assets and liabilities held for sale

As detailed in note 2.2.3, during the year ended 31 December 2024, the Group has agreed to sell the BNG Disposal Group to Absolute Resources LLP. The transfer of the MJF and South Yelcemes structures completed on 7 July 2025. The carrying value of the BNG Disposal Group as at 31 December 2024 is as follows:

	Group 2024 US\$'000
<b>Assets</b>	
Perven oil and gas assets	62,099
Assets classified as held for sale	62,099
<b>Liabilities</b>	
Historical costs	(13,837)
Asset retirement obligation	(1,344)
Liabilities directly associated with assets classified as held for sale	(15,181)
<b>Net assets held for sale</b>	<b>46,918</b>

Under the terms of the SPA, the all-cash consideration is as follows:

	US\$'000
Cash on or before completion	69,000
Deferred consideration	5,100
<b>Total consideration</b>	<b>74,100</b>

The costs to sell are insignificant and therefore the expected consideration proceeds exceed the carrying value of the BNG Disposal Group and no impairment charge is recognised. The BNG Disposal Group constitutes a discontinued operation, the results of which are disclosed in note 11.