

Caspian Energy Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)

June 30, 2016

Notice of Disclosure of No Auditor Review of Condensed Interim Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2016 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) accounting principles as issued by the IASB and are the responsibility of the Company’s management.

The Company’s independent auditors, MNP LLP, have not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Caspian Energy Inc.

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

(in thousands of Canadian dollars)

As at	June 30 2016 \$	December 31 2015 \$
Assets		
Current assets		
Cash and cash equivalents (Note 4)	9	222
Trade receivables and other current assets (Note 5)	1,540	1,443
Inventory	184	59
	<u>1,733</u>	<u>1,724</u>
Non-current assets		
Restricted cash	36	38
VAT receivable	4,574	4,819
Property and equipment (Note 6)	443	540
Exploration and evaluation assets (Note 7)	29,530	31,106
	<u>36,316</u>	<u>38,227</u>
Liabilities		
Current liabilities		
Trade and other payables	30,083	32,260
Loans payable (Note 8)	595	980
	<u>30,678</u>	<u>33,240</u>
Non-current liabilities		
Loans payable (Note 8)	23,194	21,873
Decommissioning liability	901	949
Deferred tax liability	4,862	4,862
	<u>59,635</u>	<u>60,924</u>
Shareholders' deficit		
Share capital	183,035	183,035
Contributed surplus	18,507	18,507
Deficit	(228,142)	(227,092)
Accumulated other comprehensive income	3,281	2,853
	<u>(23,319)</u>	<u>(22,697)</u>
Total liabilities and shareholders' deficit	<u>36,316</u>	<u>38,227</u>

Reporting entity and going concern (Note 1)

Subsequent events (Note 15)

Caspian Energy Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)

(in thousands of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue				
Oil and natural gas revenue, net	695	16	797	17
Expenses				
Operating costs (recovery)	567	(33)	734	(41)
General and administrative	288	310	513	440
Transaction costs	–	143	–	143
Depletion and depreciation	42	53	68	53
	897	473	1,315	595
Operating loss before other items	(202)	(457)	(518)	(578)
Derivative fair value adjustment	–	72	–	864
Other expense	–	(1,137)	–	(1,137)
Finance expense (Note 12)	(620)	(176)	(1,235)	(699)
Foreign exchange gain (loss)	190	(341)	703	(1,477)
Net loss	(632)	(2,039)	(1,050)	(3,027)
Foreign currency translation adjustments	(87)	356	428	356
Comprehensive loss	(719)	(1,683)	(622)	(2,671)
Loss per share (Note 11)	(0.00)	(0.01)	(0.00)	(0.01)

Caspian Energy Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit (Unaudited)

(in thousands of Canadian dollars)

For the six months ended June 30	2016	2015
	\$	\$
Share capital		
Balance, January 1	183,035	159,903
Issuance of shares, net of issue costs	–	23,132
Balance, June 30	183,035	183,035
Warrants		
Balance, January 1	–	64
Expiry of warrants	–	(64)
Balance, June 30	–	–
Contributed surplus		
Balance, January 1	18,507	18,443
Expiry of warrants	–	64
Balance, June 30	18,507	18,507
Deficit		
Balance, January 1	(227,092)	(190,495)
Net loss	(1,050)	(3,027)
Balance, June 30	(228,142)	(193,522)
Accumulated other comprehensive loss		
Balance, January 1	2,853	–
Exchange differences on translation of foreign operations	428	356
Balance, June 30	3,281	356
Total shareholders' (deficit) equity	(23,319)	8,376

Caspian Energy Inc.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)

For the six months ended June 30	2016	2015
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Net loss	(1,050)	(3,027)
Adjustments for:		
Depletion and depreciation	68	53
Finance expense	1,235	699
Derivative fair value adjustment	–	(864)
Other expense	–	1,137
Foreign exchange	845	923
Changes non-cash working capital		
Trade and other receivables and other current assets	(97)	(65)
Inventory	(118)	23
Trade and other payables	(2,177)	155
Net cash used in operating activities	(1,294)	(966)
Financing activities		
Proceeds from loans payable, net	1,094	–
Proceeds from convertible loans	–	724
Net cash provided by financing activities	1,094	724
Investing activities		
Property and equipment expenditures	(5)	–
Exploration and evaluation asset expenditures	(5)	–
Cash and cash equivalents acquired	–	71
Decrease in restricted cash	–	133
Decrease in VAT receivable	–	40
Net cash provided by investing activities	(10)	244
Change in cash and cash equivalents	(210)	2
Foreign exchange on cash held in foreign currencies	(3)	1
Cash and cash equivalents – January 1	222	59
Cash and cash equivalents – June 30	9	62

See accompanying notes to the condensed interim consolidated financial statements.

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Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2016

(Unaudited)

(All tabular amounts are in thousands of Canadian dollars except as otherwise indicated)

1. Reporting entity and going concern

Caspian Energy Inc. (“Caspian” or the “Company”) is a publicly traded company on the NEX, a separate board of TSX Venture Exchange under the stock symbol CKZ.H. Caspian is engaged in the exploration for and development and production of oil and natural gas in the Republic of Kazakhstan (“ROK”). Its primary operating activities are carried out through its wholly-owned subsidiary, Caspian Energy Canada Ltd. (“CECL”). Caspian’s registered office is located at 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada.

On May 20, 2015, the Company completed an acquisition (the “Acquisition”) whereby Caspian acquired all the remaining interests in Aral Petroleum Capital LLP (“Aral”) not already owned by the Company, by the way of a share purchase agreement (the “Share Purchase Agreement”) made among Caspian, its wholly-owned subsidiary CECL, Asia Sixth Energy Resources Limited (“ASER”), Groenzee B.V. (“Groenzee”), and four other parties (the “Investors”). Prior to the Acquisition, Caspian held a 40% interest in Aral, recognized in its consolidated financial statements using the equity method of accounting.

Through its interest in Aral, the Company has the right to explore and develop certain oil and natural gas properties in Kazakhstan, known as the North Block (the “Exploration Contract”), a 1,466.41 square kilometre area located in the Aktyubinsk region in Kazakhstan (the “License Area”). The term of the Exploration Contract is until December 29, 2018 during which time Aral is committed to a minimum work program in the amount of USD 58.3 million. Aral also has a production contract (the “Production Contract”) with the Ministry of Energy (“ME”) of ROK for carrying out oil extraction activities in the East Zhagabulak field within the License Area. The term of the Production Contract is until July 28, 2035.

As at June 30, 2016, Sixth Energy Limited (“Sixth Energy”), the sole shareholder of ASER, owned and controlled approximately 59.9% of the Company’s issued and outstanding shares.

Going concern

These consolidated financial statements have been presented on a going concern basis. For the six months ended June 30, 2016, the Company reported a loss of \$1.1 million and used funds for operating activities of \$1.3 million. As at June 30, 2016, the Company had a net working capital deficiency of \$28.9 million and a cumulative deficit of \$228.1million.

The Share Purchase Agreement contains a condition precedent in favour of Caspian that Sixth Energy and Meridian International Capital Fund (“Meridian”) (collectively “the Lenders”) will on closing provide a secured loan facility of up to USD 61.5 million to Aral (the “Loan Facility”) (Note 8 (b)). The Loan Facility will be secured by share pledges over the entirety of the Company’s Aral interests in favour of the Lenders on a pro-rata basis and repayable on May 20, 2018 or some other later date agreed to by the parties. In March 2016, pursuant to the Share Purchase Agreement, Sixth Energy and Meridian effected the novation of all rights and obligations of Meridian to Sixth Energy relating to the USD 61.5 million secured loan facility between Aral, Sixth Energy and Meridian.

The Company’s ability to continue as a going concern is in significant doubt and is dependent upon obtaining financing to fund exploration and development activities and general and administrative expenses and on Aral achieving profitable operating results from its Kazakhstan operations.

On November 6, 2015, Aral made a formal application for protection from its trade creditors under the Law of the Republic of Kazakhstan *On Rehabilitation and Bankruptcy* through the implementation of rehabilitation procedures (the “Rehabilitation Procedures”). The initial application for protection from its trade creditors was denied by the courts in December 2015 and Aral’s subsequent appeal was denied in March 2016.

Subsequent to June 30, 2016, Aral successfully negotiated debt repayment schedules and other terms with major trade creditors. The Company drew USD 320,000 (\$416,000) on a loan facility obtained in July 2016 and transferred USD 260,000 (\$338,000) to Aral for repayment of trade and other payables in accordance with negotiated terms. As of the issue

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date of these consolidated financial statements, the blocks and restrictions placed on Aral's property and several bank accounts by major trade creditors have been lifted. See Note 15.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

2. Basis of presentation

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including International Accounting Standard 34 – Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented (see Note 3). These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2015.

The following entities have been consolidated within the Company's financial statements:

<u>Entity</u>	<u>Registered</u>	<u>Holding</u>
Caspian Energy Inc.	Canada	Parent
CECL	Canada	100%
Groenzee	Netherlands	100%
Aral	Kazakhstan	Owned 10% by CEI, 40% by CECL and 50% by Groenzee

Functional currency is the currency of the primary economic environment in which a company operates. The functional currency of the Company is Canadian dollars ("CAD"). The functional currency of the Company's subsidiaries are CAD for CECL, the United States dollar ("USD") for Groenzee and the Kazakhstani Tenge ("KZT") for Aral.

These consolidated financial statements are presented in CAD.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2016.

3. Changes in accounting standards

On January 1, 2016, the Company adopted amendments to *IFRS 11 Joint Arrangements*. The adoption of these amendments had no impact on the amounts recorded in the condensed interim consolidated financial statements for the three and six months ended June 30, 2016.

4. Cash and cash equivalents

	June 30		December 31
	2016		2015
Cash in CAD	\$ 1	\$	2
Cash in USD	7		188
Cash in Pounds Sterling	1		1
Cash in KZT	–		31
	\$ 9	\$	222

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5. Trade accounts receivable and other current assets

	June 30 2016	December 31 2015
Compensation receivable from participants	\$ 1,276	\$ 1,345
Goods and services tax receivable	8	7
Prepaid taxes, insurance and other items	256	91
	\$ 1,540	\$ 1,443

The compensation receivable from participants as December 31, 2015 and June 30, 2016 relates to the Company's losses related to the indemnification of litigation settled in a prior year. The Company's former partners had a liability to reimburse the losses as a result of the indemnification. During 2013, the compensation was repaid by participants by transferring to the account of the current participant, ASER, and the funds will be transferred to the account of the Company by the end of 2016.

The Company considers its receivables to be aged as follows:

	June 30 2016	December 31 2015
Current	\$ 236	\$ 7
31 to 120 days past due	-	24
Over 120 days past due	1,304	1,412
	\$ 1,540	\$ 1,443

In determining the recoverability of trade accounts receivable and other current assets, the Company considers any change in the credit quality of the balances from the date credit was initially granted up to the reporting date. Accordingly, the Company believes no allowance is required.

6. Property and equipment

	Oil and natural gas property	Other tangible assets	Total
Cost			
Balance at December 31, 2015	\$ 70	\$ 589	\$ 659
Additions	-	5	5
Foreign exchange	(3)	(30)	(33)
Balance at June 30, 2016	\$ 67	\$ 564	\$ 631
Accumulated depletion and depreciation			
Balance at December 31, 2015	\$ 70	\$ 49	\$ 119
Depletion and depreciation included in expense	-	68	68
Depletion and depreciation included in inventory	-	7	7
Foreign exchange	(3)	(3)	(6)
Balance at June 30, 2016	\$ 67	\$ 121	\$ 188
Carrying amount			
December 31, 2015	\$ -	\$ 540	\$ 540
June 30, 2016	\$ -	\$ 443	\$ 443

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7. Exploration and evaluation assets

Balance at December 31, 2015	\$	31,106
Additions		5
Foreign exchange		(1,581)
Balance at June 30, 2016	\$	29,530

8. Loans payable

	June 30 2016	December 31 2015
Asia Dynamic (a)	\$ 9,564	\$ 9,532
Sixth Energy (b)	13,126	11,815
Meridian (c)	–	267
ASER (d)	504	259
Emir Oil (e)	595	980
	23,789	22,853
Current portion of loans payable	(595)	(980)
	\$ 23,194	\$ 21,873

(a) Asia Dynamic loan

As at December 31, 2015 and June 30, 2016, the Company had a USD 6 million facility agreement with Asia Dynamic Energy Corporation (“Asia Dynamic”) at an interest at a rate of 10% per annum until May 20, 2019.

As at June 30, 2016, the \$9,564,000 balance owing under the Loan is comprised of \$7,750,000 (USD 6 million) of principal plus \$3,073,000 of accrued interest net of \$1,259,000 for the effect of the loan modification in 2015 (December 31, 2015 – \$9,532,000 balance comprised of \$8,304,000 (USD 6 million) of principal plus \$2,742,000 of accrued interest less \$1,514,000 loan modification).

(b) Sixth Energy loan

Aral has a USD 10 million facility with Sixth Energy dated May 21, 2014 and amended August 20, 2014 (the “Interim Loan”), of which USD 7.9 million was drawn as at March 31, 2016 (December 31, 2015 – USD 7.6 million). The Interim Loan bears interest at an annual rate of 10%. On the first draw-down under the USD 61.5 million Loan Facility (Note 1), the balance owing under the Interim Loan will be consolidated with the Loan Facility, resulting in Aral having access to up to USD 51.5 million, assuming the full draw-down of the Interim Loan. As the Interim Loan will be consolidated with the Loan Facility, it has been classified as long-term.

In March 2016, the Meridian loan (Note 8(c)) was transferred to Sixth Energy in connection with the novation of rights and obligations of Meridian to Sixth Energy.

As at June 30, 2016, the \$13,126,000 balance owing under the Interim Loan is comprised of \$11,306,000 (USD 8.6 million) of principal plus \$1,820,000 of accrued interest (December 31, 2015 – \$11,815,000 balance comprised of \$10,479,000 (USD 7.6 million) of principal plus \$1,336,000 of accrued interest).

(c) Meridian loan

On April 10, 2015, Meridian advanced to Aral (indirectly through Sixth Energy) USD 0.2 million principal amount as an advance under the Interim Loan which bears interest at an annual rate of 10%. Meridian, Sixth Energy and the

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Aral executed in favour of Meridian an acknowledged "Assignment of Interest in Loan Agreement" dated April 10, 2015 pursuant to which the USD 0.2 million principal amount together with interest thereon accrued from April 10, 2015 was assigned by Sixth Energy to Meridian.

As at December 31, 2015, the \$267,000 balance owing under the Meridian portion of the Interim Loan was comprised of \$249,000 (USD 0.2 million) of principal plus \$18,000 of accrued interest.

In March 2016, the loan was transferred to Sixth Energy in connection with the novation of rights and obligations of Meridian to Sixth Energy.

(d) ASER loan

On May 25, 2015, the Company signed a USD 1 million facility agreement with ASER. The facility is unsecured, bears interest at an annual rate of 10% per annum and due on May 25, 2025 or such later date as agreed by the Company and ASER.

During 2015, the Company drew USD 185,000 under the facility. During the six months ended June 30, 2016, the Company drew an additional USD 190,000 under the facility.

As at June 30, 2016, the \$504,000 balance owing under the facility is comprised of \$484,000 (USD 375,000) of principal plus \$20,000 of accrued interest (December 31, 2015, \$259,000 balance comprised of \$256,000 (USD 185,000) of principal plus \$3,000 of accrued interest).

(e) Emir loan

As at December 31, 2015, the Company had a short term non-interest bearing loan due to Emir Oil in the amount of KZT 241 million for which the aggregate amortized cost at December 31, 2015 was \$980,000. The maturity date of the loans was December 31, 2015 and on February 10, 2016, Aral repaid KZT 87 million to Emir Oil, reducing the balance to KZT 154 million for which the amortized cost at June 30, 2016 was \$595,000.

9. Stock options

As at December 31, 2015, the Company had 717,000 stock options outstanding and exercisable. During the six months ended June 30, 2016, 567,000 stock options expired. As at June 30, 2016, the Company had 150,000 stock options outstanding and exercisable.

Information about stock options outstanding and exercisable as at June 30, 2016 is summarized in the following table:

Exercise price	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Number exercisable
\$ 0.70	50,000	0.70	0.52	50,000
\$ 0.95	50,000	0.95	0.52	50,000
\$ 1.90	50,000	1.90	0.52	50,000
	150,000	\$ 1.18	0.52	150,000

10. Consideration warrants

As at December 31, 2015, the Company had 1,075,500 consideration warrants outstanding. During the six months ended June 30, 2016, in connection with the expiry of stock options, 850,500 consideration warrants expired. As at June 30, 2016, the Company had 225,000 consideration warrants outstanding.

Each consideration warrant is exercisable only following the issuance of a Caspian common share upon the exercise of an

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outstanding stock option or performance share in accordance to which the terms of the particular consideration warrant corresponds.

Information about consideration warrants outstanding as at June 30, 2016 is summarized in the following table:

Exercise price	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Number exercisable
\$ 0.70	75,000	0.70	0.52	–
\$ 0.95	75,000	0.95	0.52	–
\$ 1.90	75,000	1.90	0.52	–
	225,000	\$ 1.18	0.52	–

11. Per share amounts

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Loss for the period	\$ (632)	\$ (2,039)	\$ (1,050)	\$ (3,027)
Weighted average number of shares (in thousands) – basic:				
Issued common shares at January 1	463,658	134,434	463,658	134,434
Effect of shares issued during the period	–	180,892	–	74,576
	463,658	315,326	463,658	209,010
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)

The effect of stock options, performance shares and consideration warrants is anti-dilutive in loss periods.

12. Finance expense

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Interest expense on loans payable (Note 8)	\$ 620	\$ 264	\$ 1,235	\$ 486
Interest and accretion on convertible loans	–	187	–	488
Forgiveness of interest	–	(286)	–	(286)
Accretion of decommissioning obligation	–	11	–	11
Net finance (income) expense	\$ 620	\$ 176	\$ 1,235	\$ 699

13. Related party transactions

The Company conducts business with the following related parties:

Company	Relationship as at June 30, 2016
Sixth Energy	Owned and controls approximately 59.9% of the Company's issued and outstanding shares
ASER	Wholly-owned subsidiary of Sixth Energy
Asia Dynamic	Controlled by the majority shareholder of Sixth Energy

Amounts due to related parties are disclosed in Note 8.

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The following related party amounts have been recognized in the consolidated statements of loss and comprehensive loss:

For the six months ended June 30	2016		2015	
Interest and accretion on loans payable				
Sixth Energy	\$	550	\$	31
ASER		17		–
Asia Dynamic		668		455
	\$	<u>1,235</u>	\$	<u>486</u>

14. Foreign currency exchange risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. A substantial portion of the Company's activities are conducted in a foreign jurisdiction and a portion of the Company's financial assets and liabilities are denominated in USD and KZT. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

Foreign exchange rates to Canadian dollars for the noted dates and periods are as follows:

	Closing rate as at		Average rate	
	June 30 2016	December 31 2015	Six months ended June 30 2016	2015
KZT	0.0038	0.0041	0.0039	0.0064
USD	1.2917	1.3840	1.3297	1.2352

The following tables provide information on the foreign currency denominated financial instruments held by the Company:

As at June 30, 2016	Balance denominated in		Total CAD equivalents
	KZT	USD	
Cash and cash equivalents	89	6	8
Trade receivables and other current assets	397,000	–	1,532
Trade and other payables	(7,717,430)	(202)	(30,048)
Loans payable	–	(18,416)	(23,789)

As at December 31, 2015	Balance denominated in		Total CAD equivalents
	KZT	USD	
Cash and cash equivalents	7,601	127	207
Trade receivables and other current assets	353,138	–	1,436
Trade and other payables	(7,846,141)	(100)	(32,043)
Loans payable	–	(16,512)	(22,853)

The following represents the estimated impact on net loss of a 25% change in the closing rate of the KZT and a 10% change in the closing rate of the USD as at June 30, 2016 on foreign denominated financial instruments held by the Company, with other variables such as interest rates and commodity prices held constant:

KZT	5,650
USD	2,400
	<u>8,050</u>

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15. Subsequent events

- (a) Subsequent to June 30, 2016, Aral successfully negotiated debt repayment schedules and other terms with major trade creditors. As of the issue date of these consolidated financial statements, the blocks and restrictions placed on Aral's property and several bank accounts by major trade creditors have been lifted.
- (b) In July 2016, the Company obtained a USD 500,000 loan facility from Hong Kong Business Development Co. Limited. The facility bears interest at 10% per annum and is repayable in three months from the date of each draw. On July 13, 2016, the Company a first tranche of USD 320,000 (\$416,000) of which USD 260,000 (\$338,000) was transferred to Aral for the repayment of trade and other payables in accordance with terms negotiated with major trade creditors.

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16. Segmented information

The Company's operations are conducted in one business sector, the oil and natural gas industry. Geographical areas are used to identify Company's reportable segments. A geographic segment is considered a reportable segment once its activities are regularly reviewed by the Company's management. The Company has two reportable segments which are as follows:

- Kazakhstan, which includes the oil and natural gas industry; and
- Other, which includes corporate assets and the operations in the Canadian and Netherlands entities. None of these individual segments meet the quantitative thresholds for determining reportable segments.

	June 30, 2016			December 31, 2015		
	Kazakhstan	Other	Total	Kazakhstan	Other	Total
Property and equipment	\$ 443	-	443	\$ 540	-	540
Exploration and evaluation assets	\$ 29,530	-	29,530	\$ 31,106	-	31,106
Other assets	\$ 6,326	17	6,343	\$ 6,425	156	6,581
Total liabilities	\$ 44,591	15,044	59,635	\$ 45,927	14,997	60,924
Capital expenditures	\$ 10	-	10	\$ 129	-	129

	Three months ended June 30, 2016			Three months ended June 30, 2015		
	Kazakhstan	Other	Total	Kazakhstan	Other	Total
Revenue	\$ 115	-	115	\$ 15	1	16
Operating costs (recovery)	(13)	-	(13)	(35)	(6)	(41)
General and administrative	209	79	288	120	198	318
Transaction costs	-	-	-	-	143	143
Depletion and depreciation	42	-	42	53	-	53
Finance expense	277	343	620	42	134	176
Other items	(139)	(51)	(190)	5,470	(4,064)	1,406
Tax expense	-	-	-	-	-	-
Segment net loss	\$ (261)	(371)	(632)	\$ (5,635)	3,596	(2,039)

	Six months ended June 30, 2016			Six months ended June 30, 2015		
	Kazakhstan	Other	Total	Kazakhstan	Other	Total
Revenue	\$ 216	1	217	\$ 15	2	17
Operating costs (recovery)	154	-	154	(35)	(6)	(41)
General and administrative	349	164	513	120	320	440
Transaction costs	-	-	-	-	143	143
Depletion and depreciation	68	-	68	53	-	53
Finance expense	550	685	1,235	42	657	699
Other items	(44)	(659)	(703)	5,470	(3,720)	1,750
Tax expense	-	-	-	-	-	-
Segment net loss	\$ (861)	(189)	(1,050)	\$ (5,635)	2,608	(3,027)