



CASPIAN OIL & GAS

Caspian Oil & Gas Limited

Central Asian Oil

29 November 2005

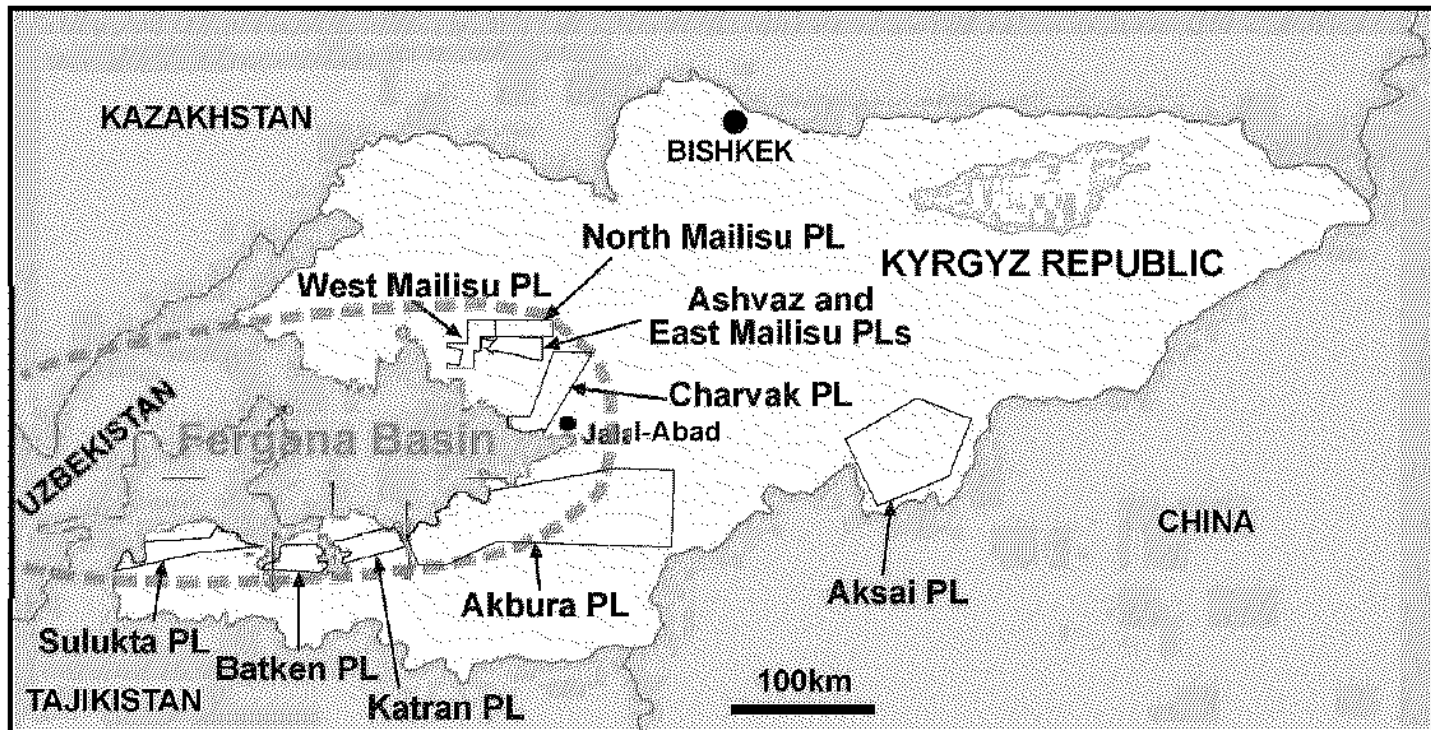
The Kyrgyz Republic

- within a prolific oil pathway



Kyrgyz Republic oil projects

- Licences covering ~16,500 sq km
- Identified by Alex Becker (+18 yrs Central Asian experience)
- All but one licence in the Fergana Basin
- Fergana Basin has over 60 producing oilfields, first production 1901



Oil seeps galore

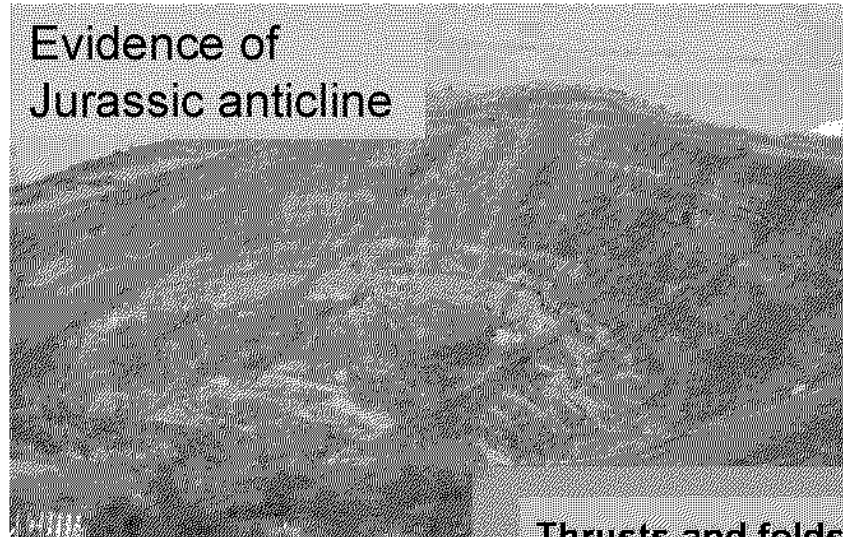
Numerous natural oil seeps in CIG's licences...



..and oil in uranium drills

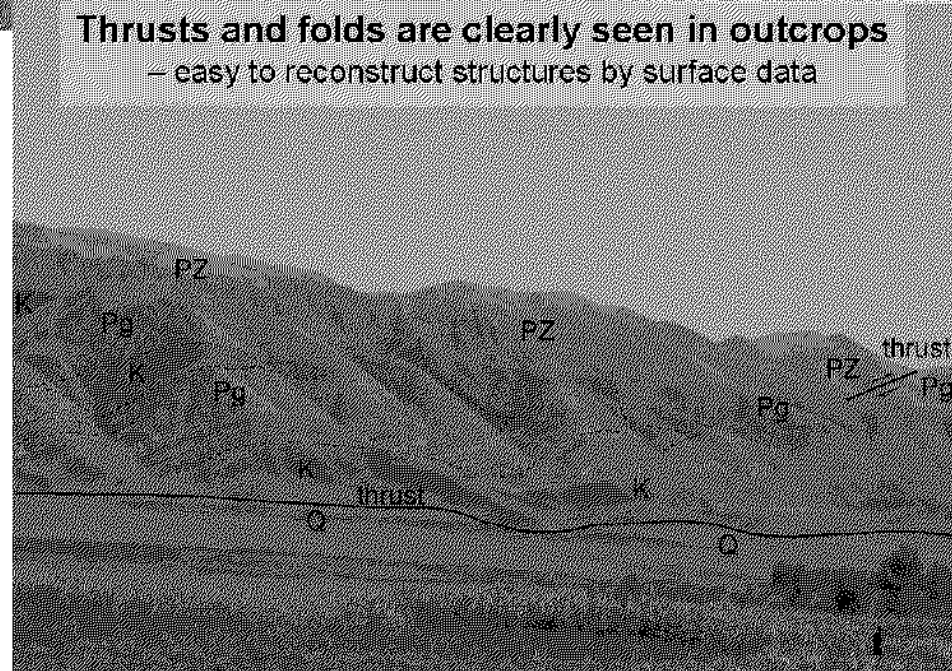


Large structures – multi hundred million barrel targets



Naukat structure Landsat image

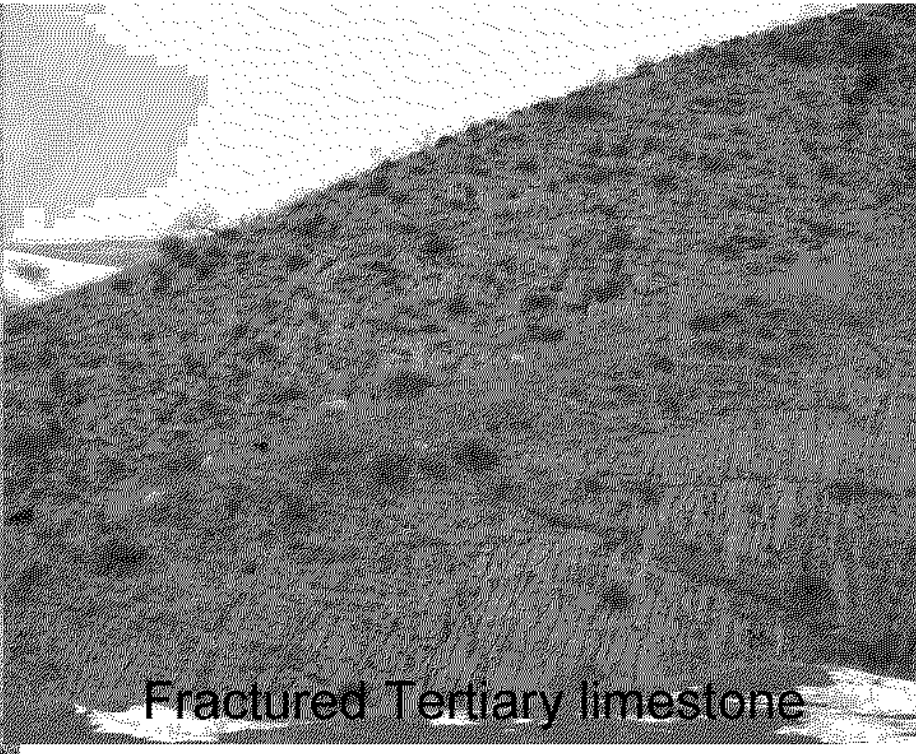
Thrusts and folds are clearly seen in outcrops
– easy to reconstruct structures by surface data



Multiple reservoirs visible in outcrop



Massive Cretaceous sandstone



Fractured Tertiary limestone

September 05 JV to Santos

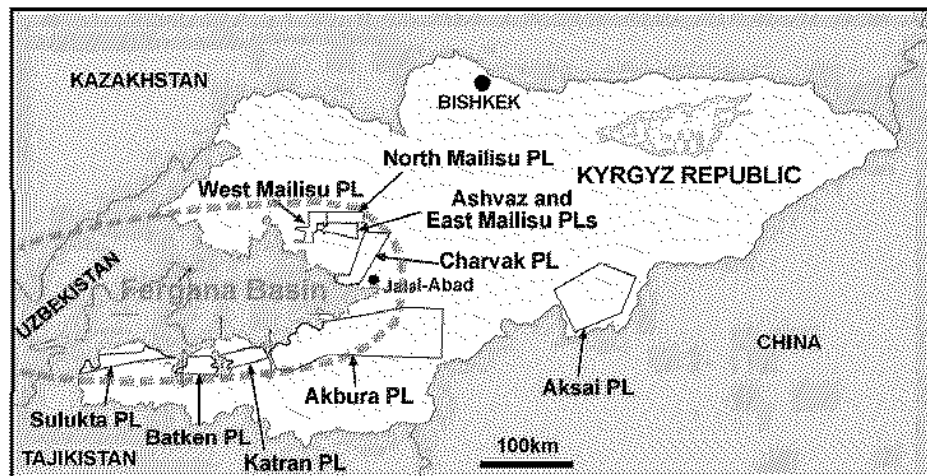
- Santos has farmin rights to the 10 licences, except for shallow (<1,000m) prospects in 4 northern blocks
- Santos can elect by 31/1/06 to farm into the 4 shallow prospects as well

Primary Santos Joint Venture

- US\$24m to earn 80% in all 10 licences in 3 phases:
 1. US\$3m by end 06
field work, data review and commence seismic
 2. US\$6m by mid 08
seismic and/or medium depth drilling
 3. US\$15m by mid 09
drilling of deeper targets
- Phase 1 is committed and underway
- If Santos withdraws after phase 1 or 2 it does not retain equity
- Timing and work programs can vary

Santos shallow production option

- Santos is undertaking a feasibility study of the shallow section (top 1,000m) of 4 northern licences
 - Ashvaz, Charvak, East and West Mailisu
- It can elect by 31/1/06 to earn 80% equity in shallow fields by funding US\$4m on development:
 - US\$2m by Dec 06
 - US\$2m by 30 June 08
- If not, the shallow rights revert to Caspian



Santos commenced work with 3 teams in the field in mid-September

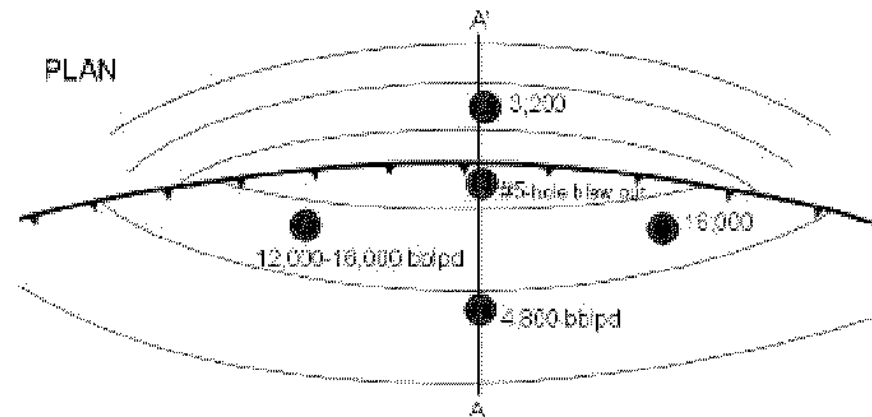
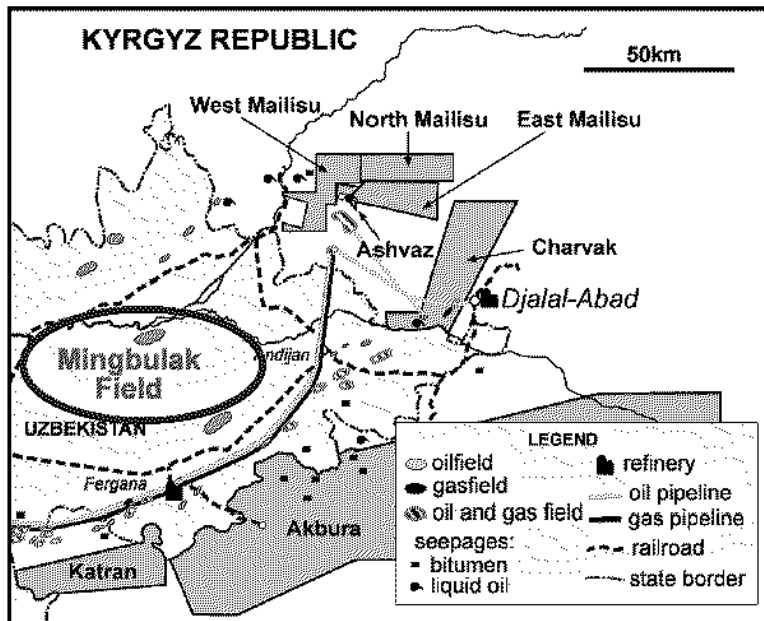
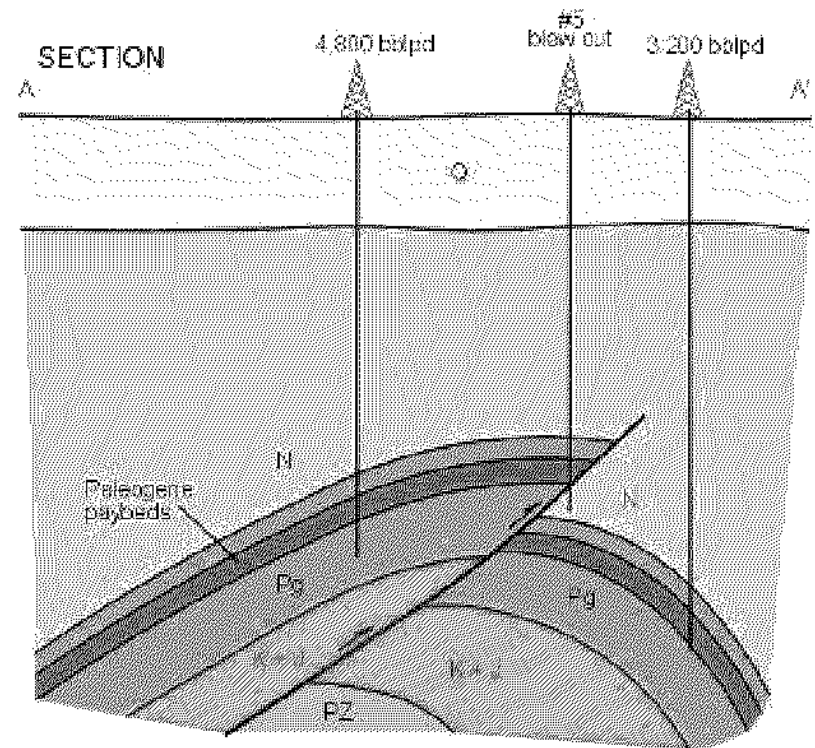
- 1 team to assess shallow section
- 2 teams of geologists mapping large structures

Attraction to major oil producers

- Attractive geology in proven oil province
 - large deep prospects
 - like Mingbulak in central Fergana Basin, Uzbekistan
 - Shallow reserves and numerous oil seeps
- Under-explored
 - modern techniques yet to be applied
- Excellent fiscal regime
 - low tax rates
 - low work commitments
 - long licence tenure
- Democracy with a stable economy

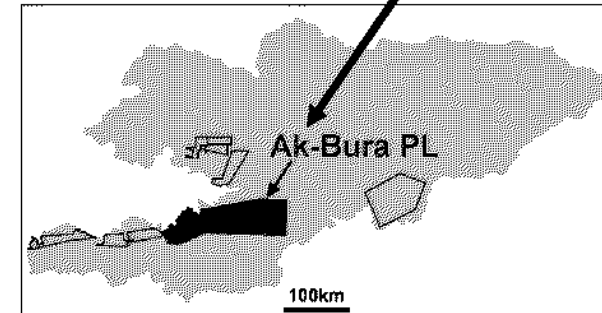
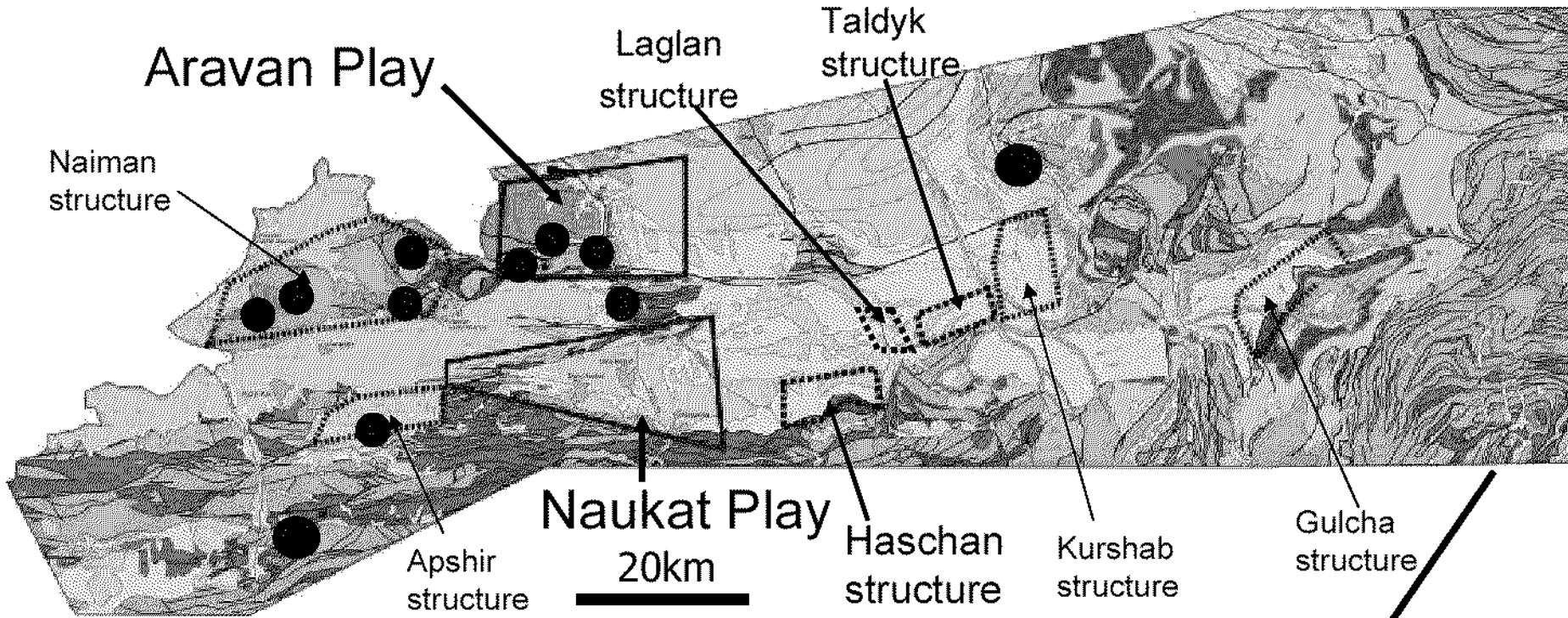
Mingbulak

- Largest oil field in Fergana Basin
- Discovered in Uzbekistan just after collapse of Soviet Union (1992-1993)
- Thrust-related anticline
- Depth 5,000-5,500m
- Well 1 – 4,800bbl/day
- Well2 -16,000bbl/day
- Well3 -12,000bbl/day
- Well4 –3,200bbl/day
- Well5 - blowout!

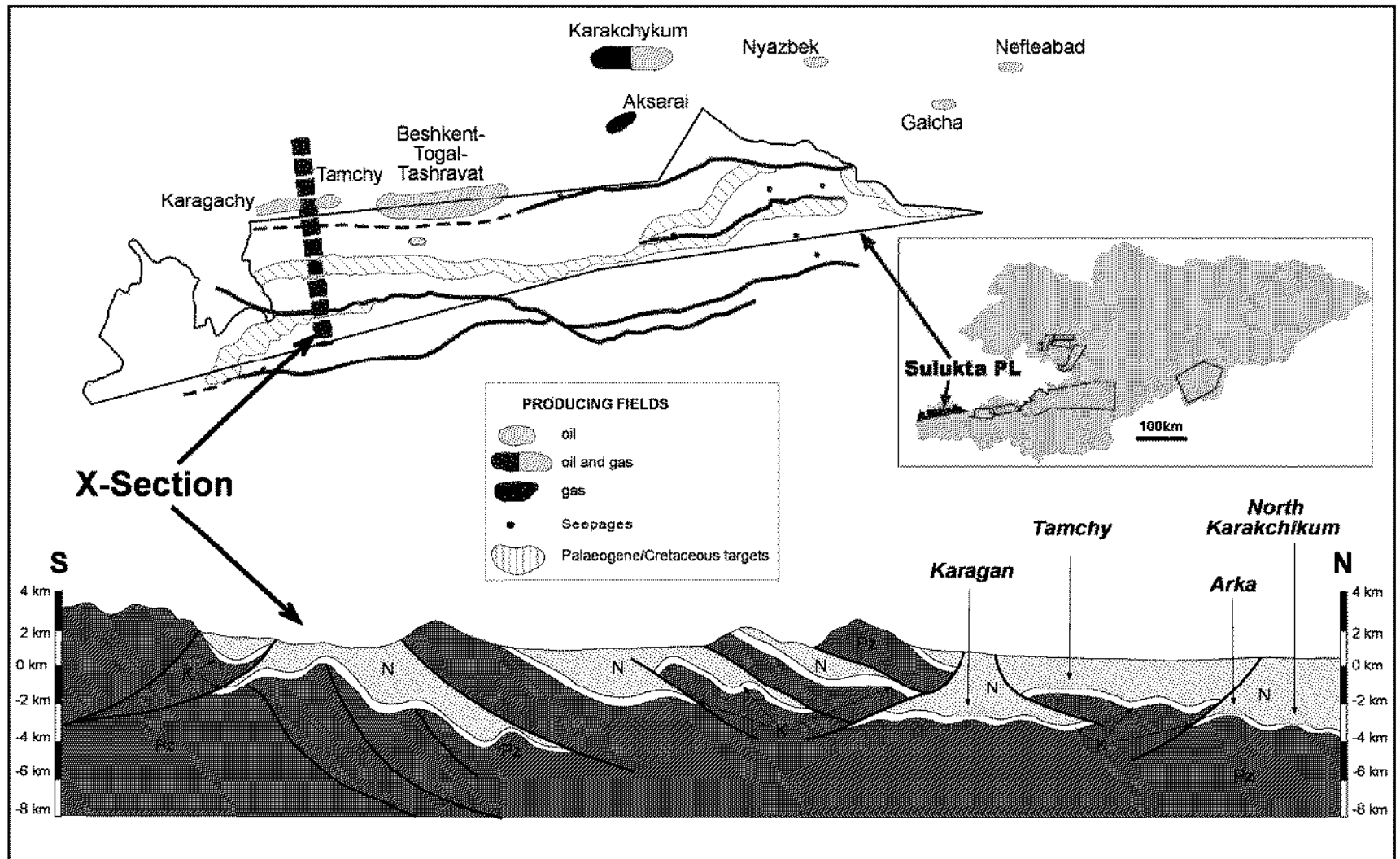


Ak-Bura:

numerous large prospects

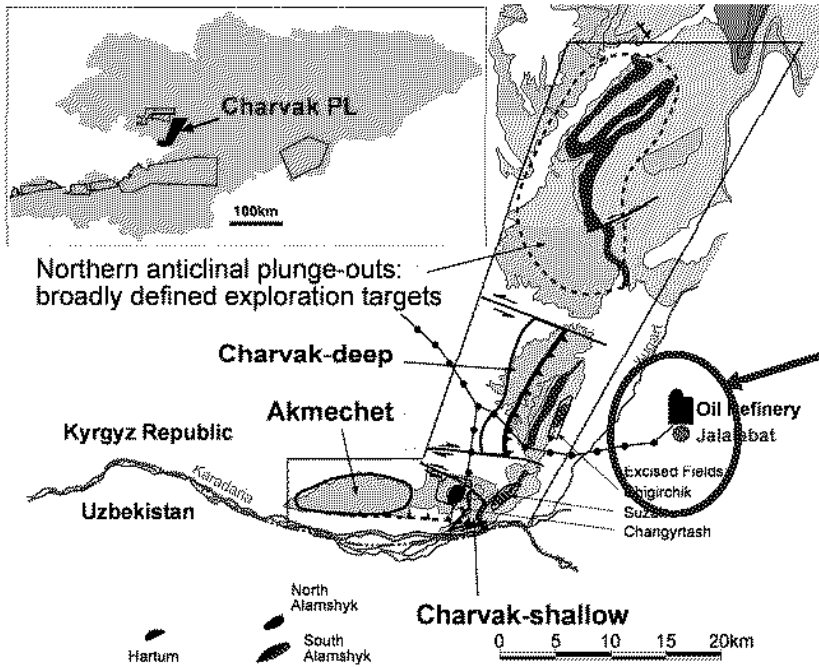


Sulukta: large prospects adjacent to existing fields



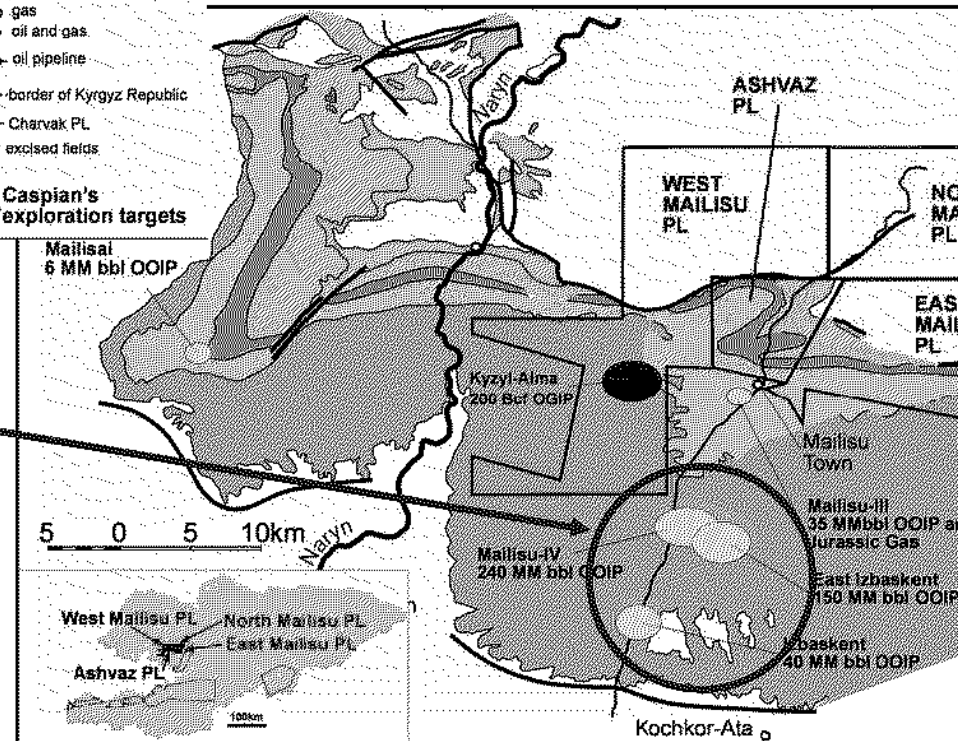
Charvak and Ashvaz

shallow reserves + deeper prospects



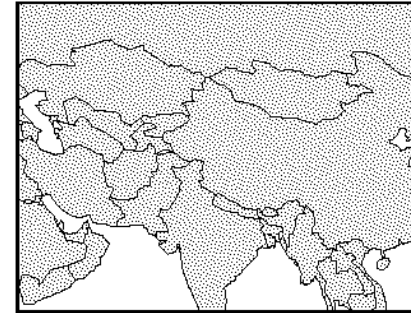
Under-utilized refinery

Large adjacent fields



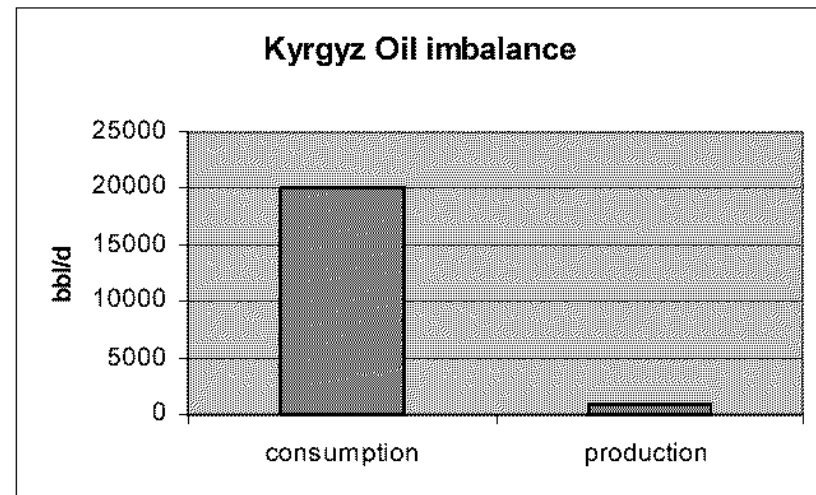
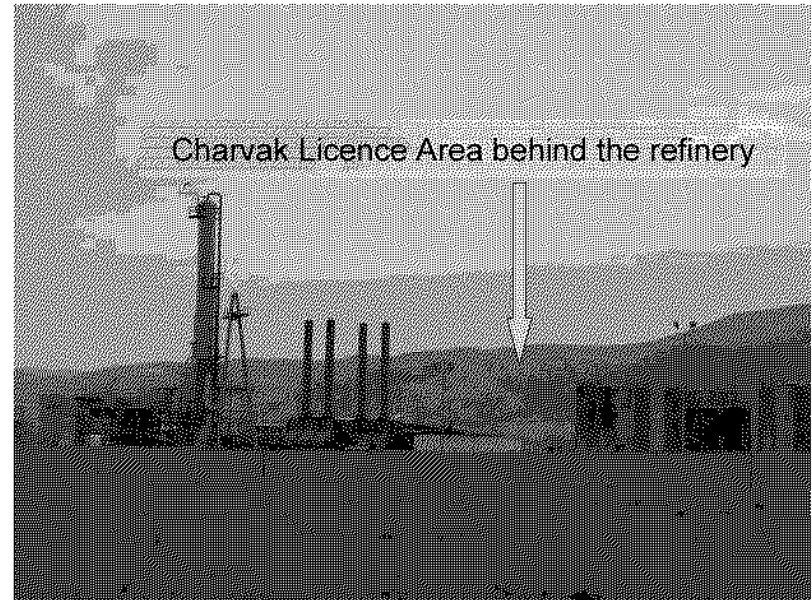
The Kyrgyz Republic

- Low tax environment
 - Total take on oil production~35% including 20% tax rate, 5% royalties, US\$2/bbl excise
- Free market economy, WTO member
- Freedom to transfer funds, export oil and exchange currency
- Strong foreign investment law
- Low cost environment
- Developed infrastructure
- History of profitable foreign mining operations (high % of GDP)
- Pragmatic bureaucracy, quick approvals process, supportive of development

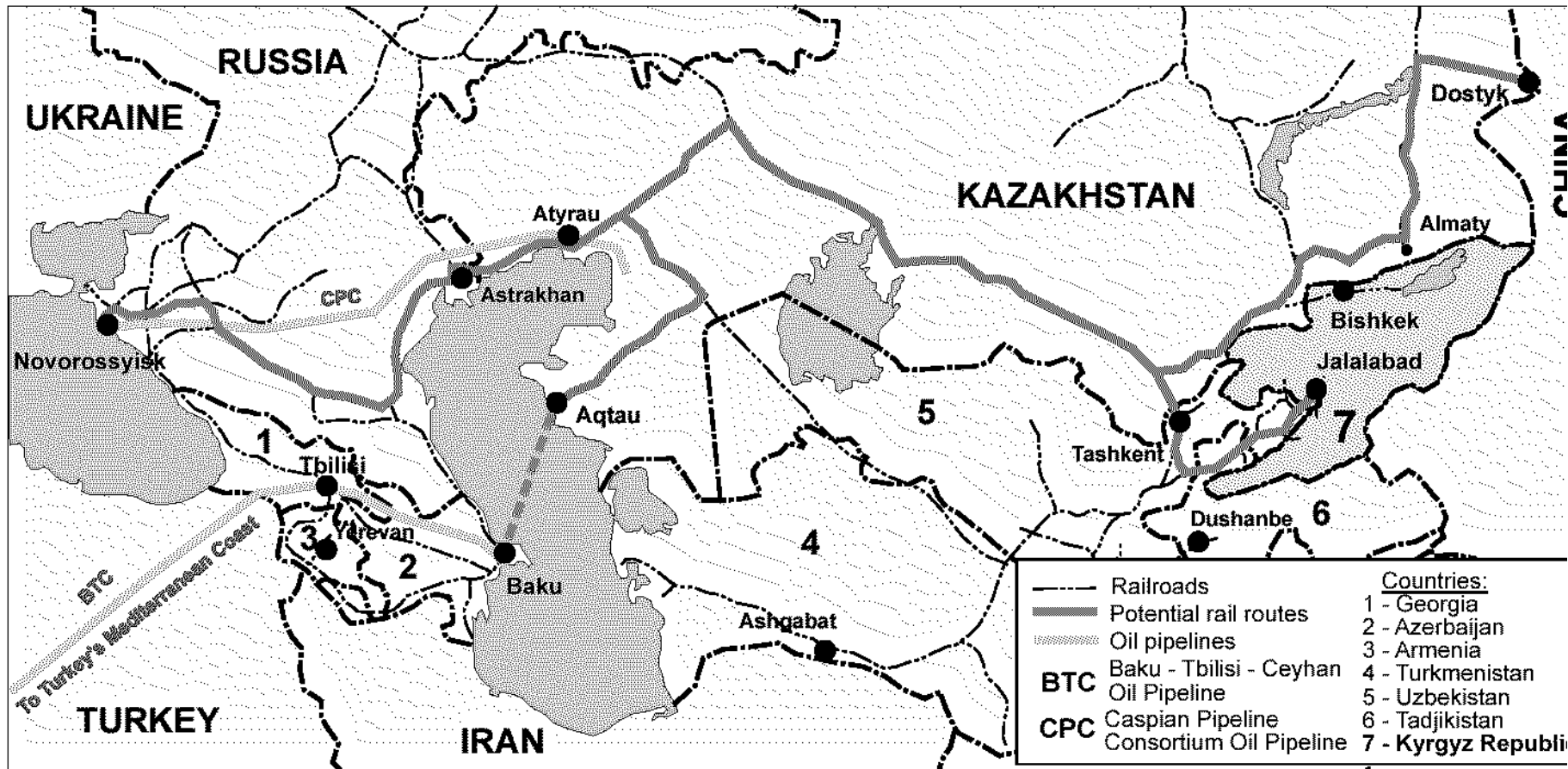


Kyrgyz oil market

- Jalalabad (Djalal-Abad) oil refinery
 - Near Charvak,
 - services southern Kyrgyz Republic
 - British operated (Petrofac)
 - Capacity of 10,000 barrels per day
 - easily upgraded to >15,000 bpd
 - At 15% of capacity due to lack of feedstock
- Located next to China's ravenous energy market
 - Estimated rail cost ~US\$9/bbl to China
 - ~US\$15/bbl to Black Sea



Oil export routes



Indicative prices:

- Jalalabat - Novorossiysk (Russia Black Sea port) - \$108.20 per tonne (~ \$17/bbl)
- Jalalabat - Aqtau (Kazakhstan Caspian port with barge connection to BTC pipeline) \$65.00 per tonne (~ \$10/bbl)
- Jalalabat - Dostyk (Kazakhstan on the border with China) \$58.00 per tonne (~ \$9/bbl)

Where to for Caspian?

- We have achieved our aim of identifying an industry partner/operator for the Fergana licences
- Caspian will be carried for up to **US\$28m**
 - to be mainly spent on **drilling large prospects**
- 20% equity in even a 30MMbbl discovery would transform Caspian's market capitalization
 - Conservative NPV per barrel ~ US\$20/bbl
 - Using \$50 oil price
 - Current price higher
 - Several prospects each with +100mmb+ potential!
- The shallow acreage may revert to CIG
 - to develop ourselves or with another partner
- Caspian is assessing other opportunities in the region and elsewhere

Capital & finances

- 792 million issued shares
- 35.4 million options exercisable at between 4c-10c
- Santos holds 140m shares -17.7% of CIG
- Vendors and director related shares est. 28%
- Market cap ~\$55m-\$70m (at 7-9 cents/share)
- 67m performance shares (on 100 mmbbls)
- Cash position Sept 05 ~Au\$6.5m
- Other assets such as Perseus Mining shares, De Beers JV over Congo diamond projects

Management

Colin Carson – Executive Director, over 20 years of corporate experience in exploration

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Dr. Alexander Becker Consultant, Non-executive Director Structural geologist with local knowledge and government connections; 18 years in Kyrgyz Republic; with western exploration companies since 1995

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Andrei Sinelnikov – Kyrgyz Operations Manager, managing local operations; Russian speaking, western trained petroleum geologist; ex-Novus;

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Thank You