Roxi Petroleum

Galaz Update

Roxi Petroleum plc ("Roxi" or the "Company") is pleased to report that its subsidiary, Galaz and Company LLP ("Galaz"), the operator of the North West Konys Field, in the Kyzylorda Oblast, Central Kazakhstan, has received approval from the State Geological Committee of Kazakhstan, for the re-determination of GOST reserves on the North West Konys field. Roxi has an indirect participating interest in Galaz of 43.4%.

The total reserves approved to GOST standards on the Galaz Contract Area are 14.6 million barrels (1.955 million tons), comprising of 7.2 million barrels (0.962 million tons) C1 category, and 7.4 million barrels (0.993 million tons) C2 category; against previously reported C1 reserves of zero and C2 reserves of 12.6 million barrels (1.7 million tonnes). This represents an overall increase in C1 and C2 reserves of approximately 16%. Galaz will now submit for approval from the State Authorities, development plans for Pilot Production of the C1 reserves.

The Company is currently undertaking a determination of Proven, Probable, and Possible reserves under SPE standards in compliance with AIM regulations.
Operations

Exploration well NK22, was spudded by KazRosMunai LLP drilling company on the 24th November 2009, approximately six kilometres from the North West Konys Field. The well is drilling the 295mm section of the well prior to setting intermediate casing at 950m. The well is targeted to test Arskum and Upper Jurassic sands at a predicted depth 2200m.

Further announcements will be made in due course.

Qualified Person

Duncan McDougall, Technical Director of Roxi Petroleum and a Fellow of the Geological Society, London, has reviewed and approved the technical disclosure in this announcement. He holds a BSc in Geology and has 25 years international experience of exploration, appraisal, and development of oilfields in a variety of environments.

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Glossary
SPE – The Society of Petroleum Engineers
Proved Reserves
Proved Reserves are those quantities of petroleum which, by analysis of geoscience 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 geoscience 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.

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 categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

GOST Standard Reserves
Category C1
C1 reserves are computed on the basis of results of geological exploration work and production drilling and must have been studied in sufficient detail to yield data from which to draw up either a trial industrial development project in the case of a natural gas field or a technological development scheme in the case of an oil field.

Category C2
C2 reserves are preliminary estimated reserves of a deposit calculated on the basis of geological and geophysical research of unexplored sections of deposits adjoining sections of a field containing reserves of higher categories and of untested deposits of explored fields. The shape, size, structure, level, reservoir types, content and characteristics of the hydrocarbon deposit are determined in general terms based on the results of the geological and geophysical exploration and information on the more fully explored portions of a deposit. Category C2 reserves are used to determine the development potential of a field and to plan geological, exploration and production activities.

Category C3
C3 resources are prospective reserves prepared for the drilling of (i) traps within the oil-and-gas bearing area, delineated by geological and geophysical exploration methods tested for such area and (ii) the formation of explored fields which have not yet been exposed by drilling. The form, size and stratification conditions of the assumed deposit are estimated from the results of geological and geophysical research. The thickness, reservoir characteristics of the formations, the composition and the characteristics of hydrocarbons are assumed to be analogous to those for explored fields. Category C3 resources are used in the planning of prospecting and exploration work in areas known to contain other reserve bearing fields.