

Roxi Petroleum Plc ("Roxi" or the "Company")

## US\$5 million additional funding from Arawak

18 June 2009

- US\$5 million convertible loan from Arawak a subsidiary of the Vitol group
- US\$3 million is earmarked to bring Galaz into production
- US\$2 million will be available for the for general administrative purposes
- When taken in conjunction with the recently announced US\$24 million GEM facility Roxi has in the past month put in place facilities to provide up to an additional US\$29 million of funding

Roxi Petroleum plc ("Roxi" or "the Company"), the Kazakhstan based oil exploration and development company is pleased to announce additional funding from a leading industry participant.

### US\$5 million Convertible loan

Roxi is pleased to announce that the Company has entered into an agreement with Arawak Energy Limited ("Arawak"), a subsidiary of the Vitol group, which is one of the world's largest oil traders, to provide a US\$5 million loan to Roxi, principally to assist the Company to bring Roxi's Galaz assets into full production.

The loan will carry interest at 7 per cent above LIBOR and is repayable in 12 months at the Company's option. In the event it is not then repaid the loan will, based on today's exchange rate, convert into approximately 31 million Roxi shares at 10p per share.

Approximately US\$3 million will be used to develop the Galaz assets to bring them into full production. Approximately US\$2 million will be available for general administrative purposes.

In consideration for entering into the loan agreement Roxi will issue Arawak warrants to subscribe for up to 18 million Roxi shares, exercisable before 31 March 2010 at a price of 10p per share, or before 30 September 2010 at 15p per share, or before 31 March 2011 at 20p per share.

The board believes that the proposed US\$5 million convertible loan, taken together with funding available under the recently announced US\$24 million GEM facility, will provide a far greater level of financial stability that has existed of late and allow the management to focus on the development of the Company's assets.

## **Related party transaction**

A condition of the loan is that it ranks ahead of loans made by Mr Kuat Oraziman, a director of Roxi. Accordingly, Mr Kuat Oraziman, , has agreed to defer repayment on US\$14.5 million existing loans due for repayment in June and July 2009. In return for agreeing to subordinate these loans to Arawak and to extend the repayment dates Roxi has agreed to place US\$10 million of his loans on the same commercial terms as negotiated with Arawak.

Therefore US\$10 million of Mr Oraziman's loans will from the date of drawdown under the Arawak loan earn interest at the rate of 7 per cent above LIBOR. Additionally Mr Oraziman will be issued with 36 million warrants exercisable on the same terms as Arawak.

The changes to Mr Oraziman's loans to Roxi constitute related party transactions under the AIM Rules for companies. Roxi's directors, other than Mr Oraziman, after consulting with WH Ireland, the Company's nominated adviser, consider the revised terms of his loans together with the granting of the 36 million warrants fair and reasonable in so far as shareholders are concerned.

## **Rob Schoonbrood CEO commented**

**"I am delighted that we have been able to secure this substantial new funding - from a top quality partner, with experience in Kazakhstan and who are well aware of the potential of emerging markets oil and gas.**

**The Arawak funding will, greatly aid our efforts to bring our Galaz asset into production,**

**Following a tough year in capital markets, we believe that with this combination of new funding, and a positive outlook operationally, there is every reason for cautious confidence for the future."**

## **Enquiries:**

<b>Roxi Petroleum Plc</b>	Rob Schoonbrood, CEO	+7 727 244 0920
<b>College Hill</b> (Financial PR)	Paddy Blewer / Nick Elwes	+44(0) 207 457 2020
<b>WH Ireland Ltd</b> (NOMAD and broker)	James Joyce	+44(0) 207 220 1666