

Interim Report for the
second quarter
and 6 months
ended 30 June 2011

Selena Oil & Gas AB

company registration number 556814-3084



HIGHLIGHTS

Second quarter and H1 2011

- Q2 2011 production of 29.7 Mbbl up 21.7% as compared to Q2 2010 (Q2 2010: 24.4 Mbbl)
- In Q2 2011 35.0 Mbbl of third party oil sold through own Transneft Access Point (Q2 2010: 3.7 Mbbl, increase of 846%)
- H1 2011 EBITDA of 669 TSEK up 138.1% as compared to H1 2010 (H1 2010: 281 TSEK)
- H1 2011 Net result a loss of 1,077 TSEK (H1 2010: loss of 1,080 TSEK)
- Net debt 18,615 TSEK as of 30 June 2011
- Acquisition of license for Komarikhinskoye oil and gas field completed
- DeGolyer & MacNaughton assessment of reserves commissioned and completed confirming 2P reserves of SOGH in the amount of 22.6 Mmbbl
- Acquisition of OOO Georesurs completed
- Reverse take-over of Emitter Holding AB completed, company renamed to Selena Oil & Gas Holding AB (publ)
- Company description approved by the Stock Exchange, company listed on NASDAQ OMX First North

	H1 2011	H1 2010	Q2 2011	Q2 2010
Production, Mbbl	55.1	48.0	29.7	24.4
Production, bopd	304	265	326	269
Revenue TSEK	26,659	11,904	18,085	5,868
EBITDA TSEK	669	281	2	125
EBITDA margin (%)	2.5%	2.4%	0.0%	2.1%
Operating loss TSEK	(2,086)	(1,842)	(1,086)	(1,166)
Net result TSED	(1,077)	(1,080)	(1,288)	(965)

Abbreviations

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EUR	Euro
RUR	Russian rouble
SEK	Swedish krona
USD	US dollar
TSEK	Thousand SEK
TUSD	Thousand USD
TRUB	Thousand RUB

Oil related terms and measurements

boe	Barrels of oil equivalents
boepd	Barrels of oil equivalents per day
bopd	Barrels of oil per day
Mbbl	Thousand barrels (in Latin mille)
Mmbbl	Million barrels
Mboe	Thousand barrels of oil equivalents
Mboepd	Thousand barrels of oil equivalents per day
Mbopd	Thousand barrels of oil per day

BACKGROUND INFORMATION

Selena Oil & Gas Holding AB (publ) ("SOGH", "Parent" or the "Company", and together with its subsidiaries the "Group") is an independent Swedish oil and gas holding company with proved and producing assets based in the Russian Federation. The Group is engaged in the production and transportation of oil in the Volga-Ural region of the Russian Federation, including in Perm and Udmurtia. The Volga-Ural region has a well-developed infrastructure as well as a high concentration of heavy industry. Several major oil and gas pipelines pass through the region. The Volga-Ural region is located in the European part of Russia.

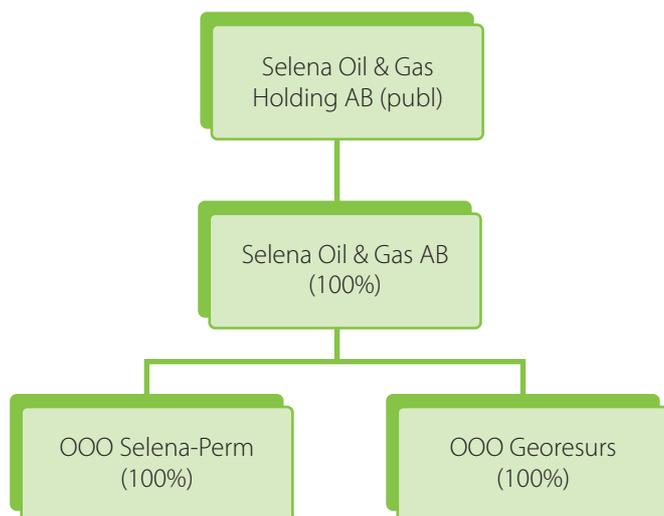
The Group was formed by entrepreneurs Mr. Oleg Popov, Mr. Indrek Rahumaa, Mr. Jürgen Lamp, Mr. Vyacheslav Pershukov and Mr. John Bonfield in H2 2010 with the purpose to consolidate various oil and gas assets in the Volga-Ural region of the Russian Federation, more specifically in Perm and Udmurtia regions.

The Group acquired its first energy assets in November 2010 when the agreement was signed for the contribution in kind of OOO Selena-Perm and OOO Selena-Neft to the capital of Selena Oil & Gas AB. OOO Selena-Perm and OOO Selena-Neft were merged in January 2011 with OOO Selena-Perm as the surviving entity. Subsequently, Selena Oil & Gas AB through the reverse acquisition acquired a NASDAQ OMX First North listed company Emitter Holding AB (publ), subsequently renamed to Selena Oil & Gas Holding AB (publ), currently a public company and a legal parent company of the Group. The operations of the subsidiary OOO Selena-Perm involve the exploration and extraction of oil. The history of OOO Selena-Perm dates back to 1997, and it started oil production in 2001.



Group structure

As of the date of this report, the structure of the Group is presented below:



As at the date of this report the Group consists of Selena Oil & Gas Holding AB (publ) (previously Emitter Holding AB, further SOGH) and three 100% subsidiaries: Selena Oil & Gas AB, registered in Sweden, and OOO Selena-Perm and OOO Georesurs, both registered in the Russian Federation.

Selena Oil & Gas Holding AB (publ)

SOGH is the ultimate holding company of the Group and does not carry out independent operations. SOGH registration number is 556643-6613 and registered address is Enhagssligan 5, 187 40 Täby, Stockholm. SOGH current majority shareholders – Bryum Estonia AS, Mr. Oleg Popov, Ms. Nadezhda Popova and Ms. Elena Popova – acquired their shareholding in SOGH in the course of a reverse take-over transaction, whereas the General Meeting of shareholders of SOGH that took place on 6 May 2011 resolved to issue to Bryum

Estonia AS, Mr. Oleg Popov, Ms. Nadezhda Popova and Ms. Elena Popova shares of SOGH corresponding to 97.5% of all the shares of SOGH. The new shares of SOGH issued to the aforementioned persons were paid for with a contribution in-kind, i.e. 100% of the shares of Selena Oil & Gas AB. The same General Meeting of shareholders resolved to change the business name of SOGH from Emitter Holding AB to Selena Oil & Gas Holding AB and to change the objective of the company.

SOGH was registered with the Swedish Companies Registration Office on 24 April 2003. The objective of SOGH before the reverse take-over was to, by itself or through wholly-own subsidiaries, develop and produce, as well as trade in, equipment for receiving, forwarding and measurement of satellite signals, as well as to own and manage shareholdings in subsidiaries and associated companies, and conduct related activities. These operations were carried out through its subsidiary Emitter International AB. At the General Meeting of shareholders that took place on 6 May 2011, it was resolved to distribute the shares held in Emitter International AB to the shareholders of SOGH. Share distribution of Emitter International AB has been completed. Share register of Emitter International is now held by the Emitter International and shares are not registered with Euroclear. All enquiries related to Emitter business are now handled by the management of Emitter International AB.

Selena Oil & Gas AB

Selena Oil & Gas AB (until 9 February 2011: Altare AB) is a limited company with its head office in Stockholm. Selena Oil & Gas AB is a holding company and was incorporated as a special purpose vehicle with the purpose of forming the Group as described above. As at the date of this report, SOG is not engaged in any independent operations. The management is considering a corporate restructuring of the newly formed Group in order to ensure efficiency and transparency of the Group, which could result in elimination of Selena Oil & Gas AB through liquidation, merger or other equivalent proceedings.



BASIS FOR PREPARATION OF THE INTERIM REPORT

This interim report has been made pursuant to the requirements of IAS 34 Interim Financial Reporting of the International Accounting Standards and the International Financial Reporting Standards (IFRS) adopted by the European Union. The same accounting methods were used in the preparation of interim reports as in the Annual Report for the financial year which ended on 31 December 2010.

This interim report shows results in thousands of SEK (TSEK). Exchange rates used for the conversion of subsidiary financial information are:

	RUB/USD	USD/SEK	SEK/RUB
Average H1 2011	28.56	6.36	0.2226
Closing rate 30.06.2011	28.08	6.42	0.2288

This Interim Report has been reviewed by PwC and review report is presented on page 23 of this report.

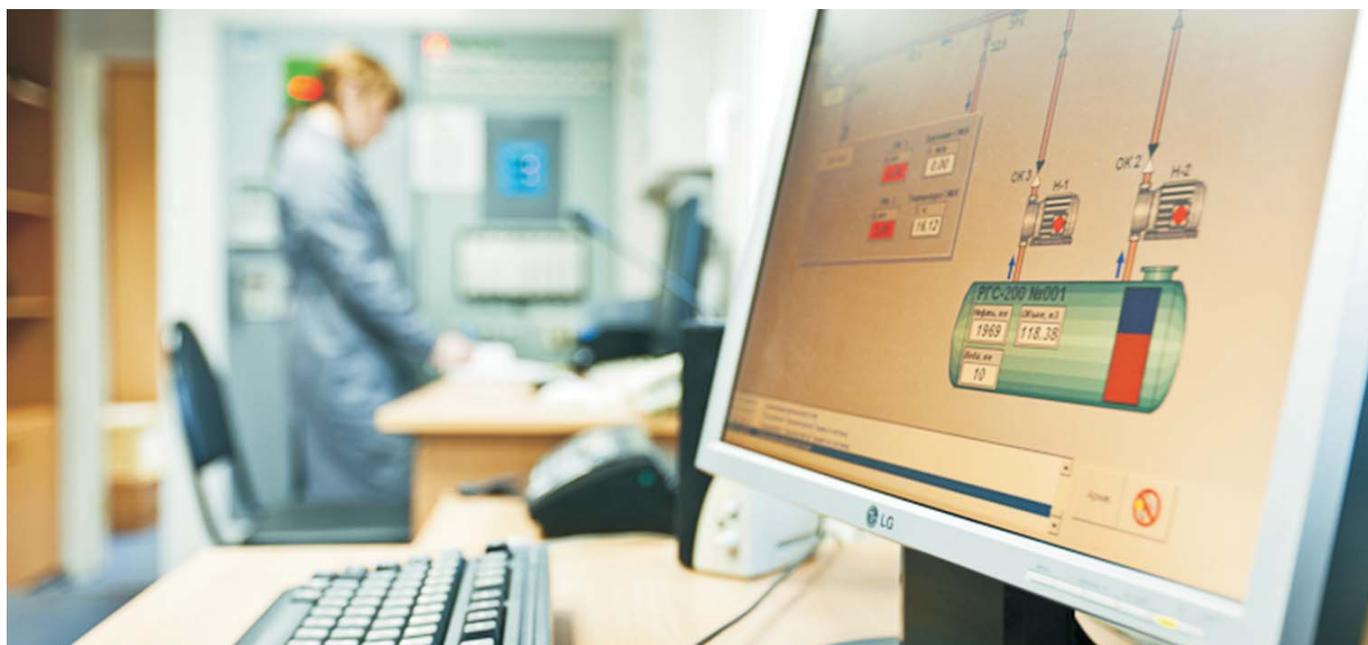
The financials of the Parent company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 issued by the Swedish Financial Reporting Board and the Annual Accounts Act (1995: 1554). RFR 2 requires the Parent company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RFR 2. The Parent company's accounting principles do not in any material respect deviate from the Group's principles.

Comparable information for H1 2010

According to the International Financial Reporting Standards, the transaction between Selena Oil & Gas AB and Selena Oil & Gas Holding AB (publ) (previously Emitter Holding AB, further SOGH) on 6 May 2011 constitutes reverse acquisition transaction. A reverse acquisition is a business combination in which the legal acquirer (i.e., the entity that issues the securities) becomes the acquiree for accounting purposes and the legal acquiree becomes the acquirer for accounting purposes. According to the IFRS the consolidated financial statements of the combined entity following a reverse acquisition are the financial statements of the legal acquirer (Selena Oil & Gas AB) but they are prepared using reverse acquisition accounting, i.e., a continuation of the financial statements of Selena Oil & Gas AB. However, the accounting acquirer's Selena Oil & Gas Holding AB (publ) legal capital is adjusted to reflect the legal capital of the accounting acquiree.

Acquirer for accounting purposes Selena Oil & Gas AB was established on 7 July 2010 and had no substantial operations in 2010. Selena Oil & Gas AB acquired 100% of the shares in OOO Selena-Perm and OOO Selena-Neft (merged into OOO Selena-Perm in January 2011) on 26 November 2010. As the result, Selena Oil & Gas AB is consolidating the financial results of its Russian subsidiaries starting from 31 December 2010; therefore, the statement of comprehensive income for 2010 presented in 2010 financial statements reflects the results of operations of Selena Oil & Gas AB as a stand-alone entity for period from 7 July 2010 to 31 December 2010.

For the purposes to provide the comparative information for 2010, the management has prepared the combined financial information presented in this report including OOO Selena-Perm and OOO Selena-Neft financial performance and results for H1 2010.



Komarikhinskoye field acquisition

On 24 February 2011 OOO Selena-Perm participated in an auction for and won the licence for the exploration, development and production on the Komarikhinskoye field for 8,534 TSEK (1,320 TUSD). The subsoil licence no ПЭМ 15133 НЭ was issued on 30 March 2011 and will be valid until 2031. Komarikhinskoye field is located 45 km north from Visokovskoye field (which is already developed by the Group) and it will be relatively easy and feasible to integrate it with the production and logistics system of Visokovskoye. According to DeGolyer & MacNaughton competent person report the field's 2P reserves amount to 0.6 Mmmbbl of oil and 2.0 Mmboe of gas. There is no production from the field currently.

OOO Georesurs acquisition

On 17 April 2011 SOG acquired a Russian company OOO Georesurs for a total purchase consideration of 3,491 TSEK (540 TUSD). OOO Georesurs has no operations at this point but holds exploration licences for 3 blocks in the Perm region of the Russian Federation – Anelko-Patrakovski, Patravosko-Timenski and Chikalinski blocks. According to DeGolyer & MacNaughton in total these 3 blocks have 90.3 Mmboe of resources. As these resources are located in the same region, and Chikalinski specifically is located close to Visokovskoye field owned by OOO Selena-Perm, the management sees a good opportunity in exploring and developing these assets in the future.

Reverse takeover of Emitor Holding AB and approval for trading on NASDAQ OMX First North

On 6 May 2011 the shareholders of Emitor Holding AB (publ) resolved to issue 4,031,250,038 new shares of Emitor Holding AB in exchange for the contribution in kind of Selena Oil & Gas AB shares. The name of Emitor Holding AB (publ) was changed to Selena Oil & Gas Holding AB (publ) in Q2 2011. Consequently, shareholders of Selena Oil & Gas AB currently control approximately 97.5% of Selena Oil & Gas Holding AB (publ). The objective of the transaction was for Selena Oil & Gas AB with its new legal parent company Selena Oil & Gas Holding AB (publ) to become a NASDAQ OMX Stockholm First North listed company. Selena Oil & Gas Holding AB (publ) received approval for trading of its shares on NASDAQ OMX First North, Stockholm list on June 21st. A company description was prepared in accordance with the First North rules and is available on the company's website www.selenaoil.com. Selena Oil & Gas Holding's share is now traded under the symbol "SOGH".

DeGolyer & MacNaughton report

In the beginning of the year the Group commissioned a geological audit by an international oil engineering and consulting firm DeGolyer & MacNaughton for all of the fields owned by the Group, including the Komarikhinskoye field and exploration blocks acquired in March 2011. The Competent Person report on reserves, prospective

resources and sensitivity report by the status as of 31 December 2010 was published on 30 June 2011. According to the reports, the Group's 2P reserves amount to 22.6 Mmmbbl, 3P reserves amount to 31.8 Mmmbbl and prospective resources equal 90.3 Mmboe. The estimated Net Present Value of the company's 3P reserves is in the range of 82.4 MUSD (base case) to 114.6 MUSD (sensitivity case) according to the reports. All of SOGH's assets are located close to each other in the Udmurtia and Perm regions in Russia.

The Competent Person reports are available on www.selenaoil.com.

Process to obtain connection to the Gazprom pipeline

In H1 OOO Selena-Perm contacted Gazprom to start the process of connecting the Visokovskoye gas field to the Gazprom pipeline system. The Group received preliminary technical conditions from Gazprom and preparations were made for signing the contract. Gazprom is in the process of preparation of a thorough analysis and final technical conditions for the field to be connected to the pipeline. This work is expected to be completed in H2 2011 after which SOGH can start planning the gas treatment plant to meet the target of the commencement of the gas production by 2014.

New CFO

Ms. Baiba Gegere joined the Group's management team as the Chief Financial Officer in April 2011. Ms. Gegere is a Latvian resident and holds a degree from Vidzeme University, and is ACCA certified. She started her career and spent 4 years with KPMG Baltics, then gained experience from Lattelecom and Alta Capital Partners to become the Chief Financial Officer of Silvano Fashion Group, a company with operations in Belarus and Russia, listed on NASDAQ OMX Tallinn and the Warsaw Stock Exchange.

IFRS reporting of the Group

In Q2 2011 the management completed preparation of the First time adoption for the financial reporting of OOO Selena-Perm and OOO Selena-Neft. Financial statements in accordance with the International Financial Reporting Standards (IFRS) were prepared for the three-year period for the underlying subsidiaries of the Group with the 2009 OOO Selena-Perm Combined IFRS financial statements being the First time adoption financial statements. Furthermore, first IFRS financial statements of the Group were prepared for 2010 and are available on www.selenaoil.com. The Group intends to continue with ensuring full IFRS compliance in subsequent reporting. The Group's auditor for 2010 and 2011 is PwC.

EGM resolutions

Extraordinary General Meeting of Selena Oil & Gas Holding AB (publ) on 9 June 2011 authorized the Board of Directors to resolve on a new issue/issues of not more than 25 million shares and with or without the

deviation from the shareholders' preferential rights.

AGM resolutions

Annual General Meeting of Selena Oil & Gas Holding AB (publ) was held on 30 June 2011. At the AGM the board members Indrek Rahumaa, Staffan Torstensson, Oleg Popov, Vyacheslav Pershukov, Jürgen Lamp and Karl Bleschert were re-elected. Furthermore, the Director's fee was set at SEK 125,000 per year for the members of the Board of Directors and SEK 150,000 per year for the Chairman of the Board of Directors.

The AGM also authorized the Board of Directors to resolve on a new issue/issues of not more than 50 million shares and with or without the deviation from the shareholders' preferential rights, prior to the next AGM. The purpose is to provide the Board with flexibility in its work to secure that Selena Oil & Gas Holding AB, in a suitable way, can be provided with capital for the financing of the business, undertake acquisitions of companies as well as to enable a broadening of the ownership base of the company.

Furthermore, among other decisions, the meeting resolved to allocate the result of the company for 2010 by carrying forward the negative result and that no dividend to the shareholders should be distributed for the financial year 2010.

Signing of preliminary SPA for asset in Perm

On 14 July 2011 Selena Oil & Gas Holding AB (publ) through its subsidiary Selena Oil & Gas AB signed a preliminary purchase agreement for the acquisition of all the shares in a Russian company, holding an oil and gas assets in the Perm region in the Russian Federation. According to the information provided by the target company, the company has 1.7 million tons of C1 and C2 reserves and 3.6 million tons of C3, D1 and D2 reserves according to Russian classification. The purchase price according preliminary agreement approximates 10.8 MUSD.

The target company is currently a non-producing company and its assets are located in close proximity to the Group's existing producing oil assets. The Group intends to carry out a full DeGolyer & MacNaughton Competent Person assessment of the target company reserves and resources prior to the closing of the transaction. The signed agreement is a preliminary agreement and is subject to the successful completion of a financial, legal and geological due diligence, and signing of the main purchase agreement, no later than by the 30 October 2011.

The Group intends to finance the transaction through a new issue of shares or loan facilities and is also actively reviewing several other potential acquisition opportunities in the Perm region.

New share issue

On 15 July 2011 the Board of Directors of Selena Oil & Gas Holding AB (publ) decided to issue 1,600,000 new shares at a price of SEK 5 per share. The issue was directed towards two private investors, raising 8 MSEK in total. The share issue was registered in Q3 2011.

As at the date of this report the proceeds are being used to increase production from existing wells, i.e. complete well workovers, improve existing oil logistics, prepare the engineering project for further drilling works on Visokovskoye field, coordinate the technical conditions with Gazprom for access to Gazprom pipeline, and for other general corporate purposes.

With reference to the timing and the small size of the issue, the issue was made at a discount to market price. The Board of Directors believed that the timely receipt of the issue proceeds will enable the Group to keep the momentum in ramping up production from existing wells and will enable a timely preparation for the next years' capital expenditure program in relation to further drilling of oil wells in Visokovskoye field and preparation of the gas project.

The issue was subscribed by Mr. Paul Waern, an experienced oil engineer and Mr. Jaan Vilval, who is a private investor (and former member of the subsidiary Selena Oil & Gas AB's Board of Directors). Mr. Waern has 30 years of experience in the oil and gas sector and is today member of the Board of Directors of PA Resources. The addition of Mr. Waern as an investor in Selena will add significant industry expertise to the Company. Mr. Waern will be working as a technical advisor to the Company, focusing on increasing the production and evaluating new acquisition prospects. In addition to the subscription for shares in the Company, OÜ United Energy Holding, representing the major shareholders of the Group, has undertaken to, without consideration, issue call options or propose that the shareholders' meeting of the Company decides to issue warrants to Mr. Waern that will give him the right to acquire 234,000 additional shares in the Company at SEK 8 per share over the next three years.

In H2 2011 the Board of Directors intends to evaluate different alternatives as regards further capital raisings, which are likely to include further new issues of shares (and which partly may be completed with observance of preferential rights of the Company's shareholders).

Successful Completion of Tax audit of OOO Selena-Perm

In H1 2011 the Group's subsidiary OOO Selena-Perm was subject to corporate income tax, value added tax and mineral extraction tax audit by the Russian Federal Tax Service. The years covered by the audit included period 2007 – 2009. As the result of the audit the calculated tax shortfall and penalty for the period was an insignificant amount. The periods now are closed for further tax investigations.

GROUP'S CORE ASSETS

As at the date of this report the Group owns two oil fields (Azinskoye and Dubrovinskoye) and two oil and gas fields (Visokovskoye and Komarikhinskoye) and 3 licenses for prospective resources. The Group also owns a Transneft Access Point, a direct access facility permitting the Group to deliver oil directly to a major oil pipeline. The Group furthermore owns 19 wells and the necessary infrastructure for operating its assets, including railroads, storage facilities etc. The Group is also actively exploring opportunities to acquire additional oil and gas fields in the Russian Federation.

According to DeGolyer & MacNaughton, the Group's 2P reserves amount to 22.6 Mmmbbl, 3P reserves amount to 31.8 Mmmbbl and prospective resources equal 90.3 Mmboe.

The Group's Q2 2011 production was approximately 326 bopd of crude oil. The Group currently earns its revenue from sales of crude oil. Over the coming years, the Group's revenue structure is expected to change to also include sales of natural gas.

Visokovskoye oil and gas field is the largest field owned by the Group with 4.2 Mmmbbl of 2P oil and condensate reserves, 11.8 Mmboe of 2P gas reserves according to DeGolyer & MacNaughton. The field has 6 producing oil wells and 2 conserved gas wells. The field is located very favourably in the direct vicinity of the Gazprom pipeline with excess capacity in a region with many industrial consumers of natural gas and a clear deficit of gas supply. It therefore offers considerable potential to expand the Group's operations with respect to natural gas.

Komarikhinskoye gas field was acquired by OOO Selena-Perm Q1 2011 in the course of a public auction. The field is located only 40 km from Visokovskoye field and 4 km from nearest Gazprom pipeline. According to DeGolyer & MacNaughton the field's 2P oil reserves

amount to 0.6 Mmmbbl and 2P gas reserves amount to 2.0 Mmboe. There is one available conserved well on the field.

Azinskoye oil field is in the mature stage of its lifecycle and the field's 2P oil reserves amount to 3.3 Mmmbbl according to DeGolyer & MacNaughton. There are 8 producing wells on the field.

Dubrovinskoye oil field 2P oil reserves amount to 0.7 Mmmbbl according to DeGolyer & MacNaughton and there are 2 producing wells and one well under repaid on the field.

Furthermore, after the acquisition of OOO Georesurs, the Group also holds the exploration licences for 3 blocks in the Perm region – **Anelko-Patrakovski**, **Patravskovo-Timenski** and **Chikalinski blocks** with total prospective resources amounting to 90.3 Mmboe.

The synergy between the fields and other operations of the Group lies in the possibility to integrate the infrastructure with the Visokovskoye field.

The Group owns and operates a **Transneft Access Point** allowing the Group to sell crude oil produced by the Group directly to the pipeline operated by OAO Transneft (the state-owned operator of oil pipelines in the Russian Federation responsible for transporting over 90% of all oil produced in Russia). The access point has a transit capacity of 6 Mbbl/day. Direct delivery of oil to OAO Transneft through the access point allows the Group to sell oil at a higher price compared to local competitors who do not own similar access facilities. The access point may also be used for oil trading, through buying oil from the local producers and selling it at a higher price.

The Group has built or acquired and operates a full logistical infrastructure to efficiently transport and sell oil produced by it, including railway links, terminals, storage facilities and trucks.



Production update and status

Production volume in Q2 2011 increase by 21.7% as compared to the respective period in 2010 and amounted to 29.7 Mbbbl. The Group's production was 326 bopd in Q2 2011 which is a growth of 21.2% as compared to the average production per day in respective period 2010.

The increase is explained by the initiatives started by the new management after the formation of the Group in the end of 2010 and continued in H1 2011. None of the activities to date involved further drilling.

On the Visokovskoye field 2 wells (well nr.212 and well nr.240) were renovated In Q2 2011 and as a result oil production from the Visokovskoye field increased from 171 bopd in Q1 2011 to 192 bopd in Q2 2011 or by 12.3%.

On the Dubrovinskoye field acid treatment and re-perforation was performed on well nr.101 and an increase of 15 bopd was reached from this field.

Some of the effect of the initiatives started is also anticipated for H2 2011. Furthermore, in Q3 2011 SOGH plans to continue with well renovations, selective enhanced oil recovery methods and to proceed with preparations for drilling in the Visokovskoye field in the beginning of 2012.

Revenue and results

The Group's sales amounted to 26,659 TSEK in H1 2011 representing a growth of 124.0% as compared to combined sales of the respective period in 2010. The volumes of own oil sold decreased slightly as in H1 2010 a significant part of sales related to sale of oil in stock. Average oil price in H1 2011 amounted to 271 SEK/bbl (42.5 USD/bbl) which was a significant increase as compared to the respective period in 2010. The Group is not subject to significant seasonality or cyclicity of the business.

EBITDA amounted to 669 TSEK in H1 2011 as compared to 281 TSEK combined EBITDA in the respective period in 2010. EBITDA margin amounted to 2.5% and EBITDA per barrel amounted to 13 SEK (2 USD/bbl). The relatively low EBITDA margin and EBITDA per barrel are explained by low current production volumes of the Group. The management anticipates the scalability of the operations while maintaining the fixed overhead levels relatively unchanged.

Net result for H1 2011 a loss of 1,077 TSEK and was heavily impacted by charges related to business combination completion, listing and setup of functions required from a listed company. Net finance income amounted to 650 TSEK and mainly related to foreign exchange gain on USD denominated borrowings.

Investments

H1 2011 investments into fixed assets amounted to 11,475 TSEK with the single largest single investment into the acquisition of the licence for the Komarikhinskoye Field for the total consideration of 8,571 TSEK.

In addition to investments into fixed assets investment into OOO Georesurs share acquisition amounted to 3,491 TSEK. Other investments related to well re-works on Visokovskoye and Dubrovinskoye oil field.

Financial position and liquidity

Total assets of the Group amounted to 60,706 TSEK and increased by 10.2% as compared to the position as of 31 December 2010. As the result of investments made in H1 2011 the property, plant and equipment balance increased significantly and amounted to 49,526 TSEK as of 30 June 2011.

Cash and cash equivalent balance decreased from 13,590 TSEK to 48 TSEK mainly as the result of investments made and partial repayment of borrowings. Furthermore, the cash and cash equivalent balance also decreased as the result of charges related to listing and Competent Person report filing.



The Group's equity attributable to the equity holders of the Company amounted to 23,830 TSEK as of 30 June 2011. Other issued equity position in the balance sheet is negative and relates to the reverse acquisition accounting for transaction between Selena Oil & Gas AB and Emitter Holding AB which was completed in H1 2011 and Group's Russian subsidiaries contribution into share capital of Selena Oil & Gas AB in the end of 2010.

Total loans and borrowings amounted to 18,663 TSEK which is a decrease of 1,078 TSEK as compared to the balance as of 31 December 2010. The decrease is explained by the amortization of principal on the loan of OOO Selena-Perm from Sberbank. In Q2 2011 further loan financing from the related parties was received. The loans from related parties amounted to 14,031 TSEK as of 30 June 2011 and balance is repayable in less than in a year. For further details of the borrowings please refer to note 4 and note 6 of this report.

Employees

As of 30 June 2011 the Group employed 89 employees (2010: 100 employees).

Comments on the Parent

The legal parent of the Group from 6 May 2011 is Selena Oil & Gas Holding AB (publ) (previously – Emitter Holding AB). The name of the Parent company was changed in Q2 2011.

Based on the decision of EGM from 6 May 2011 the shares of Emitter International AB, the 100% subsidiary of Emitter Holding AB, were to be distributed to the previous shareholders of Emitter Holding AB with a record date of 10 May 2011. The distribution of the shares of Emitter International AB was completed on 13 June 2011. The value of the distribution amounted to 2,200 TSEK and resulted into a one-off loss from a write down related to impairment of investment value of 6,431 TSEK in April 2011, prior to Selena transaction.

After the distribution the shares of Emitter International AB are not registered with Euroclear and the share register is held by Emitter International AB.

The business of the Parent company is now investment in and management of oil and gas assets.

The net assets of the Parent company amounted to 322,686 TSEK as of 30 June 2011. Net loss of 6,493 TSEK includes Emitter business related impairment write down of 6,431 TSEK.



GROUP'S INCOME STATEMENT

Consolidated Statement of Comprehensive Income for H1 2011 and Q2 2011

<i>In thousand SEK</i>	<i>Note</i>	H1 2011	H1 2010 Combined	Q2 2011	Q2 2010 Combined
Sales revenue		26,659	11,904	18,085	5,868
Cost of goods sold		(23,774)	(11,127)	(17,401)	(5,530)
Gross profit		2,885	777	684	338
Selling, general and administrative expenses		(4,971)	(2,619)	(1,770)	(1,504)
Operating loss		(2,086)	(1,842)	(1,086)	(1,166)
Net finance (expense) / income		650	170	(84)	(413)
Other (expenses) / income		349	333	(146)	355
Profit before income tax		(1,087)	(1,339)	(1,316)	(1,224)
Income tax		10	259	28	259
Net income / (loss)		(1,077)	(1,080)	(1,288)	(965)
Other comprehensive income					
Currency translation		460	1,263	461	210
Total comprehensive income / (loss), net of tax		(617)	183	(827)	(755)
Earnings per share					
Basic earnings per share (SEK)	5	(0.03)	n/a	(0.03)	n/a
Diluted earnings per share (SEK)	5	(0.03)	n/a	(0.03)	n/a

GROUP'S FINANCIAL POSITION

Consolidated Statement of Financial Position as of 30 June 2011

<i>In thousand SEK</i>	<i>Note</i>	30 June 2011	31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment		49,526	36,461
Deferred tax asset		2,024	1,942
Other non-current assets		60	13
Total non-current assets		51,610	38,416
Current assets			
Inventories		981	674
Accounts receivable and prepayments		6,224	671
Loans issued		1,843	1,763
Cash and cash equivalents		48	13,590
Total current assets		9,096	16,698
TOTAL ASSETS		60,706	55,114
EQUITY AND LIABILITIES			
Equity			
Share capital		55,929	100,000
Other issued equity		(48,781)	(92,849)
Translation reserve		(6,442)	(6,902)
Retained earnings		23,124	24,201
Equity attributable to equity holders of the company	3	23,830	24,450
Non-current liabilities			
Deferred tax liabilities			
Loans and borrowings	4	1,311	16,431
Asset retirement obligations		3,458	3,244
Total non-current liabilities		4,769	19,675
Current liabilities			
Loans and borrowings	4	17,352	3,310
Accounts payable and accruals		10,359	5,212
Taxes payable		4,396	2,467
Total current liabilities		32,107	10,989
Total liabilities		36,876	30,664
TOTAL LIABILITIES AND EQUITY		60,706	55,114

GROUP'S CASH FLOW STATEMENT

Consolidated Statement of Cash Flows for H1 2011

<i>In thousand SEK</i>	H12011	H1 2010 Combined
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	(1,087)	(1,339)
Adjustments for:		
Depreciation, depletion and amortization	2,406	1,790
Provision for impairment of trade and other receivables	(86)	(111)
Finance income	(184)	16
Finance costs	496	276
Other finance (income) / expense	232	(462)
Gain on disposal of assets	(349)	28
Net foreign exchange (gain) / loss	0	
Operating cash flow before changes in working capital	1,428	196
Changes in working capital:		
Change in accounts receivable	(4,603)	298
Change in inventories	(307)	1,085
Change in accounts payable and accruals	2,573	856
Change in taxes payable	1,857	93
Net cash generated by operating activities	948	2,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	160	34
Issuance of loans	(8,497)	(244)
Repayment of loans	8,475	(480)
Proceeds from sale of property, plant and equipment	0	19
Purchase of property, plant and equipment	(12,180)	(936)
Net cash used in investing activities	(12,042)	(1,607)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	15,695	1,096
Repayment of borrowings	(16,276)	(1,286)
Repayment of interest	(556)	(734)
Contributions from shareholders	0	
Net cash used in financing activities	(1,137)	(924)
Currency translation effect	(1,311)	(6)
Net change in cash and cash equivalents	(13,542)	(7)
Cash and cash equivalents at the beginning of the period	13,590	14
Cash and cash equivalents at the end of the period	48	7

GROUP'S CHANGES IN EQUITY

Consolidated Statement of Changes in Equity

<i>In thousand SEK</i>	Share capital	Other Issued Equity	Currency translation	Retained earnings	Total
As of 31 December 2009 (combined)	6,632	0	(7,108)	28,323	27,847
Comprehensive income					
Net profit / (loss) for the period	0	0	0	(1,080)	(1,080)
Other comprehensive income					
Effect on consolidation of foreign subsidiaries	0	0	1,263	0	1,263
Total comprehensive income	0	0	1,263	(1,080)	183
Transactions with owners					
Contribution by shareholders	821	0	0	0	821
As of 30 June 2010 (combined)	7,453	0	(5,845)	27,243	28,851
As of 1 January 2011	100,000	(92,849)	(6,902)	24,201	24,450
Comprehensive income					
Net profit / (loss) for the period	0	0	0	(1,077)	(1,077)
Other comprehensive income					
Effect on consolidation of foreign subsidiaries	0	0	460	0	460
Total comprehensive income	0	0	460	(1,077)	(617)
Transactions with owners					
Reverse acquisition	(44,071)	52,342	0	0	8,271
Cost of reverse acquisition	0	(8,274)	0	0	(8,274)
As of 30 June 2011	55,929	(48,781)	(6,442)	23,124	23,830

PARENT'S INCOME STATEMENT

Parent Company Statement of Comprehensive Income for H1 2011 and Q2 2011

<i>In thousand SEK</i>	H1 2011	H1 2010	Q2 2011	Q2 2010
Other revenue	0	691	0	307
Total other revenue	0	691	0	307
Selling, general and administrative expenses	(624)	(525)	(503)	(350)
Operating loss	(624)	166	(503)	(43)
Net finance (expense) / income	(126)	(122)	(28)	(20)
Other (expenses) / income	(5,743)	0	(5,750)	0
Profit before income tax	(6,493)	44	(6,281)	(63)
Income tax	0	0	0	0
Net income / (loss)	(6,493)	44	(6,281)	(63)
Other comprehensive income				
Currency translation	0	0	0	0
Total comprehensive income / (loss), net of tax	(6,493)	44	(6 281)	(63)

PARENT'S FINANCIAL POSITION

Parent Company Statement of Financial Position as of 30 June 2011

<i>In thousand SEK</i>	30 June 2011	31 December 2010
ASSETS		
Non-current assets		
Shares in subsidiaries	322,500	8,631
Total non-current assets	322,500	8,631
Current assets		
Accounts receivable and prepayments	186	155
Cash and cash equivalents	0	12
Total current assets	186	167
TOTAL ASSETS	322,686	8,798
EQUITY AND LIABILITIES		
Equity		
Share capital	55,928	1,400
Restricted reserve	6,747	48,064
Share premium	267,971	0
Retained earnings	(8,560)	(41,184)
Equity attributable to equity holders of the company	322,086	8,280
Current liabilities		
Accounts payable and accruals	595	518
Taxes payable	5	0
Total current liabilities	600	518
Total liabilities	600	518
TOTAL LIABILITIES AND EQUITY	322,686	8,798

PARENT'S CHANGES IN EQUITY

Parent Company Statement of Changes in Equity

<i>In thousand SEK</i>	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		Total
	Share capital	Restricted reserve	Share premium	Retained earnings	
As of 31 December 2009	1,400	48,064	0	(39,117)	10,347
Net profit / (loss) for the period	0	0	0	(2,067)	(2,067)
Effect on consolidation of foreign subsidiaries	0	0	0	0	0
Total comprehensive income	0	0	0	(2,067)	(2,067)
As of 31 December 2010	1,400	48,064	0	(41,184)	8,280
Net profit / (loss) for the period	0	0	0	(6,493)	(6,493)
Total comprehensive income	0	0	0	(6,493)	(6,493)
Reduction of restricted reserve	0	(41,317)	0	41,317	0
Distribution of shares in Emitter International	0	0	0	(2,200)	(2,200)
Share issue	54,528	0	267,971	0	322,499
As of 30 June 2011	55,928	6,747	267,971	(8,560)	322,086

1. Accounting policies

This interim report for the period ended 30 June 2011 has been made pursuant to the requirements of IAS 34 Interim Financial Reporting of the International Accounting Standards and the International Financial Reporting Standards (IFRS) adopted by the European Union. The same accounting methods were used in the preparation of interim reports as in the Annual Report for the financial year which ended on 31 December 2010. Furthermore, the Group has specified its revenue recognition policy to be the following:

Revenue recognition

Revenues from sales of goods are recognised at the point of transfer of risks and rewards of ownership of the goods. Sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Sales are shown net of VAT and discounts. Revenues are measured at the fair value of the consideration received or receivable.

Segment reporting

The chief operating decision maker of the Company views entire business of the Group as one segment and, therefore, the Segment reporting is not applicable for the Group.

The financials of the Parent company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 issued by the Swedish Financial Reporting Board and the Annual Accounts Act (1995: 1554). RFR 2 requires the Parent company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RFR 2. The Parent company's accounting principles do not in any material respect deviate from the Group's principles.

The interim report does not contain all the information and disclosures provided in the annual report; the interim report should therefore be read in the same context as the 2010 IFRS Financial statements.

2. Acquisition of subsidiary

Reverse acquisition of Emitter Holding AB (publ) (renamed to Selena Oil & Gas Holding AB (publ))

On 6 May 2011 the shareholders of Emitter Holding AB (publ) resolved to issue 4,031,250,038 new shares of Emitter Holding AB in exchange for the contribution in kind of Selena Oil & Gas AB shares. The name of Emitter Holding AB (publ) was changed to Selena Oil & Gas Holding AB (publ) in Q2 2011. Consequently, shareholders of Selena Oil & Gas AB currently control approximately 97.5% of Selena Oil & Gas Holding AB (publ). The objective of the transaction was for Selena Oil & Gas AB with its new legal parent company Selena Oil & Gas Holding AB (publ) to become a NASDAQ OMX Stockholm First North listed company.

According to the International Financial Reporting Standards, the transaction between Selena Oil & Gas AB and Selena Oil & Gas Holding AB (publ) on 6 May 2011 constitutes reverse acquisition transaction. A reverse acquisition is a business combination in which the legal acquirer (i.e., the entity that issues the securities - SOGH) becomes the acquiree for accounting purposes and the legal acquiree becomes the acquirer for accounting purposes. As the result, Emitter Holding AB (SOGH) is considered an acquired subsidiary of Selena Oil & Gas AB Group.

Since the date of acquisition until the end of the 6 months period ended 30 June 2011 SOGH had no contribution towards the Group's revenues and it generated a loss of 409 TSEK related to general administration charges. If the acquisition of SOGH has occurred on 1 January 2011, management estimates that there would have been no significant changes to the reported 6 months results of the Group for the period ended 30 June 2011. In making this estimate the management does not consider the impairment loss related to Emitter International AB value that was recognized by SOGH prior to the transaction with Selena.

Consideration transferred

On 6 May 2011 the shareholders of Emitter Holding AB (publ) resolved to issue 4,031,250,038 new shares of Emitter Holding AB in exchange for the contribution in kind of Selena Oil & Gas AB shares. Consequently, shareholders of Selena Oil & Gas AB obtained a control of approximately 97.5% of Selena Oil & Gas Holding AB (publ) and the resulting dilution for the shareholders of Selena Oil & Gas AB amounted to 2.5% of Selena Oil & Gas AB.

According to the valuation of Selena Oil & Gas AB shares at the date of the acquisition, the value of 100% of net assets of Selena Oil & Gas AB shares amounted to 330,769 TSEK. The implicit acquisition cost for 2.5% of the net assets of Emitter Holding under the reverse acquisition amounted to 8,269 TSEK.

NOTES TO THE FINANCIAL STATEMENTS

Identifiable assets acquired and liabilities assumed

<i>In thousands of SEK</i>	30.04.2011
Shares in subsidiaries	2,200
Other non-current assets	128
Accounts payable and accruals	-133
Total	2,195
Less distribution of Emitter International	-2,200
Net assets acquired	-5

According to the management estimate, the fair values of assets and liabilities assumed approximated their book value.

Cost of reverse acquisition

<i>In thousands of SEK</i>	
Consideration transferred	8,269
Fair value of net assets acquired	-5
Cost of reverse acquisition	8,274

As the result of reverse acquisition transaction the cost related to the reverse acquisition amounted to 8,274 TSEK. The cost of reverse acquisition is considered as cost related to equity securities issue and, therefore, has been deducted from the share premium.

There have been no costs related to acquisition. Accounting for business combination is considered completed.

Acquisition of OOO Georesurs

On 17 April 2011 Selena Oil & Gas AB acquired a Russian company OOO Georesurs for a total purchase consideration of 3,491 TSEK (540 TUSD). OOO Georesurs has no operations at this point but holds exploration licences for 3 blocks in the Perm region of the Russian Federation – Anelko-Patrakovski, Patrakovsko-Timenski and Chikalinski blocks. According to the IFRS transaction does not qualify for the business combination as OOO Georesurs does not constitute a term *business* according to the IFRS 3 and therefore, is accounted as the asset (licences) acquisition in the consolidated accounts of the Group. The value of acquisition is allocated towards respective licences in proportion to the prospective resources balances of the fields.

3. Equity and share capital

On 6 May 2011, the General Meeting of shareholders of Selena Oil & Gas Holding AB (publ) resolved to issue to Bryum Estonia AS, Mr. Oleg Popov, Ms. Nadezhda Popova and Ms. Elena Popova shares of the Company corresponding to 97.5% of all the shares of SOGH. The new shares of SOGH issued to the aforementioned persons were paid for with a contribution in-kind, i.e. 100% of the shares of Selena Oil & Gas AB.

Additionally to the above, the same General Meeting of shareholders resolved a reverse split of the shares in SOGH. The terms for the reverse share split are 1:100. The number of outstanding shares in SOGH will, after the reverse split, amount to 41,347,500. The share capital of Selena Oil & Gas Holding AB (publ) amounted to 55,928 TSEK as of 30 June 2011.

Largest shareholders as of 30 June 2011:

The major shareholders of the Company holding over 5% of the shares were as follows:

Shareholder	Number of Shares	Proportion
Bryum Estonia AS	6,697,651	16.20%
Mr. Oleg Popov	11,690,373	28.27%
Ms. Nadezhda Popova	11,690,626	28.27%
Ms. Elena Popova	9,820,125	23.75%
Other shareholders	1,448,725	3.50%
Total	41,347,500	100.00%

4. Loans and borrowings

The structure of non-current borrowings is as follows:

<i>In thousands of SEK</i>	30.06.2011	31.12.2010
Loans from related parties	0	13,560
Bank loans	1,231	2,871
Finance leases	80	0
	1,311	16,431

The structure of non-current borrowings is as follows:

<i>In thousands of SEK</i>	30.06.2011	31.12.2010
Loans from related parties	14,031	309
Bank loans	3,191	2,779
Loans from companies	0	222
Finance leases	130	0
	17,352	3,310

On 23 November 2005 OOO PKF-Selena (historical predecessor of OOO Selena - Perm) obtained long-term loan from OJSC Sberbank to finance construction of Dubrovinskoye and Visokovskoye deposits as well as access point to Transneft pipeline Malaya Purga. The amount of liability outstanding as of 30 June 2011 is 4,422 TSEK. The maturity is 20 September 2012. The interest rate is 15.75%.

On 23 December 2010 the Company obtained short-term financing from Bryum Limited in the amount of SEK 13,577 thousand. The interest rate is 5% p.a. and further details are disclosed in Note 6.

As at 30 June 2011 borrowings of SEK 4,422 thousand were secured with oil and gas properties pledged as collateral. Net book value of the pledged properties amounted to 2,918 TSEK.

As at 30 June 2011 the effective interest rate on borrowings ranged between 5% p.a. to 15.75% p.a.

The Group does not apply hedge accounting and did not hedge its risks arising from currency liabilities or interest rate risks. The estimated fair value of borrowings approximates their carrying value.

5. Earnings per share

The calculation of basic earnings per share at 30 June 2011 was based on the net loss and a weighted average number of ordinary shares.

<i>In thousands of shares</i>	H1 2011	Q2 2011
Number of shares at the beginning of the year, adjusted for exchange ratio used in reverse acquisition and reverse split ratio	40,313	40,313
Effect from reverse acquisition	315	626
Weighted average number of ordinary shares in thousands	40,628	40,939

	H1 2011	Q2 2011
Weighted average number of ordinary shares in thousands	40,628	40,939
Loss for the period, TSEK	(1,077)	(1,288)
Basic earnings per share (SEK)	(0.03)	(0.03)
Diluted earnings per share (SEK)	(0.03)	(0.03)

NOTES TO THE FINANCIAL STATEMENTS

No comparable information for H1 2010 is disclosed as the Group combined earnings for H1 2010 are presented only and there were no shares outstanding of SOGH in H1 2010.

Diluted earnings per share do not differ from basic earnings per share as the Group has no financial instruments issued that could potentially dilute the earnings per share.

6. Balances and transactions with related parties

Transactions with related parties for H1 2011 and balances with related parties as of 30 June 2011 were as follows:

<i>In thousands of SEK</i>	Shareholders	Companies under common control	Key management personnel
Services and good purchased	59	267	0
Trade and other receivables	312	376	0
Trade and other payables	1	461	0
Prepayment for services and business costs	0	0	212
Loans receivable	0	1,706	0
Loans payable	14,031	0	0

Bryum Limited UK (the parent company of Bryum Estonia AS which is a shareholder in SOGH) has granted a loan to Selena Oil & Gas AB in order to finance the acquisition of certain energy assets in Russia and cover operational costs of the Group. The outstanding amount of the loan as at the date of this report is 13,168 TSEK (2,050 TUSD). The interest rate applicable to the loan as agreed among the parties is 5% per annum. The final repayment date of the loan is 23 June 2012. The loan becomes payable if the Group is successful in raising certain amounts of additional financing.

Myrtyle Ventures Limited, a company related to Mr. Indrek Rahumaa (a member of the Board of Directors of SOGH) subsequent has undertaken to provide loans to the Group under a stand-by loan facility in the amount of 500 TUSD. The loan facility carries an interest rate of 5% p.a. on amounts borrowed and is repayable by 23 June 2012. The amount drawn under the facility amounts to 257 TSEK (40 TUSD) as of 30 June 2011.

In addition to the above, there are certain intra-group transactions between the Group companies and members of the management of OOO Selena-Perm; however, such transactions are not material for the operations of the Group as a whole.

All related party transactions of the Group have been made on market terms in all material aspects.

7. Events after the interim period

New Share issue

On 15 July 2011 the Board of Directors of Selena Oil & Gas Holding AB (publ) decided to issue 1,600,000 new shares at a price of 5 SEK per share. The issue was directed towards two private investors, raising 8 MSEK in total. The share issue was registered in Q3 2011. As the result, as of the date of this report the number of shares of the company now amounts to 42,947,500 shares and the share capital is 58,093 TSEK.

Signing of preliminary SPA for asset in Perm

On 14 July 2011 Selena Oil & Gas Holding AB (publ) through its subsidiary Selena Oil & Gas AB signed a preliminary purchase agreement for the acquisition of all the shares in a Russian company, holding an oil and gas assets in the Perm region in the Russian Federation. The purchase price according preliminary agreement approximates 10.8 MUSD. The Group intends to finance the transaction through a new issue of shares or loan facilities and is also actively reviewing several other potential acquisition opportunities in the Perm region.

CONFIRMATION BY THE BOARD OF DIRECTORS

The Board of Directors certifies that the interim report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, August 31, 2011

Indrek Rahumaa

Chairman

Jürgen Lamp

Director and CEO

Staffan Torstensson

Director

Karl Bleschert

Director

Vyacheslav Pershukov

Director

Oleg Popov

Director

REVIEW REPORT

We have reviewed this report for the period January 1, 2011 to June 30, 2011 for Selena Oil & Gas Holding AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, August 31, 2011

PricewaterhouseCoopers AB

Martin Johansson

Authorised Public Accountant

Financial Calendar

The subsequent financial reports will be disclosed by the Selena Oil & Gas Holding AB (publ) in 2011 on the dates indicated in the following table:

30 November 2011	Unaudited interim report, Q3
29 February 2012	Unaudited interim report, Q4

Certified Advisor

Mangold Fondkommission is the Company's Certified Adviser and Liquidity Provider, telephone +468-503 015 50.

For further information, please contact:

Indrek Rahumaa, Chairman of the Board

Selena Oil & Gas Holding AB (publ)

Tel +372 509 2080 or +7 (916) 180 31 62

E-mail: indrek.rahumaa@selenaoil.com

Baiba Gegere, Chief Financial Officer

Selena Oil & Gas Holding AB (publ)

Tel +371 26094605

E-mail: baiba.gegere@selenaoil.com

Selena Oil & Gas Holding AB (publ) (ticker SOGH, ISIN-code SE0001175803) is engaged in the production of oil and gas in the Volga-Ural region in the Russian Federation, including in Perm and Udmurtia. As a result of a non-cash issue, decided upon on the extra General Meeting of Emitter Holding on the 6th of May, the Selena Oil & Gas Holding was listed on NASDAQ OMX First North in Stockholm. For further information on Selena Oil & Gas Holding AB (publ), see the website www.selenaoil.com

DISCLAIMER

The statement and assumptions made in the company's information regarding current plans, forecasts, strategy and other statements that are not historical facts are estimates or "forward looking statements" regarding future activities. Such future estimates comprise, but are not limited to, statements that include words such as "may occur", "plans", "expects", "estimates", "believes", "anticipates" or similar expressions. Such expressions reflect the management's expectations and assumptions made on the basis of information available at the date of this report. These statements and assumptions are subject to a large number of risks and uncertainties. These, in their turn, comprise but are not limited to:

- changes in the financial, legal and political environment of the countries in which the Company operates*
- changes in the available geological information concerning the Company's operations and reserves*
- the Company's capacity to continuously guarantee sufficient financing for the expansion plans*
- changes in currency exchange rates, in particular those relating to the RUR/USD rate*

Due to the background of the risks and uncertainties that exist for any oil production company in an active development stage, SOGH's actual future development may significantly deviate from that indicated in the company's informative statements. SOGH assumes no implicit liability to immediately update any such future evaluations.