

Interim Report for the  
**third quarter**  
**and 9 months**  
ended 30 September 2012

Selena Oil & Gas Holding AB  
company registration number 556643-6613



# HIGHLIGHTS

## Third quarter and 9M 2012

- Q3 2012 production of 26.9 Mbbl down 18.0% as compared to Q3 2011 (Q3 2011: 32.8 Mbbl)
- Average production level in Q3 2012 was 292 bopd, down 11.5% as compared to 2011 (2011: 330 bopd)
- 9M 2012 EBITDA of 1,321 TSEK (9M 2011: 106 TSEK)
- Operating loss in 9M 2012 of 1,972 TSEK (9M 2011: loss of 4,331 TSEK)
- 9M 2012 net result a loss of 5,481 TSEK (9M 2011: 5,635 TSEK), including a net finance loss of 2,783 TSEK
- Bond issue of SOGH's Russian subsidiary OOO Selena-Perm for total of one billion RUB registered in Russia. After the registration the information is disclosed to the qualified investors in Russian Federation and the marketing of the securities to potential investors is ongoing with the target of arranging a syndicate of investors to subscribe for the bonds.

## TABLE KPIs

	9M 2012	9M 2011	Q3 2012	Q3 2011
Production, Mbbl	88.5	87.9	26.9	32.8
Production, bopd	323	322	292	357
Revenue TSEK	41,771	35,364	21,753	8,705
EBITDA TSEK	1,321	106	808	(563)
EBITDA margin (%)	3.2%	0.3%	3.7%	(6.5%)
Operating loss TSEK	(1,972)	(4,331)	(399)	(2,245)
Net result TSEK	(5,481)	(5,635)	(1,078)	(4,558)

## Abbreviations

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

## Oil related terms and measurements

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

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## 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. Jurgen 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.

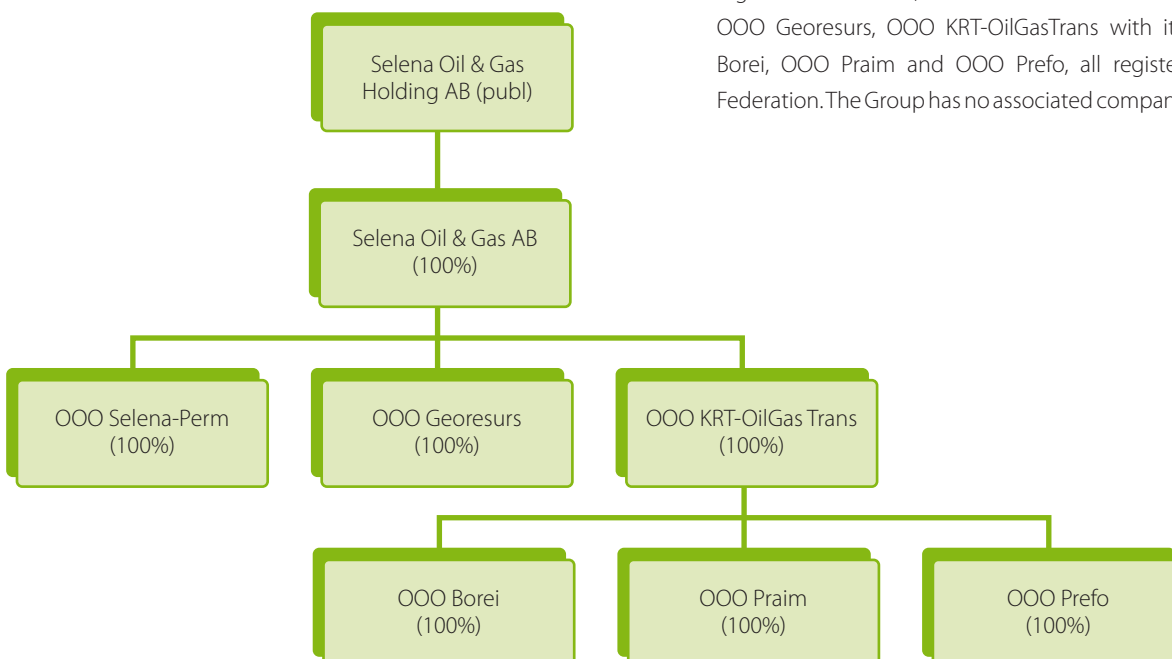
The Group acquired its first energy assets in November 2010 when the agreement was signed for the contribution in kind of OOO Selena-Perm and OOO Selena-Neft to the capital of Selena Oil & Gas AB. OOO Selena-Perm and OOO Selena-Neft were merged in January 2011 with OOO Selena-Perm as the surviving entity. 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. In 2011 the Group acquired Russian companies OOO Georesurs and OOO KRT-OilGasTrans, together with its subsidiaries, all located in Perm and Udmurtia region of Russia.

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## GROUP STRUCTURE

### Group structure

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



The Group consists of Selena Oil & Gas Holding AB (publ) (previously Emitter Holding AB, further SOGH), its subsidiary Selena Oil & Gas AB registered in Sweden, and three 100% subsidiaries: OOO Selena-Perm, OOO Georesurs, OOO KRT-OilGasTrans with its subsidiaries OOO Borei, OOO Praim and OOO Prefo, all registered in the Russian Federation. The Group has no associated companies.

## 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 2011.

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

	RUB/USD	SEK/USD	SEK/RUB
Average 9M 2012	31.0724	6.8161	0.2194
Closing rate 30.09.2012	30.9169	6.5226	0.2110

This Interim Report has not been audited.

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.

## SIGNIFICANT EVENTS IN 9M 2012

### Resolutions of Annual General Meeting 2012

At the Annual General Meeting (AGM) of Selena Oil & Gas Holding AB (publ) the 28 of June 2012, was resolved to adopt the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet for financial year 2011. The meeting resolved on adoption of dispositions of the Company's result as shown in the balance sheet.

The meeting resolved to discharge the members of the Board of Directors, and the Managing Director of liability for financial year 2011.

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 board members Indrek Rahumaa, Staffan Torstensson, Vyacheslav Pershukov, Paul Waern were re-elected. Two new board members were elected, Nadezhda Popova and Yuri Gusev. Karl Bleschert was not re-elected.

The Auditing firm PricewaterhouseCoopers AB was re-elected as auditor, with Martin Johansson as responsible auditor, until end of the annual general meeting 2013.

The AGM voted against the proposal to authorize the Board of Directors to resolve on a new share issue.

### OOO Selena-Perm bonds issue

On 20 March 2012 Federal Financial Markets Service in Russia approved the registration of OOO Selena-Perm bonds issue. The bond issue is being organized by ZAO West-Kapital, on the following

main terms:

- Type of bond: non-convertible interest-bearing registered bearer bonds
- Maximum total nominal value 1,000,000,000 (one billion) RUB
- Maturity not less than 1,092 days
- The bonds are guaranteed by SOGH

After the registration the information is disclosed to the qualified investors in Russian Federation and the marketing of the securities to potential investors is ongoing with the target of arranging a syndicate of investors to subscribe for the bonds.

### New share issue registered

On 2nd January 2012 Selena Oil & Gas Holding AB (publ) (SOGH) reported the closing of transaction for acquisition of KRT-OilGasTrans (KRT-OGT) in Russia. The total purchase price for the 100% of KRT-OGT was 73.2 million SEK and was fully settled in shares of SOGH in the amount of 9,150,977 shares. Ms. Elena Popova, one of the major shareholders in SOGH, provided the necessary amount of shares to the sellers on behalf of SOGH and was entitled to receive the same amount of new shares in SOGH and valued at 8 SEK per share.

The new shares were issued to Ms. Elena Popova in March 2012. The new shares were issued under the authorization granted to SOGH's Board of Directors in 2011. The registration of 9,150,977 new shares of SOGH have been registered with Swedish Company's Register. The number of shares of the company now amounts to 52,098,477 shares and the share capital now amounts to 70,470,630 SEK.

### Production update and status

Production volume in Q3 2012 decreased by 18.0% as compared to the respective period in 2011 and amounted to 26.9 Mbbbl. The Group's production was 292 bopd in Q3 2012.

### KRT assets under control

In Q1 2012 the management of the Company completed the process of full operational control acquisition newly acquired KRT assets. Perm operational office was opened to manage these assets and a new General Director for KRT companies was assigned locally to administrate these assets.

### Drilling plans

The drilling project for the Visokovskoye field to drill up to seven new wells was completed in Q1 2012 for approval to the local authorities.

### Gas project preparations update

In Q1 2012 SOGH started negotiations with several producers of gas treatment equipment and announced preliminary tender with the objective to find a partner for the construction of the gas treatment plant for the Visokovskoye field. 3 companies were selected to continue the negotiations.

### Revenue and results

The Group's sales amounted to 41,771 TSEK in 9M 2012 representing an increase of 18.1% as compared to sales of the respective period in 2011. The volumes of own oil sold increased by 2.6% and average oil price in 9M 2012 amounted to 310 SEK/bbl (45.5 USD/bbl) which was higher as compared to the respective period in 2011. Sales of third party oil in 9M 2012 amounted to 38.1 Mbbbl (9M 2011: 44,1 Mbbbl). The Group is not subject to significant seasonality or cyclicity of the business.

EBITDA amounted to 1,321 TSEK in 9M 2012 as compared to 106 TSEK in respective period in 2011. In 9M 2011 the Group had one-off income of 495 TSEK related to sales of fixed assets not used in the operations.

Net result for 9M 2012 was a loss of 5,481 TSEK and was heavily impacted by foreign currency exchange loss - net finance loss amounted to 2,783 TSEK in 9M 2012 and relates to the loss from Group's USD denominated liabilities value increase in SEK terms as the result of unfavourable SEK/USD movements and intercompany lending in RUB.

### Investments

Investments amounted to 5,378 TSEK in 9M 2012 and related to maintenance and improvement of wells on Azinskoye and Visokovskoye fields.

### Financial position and liquidity

Total assets of the Group amounted to 141,696 TSEK and increased by 2.0% as compared to the position as of 31 December 2011.

The Group's equity attributable to the equity holders of the Company amounted to 90,617 TSEK as of 30 September 2012.

Total loans and borrowings amounted to 27,517 TSEK and increased by 26.8% as compared to the balance as of 31 December 2011. For further details of the borrowings please refer to note 3 and note 5 of this report.

Cash and cash equivalents balance decreased from 1,027 TSEK to 588 TSEK as the result of investments made.

During 9M 2012 the Company has been trying to attract new financing for the operations of the Company and further investment plans. However, as of the date of this report no new financing has been attracted. The further development of the Company heavily depends on the success in the process of bonds subscription and/or additional equity financing. In Q3 2012 the loan in the amount of 16,033 TSEK provided by Bryum Limited UK was prolonged to 10 December 2012.

### Employees

As of 30 September 2012 the Group employed 89 employees (2011: 89 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.

Selena Oil & Gas Holding AB (publ) registration number is 556643-6613 and the legal / postal address of the company is Wallingatan 34, SE 111 24 Stockholm, Sweden.

The Swedish parent company Selena Oil & Gas Holding AB (publ) is a holding company without significant operations. It supports the subsidiary companies with financing and pursues the Group's strategy in terms of new acquisitions and M&A initiatives as well as has the corporate headquarter and investor relations function.

The net assets of the Parent company amounted to 398,109 TSEK as of 30 September 2012 and net loss amounted to 2,861 TSEK for the period ended 30 September 2012.

## GROUP'S FINANCIAL POSITION

### Consolidated Statement of Financial Position as of 30 September 2012

<i>In thousand SEK</i>	<i>Note</i>	30 September 2012	31 December 2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		39,608	38,819
Intangible assets		83,604	83,658
Deferred tax asset		1,708	1,987
<b>Total non-current assets</b>		<b>124,920</b>	<b>124,464</b>
<b>Current assets</b>			
Inventories		1,031	837
Accounts receivable and prepayments		12,680	11,535
Loans issued		2,477	1,020
Cash and cash equivalents		588	1,027
<b>Total current assets</b>		<b>16,776</b>	<b>14,419</b>
<b>TOTAL ASSETS</b>		<b>141,696</b>	<b>138,883</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		70,471	58,093
Other equity		17,885	30,263
Translation reserve		(7,656)	(7,836)
Retained earnings		9,917	15,398
<b>Equity attributable to equity holders of the company</b>	2	<b>90,617</b>	<b>95,918</b>
<b>Non-current liabilities</b>			
Loans and borrowings	3	3,064	1,541
Asset retirement obligations		3,509	3,366
<b>Total non-current liabilities</b>		<b>6,573</b>	<b>4,907</b>
<b>Current liabilities</b>			
Loans and borrowings	3	24,453	20,161
Accounts payable and accruals		15,117	12,612
Current income tax payable		5	5
Taxes payable		4,931	5,280
<b>Total current liabilities</b>		<b>44,506</b>	<b>38,058</b>
<b>Total liabilities</b>		<b>51,079</b>	<b>42,965</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>141,696</b>	<b>138,883</b>

## GROUP'S INCOME STATEMENT

### Consolidated Income Statement for 9M 2012 and Q3 2012

<i>In thousand SEK</i>	<i>Note</i>	<b>9M 2012</b>	<b>9M 2011</b>	<b>Q3 2012</b>	<b>Q3 2011</b>
Sales revenue		41,771	35,364	21,753	8,705
Cost of goods sold		(35,843)	(32,159)	(19,761)	(8,385)
<b>Gross profit</b>		<b>5,928</b>	<b>3,205</b>	<b>1,992</b>	<b>320</b>
Selling, general and administrative expenses		(7,900)	(7,536)	(2,391)	(2,565)
<b>Operating loss</b>		<b>(1,972)</b>	<b>(4,331)</b>	<b>(399)</b>	<b>(2,245)</b>
Finance income / (expenses)		(2,783)	(1,781)	(744)	(2,431)
Other income / (expenses)		(453)	314	144	(35)
<b>Profit before income tax</b>		<b>(5,208)</b>	<b>(5,798)</b>	<b>(999)</b>	<b>(4,711)</b>
Income tax		(273)	163	(79)	153
<b>Net income / (loss)</b>		<b>(5,481)</b>	<b>(5,635)</b>	<b>(1,078)</b>	<b>(4,558)</b>
<b>Earnings per share</b>					
Basic earnings per share (SEK)	4	(0.11)	(0.14)	(0.02)	(0.11)
Diluted earnings per share (SEK)	4	(0.11)	(0.14)	(0.02)	(0.11)

### Consolidated Statement of Comprehensive Income for 9M 2012 and Q3 2012

<i>In thousand SEK</i>	<b>9M 2012</b>	<b>9M 2011</b>	<b>Q3 2012</b>	<b>Q3 2011</b>
<b>Net income</b>	<b>(5,481)</b>	<b>(5,635)</b>	<b>(1,078)</b>	<b>(4,558)</b>
<b>Other comprehensive income</b>				
Currency translation	180	(1,097)	95	(1,557)
<b>Total comprehensive income / (loss), net of tax</b>	<b>(5,301)</b>	<b>(6,732)</b>	<b>(983)</b>	<b>(6,115)</b>

## GROUP'S CHANGES IN EQUITY

### Consolidated Statement of Changes in Equity

<i>In thousand SEK</i>	Share capital	Other Equity	Currency translation	Retained earnings	Total
<b>As of 31 December 2010</b>	<b>100,000</b>	<b>(92,849)</b>	<b>(6,902)</b>	<b>24,201</b>	<b>24,450</b>
<b>Comprehensive income</b>					
Net profit / (loss) for the period	0	0	0	(7,972)	(7,972)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	(934)	0	(934)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(934)</b>	<b>(7,972)</b>	<b>(8,906)</b>
<b>Transactions with owners</b>					
Reverse acquisition	(44,071)	52,342	0	0	8,271
Cost of reverse acquisition	0	(8,274)	0	0	(8,274)
New share issue	2,164	5,836	0	0	8,000
KRT acquisition transaction	0	73,208	0	(831)	72,377
<b>As of 31 December 2011</b>	<b>58,093</b>	<b>30,263</b>	<b>(7,836)</b>	<b>15,398</b>	<b>95,918</b>
<b>Comprehensive income</b>					
Net profit / (loss) for the period	0	0	0	(5,481)	(5,481)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	180	0	180
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>180</b>	<b>(5,481)</b>	<b>(5,301)</b>
<b>Transactions with owners</b>					
New share issue (KRT acquisition transaction)	12,378	(12,378)	0	0	0
<b>As of 30 September 2012</b>	<b>70,471</b>	<b>17,885</b>	<b>(7,656)</b>	<b>9,917</b>	<b>90,617</b>



## GROUP'S CASH FLOWS STATEMENT

### Consolidated Statement of Cash Flows for 9M 2012

<i>In thousand SEK</i>	9M 2012	9M 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	(5,208)	(5,798)
Adjustments for:		
Depreciation, depletion and amortization	3,746	4,123
Provision for impairment of trade and other receivables	0	(75)
Finance income	(75)	(208)
Finance costs	2,124	690
Other finance (income) / expense	372	272
Gain on disposal of assets	27	(487)
Net foreign exchange (gain) / loss	(1,181)	0
<b>Operating cash flow before changes in working capital</b>	<b>(195)</b>	<b>(1,483)</b>
<b>Changes in working capital:</b>		
Change in accounts receivable	(1,145)	(7,570)
Change in inventories	(194)	(175)
Change in accounts payable and accruals	2,648	1,488
Change in taxes payable	(343)	2,356
<b>Net cash generated by operating activities</b>	<b>771</b>	<b>(5,384)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	0	160
Issuance of loans	(1,640)	(8,496)
Repayment of loans	181	8,318
Purchase of property, plant and equipment	(5,378)	(14,984)
Purchase of intangible assets	(699)	0
<b>Net cash used in investing activities</b>	<b>(7,536)</b>	<b>(15,002)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	11,227	15,326
Repayment of borrowings	(6,344)	(16,996)
Repayment of interest	(306)	(691)
Share issue and contribution from shareholders		8,000
<b>Net cash used in financing activities</b>	<b>4,577</b>	<b>5,639</b>
<b>Currency translation effect</b>	<b>1,749</b>	<b>2,275</b>
<b>Net change in cash and cash equivalents</b>	<b>(439)</b>	<b>(12,472)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,027</b>	<b>13,590</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>588</b>	<b>1,118</b>

## PARENT'S FINANCIAL POSITION

### Parent Company Statement of Financial Position as of 30 September 2012

<i>In thousand SEK</i>	30 September 2012	31 December 2011
<b>ASSETS</b>		
<b>Non-current assets</b>		
Shares in subsidiaries	322,500	322,500
<b>Total non-current assets</b>	<b>322,500</b>	<b>322,500</b>
<b>Current assets</b>		
Accounts receivable and prepayments	1,921	2,014
Loans issued	80,653	81,432
Cash and cash equivalents	4	562
<b>Total current assets</b>	<b>82,578</b>	<b>84,008</b>
<b>TOTAL ASSETS</b>	<b>405,078</b>	<b>406,508</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	70,471	58,093
Restricted reserve	6,747	6,747
<b>Non-restricted reserve</b>		
Share premium	334,637	273,807
Retained earnings	(10,885)	(2,067)
Net income / (loss)	(2,861)	(8,818)
<b>Equity attributable to equity holders of the company</b>	<b>398,109</b>	<b>327,762</b>
<b>Current liabilities</b>		
Loans and borrowing	1,583	74,556
Accounts payable and accruals	4,895	3,895
Taxes payable	491	295
<b>Total current liabilities</b>	<b>6,969</b>	<b>78,746</b>
<b>Total liabilities</b>	<b>6,969</b>	<b>78,746</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>405,078</b>	<b>406,508</b>

## PARENT'S INCOME STATEMENT

### Parent Company Statement of Comprehensive Income for 9M 2012 and Q3 2012

<i>In thousand SEK</i>	9M 2012	9M 2011	Q3 2011	Q3 2011
Revenue from sales	0	0	0	0
Cost of sale	0	0	0	0
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Selling, general and administrative expenses	(2,665)	(1,372)	(713)	(748)
<b>Operating loss</b>	<b>(2,665)</b>	<b>(1,372)</b>	<b>(713)</b>	<b>(748)</b>
Net finance income / (expenses)	248	(62)	118	65
Other income / (expenses)	(444)	(5,742)	(74)	0
<b>Profit before income tax</b>	<b>(2,861)</b>	<b>(7,176)</b>	<b>(669)</b>	<b>(683)</b>
Income tax	0	0	0	0
<b>Net income / (loss)</b>	<b>(2,861)</b>	<b>(7,176)</b>	<b>(669)</b>	<b>(683)</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income / (loss), net of tax</b>	<b>(2,861)</b>	<b>(7,176)</b>	<b>(669)</b>	<b>(683)</b>

## 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	
<b>As of 31 December 2010</b>	<b>1,400</b>	<b>48,064</b>	<b>0</b>	<b>(41,184)</b>	<b>8,280</b>
Net profit / (loss) for the period	0	0	0	(8,818)	(8,818)
Effect on consolidation of foreign subsidiaries	0	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,818)</b>	<b>(8,818)</b>
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 (reverse acquisition)	54,529	0	267,971	0	322,500
Share issue (cash contribution)	2,164	0	5,836	0	8,000
<b>As of 31 December 2011</b>	<b>58,093</b>	<b>6,747</b>	<b>273,807</b>	<b>(10,885)</b>	<b>327,762</b>
Net profit / (loss) for the period	0	0	0	(2,192)	(2,192)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,192)</b>	<b>(2,192)</b>
New share issue (KRT acquisition transaction)	12,378	0	60,830	0	73,208
<b>As of 30 September 2012</b>	<b>70,471</b>	<b>6,747</b>	<b>334,637</b>	<b>(13,077)</b>	<b>398,778</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting policies

This interim report for the period ended 30 September 2012 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 2011.

## 2. Equity and share capital

On 2nd January 2012 Selena Oil & Gas Holding AB (publ) (SOGH) reported the closing of transaction for acquisition of KRT-OilGasTrans (KRT-OGT) in Russia. The total purchase price for the 100% of KRT-OGT was 73.2 million SEK and was fully settled in shares of SOGH in the amount of 9,150,977 shares. Ms. Elena Popova, one of the major shareholders in SOGH, provided the necessary amount of shares to the sellers on behalf of SOGH and was entitled to receive the same amount of new shares in SOGH and valued at 8 SEK per share.

The new shares were issued to Ms. Elena Popova in March 2012. The new shares were issued under the authorization granted to SOGH's Board of Directors in 2011. The registration of 9,150,977 new shares of SOGH have been registered with Swedish Company's Register. The number of shares of the company now amounts to 52,098,477 shares and the share capital now amounts to 70,470,630 SEK.

*Largest shareholders as of 30 September 2012:*

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

Shareholder	Number of Shares	Proportion
Nadezhda Popova	11,990,775	23.02%
Oleg Popov	11,990,526	23.02%
Elena Popova	10,072,251	19.33%
KRT Invest	7,851,808	15.07%
Bryum Estonia	2,875,859	5.52%
Altare Energy	2,509,137	4.82%
Yuri Gusev	1,295,948	2.49%
Others	3,512,173	6.74%
<b>Total</b>	<b>52,098,477</b>	<b>100.00%</b>

## 3. Loans and borrowings

The structure of non-current borrowings is as follows:

<i>In thousands of SEK</i>	30.09.2012	31.12.2011
Loans from related parties	656	0
Loans from companies	1,373	0
Finance leases	1,035	1,541
<b>Total non-current borrowings</b>	<b>3,064</b>	<b>1,541</b>

The structure of current borrowings is as follows:

<i>In thousands of SEK</i>	30.09.2012	31.12.2011
Loans from related parties	23,095	16,503
Bank loans	0	2,774
Loans from companies	680	0
Finance leases	678	884
<b>Total current borrowings</b>	<b>24,453</b>	<b>20,161</b>

On 23 December 2010 the Company obtained short-term financing from Bryum Limited. The loan and accrued interest balance as of 30 September 2012 amounted to 16,033 TSEK. The interest rate is 10% p.a. and further details are disclosed in Note 5.

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 September 2012 the effective interest rate on borrowings ranged between 5% p.a. to 18.5% 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..

### 4. Earnings per Share

The calculation of basic earnings per share at 30 June 2012 was based on the net profit / (loss) and a weighted average number of ordinary shares.

*In thousands of shares*

	9M 2012	Q3 2012
Number of shares at the beginning of the year, adjusted for exchange ratio used in reverse acquisition and reverse split ratio	52,098	52,098
Effect from transactions in the period	0	0
<b>Weighted average number of ordinary shares in thousands</b>	<b>52,098</b>	<b>52,098</b>

	9M 2012	Q3 2012
Weighted average number of ordinary shares in thousands	52,098	52,098
Profit / (loss) for the period, TSEK	(5,481)	(1,078)
Basic earnings per share (SEK)	(0.11)	(0.02)
Diluted earnings per share (SEK)	(0.11)	(0.02)

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.

### 5. Balances and Transactions with Related Parties

Transactions with related parties for 9M 2012 and balances with related parties as of 30 September 2012 were as follows:

<i>In thousands of SEK</i>	Shareholders	Companies under common control	Key management personnel
Services and good purchased	132	0	0
Trade and other receivables	1	0	0
Trade and other payables	110	0	0
Prepayment for services and business costs	0	0	0
Loans receivable	0	0	0
Loans payable	21,497	0	2,254

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 and accrued interest as at 30 September 2012 was 16,033 TSEK. The interest rate applicable to the loan as agreed among the parties is 10% per annum. The final repayment date of the loan is 10 December 2012. The loan becomes payable if the Group is successful in raising certain amounts of additional financing. Furthermore, loan from Bryum Estonia AS in the amount of 389 TSEK was received on 23 December 2011 that carries 5% interest rate.

Myrtyle Ventures Limited, a company related to Mr. Indrek Rahumaa (a member of the Board of Directors of SOGH) 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. The amount drawn under the facility and accrued interest thereof amounts to 280 TSEK as of 30 September 2012.

Mr. Paul Waern, member of the board of directors, has granted a loan to the Company. The loan principal and accrued interest balance amounted to 625 TSEK as of 30 September 2012; the loan carries 5% interest rate and matures on 23 December 2012.

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## NOTES TO THE FINANCIAL STATEMENTS

In 9M 2012 certain loans were received from Mrs. N.Popova, a shareholder of SOGH. The principal balance and accrued interest amount to 4,789 TSEK as of 30 September 2012. The loans are short-term and carry 7% interest rate.

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.

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## 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, November 30, 2012

*Indrek Rahumaa*

Chairman

*Staffan Torstensson*

Director

*Paul Waern*

Director



### Financial Calendar

The subsequent financial reports will be disclosed by the Selena Oil & Gas Holding AB (publ) in 2012 on the dates indicated in the following table:

28 February 2013          Interim report, Q4

### Certified Advisor

Mangold Fondkommission is the Company's Certified Adviser and Liquidity Provider, telephone +46 8-503 015 50.

### For further information, please contact:

#### **Indrek Rahumaa, Chairman of the Board**

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*Selena Oil & Gas Holding AB (publ) (former Emitter Holding AB) is engaged in the production and transportation of oil and gas in the Volga-Ural region in the Russian Federation, including Perm and Udmurtia. The company is listed on NASDAQ OMX First North Premier in Stockholm under the ticker SOGH. For further information on Selena Oil & Gas Holding AB (publ), see the website [www.selenaoil.com](http://www.selenaoil.com)*

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## 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.*