

Interim Report for the  
**fourth quarter**  
**and 12 months**  
ended 31 December 2012

Selena Oil & Gas Holding AB

company registration number 556643-6613



## HIGHLIGHTS

### Fourth quarter and 12M 2012

- Q4 2012 production of 27.5 Mbbl down 15.9% as compared to Q4 2011 (Q4 2011: 32.7 Mbbl)
- Average production level in Q4 2012 was 299 bopd, down 9.4% as compared to 2011 (2011: 330 bopd)
- 12M 2012 EBITDA loss of 620 TSEK (2011: a loss of 842 TSEK)
- Operating loss in 12M 2012 of 5,082 TSEK (12M 2011: loss of 6,520 TSEK)
- 12M 2012 net result a loss of 7,541 TSEK (12M 2011: loss of 7,972 TSEK), including a net finance loss of 1,594 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.

### TABLE KPIs

	2012	2011	Q4 2012	Q4 2011
Production, Mbbl	115.9	120.6	27.5	32.7
Production, bopd	317	330	299	355
Revenue TSEK	68,258	44,567	26,487	9,203
EBITDA TSEK	(620)	(842)	(1,941)	(948)
EBITDA margin (%)	(0.9%)	(1.9%)	(7.3%)	(10.3%)
Operating loss TSEK	(5,082)	(6,520)	(3,110)	(2,189)
Net result TSEK	(7,541)	(7,972)	(2,060)	(2,337)

### 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 and Mr. Vyacheslav Pershukov 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.

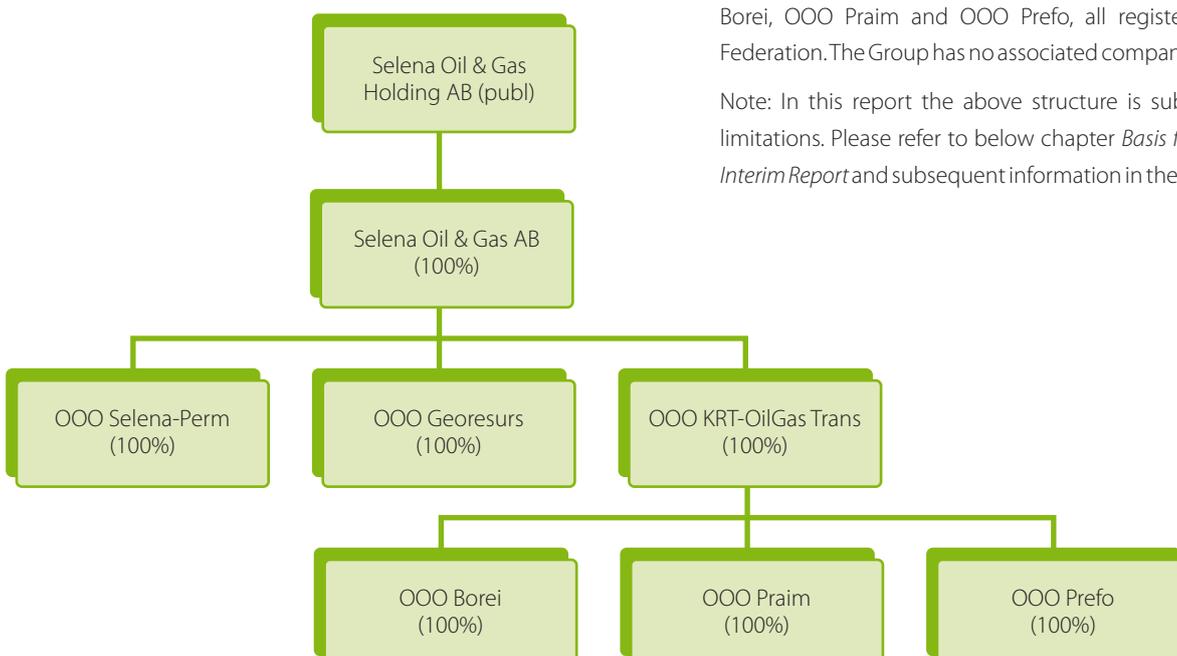
The Group acquired its first energy assets in November 2010 when the agreement was signed for the contribution in kind of OOO Selena-Perm and OOO Selena-Neft to the capital of Selena Oil & Gas AB. OOO Selena-Perm and OOO Selena-Neft were merged in January 2011 with OOO Selena-Perm as the surviving entity. 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 Group involve the exploration and extraction of oil. The history of the Group's core subsidiary dates back to 1997, and it started oil production in 2000. 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

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.

Note: In this report the above structure is subject to exceptional limitations. Please refer to below chapter *Basis for preparation of the Interim Report* and subsequent information in the report.

## BASIS FOR PREPARATION OF THE INTERIM REPORT

This year-end report from the Parent company Selena Oil & Gas Holding AB is prepared with the prerequisite of a full consolidation in Selena Oil & Gas AB of all its subsidiaries. Furthermore, the position of Selena Oil & Gas AB is assumed to be unchallenged in relationship to major creditors. It is also to be noted that following the previous management's pledge of Selena Oil & Gas AB's principal assets to one major creditor, this action has not rendered the creditor to forward any claims to the company.

Should any of above prerequisites lapse in course of the future events or be subject to any and all forward compromising actions relating to Selena Oil & Gas Holding AB or its subsidiary Selena Oil & Gas AB, this year-end report will be subject to material changes and must undergo major revisions. Any and all such revisions may ultimately constitute that Selena Oil & Gas Holding AB is no longer a going concern, and must be subject to reconstruction activities.

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 2012	31.0724	6.7728	0.2180
Closing rate 31.12.2012	30.3727	6.5055	0.2142

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.

### Resolutions of Annual General Meeting 2012

The Annual General Meeting (AGM) of Selena Oil & Gas Holding AB (publ) the 28 of June 2012 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 an 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 Yury 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.

### New share issue of SOGH 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 was registered with Swedish Company's Register. The number of shares of the company after share issue amounts to 52,098,477 shares and the share capital amounts to 70,470,630 SEK.

### Share issue in the group's subsidiary OOO Selena-Perm

On 23 November 2012, the previous Board of Directors adopted a decision to pledge 100% shares of Selena Oil & Gas AB and its

subsidiaries to secure a loan granted by Bryum Limited UK under the loan agreement from 23 December 2010.

It is the new Board of Directors' opinion that this decision and its execution were in violation with the practice of Swedish Company's Law chapter 8 §27-34 and chapter 17 §6 as at least one board member had loyalties disqualifying the quorum. It is also to be noted that the value of the pledged assets was disproportionate to the loan amount and exceeds it several times. It is the opinion of the new Board of Directors that the action of the previous Board of Directors violates the right of all the company's shareholders.

On 21 December 2012 SOGH informed the public that it had come to the attention of the previous Board of Directors of SOGH that a new issue of shares in its Russian subsidiary OOO Selena-Perm (holding 55% of the Groups 2P reserves) without its knowledge, instructions or involvement has been registered by Russian authorities bringing down the group's holding of OOO Selena-Perm from 100% to 12%.

On 10 January 2013 the former Chairman of Selena Oil & Gas AB, Mr. Indrek Rahumaa and the former CEO of Selena Oil & Gas Holding AB, Mr. Jurgen Lamp, signed a deed with Bryum Limited UK in which all shares of Selena Oil & Gas AB were pledged to the benefit of one creditor, Bryum Limited UK. The action was taken just a few days before the extraordinary shareholders' meeting on 14 January 2013.

It is the new Board of Directors intention to reverse the above described transaction relating to Selena Oil & Gas AB holding in OOO Selena-Perm at an appropriate time with regard to the benefit of all of Selena Oil & Gas Holding AB shareholders and to re-negotiate the terms of loan with Bryum Limited UK.

### Subsequent events after year-end

#### *Resolutions of Extraordinary General Meeting from 14 January 2013*

Subsequently to the year end the Extraordinary General Meeting was held on 14 January 2013. The EGM resolved that the board of directors shall consist of four ordinary members without deputy members for the period until the end of the next annual general meeting.

Furthermore, it was resolved that Mr. Indrek Rahumaa, Mr. Staffan Torstensson, Mr. Yury Gusev, Mr. Paul Waern and Ms. Nadezhda Popova (i.e. all current directors) are discharged from their positions as ordinary members of the board of directors and new board of directors was elected with Mr. Oleg Popov, Mr. Dmitry Ermakov, Mr. Aleksejs Rjabijis and Mr. Magnus Stuart being new ordinary members of the board of directors for the period until the end of the next annual general meeting.

#### *Change of managing director*

On 14 January 2013, subsequent to the year end, the board of directors of Selena Oil & Gas Holding AB (publ) resolved to relieve the managing director Jürgen Lamp from his duties. The board of directors resolved to discharge Jürgen Lamp and to elect the board member Magnus Stuart as new managing director of the company on 16 January 2013.

#### *A creditor's filing of a bankruptcy of the Group's subsidiary Selena Oil & Gas AB*

On 14 February 2013, subsequent to the year end, the Group received a bankruptcy petition from the creditor, filed at the district court of Stockholm (Stockholms Tingsrätt). The petition is applicable to the wholly owned subsidiary Selena Oil & Gas AB. The petition was filed by the creditor in relation to the unsettled debt. The Board of Directors is of the opinion that the petition is unfounded and that Selena Oil & Gas AB is solvent and will continue as a going concern.

### Production update and status

Production volume in Q4 2012 decreased by 15.9% as compared to the respective period in 2011 and amounted to 27.5 Mbbl. The Group's production was 299 bopd in Q4 2012. Decrease of the level of production is explained by increase of the proportion of the water in the fluid extracted. The management estimates that the current ongoing reconstruction measures on the wells of Dubrovskoye and Visakovskoye fields will lead to the production level to return to the peak levels of 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 Visakovskoye field to drill up to seven new wells was completed in Q3 2012 for approval to the local authorities.

### Gas project preparations update

In H1 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 Visakovskoye field. 3 companies were selected to continue the negotiations in order to find the optimal partner to build the gas treatment plant.

### Revenue and results

The Group's sales amounted to 68,258 TSEK in 12M 2012 representing an increase of 53.2% as compared to 2011. The volumes of own oil sold decreased by 4.1% and average oil price in 12M 2012 amounted to 310 SEK/bbl (45.8 USD/bbl) which was higher as compared to the respective period in 2011. Sales of third party oil in 12M 2012 amounted to 96.5 Mbbl (12M 2011: 44,1 Mbbl). The Group is not subject to significant seasonality or cyclicalities of the business.

EBITDA loss amounted to 620 TSEK in 12M 2012 as compared to a loss of 842 TSEK in respective period in 2011. In 12M 2011 the Group had one-off income of 495 TSEK related to sales of fixed assets not used in the operations.

Net result for 12M 2012 was a loss of 7,541 TSEK and was heavily impacted by foreign currency exchange loss - net finance loss amounted to 1,594 TSEK in 12M 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 6,976 TSEK in 12M 2012 and related to

maintenance and improvement of wells on Azinskoye and Visakovskoye fields.

### Financial position and liquidity

Total assets of the Group amounted to 145,857 TSEK and increased by 5.0% as compared to the position as of 31 December 2011.

The Group's equity attributable to the equity holders of the Company amounted to 85,686 TSEK as of 31 December 2012.

Total loans and borrowings amounted to 28,491 TSEK and increased by 31.3% 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 275 TSEK as the result of investments made.

During 12M 2012 the Company has had a strategy to attract financing for the business plan. This strategy will remain during 2013. The further development of the Company heavily depends on the success of bonds subscription and additional equity financing.

On 10 January 2013, subsequent to the year end, the loan in the amount of 15,346 TSEK provided by Bryum Limited UK was secured with a pledge over 100% of shares in the Group's subsidiary Selena Oil & Gas AB and extended to 31 March 2013. The new Board of Directors has challenged this decision on basis of the pledge discriminating a majority of the company's shareholders and as it is disproportionately in favour of one creditor as pledged assets have book values exceeding USD 40 million.

It is the intention of the new Board of Directors and management to restore this action, as the intention behind the previous Board's decision, has set aside the obligation of the company's Board of directors to act in interest of the company's shareholders.

### Employees

As of 31 December 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 394,379 TSEK as of 31 December 2012 and net loss amounted to 3,821 TSEK for the period ended 31 December 2012.

## GROUP'S FINANCIAL POSITION

### Consolidated Statement of Financial Position as of 31 December 2012

<i>In thousand SEK</i>	<i>Note</i>	<b>31 December 2012</b>	<b>31 December 2011</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		40,407	38,819
Intangible assets		84,471	83,658
Deferred tax asset		1,713	1,987
<b>Total non-current assets</b>		<b>126,591</b>	<b>124,464</b>
<b>Current assets</b>			
Inventories		4,194	837
Accounts receivable and prepayments		13,684	11,535
Loans issued		1,113	1,020
Cash and cash equivalents		275	1,027
<b>Total current assets</b>		<b>19,266</b>	<b>14,419</b>
<b>TOTAL ASSETS</b>		<b>145,857</b>	<b>138,883</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		70,471	58,093
Other equity		15,115	30,263
Translation reserve		(7,757)	(7,836)
Retained earnings		7,857	15,398
<b>Equity attributable to equity holders of the company</b>	2	<b>85,686</b>	<b>95,918</b>
<b>Non-current liabilities</b>			
Loans and borrowings	3	1,353	1,541
Asset retirement obligations		3,630	3,366
<b>Total non-current liabilities</b>		<b>4,983</b>	<b>4,907</b>
<b>Current liabilities</b>			
Loans and borrowings	3	27,138	20,161
Accounts payable and accruals		22,905	12,612
Current income tax payable		6	5
Other current liabilities		5,139	5,280
<b>Total current liabilities</b>		<b>55,188</b>	<b>38,058</b>
<b>Total liabilities</b>		<b>60,171</b>	<b>42,965</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>145,857</b>	<b>138,883</b>

## GROUP'S INCOME STATEMENT

### Consolidated Income Statement for 12M 2012 and Q4 2012

<i>In thousand SEK</i>	<i>Note</i>	<b>2012</b>	<b>2011</b>	<b>Q4 2012</b>	<b>Q4 2011</b>
Sales revenue		68,258	44,567	26,487	9,203
Cost of goods sold		(60,565)	(40,387)	(24,722)	(8,228)
<b>Gross profit</b>		<b>7,693</b>	<b>4,180</b>	<b>1,765</b>	<b>975</b>
Selling, general and administrative expenses		(12,775)	(10,700)	(4,875)	(3,164)
<b>Operating loss</b>		<b>(5,082)</b>	<b>(6,520)</b>	<b>(3,110)</b>	<b>(2,189)</b>
Finance income / (expenses)		(1,594)	(1,878)	1,189	(97)
Other income / (expenses)		(560)	274	(107)	(40)
<b>Profit before income tax</b>		<b>(7,236)</b>	<b>(8,124)</b>	<b>(2,028)</b>	<b>(2,326)</b>
Income tax		(305)	152	(32)	(11)
<b>Net income / (loss)</b>		<b>(7,541)</b>	<b>(7,972)</b>	<b>(2,060)</b>	<b>(2,337)</b>
<b>Earnings per share</b>					
Basic earnings per share (SEK)	4	(0.14)	(0.19)	(0.04)	(0.05)
Diluted earnings per share (SEK)	4	(0.14)	(0.19)	(0.04)	(0.05)

### Consolidated Statement of Comprehensive Income for 12M 2012 and Q4 2012

<i>In thousand SEK</i>	<b>2012</b>	<b>2011</b>	<b>Q4 2012</b>	<b>Q4 2011</b>
<b>Net income</b>	<b>(7,541)</b>	<b>(7,972)</b>	<b>(2,060)</b>	<b>(2,337)</b>
<b>Other comprehensive income</b>				
Currency translation	79	(934)	(101)	163
<b>Total comprehensive income / (loss), net of tax</b>	<b>(7,462)</b>	<b>(8,906)</b>	<b>(2,161)</b>	<b>(2,174)</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	(7,541)	(7,541)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	79	0	79
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>79</b>	<b>(7,541)</b>	<b>(7,462)</b>
<b>Transactions with owners</b>					
New share issue (KRT acquisition transaction)	12,378	(12,378)	0	0	0
KRT-OGT acquisition costs	0	(2,770)	0	0	(2,770)
<b>As of 31 December 2012</b>	<b>70,471</b>	<b>15,115</b>	<b>(7,757)</b>	<b>7,857</b>	<b>85,686</b>

## GROUP'S CASH FLOWS STATEMENT

### Consolidated Statement of Cash Flows for 12M 2012

<i>In thousand SEK</i>	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	(7,236)	(8,124)
Adjustments for:		
Depreciation, depletion and amortization	5,022	5,374
Provision for impairment of trade and other receivables	0	(52)
Finance income	(99)	(215)
Finance costs	2,606	1,258
Other finance (income) / expense	348	446
(Gain) /loss on disposal of assets	24	(464)
Net foreign exchange (gain) / loss	(2,257)	0
<b>Operating cash flow before changes in working capital</b>	<b>(1,592)</b>	<b>(1,777)</b>
<b>Changes in working capital:</b>		
Change in accounts receivable	(2,149)	(7,526)
Change in inventories	(3,357)	(163)
Change in accounts payable and accruals	7,787	7,017
Change in taxes payable	(172)	2,934
<b>Net cash generated by operating activities</b>	<b>517</b>	<b>485</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	0	159
Issuance of loans	(1,823)	(8,428)
Repayment of loans	1,823	8,252
Purchase of property, plant and equipment	(6,976)	(8,764)
Purchase of intangible assets	(900)	(10,225)
<b>Net cash used in investing activities</b>	<b>(7,876)</b>	<b>(19,006)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	15,146	16,642
Repayment of borrowings	(8,728)	(18,025)
Repayment of interest	(319)	(817)
Share issue and contribution from shareholders	0	8,000
<b>Net cash used in financing activities</b>	<b>6,099</b>	<b>5,800</b>
<b>Currency translation effect</b>	<b>508</b>	<b>158</b>
<b>Net change in cash and cash equivalents</b>	<b>(752)</b>	<b>(12,563)</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>275</b>	<b>1,027</b>

## PARENT'S FINANCIAL POSITION

### Parent Company Statement of Financial Position as of 31 December 2012

<i>In thousand SEK</i>	31 December 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	30	2,014
Loans issued	79,359	81,432
Cash and cash equivalents	3	562
<b>Total current assets</b>	<b>79,392</b>	<b>84,008</b>
<b>TOTAL ASSETS</b>	<b>401,892</b>	<b>406,508</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted reserve</b>		
Share capital	70,471	58,093
Restricted reserve	6,747	6,747
<b>Non-restricted reserve</b>		
Share premium	331,867	273,807
Retained earnings	(10,885)	(2,067)
Net income / (loss)	(3,821)	(8,818)
<b>Equity attributable to equity holders of the company</b>	<b>394,379</b>	<b>327,762</b>
<b>Current liabilities</b>		
Loans and borrowing	1,597	74,556
Accounts payable and accruals	5,226	3,895
Taxes payable	690	295
<b>Total current liabilities</b>	<b>7,513</b>	<b>78,746</b>
<b>Total liabilities</b>	<b>7,513</b>	<b>78,746</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>401,892</b>	<b>406,508</b>

## PARENT'S INCOME STATEMENT

### Parent Company Statement of Comprehensive Income for 12M 2012 and Q4 2012

<i>In thousand SEK</i>	2012	2011	Q4 2011	Q4 2011
Selling, general and administrative expenses	(3,678)	(3,072)	(1,013)	(748)
<b>Operating loss</b>	<b>(3,678)</b>	<b>(3,072)</b>	<b>(1,013)</b>	<b>(748)</b>
Net finance income / (expenses)	403	(3)	155	65
Other income / (expenses)	(546)	(5,743)	(102)	0
<b>Profit before income tax</b>	<b>(3,821)</b>	<b>(8,818)</b>	<b>(960)</b>	<b>(1,641)</b>
Income tax	0	0	0	0
<b>Net income / (loss)</b>	<b>(3,821)</b>	<b>(8,818)</b>	<b>(960)</b>	<b>(1,641)</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>(3,821)</b>	<b>(8,818)</b>	<b>(960)</b>	<b>(1,641)</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	(3,821)	(3,821)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,821)</b>	<b>(3,821)</b>
New share issue (KRT acquisition transaction)	12,378	0	60,830	0	73,208
KRT-OGT acquisition costs	0	0	(2,770)	0	(2,770)
<b>As of 31 December 2012</b>	<b>70,471</b>	<b>6,747</b>	<b>331,867</b>	<b>(14,706)</b>	<b>394,379</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

This interim report for the period ended 31 December 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 31 December 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	6.73%
<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>	31.12.2012	31.12.2011
Loans from related parties	444	0
Finance leases	909	1,541
<b>Total non-current borrowings</b>	<b>1,353</b>	<b>1,541</b>

The structure of current borrowings is as follows:

<i>In thousands of SEK</i>	31.12.2012	31.12.2011
Loans from related parties	23,178	16,503
Bank loans	0	2,774
Loans from companies	3,330	0
Finance leases	630	884
<b>Total current borrowings</b>	<b>27,138</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 31 December 2012 amounted to 15,346 TSEK. The interest rate is 10% p.a. and further details are disclosed in Note 5.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 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 31 December 2012 was based on the net profit / (loss) and a weighted average number of ordinary shares.

*In thousands of shares*

	2012	Q4 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>

	2012	Q4 2012
Weighted average number of ordinary shares in thousands	52,098	52,098
Profit / (loss) for the period, TSEK	(7,541)	(2,060)
Basic earnings per share (SEK)	(0.14)	(0.04)
Diluted earnings per share (SEK)	(0.14)	(0.04)

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 12M 2012 and balances with related parties as of 31 December 2012 were as follows:

<i>In thousands of SEK</i>	Shareholders	Companies under common control	Key management personnel
Services and good purchased	131	0	0
Trade and other receivables	0	0	0
Trade and other payables	0	0	0
Prepayment for services and business costs	0	0	0
Loans receivable	0	0	0
Loans payable	21,259	0	2,363

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 31 December 2012 was 15,346 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 31 March 2012. According to the current agreement the loan is secured with a pledge over 100% of Selena Oil & Gas AB shares. The new Board of Directors has challenged this pledge decision on the basis of the pledge discriminating a majority of the company's shareholders and being disproportionately in favour of one creditor. It is the intention of the new Board of Directors and management to restore this action.

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 as of 31 December 2012) has issued a loan to the Company. The principal amount outstanding and accrued interest thereof amounts to 280 TSEK as of 31 December 2012.

Mr. Paul Waern, member of the Board of Directors as of 31 December 2012, has granted a loan to the Company. The loan principal and accrued

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## NOTES TO THE FINANCIAL STATEMENTS

interest balance amounted to 960 TSEK as of 31 December 2012; the loan carries 5% interest rate.

In 12M 2012 certain loans were received from Mrs. N. Popova, a shareholder of SOGH. 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.

### **6. Consolidation of OOO Selena-Perm**

OOO Selena-Perm total assets amounted to 60,072 TSEK and net assets amounted to 22,333 TSEK as of 31 December 2012. OOO Selena-Perm operations accounts for 100% of the Group's sales and its reserves account for 54.7% of total Group's 2P reserves.

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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.

As of date of this report, the board has not taken any decision to propose a dividend at the company's annual general meeting.

Stockholm, February 28, 2013

*Oleg Popov*

Chairman

*Magnus Stuart*

Director

*Dmitry Ermakov*

Director

*Aleksejs Rjabijs*

Director

The report has not been subject to a full audit by its auditors.

### 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:

31 May 2013	Interim report, Q1
31 May 2013	Annual Report 2012
26 June 2013	Annual General Meeting

### Certified Advisor

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

### For further information, please contact:

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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.*