



Press release, Stockholm 7<sup>th</sup> of December, 2011

**Selena Oil & Gas Holding AB has received technical conditions for connection to GAZPROM pipeline**

Selena Oil and Gas Holding AB (SOGH) has received technical conditions from GAZPROM for connecting of its largest Visokovskoye gas field to GAZPROM pipelines. This is a result of a process started in 2010 when SOGH applied to GAZPROM to obtain technical conditions for connection to GAZPROM gas pipelines.

According to the received technical conditions the connection may be made to either Yamburg–Povolzhe or SRTO-URAL gas pipelines, subject to SOGH fulfilling the technical requirements for preparing its gas to GAZPROM standards. SOGH has time up until the end of 2014 to comply with those issued technical conditions.

Furthermore, GAZPROM's local structures have already defined the point of connection to the pipelines for SOGH and the location of gas treatment plant, which SOGH intends to construct. As the pipelines pass directly through the Visokovskoye field owned by SOGH, the connection points were assigned on the field, 1 km from the planned location of the gas treatment plant, meaning minimum capital expenditure into pipeline building.

In order to comply with the technical conditions issued by GAZPROM, the next step for SOGH is to engineer and construct a gas treatment plant enabling it to deliver gas at a required quality to GAZPROM pipeline. Currently SOGH is in negotiations with several engineering companies and gas treatment plant producers to find the optimal technical and economic solution. After the provider is chosen, the documentation and engineering is expected to be completed by the end of Q4 2012. The construction is planned to begin in Q1 2013 and the facility and the production of gas is expected to come online in 2014 subject to required project financing.

According to DeGolyer & MacNaughton the peak annual sales gas production from the Visokovskoye field may reach 164 million cubic meters per year. Furthermore, additional 45 million cubic meters of sales gas annually may be produced from Komarikhinskoye field, also owned by SOGH and located 45 km from the assigned GAZPROM connection point.

“The gas project is a significant part of Selena Oil & Gas Holding long-term strategy. The technical conditions from GAZPROM is a significant milestone in the project success. We anticipate the start of production of gas in 2014 and that apart from other initiatives will add significant scale to the operations of SOGH”, says Indrek Rahumaa, Chairman of the Board of Selena Oil & Gas Holding AB.

For further information, please contact:

Indrek Rahumaa, Chairman of the Board, phone +372 509 2080 or +7 (916) 180 31 62, e-mail: indrek.rahumaa@senaoil.com

*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. Mangold Fondkommission is the company's Certified Adviser and liquidity provider, telephone +46 8-503 015 50.*