



Interim Report for the  
**second quarter  
and 6 months**  
ended 30 June 2012

Selena Oil & Gas Holding AB

company registration number 556643-6613



# HIGHLIGHTS

## Second quarter and H1 2012

- Q2 2012 production of 29.9 Mbbl up 0.8% as compared to Q2 2011 (Q2 2011: 29.7 Mbbl)
- Average production level in Q2 2012 was 329 bopd, down 0.5% as compared to 2011 (2011: 330 bopd)
- H1 2012 EBITDA of 513 TSEK (H1 2011: 669 TSEK)
- Operating loss in H1 2012 of 1,573 TSEK (H1 2011: loss of 2,086 TSEK)
- H1 2012 net result a loss of 4,403 TSEK (H1 2011: 1,077 TSEK), including a net finance loss of 2,039 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

	H1 2012	H1 2011	Q2 2012	Q2 2011
Production, Mbbl	61.5	55.1	29.9	29.7
Production, bopd	338	304	329	326
Revenue TSEK	20,018	26,659	9,546	18,085
EBITDA TSEK	513	669	(83)	2
EBITDA margin (%)	2.6%	2.5%	(0.9%)	0.0%
Operating loss TSEK	(1,573)	(2,086)	(1,136)	(1,086)
Net result TSEK	(4,403)	(1,077)	(7,574)	(1,288)

### 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.

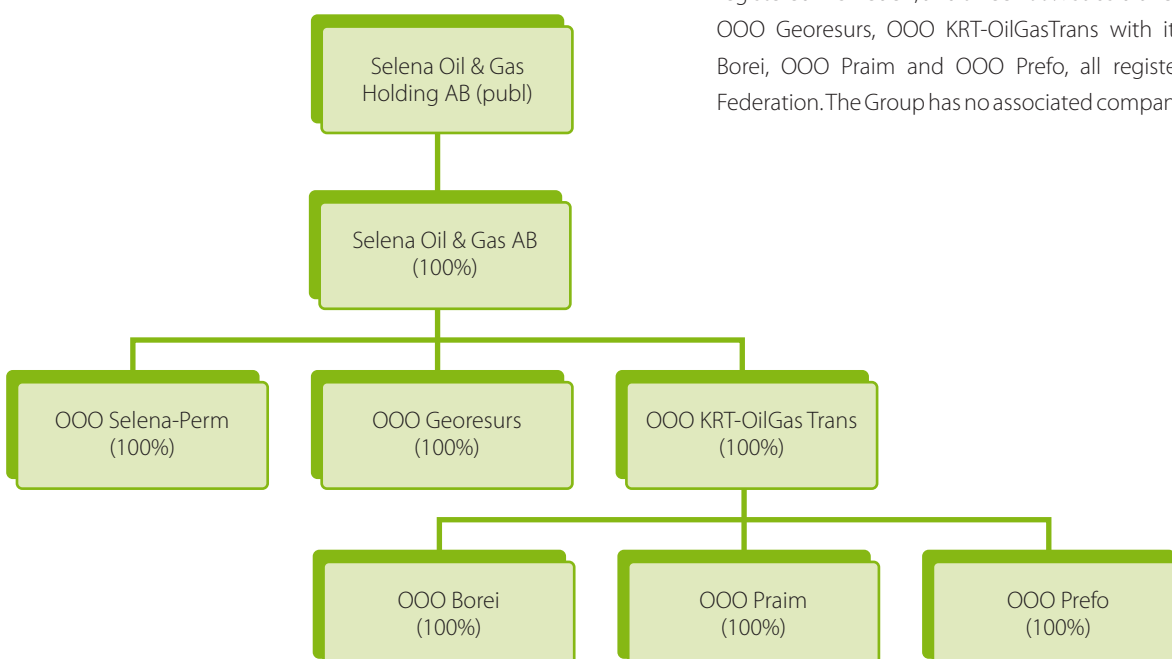
The Group acquired its first energy assets in November 2010 when the agreement was signed for the contribution in kind of OOO Selena-Perm and OOO Selena-Neft to the capital of Selena Oil & Gas AB. OOO Selena-Perm and OOO Selena-Neft were merged in January 2011 with OOO Selena-Perm as the surviving entity. 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.s.

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## 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 H1 2012	30.5666	6.8501	0.2241
Closing rate 30.06.2012	32.8169	6.9587	0.2120

This Interim Report has been 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.

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## SIGNIFICANT EVENTS IN H1 2012

### Annual General Meeting 2012

At the Annual General Meeting (AGM) of Selena Oil & Gas Holding AB (publ) the 28 of June 2012, 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.

### 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 Q2 2012 increased by 0.8% as compared to the respective period in 2011 and amounted to 29.9 Mbbl. The Group's production was 329 bopd in Q2 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. SOGH plans to start the production from KRT assets at the end of 2012 or in the beginning of 2013.

### Drilling plans

The drilling project for the Visokovskoye field to drill up to seven new wells was completed in H1 2012 for approval to the local authorities. The approval is expected in H2 2012.

### 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 in order to find the optimal partner to build the gas treatment plant in 2013.

### Revenue and results

The Group's sales amounted to 20,018 TSEK in H1 2012 representing a decrease of 24.9% as compared to sales of the respective period in 2011. The volumes of own oil sold increased by 18.8% and average oil price in H1 2012 amounted to 316 SEK/bbl (46.1 USD/bbl) which was a significant increase as compared to the respective period in 2011. However, in H1 2012 there were no sales of third party oil by the group which resulted in overall sales volume decrease by 35.2%. The Group is not subject to significant seasonality or cyclical of the business.

EBITDA amounted to 513 TSEK in H1 2012 as compared to 669 TSEK in respective period in 2011. In H1 2011 the Group had one-off income of 495 TSEK related to sales of fixed assets not used in the operations.

Net result for H1 2012 was a loss of 4,403 TSEK and was heavily impacted by foreign currency exchange loss - net finance loss amounted to 2,039 TSEK in H1 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 2,411 TSEK in H1 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 138,749 TSEK and decreased by 0.1% as compared to the position as of 31 December 2011.

The Group's equity attributable to the equity holders of the Company amounted to 91,600 TSEK as of 30 June 2012.

Total loans and borrowings amounted to 26,271 TSEK and increased by 21.1% as compared to the balance as of 31 December 2011.

Cash and cash equivalents balance decreased from 1,027 TSEK to 155 TSEK as the result of investments made and cash used in operations.

For further details of the borrowings please refer to note 3 and note 5 of this report.

### Employees

As of 30 June 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 398,778 TSEK as of 30 June 2012 and net loss amounted to 2,192 TSEK for the period ended 30 June 2012.

## GROUP'S FINANCIAL POSITION

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

<i>In thousand SEK</i>	<i>Note</i>	<b>30 June 2012</b>	<b>31 December 2011</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		38,165	38,819
Intangible assets		83,344	83,658
Deferred tax asset		1,766	1,987
<b>Total non-current assets</b>		<b>123,275</b>	<b>124,464</b>
<b>Current assets</b>			
Inventories		640	837
Accounts receivable and prepayments		13,625	11,535
Loans issued		1,054	1,020
Cash and cash equivalents		155	1,027
<b>Total current assets</b>		<b>15,474</b>	<b>14,419</b>
<b>TOTAL ASSETS</b>		<b>138,749</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		(7,751)	(7,836)
Retained earnings		10,995	15,398
<b>Equity attributable to equity holders of the company</b>	2	<b>91,600</b>	<b>95,918</b>
<b>Non-current liabilities</b>			
Loans and borrowings	3	4,952	1,541
Asset retirement obligations		3,461	3,366
<b>Total non-current liabilities</b>		<b>8,413</b>	<b>4,907</b>
<b>Current liabilities</b>			
Loans and borrowings	3	21,319	20,161
Accounts payable and accruals		12,162	12,612
Current income tax payable		5	5
Taxes payable		5,250	5,280
<b>Total current liabilities</b>		<b>38,736</b>	<b>38,058</b>
<b>Total liabilities</b>		<b>47,149</b>	<b>42,965</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>138,749</b>	<b>138,883</b>

## GROUP'S INCOME STATEMENT

### Consolidated Income Statement for quarter ended 31 March 2012

<i>In thousand SEK</i>	<i>Note</i>	<b>H1 2012</b>	<b>H1 2011</b>	<b>Q2 2012</b>	<b>Q2 2011</b>
Sales revenue		20,018	26,659	9,546	18,085
Cost of goods sold		(16,082)	(23,774)	(7,752)	(17,401)
<b>Gross profit</b>		<b>3,936</b>	<b>2,885</b>	<b>1,794</b>	<b>684</b>
Selling, general and administrative expenses		(5,509)	(4,971)	(2,930)	(1,770)
<b>Operating loss</b>		<b>(1,573)</b>	<b>(2,086)</b>	<b>(1,136)</b>	<b>(1,086)</b>
Finance income / (expenses)		(2,039)	650	(6,070)	(84)
Other income / (expenses)		(597)	349	(287)	(146)
<b>Profit before income tax</b>		<b>(4,209)</b>	<b>(1,087)</b>	<b>(7,493)</b>	<b>(1,316)</b>
Income tax		(194)	10	(81)	28
<b>Net income / (loss)</b>		<b>(4,403)</b>	<b>(1,077)</b>	<b>(7,574)</b>	<b>(1,288)</b>
<b>Earnings per share</b>					
Basic earnings per share (SEK)	4	(0.08)	(0.03)	(0.15)	(0.03)
Diluted earnings per share (SEK)	4	(0.08)	(0.03)	(0.15)	(0.03)

### Consolidated Statement of Comprehensive Income for H1 2012 and Q2 2012

<i>In thousand SEK</i>	<b>H1 2012</b>	<b>H1 2011</b>	<b>Q2 2012</b>	<b>Q2 2011</b>
<b>Net income</b>	<b>(4,403)</b>	<b>(1,077)</b>	<b>(7,574)</b>	<b>(1,288)</b>
<b>Other comprehensive income</b>				
Currency translation	85	460	321	461
<b>Total comprehensive income / (loss), net of tax</b>	<b>(4,318)</b>	<b>(617)</b>	<b>(7,253)</b>	<b>(827)</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	(4,403)	(4,403)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	85	0	85
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>(4,403)</b>	<b>(4,318)</b>
<b>Transactions with owners</b>					
New share issue (KRT acquisition transaction)	12,378	(12,378)	0	0	0
<b>As of 30 June 2012</b>	<b>70,471</b>	<b>17,885</b>	<b>(7,751)</b>	<b>10,995</b>	<b>91,600</b>



## GROUP'S CASH FLOWS STATEMENT

### Consolidated Statement of Cash Flows for H1 2012

<i>In thousand SEK</i>	H1 2012	H1 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	(4,209)	(1,087)
Adjustments for:		
Depreciation, depletion and amortization	2,683	2,406
Provision for impairment of trade and other receivables	0	(86)
Finance income	(51)	(184)
Finance costs	694	496
Other finance (income) / expense	295	232
Gain on disposal of assets	14	(349)
Net foreign exchange (gain) / loss	(296)	0
<b>Operating cash flow before changes in working capital</b>	<b>(870)</b>	<b>1,428</b>
<b>Changes in working capital:</b>		
Change in accounts receivable	(2,090)	(4,603)
Change in inventories	197	(307)
Change in accounts payable and accruals	(355)	2,573
Change in taxes payable	(3)	1,857
<b>Net cash generated by operating activities</b>	<b>(3,121)</b>	<b>948</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	0	160
Issuance of loans	(185)	(8,497)
Repayment of loans	185	8,475
Purchase of property, plant and equipment	(2,411)	(12,180)
Purchase of intangible assets	(203)	0
<b>Net cash used in investing activities</b>	<b>(2,614)</b>	<b>(12,042)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	6,806	15,695
Repayment of borrowings	(2,650)	(16,276)
Repayment of interest	(263)	(556)
<b>Net cash used in financing activities</b>	<b>3,893</b>	<b>(1,137)</b>
<b>Currency translation effect</b>	<b>970</b>	<b>(1,311)</b>
<b>Net change in cash and cash equivalents</b>	<b>(872)</b>	<b>(13,542)</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>155</b>	<b>48</b>

## PARENT'S FINANCIAL POSITION

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

<i>In thousand SEK</i>	30 June 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	1,928	2,014
Loans issued	80,678	81,432
Cash and cash equivalents	14	562
<b>Total current assets</b>	<b>82,620</b>	<b>84,008</b>
<b>TOTAL ASSETS</b>	<b>405,120</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)	(2,192)	(8,818)
<b>Equity attributable to equity holders of the company</b>	<b>398,778</b>	<b>327,762</b>
<b>Current liabilities</b>		
Loans and borrowing	1,609	74,556
Accounts payable and accruals	4,411	3,895
Taxes payable	322	295
<b>Total current liabilities</b>	<b>6,342</b>	<b>78,747</b>
<b>Total liabilities</b>	<b>6,342</b>	<b>78,747</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>405,120</b>	<b>406,509</b>

## PARENT'S INCOME STATEMENT

### Parent Company Statement of Comprehensive Income for H1 2012 and Q2 2012

<i>In thousand SEK</i>	H1 2012	H1 2011	Q2 2011	Q2 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	(1,952)	(624)	(1,093)	(503)
<b>Operating loss</b>	<b>(1,952)</b>	<b>(121)</b>	<b>(1,093)</b>	<b>(503)</b>
Net finance income / (expenses)	130	(127)	28	(28)
Other income / (expenses)	(370)	(5,743)	(212)	(5,750)
<b>Profit before income tax</b>	<b>(2,192)</b>	<b>(213)</b>	<b>(1,277)</b>	<b>(6,281)</b>
Income tax	0	0	0	0
<b>Net income / (loss)</b>	<b>(2,192)</b>	<b>(213)</b>	<b>(1,277)</b>	<b>(6,281)</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>(2,192)</b>	<b>(213)</b>	<b>(1,277)</b>	<b>(6,281)</b>

## PARENT'S CHANGES IN EQUITY

### Parent Company Statement of Changes in Equity for quarter ended 31 March 2012

<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 June 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 June 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 June 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	7,843,704	15.05%
Bryum Estonia	2,922,612	5.61%
Altare Energy	2,509,137	4.82%
Yuri Gusev	1,295,948	2.49%
Others	3,473,524	6.66%
<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>	30.06.2012	30.06.2011
Loans from related parties	2,695	0
Loans from companies	1,068	0
Finance leases	1,189	1,541
<b>Total non-current borrowings</b>	<b>4,952</b>	<b>1,541</b>

The structure of current borrowings is as follows:

<i>In thousands of SEK</i>	30.06.2012	30.06.2011
Loans from related parties	17,935	16,503
Bank loans	1,128	2,774
Loans from companies	1,513	0
Finance leases	743	884
<b>Total current borrowings</b>	<b>21,319</b>	<b>20,161</b>

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 2012 is 1,128TSEK. The maturity is 20 September 2012. The interest rate is 15.75%.

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 borrowings of 1,128 TSEK were secured with oil and gas properties pledged as collateral. Net book value of the pledged properties amounted to 2,180 TSEK.

On 23 December 2010 the Company obtained short-term financing from Bryum Limited. The loan and accrued interest balance as of 30 June 2012 amounted to 15,605 TSEK. The interest rate is 35% p.a. and maturity of the loan is 28 August 2013.

In Q2 2012 the loans in the amount of 6,373 TSEK were received from Mrs. N. Popova, a shareholder of SOGH. The loans are long-term and carry 7% interest rate.

As at 30 June 2012 the effective interest rate on borrowings ranged between 5% p.a. to 35% 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*

	H1 2012	Q2 2012
Number of shares at the beginning of the year, adjusted for exchange ratio used in reverse acquisition and reverse split ratio	52,098	152,098
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>

	H1 2012	Q2 2012
Weighted average number of ordinary shares in thousands	52,098	52,098
Profit / (loss) for the period, TSEK	(4,403)	(7,574)
Basic earnings per share (SEK)	(0.08)	(0.15)
Diluted earnings per share (SEK)	(0.08)	(0.15)

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 H1 2012 and balances with related parties as of 30 June 2012 were as follows:

<i>In thousands of SEK</i>	Shareholders	Companies under common control	Key management personnel
Services and good purchased	134	0	0
Trade and other receivables	1	0	0
Trade and other payables	127	51	0
Prepayment for services and business costs	0	0	0
Loans receivable	0	0	0
Loans payable	18,838	0	1,792

Bryum Limited UK (the parent company of Bryum Estonia AS which is a shareholder in SOGH) 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 June 2012 was 15,605 TSEK. The interest rate applicable to the loan as agreed among the parties is 35% p.a. The final repayment date of the loan is 28 August 2013. 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. The loan carries 5% interest rate and matures on 23 December 2012.

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## NOTES TO THE FINANCIAL STATEMENTS

Myrtyle Ventures Limited, a company related to Mr. Indrek Rahumaa (a member of the Board of Directors of SOGH) has granted a loan in the amount of 292 TSEK as of 30 June 2012. The loan facility carries an interest rate of 5% p.a. on amounts borrowed and is repayable by 23 June 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 615 TSEK as of 30 June 2012; the loan carries 5% interest rate and matures on 23 December 2012.

In Q2 2012 certain loans were received from Mrs. N. Popova, a shareholder of SOGH. The principal balance and accrued interest amount to 2,527 TSEK as of 30 June 2012. The loans are long-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, August 28, 2012

*Indrek Rahumaa*

Chairman

*Staffan Torstensson*

Director

*Nadezhda Popova*

Director

*Viacheslav Pershukov*

Director

*Paul Waern*

Director

*Yury Gusev*

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:

31 November 2012      Interim report, Q3

### 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.*