



Interim Report for the
fourth quarter
and 12 months
ended 31 December 2013

Selena Oil & Gas Holding AB

company registration number 556643-6613



HIGHLIGHTS

Fourth quarter and 12M 2013

- July 2013 was the last month when production from Visakovskoye, Dubrovskoye and Azinskoye oilfields were consolidated in Selena Oil & Gas Holding AB (publ), and therefore the company's production and sales of crude oil discontinued temporarily in Q4 2013. Following the restructuring of assets in OOO Selena-Perm, Visakovskoye oilfield was disposed on July 4th and Dubrovskoye and Azinskoye oil fields were disposed on July 22nd.
- In July 2013, subsidiary OOO Borei holding the license for Ilikovskoye oilfield located in the Perm region was disposed off to a third party. The transaction was settled in July 2013 through full cash payment in exchange for full title to all shares in OOO Borei.
- 12M 2013 EBITDA loss of 9,088 TSEK (12M 2012: loss of 2,586 TSEK)
- 12M 2013 net result a loss of 20,579 TSEK (12M 2012: a loss of 9,976 TSEK)

TABLE KPIs

	2013	2012	Q4 2013	Q4 2012
Production, Mbbl	62.2	115.9	-	27.5
Revenue TSEK	103,770	68,258	2,097	26,487
EBITDA TSEK	(9,088)	(2,586)	(5,588)	(3,907)
EBITDA margin (%)	(8.8%)	(3.8%)	(266.5%)	(14.8%)
Operating loss TSEK	(2,356)	(5,082)	(1,173)	(3,110)
Net result TSEK	(20,579)	(9,976)	(7,271)	(4,495)

Abbreviations

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

Oil related terms and measurements

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

BACKGROUND INFORMATION

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

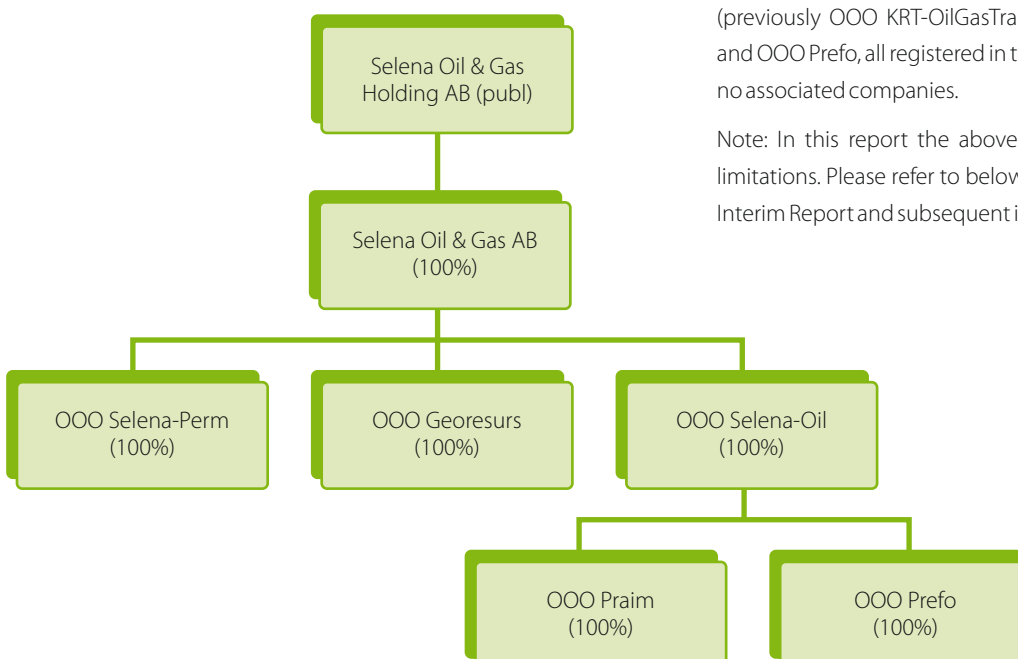
The Group was formed by entrepreneurs Mr. Oleg Popov, Mr. Indrek Rahumaa, Mr. Jurgen Lamp and Mr. Vyacheslav Pershukov in H2 2010 with the purpose to consolidate various oil and gas assets in the Volga-Ural region of the Russian Federation, more specifically in Perm and Udmurtia regions.

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.

GROUP STRUCTURE

Group structure

The structure of the Group as of 31 December 2013 is presented below:



As of 31 December 2013 the Group consisted 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 Selena-Oil (previously OOO KRT-OilGasTrans) with its subsidiaries 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 interim report of 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.

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 interim report may be subject to material changes.

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 2012.

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 12M 2013	31.9063	6.5154	0.2042
Closing rate 31.12.2013	32.7292	6.5269	0.1994

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 12M 2013

Resolutions of Extraordinary General Meeting from 14 January 2013

Subsequently to the year end an 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) were 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 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.

On 12 April 2013, the Managing Director and board member Magnus Stuart decided to resign from all duties in the Company and its subsidiary Selena Oil & Gas AB for personal reasons.

Subsequent to Extraordinary Shareholders Meeting on 31 May 2013, Mr Magnus Stuart regained his position as the Managing Director of the Company.

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

On 14 February 2013 the Group received a bankruptcy petition from a creditor, filed at the District Court of Stockholm (Stockholms Tingsrätt). The petition was applicable to the wholly owned subsidiary Selena Oil & Gas AB. The petition was filed by the creditor in relation to unsettled debt. The bankruptcy petition was later suspended and subsequently fully withdrawn on the basis of a settlement agreement between the wholly owned subsidiary Selena Oil & Gas AB and the creditor.

The auction of the shares of Selena Oil & Gas AB

On 18 April 2013 the company confirmed that the shares of its 100% subsidiary Selena Oil & Gas AB were subject to an auction on 26 April 2013. The auction was arranged by Bryum Limited UK as a pledgee to recover its loan obligations. Bryum Limited UK was a creditor of Selena

Oil & Gas AB on the basis of loans granted in the principal amount of USD 2,158 million, secured by 100% pledge of shares in Selena Oil & Gas AB. The auction did not take place due to ongoing negotiations of the settlement.

Resolutions of Extraordinary General Meeting from 31 May 2013

The meeting resolved to approve a settlement agreement whereby: (1) Ms. Nadezhda Popova transfers to Selena Oil & Gas AB all shares in OOO Selena-Perm belonging to her and all claims under the loan agreements concluded between the Company and its subsidiaries as the borrowers and Bryum Limited as the lender, for the total principal amount of USD 2,158 million, with all interest and penalties accrued whereon (which claims Ms. Nadezhda Popova intended to acquire from Bryum Limited); (2) OOO Selena-Perm will be reorganized so that OOO KNK (an entity controlled by Ms. Nadezhda Popova) will ultimately acquire assets and liabilities of OOO Selena-Perm except those related to the Komarihinskoye oil field, which will remain on the balance sheet of OOO Selena-Perm with all related assets and liabilities. The meeting resolved to grant the Board of Directors the approval for the above transactions and the authorisation to further negotiate and implement the same. The settlement agreement with Ms. Nadezhda Popova was signed on 8 July 2013.

Furthermore, the Extraordinary General Meeting elected a new Board of Directors. All previous board members were discharged and the Extraordinary General Meeting elected a new Board of Directors with its members being Indrek Rahumaa, Erik Staffan Bernstein Torstensson, Poul Gunnar Waern, Lars Bergström, Per Olof Sjöstedt and Jürgen Lamp.

Subsequently to the Extraordinary General Meeting a board meeting was called and Mr. Lars Bergström was elected Chairman of the Board of Directors.

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

On 4 June 2013, the Board of Directors of Selena Oil & Gas Holding AB (publ) and CEO were made aware of an earlier bankruptcy petition, which was filed at the district court of Stockholm (Stockholms Tingsrätt) on 22 April 2013. The petition was applicable to the wholly owned subsidiary Selena Oil & Gas AB. The petition was filed by a creditor and had relationship to an unpaid debt.

In June 2013, the Company reached a settlement with the creditor. The settlement entailed that the filed petition at the district court of Stockholm (Stockholms Tingsrätt) was withdrawn and that Selena Oil & Gas Holding AB was to repay the debt through an instalment plan. The settlement was reached through an out of court action in a direct dialogue with the creditor.

Divestment of subsidiary OOO Borei in Perm region

In July 2013, the Company completed a cash transaction for the divestment of its subsidiary OOO Borei. OOO Borei holds the license for Ilikovskoye oilfield located in the Perm region. The Ilikovskoye oilfield had at the occasion of the divestment no production of oil or natural gas.

The Ilikovskoye field was estimated to hold 1P reserves amounting to 0.3 Million boe and 2P reserves of 3.1 Million boe. The value of transaction amounted to RUB 26 million, which corresponded to approximately USD 0.8 million. The transaction was settled on 12 July 2013 through full cash payment in exchange for full title to all shares in OOO Borei.

As investments in OOO Borei was expected to yield lower returns due to isolation of the Ilikovskoye field as compared to the remaining fields of the company and due to relatively high required capital investment and geological complexity the disposal was considered the best alternative. The transaction allowed the company to focus its resources towards higher investment priorities being development of Fedortsovskoye and Kulighinskoye oil fields.

Resolutions of Annual General Meeting from 31 July 2013

At the Annual General Meeting (AGM) of Selena Oil & Gas Holding AB (publ) on 31 July 2013, it was resolved to adopt the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet for the financial year 2012. The meeting resolved on adoption of dispositions of the Company's result as presented in the publicly presented Annual Report for 2012, presentation of balance sheet and proposed disposition.

The meeting resolved to discharge directors Paul Waern and Karl Bleschert from the liability for the financial year 2012. Directors Indrek Rahumaa, Staffan Torstensson, Vyacheslav Pershukov, Nadezhda Popova, Yuri Gusev and the Managing Director Jürgen Lamp were denied a discharge from the liability for financial year 2012.

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 Lars Bergström, Indrek Rahumaa, Jürgen Lamp, PeO Sjöstedt, Staffan Torstensson and Paul Waern were re-elected. It was resolved to re-elect PricewaterhouseCoopers AB as the auditor, with Martin Johansson as the responsible auditor until end of the Annual General Meeting 2014.

The proposal to authorize the Board of Directors to resolve on a providing the Board of Directors with a mandate to decide on a new share issue was withdrawn from the agenda.

The minority of shareholders holding 17% of shares requested, and was granted, to conduct a special audit of the management of the company during 2012 and until 31 July 2013.

Petition to cancel the decision of EGM held on 31 May 2013

On 11 September 2013, the Board of Directors of Selena Oil & Gas Holding AB (publ) received a petition on the cancellation of a decision from the EGM held on 31 May 2013. The petition was filed with the district court of Stockholm (Stockholms Tingsrätt). The Company filed its first Statement of defence to the petition on 25 October 2013. The second statement of defence was submitted on 17 February 2014.

Renaming of subsidiary

In September 2013 the Group renamed its subsidiary OOO KRT-OGT to OOO Selena-Oil.

Statement from Aktiemarknadsnämnden

On 3 October 2013 Aktiemarknadsnämnden (The Swedish Securities Council) issued a statement criticizing Selena Oil & Gas Holding AB (publ) provision of information to the shareholders in relation to a decision on EGM held on 31 May 2013. The information provided by Selena Oil & Gas Holding AB (publ) to shareholders are according to Aktiemarknadsnämndens statement 2013:40 not complying with Swedish rules for good practice as observed in the Swedish stock market.

The Swedish Securities Council acts through statements, advice and information with the mission to promote good practices in the Swedish stock market. The Council is a self-regulatory body organized by the Swedish business community.

The Board of Directors accepts the criticism directed to the Company from the Swedish Securities Council (Aktiemarknadsnämnden) and pronounces its full submission to the issued statement.

The regretful shortcomings in the Company's reporting over the course of 2013 are to a large extent attributable to the disputes described herein and the resulting frequent changes to the operational and legal management of the Company.

A creditor's filing of a bankruptcy of Selena Oil & Gas Holding AB (publ)

On 16 October 2013 the CEO and the Board of Directors of Selena Oil & Gas Holding AB (publ) received a bankruptcy petition, filed at the district court of Stockholm (Stockholms Tingsrätt). The petition was filed by a creditor in relation to an unpaid debt.

In October 2013 the Company reached a settlement with the creditor. The settlement means that the filed petition at the district court of Stockholm (Stockholms Tingsrätt) was withdrawn and that Selena Oil & Gas Holding AB (publ) will repay the debt through an instalment plan. The settlement was reached through an out of court action in direct dialogue with the creditor.

The Group's holding in the Russian subsidiary OOO Selena-Perm

On 21 December 2012, Selena Oil & Gas Holding AB (publ) made public that it has obtained information on a registration of a new issue of shares in its Russian subsidiary OOO Selena-Perm. The new issue had taken place without the Company's authorization and had been formally registered with the Russian authorities. This event effectively reduced the Company's holding in its subsidiary OOO Selena-Perm from 100% to 12% and as a consequence reduced the Company's reported 2P reserves by 55%. The Company publicly denounced the share issue and attributed it to a dispute between its major shareholders, of which one group was led by Mr. Oleg Popov and Ms. Nadezhda Popova. On 24 January 2013 Mr Oleg Popov was elected as the Chairman of the Company and assumed effective control over all its subsidiaries.

Representatives of the Board of Directors and several shareholders in the Company immediately filed an appeal to the registration with the Russian courts. In February 2013 the court of first instance in Perm rejected the appeal. Subsequent appeals were not successful and all appeals possibilities were exhausted. The Board of Directors has not identified any other realistic means to restore the Company's full ownership to OOO Selena-Perm and its assets.

The consequence of the above makes it imperative for the Company to recognize a decrease in value of its investment into OOO Selena-Perm by year-end 2013 due to impairment caused by partially lost assets of OOO Selena-Perm. This impairment loss in the amount of SEK 232.7 million is recognized as Other expenses in Q4 2013 and value of investment in OOO Selena-Perm is decreased by SEK 232.7 million in the balance sheet as of 31 December 2013 of Selena Oil & Gas Holding (publ) Parent company accounts. The impairment loss is partially offset by a decrease in liabilities to Bryum Limited as discussed below. The impairment loss only relates to Parent company financial results and financial position and has no impact on Group's consolidated result.

Settlement with Ms Nadezhda Popova and reorganization of OOO Selena-Perm

Despite the reduction of the Company's shareholding in OOO Selena-Perm to 12% in December 2012, the Company continued to receive operating information and exercise managerial control over its Russian assets over the course of 2013 and negotiated with the Popovs family regarding the possibilities to resolve the complicated situation. The financial results of subsidiary OOO Selena-Perm were consolidated with the Company's results for 2012 and 2013.

In May 2013 the Company's Board of Directors called for an Extraordinary General Meeting proposing to its shareholders a

resolution regarding a settlement and certain transactions between the Company and its shareholder Ms Nadezhda Popova to recover the value lost due to the share capital decrease in OOO Selena-Perm, whereby the Company's 100% ownership of OOO Selena-Perm would be restored, but OOO Selena-Perm would divest a material part of its assets to a company controlled by Ms Popova. To offset the negative impact on the Company's asset value, Ms Popova agreed to acquire from Bryum Limited and to subsequently extinguish Company's debt in the principal amount of USD 2,158 million, with all interest and penalties accrued whereon.

On 8 July 2013 the settlement agreement was signed with Ms Nadezhda Popova according to the above-mentioned terms. Restructuring of OOO Selena-Perm, whereas assets of the company were separated into OOO KNK, initiated on 13 May 2013, was completed in Q3 2013 and the transfer of the production licences and fields to OOO KNK was completed in July 2013. The financial result of the reorganization amounted to a loss of 21,116 TSEK on the consolidated basis. Furthermore, the loans acquired by Ms. Nadezhda Popova were waived for the principal amount, accrued interest and penalties as a compensation for the transaction. The waiver of the loans amounted to a gain of 16,991 TSEK and, therefore, the net result of the settlement was a loss of 4,124 TSEK recorded as Other income/(expenses) on consolidated basis in 12M 2013.

As of 31 December 2013 the transaction to regain 100% shareholding has not been completed.

Dispute over settlement with Ms Nadezhda Popova

The validity of the above settlement was disputed by the Company's shareholder Mr. Gusev and a respective court case is pending between him and the Company. The Company has been informed by the large shareholders that negotiations to terminate the dispute amicably are ongoing. Furthermore, the Company submitted its defense to Mr. Gusev's petition on 17 February 2014.

Due to the pending dispute, the Company's Board of Directors did not take any action to carry out the settlement approved in May 2013, despite the authorisation granted by the EGM, with the sole exception of accepting the extinguishing of overdue loans acquired by Ms Popova from Bryum Limited. The Board of Directors does not, however, see any legal or practical possibility to restore the situation existing prior to December 2012 (i.e., on the asset side, to restore 100% ownership in OOO Selena-Perm with all its pre-restructuring assets, and on the liability side, to restore an overdue liability to Bryum Limited with related interest and sanctions). Due to the Russian courts' acceptance of the legality of the share capital increase in OOO Selena-Perm, the Board of Directors firmly believes its duty to be the mitigation of the consequences of the same to the best possible extent.

Status vis-à-vis the Company's creditors

As has been reported during 2013 the Company has been subject to petitions on bankruptcy charges three times through actions made by creditors. All these cases have been settled out of court and the Company has established repayment plans. The Company maintains operative contact with its creditors and are actively seeking solutions on refinancing its debt.

Production update and status

Following the restructuring of assets in OOO Selena-Perm, Visakovskoye oil field was disposed on 4 July 2013 and Dubrovskoye and Azinskoye oil fields were disposed on 22 July 2013. As the result, July 2013 was the last month when oil fields Visakovskoye, Dubrovskoye and Azinskoye were consolidated in Selena Oil & Gas Holding AB (publ) and the Company's production of crude oil henceforth has discontinued temporarily.

The company will continue focus on activities to develop Borkmosskoye, Fedortsovskoye and Kulighinskoye oil fields. These oil fields hold several temporary abandoned oil wells. The oil wells were drilled and documented as oil discoveries, often more than 25 years ago. Immediately at the time of drilling, wells were carefully sealed pending a subsequent decision to start production. The Group regards the reworking of the wells as an opportunity to achieve production with limited investments.

On 12 September 2013 the Group's subsidiary OOO Praim signed an agreement to buy out the well Nr24 on Fedortsevskoye field from Lukoil for an approximate consideration 576 TUSD. The transaction was finalized in Q4 2013. Furthermore, OOO Praim successfully defended the project in Permnedra, local natural resources authority, for test production of wells Nr21 and Nr24 on the Fedortsevskoye field allowing the company to start the production from those wells as soon as the renovation of the well is complete. In Q4 2013 the Group also made investments in building the basic construction roads to the Fedortsevskoye field and started construction of the oil production terminal on the Fedortsevskoye field to prepare the field for the production. Furthermore, land leases for the necessary land plots were signed. To start the production from Fedorsevskoye field the group needs to finalize the well renovation.

Revenue and results

The Group's sales amounted to 103,770 TSEK in 12M 2013 representing an increase of 52% as compared to 12M 2012. The Group is not subject to significant seasonality or cyclicity of the business.

EBITDA amounted to loss 9,088 TSEK in 12M 2013 as compared to 2,586 TSEK loss in 2012. Other income/(expenses) of a loss of 9,359 TSEK include a net loss of restructuring partially offset by gain of waiver of loan of 4,124 TSEK, a loss from disposal of investment into

OOO Borei in the amount of 1,230 TSEK and loss of asset value write down to their realizable values of 6,095 TSEK. At the same time certain previously provisioned VAT balance was recovered in Russia resulting in gain of 1,440 TSEK from reversal of provision.

Net result for 12M 2013 was a loss of 20,579 TSEK including net finance loss in amount of 8,300 TSEK which mainly relates to the Group's intercompany lending in RUB.

Investments

Investments amounted to 10,910 TSEK in 12M 2013 and mostly related to buy-out and improvement of wells and infrastructure related investments on Fedortsovskoe field.

Financial position and liquidity

Total assets of the Group amounted to 95,751 TSEK and decreased by 35.3% as compared to the position as of 31 December 2012. The decrease is due to reorganization of OOO Selena-Perm whereas major assets were spinned-off.

The Group's equity attributable to the equity holders of the Company amounted to 64,151 TSEK as of 31 December 2013.

Total loans and borrowings amounted to 13,187 TSEK and decreased by 53.7% as compared to the balance as of 31 December 2012 due to waiver of Bryum Limited loans by Ms. Nadezhda Popova. For further details of the borrowings please refer to note 3 and note 5 of this report.

Cash and cash equivalents balance decreased from 275 TSEK to 103 TSEK as of 31 December 2013.

Reserves

Subsequent to the disposal of OOO Borei and closing of the transaction for the disposal of the assets of OOO Selena-Perm the company's reserves and prospective resources are as follows:

Mmboe	1P	2P	3P
Kulighinskoye field	2.2	4.4	7.1
Fedortsovskoye field	2.8	6.6	9.1
Borkmoskoye field	0.7	1.0	3.1
Komarihinskoye field	1.0	2.6	4.5
Tayozhniy area	2.6	3.7	8.1
Tokaresvskiy area	no assessment		
Total	9.2	18.2	31.9
Prospective resources	25.8		
Prospective resources Pg-adjusted	7.0		

In 2013 the Group reassessed its plans for exploration and development and based on the analysis concluded that further investments in Analsko-Patrakovsky and Patrakovsko-Timensky

license areas would not be justified. As the result licenses were refused and prospective resources of the Company decreased from 90.3 Mmboe (Pg-adjusted 22.8 Mmboe) to 25.8 Mmboe (Pg-adjusted 7.0 Mmboe).

Comments on the Company's plans for 2014

Selena Oil & Gas Holding (publ) has been informed of a negotiation process between its four principal shareholders with an objective to resolve conflicting interests and to seek an accord on the mission as well as capitalization strategies of the Company.

The Board of Directors has taken measures to arrange for the short-term financing of the Company's business plans. Such financing is under way and plans are being made to raise minor capital through short and medium term credit facilities.

Comments on the Parent

The legal parent of the Group from 6 May 2011 is Selena Oil & Gas Holding AB (publ), registration number 556643-6613. The legal / postal address of the company is P.O. Box 7614, SE-103 94 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 157,959 TSEK as of 31 December 2013 and net loss amounted to 236,420 TSEK for the twelve months period ended 31 December 2013. Loss for 2013 includes an impairment loss of 232,700 TSEK in relation to the Parent company's underlying investment into OOO Selena-Perm.

GROUP'S FINANCIAL POSITION

Consolidated Statement of Financial Position as of 31 December 2013

<i>In thousand SEK</i>	<i>Note</i>	31 December 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment		8,240	41,221
Intangible assets		75,631	84,471
Deferred tax asset		1,086	4,943
Total non-current assets		84,957	130,635
Current assets			
Inventories		0	4,194
Accounts receivable and prepayments		10,567	11,641
Loans issued		124	1,113
Cash and cash equivalents		103	275
Total current assets		10,794	17,223
TOTAL ASSETS		95,751	147,858
EQUITY AND LIABILITIES			
Equity			
Share capital		70,471	70,471
Other equity		15,115	15,115
Translation reserve		(6,278)	(7,750)
Retained earnings		(15,157)	5,422
Equity attributable to equity holders of the company	<i>2</i>	64,151	83,258
Non-current liabilities			
Deferred tax liabilities		36	3,230
Loans and borrowings	<i>3</i>	334	1,353
Asset retirement obligations		0	4,828
Total non-current liabilities		370	9,411
Current liabilities			
Loans and borrowings	<i>3</i>	12,853	27,138
Accounts payable and accruals		17,566	22,906
Current income tax payable		8	6
Other current liabilities		803	5,139
Total current liabilities		31,230	55,189
Total liabilities		31,600	64,600
TOTAL LIABILITIES AND EQUITY		95,751	147,858

GROUP'S INCOME STATEMENT

Consolidated Income Statement for quarter ended 31 December 2013

<i>In thousand SEK</i>	<i>Note</i>	2013	2012	Q4 2013	Q4 2012
Sales revenue		103,770	68,258	2,097	26,487
Cost of goods sold		(96,949)	(60,565)	(1,164)	(24,722)
Gross profit		6,821	7,693	933	1,765
Selling, general and administrative expenses		(9,177)	(12,775)	(2,106)	(4,875)
Operating loss		(2,356)	(5,082)	(1,173)	(3,110)
Net finance income / (expenses)		(8,300)	(2,063)	(198)	720
Other income / (expenses)		(9,359)	(2,526)	(4,470)	(2,073)
Profit before income tax		(20,015)	(9,671)	(5,841)	(4,463)
Income tax		(564)	(305)	(1,430)	(32)
Net income / (loss)		(20,579)	(9,976)	(7,271)	(4,495)
Earnings per share					
Basic earnings per share (SEK)	4	(0.40)	(0.19)	(0.14)	(0.09)
Diluted earnings per share (SEK)	4	(0.40)	(0.19)	(0.14)	(0.09)

Consolidated Statement of Comprehensive Income for quarter ended 31 December 2013

<i>In thousand SEK</i>	2013	2012	Q4 2013	Q4 2012
Net income	(20,579)	(9,976)	(7,271)	(4,495)
Other comprehensive income				
Currency translation	1,472	86	(129)	(94)
Total comprehensive income / (loss), net of tax	(19,107)	(9,890)	(7,400)	(4,589)

GROUP'S CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for period ended 31 December 2013

<i>In thousand SEK</i>	Share capital	Other Equity	Currency translation	Retained earnings	Total
As of 31 December 2011	58,093	30,263	(7,836)	15,398	95,918
Comprehensive income					
Net profit / (loss) for the period	0	0	0	(9,976)	(9,976)
Other comprehensive income					
Effect on consolidation of foreign subsidiaries	0	0	86	0	86
Total comprehensive income	0	0	86	(9,976)	(9,890)
Transactions with owners					
New share issue (KRT acquisition transaction)	12,378	(12,378)	0	0	0
KRT acquisition transaction	0	(2,770)	0	0	(2,770)
As of 31 December 2012	70,471	15,115	(7,750)	5,422	83,258
Comprehensive income					
Net profit / (loss) for the period	0	0	0	(20,579)	(20,579)
Other comprehensive income					
Effect on consolidation of foreign subsidiaries	0	0	1,472	0	1,472
Total comprehensive income	0	0	1,472	(20,579)	(19,107)
As of 31 December 2013	70,471	15,115	(6,278)	(15,157)	64,151

GROUP'S CASH FLOWS STATEMENT

Consolidated Statement of Cash Flows for for quarter ended 31 December 2013

<i>In thousand SEK</i>	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	(20,015)	(9,671)
Adjustments for:		
Depreciation, depletion and amortization	2,627	5,138
Provision for impairment of trade and other receivables	0	75
Finance income	(39)	(117)
Finance costs	1,333	1,530
Other finance (income) / expense	200	817
Loss on disposal of a subsidiary	1,231	0
Loss on assets transfer	4,124	0
(Gain) /loss on disposal of assets	71	24
Net foreign exchange (gain) / loss	105	0
Operating cash flow before changes in working capital	(10,363)	(2,204)
Changes in working capital:		
Change in accounts receivable	980	(181)
Change in inventories	3,636	(3,357)
Change in accounts payable and accruals	2,912	7,495
Change in taxes payable	(4,149)	(171)
Net cash generated by operating activities	(6,984)	1,582
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	6	20
Issuance of loans	(672)	(1,823)
Repayment of loans	0	1,823
Disposal of a subsidiary, net of cash disposed of	5,188	0
Proceeds from sale of property, plant and equipment	137	0
Purchase of property, plant and equipment	(9,084)	(6,976)
Purchase of intangible assets	(617)	(900)
Net cash used in investing activities	(5,042)	(7,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	10,687	15,113
Repayment of borrowings	(4,373)	(8,881)
Repayment of interest	(312)	(651)
Net cash used in financing activities	6,002	5,581
Currency translation effect	5,852	(59)
Net change in cash and cash equivalents	(172)	(752)
Cash and cash equivalents at the beginning of the period	275	1,027
Cash and cash equivalents at the end of the period	103	275

PARENT'S FINANCIAL POSITION

Parent Company Statement of Financial Position as of 31 December 2013

<i>In thousand SEK</i>	31 December 2013	31 December 2012
ASSETS		
Non-current assets		
Shares in subsidiaries	89,823	322,500
Total non-current assets	89,823	322,500
Current assets		
Accounts receivable and prepayments	96	30
Loans issued	79,999	79,359
Cash and cash equivalents	83	3
Total current assets	80,178	79,392
TOTAL ASSETS	170,001	401,892
EQUITY AND LIABILITIES		
Equity		
Restricted reserve		
Share capital	70,471	70,471
Restricted reserve	6,747	6,747
Non-restricted reserve		
Share premium	331,867	331,867
Retained earnings	(14,706)	(5,888)
Net income / (loss)	(236,420)	(8,818)
Equity attributable to equity holders of the company	157,959	394,379
Current liabilities		
Loans and borrowing	4,442	1,597
Accounts payable and accruals	6,911	5,226
Taxes payable	689	690
Total current liabilities	12,042	7,513
Total liabilities	12,042	7,513
TOTAL LIABILITIES AND EQUITY	170,001	401,892

PARENT'S INCOME STATEMENT

Parent Company Statement of Comprehensive Income for quarter ended 31 December 2013

<i>In thousand SEK</i>	2013	2012	Q4 2013	Q4 2012
Revenue from sales	0	0	0	0
Cost of sale	0	0	0	0
Gross profit	0	0	0	0
Selling, general and administrative expenses	(3,563)	(3,679)	(1,874)	(1,014)
Operating loss	(3,563)	(3,679)	(1,874)	(1,014)
Net finance income / (expenses)	(47)	326	(113)	78
Other income / (expenses)	(232,810)	(468)	(232,715)	(24)
Profit before income tax	(236,420)	(3,821)	(234,702)	(960)
Income tax	0	0	0	0
Net income / (loss)	(236,420)	(3,821)	(234,702)	(960)
Other comprehensive income	0	0	0	0
Total comprehensive income / (loss), net of tax	(236,420)	(3,821)	(234,702)	(960)

PARENT'S CHANGES IN EQUITY

Parent Company Statement of Changes in Equity for period ended 31 December 2013

<i>In thousand SEK</i>	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		Total
	Share capital	Restricted reserve	Share premium	Retained earnings	
As of 31 December 2011	58,093	6,747	273,807	(10,885)	327,762
Net profit / (loss) for the period	0	0	0	(3,821)	(3,821)
Total comprehensive income	0	0	0	(3,821)	(3,821)
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)
As of 31 December 2012	70,471	6,747	331,867	(14,706)	394,379
Net profit / (loss) for the period	0	0	0	(236,420)	(236,420)
Total comprehensive income	0	0	0	(236,420)	(236,420)
As of 31 December 2013	70,471	6,747	331,867	(251,126)	157,959

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

This interim report for the period ended 31 December 2013 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 2012.

2. Equity and share capital

The number of shares of the company amounts to 52,098,477 shares and the share capital amounts to 70,470,630 SEK.

Largest shareholders as of 31 December 2013:

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

Shareholder	Number of Shares	Proportion
Bryum Estonia	15,336,062	29.44%
Altare Energy	14,249,137	27.35%
OU SEE	6,000,000	11.52%
Yuri Gusev	9,147,756	17.56%
Others	7,365,522	14.14%
Total	52,098,477	100.00%

3. Loans and borrowings

The structure of non-current borrowings is as follows:

<i>In thousands of SEK</i>	31.12.2013	31.12.2012
Loans from related parties	0	444
Finance leases	334	909
Total non-current borrowings	334	1,353

The structure of current borrowings is as follows:

<i>In thousands of SEK</i>	31.12.2013	31.12.2011
Loans from related parties	10,944	23,178
Loans from companies	1,856	3,330
Finance leases	53	630
Total current borrowings	12,853	27,138

Further details on loans and borrowings from related parties are disclosed in Note 5.

As at 31 December 2013 the effective interest rate on borrowings ranged between 5% p.a. to 21.8% 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.

NOTES TO THE FINANCIAL STATEMENTS

4. Earnings per Share

The calculation of basic earnings per share at 31 December 2013 was based on the net profit / (loss) and a weighted average number of ordinary shares.

<i>In thousands of shares</i>	2013	Q4 2013
Number of shares at the beginning of the year	52,098	52,098
Weighted average number of ordinary shares in thousands	52,098	52,098

	2013	Q4 2013
Weighted average number of ordinary shares in thousands	52,098	52,098
Profit / (loss) for the period, TSEK	(20,579)	(7,271)
Basic earnings per share (SEK)	(0.40)	(0.14)
Diluted earnings per share (SEK)	(0.40)	(0.14)

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 2013 and balances with related parties as of 31 December 2013 were as follows:

<i>In thousands of SEK</i>	Shareholders	Companies under common control	Key management personnel
Loans receivable	0	0	0
Loans payable	6,379	1,824	2,741

Myrtyle Ventures Limited, a company related to Mr. Indrek Rahumaa has issued a loan to the Company. The principal amount outstanding and accrued interest there of amounts to 1,195 TSEK as of 31 December 2013.

Mr. Paul Waern, member of the Board of Directors, has granted loans to the Company. The loan principal and accrued interest balance amounted to 1,474 TSEK as of 31 December 2013; the loan carries 5% interest rate.

In June 2013 Bryum Limited provided further loans to the Company carrying 5% interest rate. The balance and accrued interest amounted to 1,748 TSEK as of 31 December 2013.

In 12M 2013 certain loans were received from Ms Nadezhda Popova. 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-Oil and 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 11,131 TSEK and net assets amounted to 3,206 TSEK as of 31 December 2013.

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, February 27, 2014

Lars Bergström

Chairman

Indrek Rahumaa

Director

Staffan Torstensson

Director

Paul Waern

Director

Per Olof Sjöstedt

Director

Jürgen Lamp

Director

Magnus Stuart

Managing Director

Financial Calendar

The subsequent financial reports will be disclosed by the Selena Oil & Gas Holding AB (publ) in 2013 on the dates indicated in the following table:

31 May 2014	Interim report for Q1 2014
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Annual General Meeting

The Company plans to hold Annual General Meeting on 25 June 2014.

Certified Advisor

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

For further information, please contact:

Magnus Stuart, Managing Director

Tel: +46 706 211 350

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

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.