



Interim Report for the  
**the 3rd quarter  
and 9 months**  
ended 30 September 2014

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



## FINANCIAL HIGHLIGHTS

### Third quarter and 9M 2014

- In May 2014 the Company started the test production from the well 24 on Fedortsovskoye field. Furthermore, in July 2014 the Company started test production from the well 21, the second well located on the Fedortsovskoye oil field. Further tests were performed in Q3 2014.
- On 15 September 2014 the Company finished the test production process of the well 24 and started production reaching production level of 57 bbl of oil per day; total production for period 15 – 30 September amounted to 907 bbl from the well 24.
- While test producing the Company was able to realize sales income from the sale of oil containing liquid in Q3 2014. Considering the above and production from the well 24 from 15 September 2014 sales amounted to 2,609 TSEK in Q3 2014.
- The test production process from the well 21 was completed and production from the well 21 commenced on 23 October 2014 with expected average production volume of 70 bbl of oil per day.
- 9M 2014 EBITDA amounted to a loss of 4,140 TSEK (9M 2013: loss of 3,500 TSEK) and was impacted by the one-off write downs which will be further discussed on page 6 in the report.
- Operating profit amounted to 428 TSEK in Q3 2014 (Q3 2013: loss of 2,162 TSEK).
- 9M 2014 net result was a loss of 7,552 TSEK (9M 2013: a loss of 13,308 TSEK), including a net finance loss of 2,725 TSEK

#### TABLE KPIs

	9m 2014	9m 2013	Q3 2014	Q3 2013	2013
Production, Mbbbl	0.9	62.2	0.9	3.7	62.2
Revenue TSEK	2,927	101,673	2,609	16,859	103,770
EBITDA TSEK	(4,140)	(3,500)	(4,200)	(6,683)	(9,088)
EBITDA margin (%)	(141.4%)	(3.4%)	(161.0%)	(39.6%)	(8.8%)
Operating income / (loss) TSEK	(2,074)	(1,183)	428	(2,162)	(2,356)
Net result TSEK	(7,552)	(13,308)	(6,538)	(9,588)	(15,696)

#### 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 <i>mille</i> )
<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 located in the Russian Federation. The Group is engaged in the exploration and production of oil in the Volga-Ural region of the Russian Federation, in Perm. 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. 2,5 % of all Russian oil production originates from the Perm 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 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.

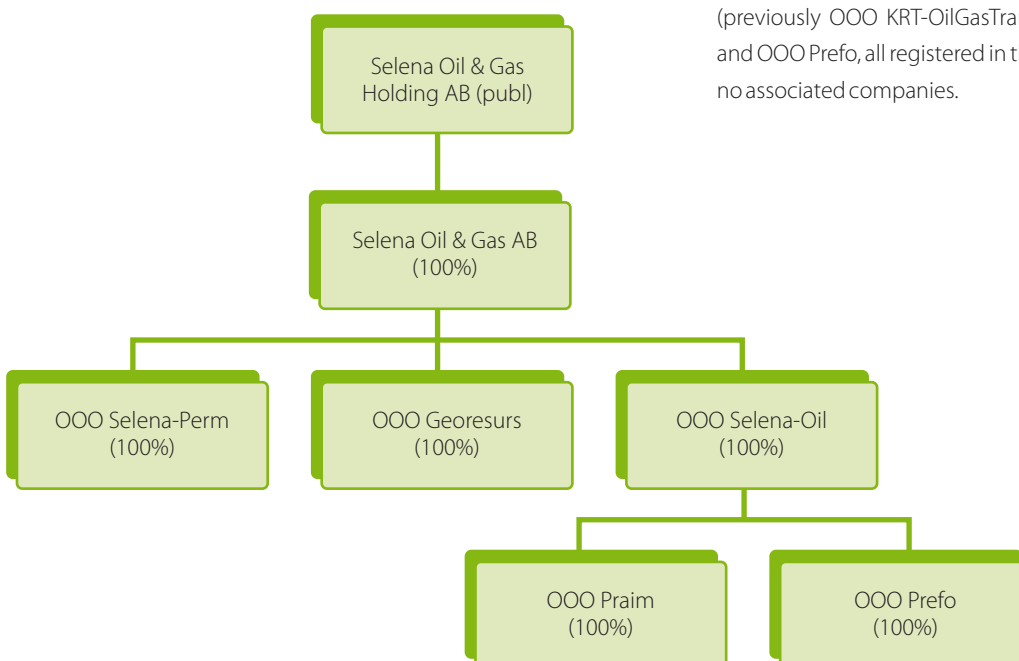
The Group acquired its first energy assets in November 2010 when the agreement was signed for the contribution in kind of OOO Selena-Perm and OOO Selena-Neft to the capital of Selena Oil & Gas AB. OOO Selena-Perm and OOO Selena-Neft were merged in January 2011 with OOO Selena-Perm as the surviving entity. 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 legal parent company of the Group. The operations of the Group involve the exploration and extraction of oil. In 2011 the Group acquired Russian companies OOO Georesurs and OOO KRT-OilGasTrans (renamed to OOO Selena-Oil), 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:



As of 30 September 2014 the Group consisted of Selena Oil & Gas Holding AB (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.

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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 2013.

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

	SEK/RUB	SEK/USD
Average 9M 2014	0.1883	6.6757
Closing rate 30.09.2014	0.1839	7.2393

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.

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

On 17 March 2014 Selena Oil & Gas Holding AB received a bankruptcy petition from the creditor, filed at the district court of Stockholm (Stockholms Tingsrätt). The petition was filed by the creditor in relation to the unsettled debt. The bankruptcy petition was subsequently withdrawn on the basis of settlement agreement between the Company and the creditor.

### **Establishing a full control over Komarihinskoye oil and gas field**

On 2 April 2014 the Company reported that it has through its subsidiary Selena Oil & Gas AB (SOG) completed a transaction in order to regain full control of OOO Selena-Perm. OOO Selena-Perm has been reorganized, as communicated earlier, and holds the license for Komarihinskoye oil and gas field.

The agreement for SOG regaining full control of OOO Selena Perm was signed on 12 March 2014. The transaction was registered with local authorities on 25 March 2014. No cash transfers have been involved in the settlement of the transaction. As a consequence of this transaction, Selena Oil & Gas AB as sole shareholder of OOO Selena-Perm exercises full control over the restructured subsidiary and its main asset - Komarihinskoye oil and gas field.

### **Delisting from First North Premier**

On 6 March 2014 the Disciplinary Committee of NASDAQ OMX made its decision to dismiss Selena Oil & Gas Holding AB shares from trading on First North Premier. The company's shares were for a transitional period until 9 May 2014 continued to be traded on First North Premier. The complete decision from the Disciplinary Committee is available on NASDAQ OMX's website.

The Company's shares were removed from trading on NASDAQ OMX First North Premier on 9 May 2014. As a result, the trading of the Company's shares will be interrupted for a period of time. The Company considers that the Disciplinary Committee's decision is unfair and detrimental to the interest of shareholders.

It is the Company's intention, to seek listing of its shares as soon as possible, at an exchange for public trading which is attractive to its shareholders. Preparatory work is in progress and it's the management's opinion that a solution will be ready to be presented shortly.

### **Start of production from Fedortsovskoye field**

On May 5 the Company announced reaching an important milestone in its strategy to establish oil production by conducting a production test of the well 24, located on the Fedortsovskoye oil field. The test indicated that the well 24 has a minimum production capacity of 6 metric tons per day, which corresponds to approximately 40 bbl per day. On 15 September 2014 the process of test production was

completed and production from well 24 started.

On August 18 the Company informed public that the conducted production tests of the well 21, the second well located on the Fedortsovskoye oil field, indicate that the well 21 has a production capacity in the range of 12 – 18 metric tons per day, corresponding to 85 – 130 bbl per day. Further tests in Q3 2014 proved the optimal production level of 70 bbl per day from well 21. The test production process was completed on 23 October 2014.

### **AGM resolutions**

The Annual General Meeting of Selena Oil & Gas Holding AB (publ) on 25 June 2014 resolved to adopt the submitted income statement and balance sheet, the consolidated income statement and the consolidated balance sheet for 2013. The AGM also adopted the proposed dispositions of the Company's result as presented in the Company's Annual Report for 2013.

Shareholders representing more than ten percent of capital and votes, voted to deny discharge from liabilities for Directors Nadezhda Popova, Yuri Gusev, Oleg Popov, Dmitry Ermakov, Aleksejs Rjabijis, Lars Bergström, Jürgen Lamp, Indrek Rahumaa, Per-Olof Sjöstedt, Poul Waern and Staffan Torstensson and also for CEO Magnus Stuart.

The AGM resolved to re-elect Board members Lars Bergström, Indrek Rahumaa, Jürgen Lamp, PeO Sjöstedt, and Paul Waern. It was noted that Staffan Thorstensson declined re-election. PricewaterhouseCoopers AB was re-elected as auditors, with Martin Johansson as responsible auditor until end of the annual general meeting 2015. It was resolved to set Director's fees at SEK 125,000 for each Board member and at SEK 150,000 for the Chairman. The auditors will be paid in accordance to approved invoicing.

It was resolved to authorize the Board of Directors with a mandate to decide on new share issues as proposed in the notice to the AGM. The AGM also resolved to adopt the proposed principals for establishment of appointment of a Nomination Committee

The special audit report was submitted at the AGM in accordance to the resolution made at the AGM 2013 to adopt the presented special audit report.

### **Reprobation of decision made at the Annual General Meeting on 25 June 2014**

On 3 September 2014 the Company informed the public that it has received a petition on a reprobation of an outright decision made at the Company's Annual General Meeting, held on 25 June 2014. The petition was filed with the district court of Stockholm (Stockholms Tingsrätt).

The petition has been filed by a shareholder in Selena Oil & Gas Holding AB (publ) and is challenging the resolution made by the AGM in June, mandating the Board of Directors to decide on, and execute emissions of new shares, until the next AGM. It is the Board of Directors opinion that the petition is unfounded.

## Production update and status

On 15 September 2014 the Company finished test production process from the well 24 and started production reaching production level of 57 bbl of oil per day. Total production for period 15 – 30 September amounted to 907 bbl from the well 24.

As reported earlier July 2014 the Company started test production from the well 21 in July 2014, the second well located on the Fedortsovskoye oil field. Further tests were performed in Q3 2014. The test production process from the well 21 was completed and production from the well 21 commenced on 23 October 2014 with expected average production volume of 70 bbl of oil per day.

In Q3 2014 the Company continued development of infrastructure on Fedortsovskoye field, including temporary pipeline construction, connection to permanent electricity supply. Furthermore, progress was achieved for long term rent agreements conclusion for the land plots for the period of the license agreements.

## Reserves

In Q3 2014 the Group's subsidiary OOO Georesurs returned the licence for prospective resources on Chikalinsky block to the local agency for the natural resources due to anticipated failure to comply with the license requirements in the set deadline. The Chikalinsky block's prospective resources amounted to 25.8 Mmboe and pg adjusted to 7 Mmboe. The block historically was not assessed as the key strategic development priority of the Group and due to limited financing the investment priorities we allocated elsewhere. As the result the investment value historically assigned to Chikalinsky block was written off and the loss recorded in Q3 2014 amounted to 3,437 TSEK.

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		
<b>Total</b>	<b>9.2</b>	<b>18.2</b>	<b>31.9</b>

## Revenue and results

While test producing the Company was able to realize sales income from the sale of oil containing liquid in Q3 2014. Considering the above and production from the well 24 from 15 September 2014 sales amounted to 2,609 TSEK in Q3 2014.

The average sales price of oil amounted to 12 300 RUB / t including VAT

or 38 USD/bbl excluding VAT using average exchange rate of 38 RUB/USD in period 15 – 30 September 2014.

The Company is benefiting from MET discount for small and new oil fields and MET amounted to 9.4 USD/bbl in period 15 – 30 September 2014 when the production commenced. According to the regulations of discount if accumulated production is less than 5% from initial reserves and the initial reserves are less than 36 Mmboe according to Russian classification, a coefficient of 0.40-0.45 can be applied for MET charge. The Company expects that the discount will be applicable throughout the period of production from Fedortsovskoye field.

EBITDA amounted to loss of 4,140 TSEK in 9M 2014 as compared to loss of 3,500 TSEK in respective period in 2013. EBITDA was positively impacted by the gain related to forgiveness of a loan by Ms. Nadezhda Popova to the Group's subsidiary OOO Selena-Perm in the amount of 2,611 TSEK (recorded as other income in H1 2014). However, EBITDA was negatively affected by the loss of 3,437 TSEK related to Chikalinsky block license and due to re-assessment of recoverable amount of receivable in the amount of 941 TSEK.

In 9 months 2014 the Company has also carried significant costs of special audit investigation initiated by minority shareholder in 2013 and legal fees related to the Company's representation in legal disputes with the same minority shareholder.

Net result for 9M 2014 was a loss of 7,552 TSEK including net finance loss in amount 2,725 TSEK.

## Investments

Investments amounted to 2,874 TSEK in 9M 2014 and related to improvement of wells and infrastructure related investments on Fedortsovskoye field.

## Financial position and liquidity

Total assets of the Group amounted to 89,809 TSEK and decreased by 6.2% as compared to the position as of 31 December 2013.

The Group's equity attributable to the equity holders of the Company amounted to 54,532 TSEK as of 30 September 2014.

Total loans and borrowings amounted to 15,399 TSEK and increased by 16.7% as compared to the balance as of 31 December 2013. For further details of the borrowings please refer to note 3 and note 5 of this report.

Cash and cash equivalents balance increased from 66 TSEK to 425 TSEK as of 30 September 2014.

## Comments on the Parent

The legal parent of the Group from 6 May 2011 is Selena Oil & Gas Holding AB, registration number 556643-6613. The legal / postal address of the company is P.O. Box 7614, SE-103 94 Stockholm, Sweden.

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## COMMENTS ON THE RESULTS OF Q3 and 9M 2014

The Swedish parent company Selena Oil & Gas Holding AB 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 76,029 TSEK as of 30 September 2014 and net loss amounted to 3,298 TSEK for the period ended 30 September 2014.

## GROUP'S FINANCIAL POSITION

### Consolidated Statement of Financial Position as of 30 September 2014

<i>In thousand SEK</i>	<i>Note</i>	<b>30 September 2014</b>	<b>31 December 2013</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		10,203	8,240
Intangible assets		69,534	75,631
Deferred tax asset		458	1,086
<b>Total non-current assets</b>		<b>80,195</b>	<b>84,957</b>
<b>Current assets</b>			
Inventories		2	0
Accounts receivable and prepayments		9,051	10,604
Loans issued		136	124
Cash and cash equivalents		425	66
<b>Total current assets</b>		<b>9,614</b>	<b>10,794</b>
<b>TOTAL ASSETS</b>		<b>89,809</b>	<b>95,751</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		70,471	70,471
Other equity		15,115	15,115
Translation reserve		(13,228)	(11,161)
Retained earnings		(17,826)	(10,274)
<b>Equity attributable to equity holders of the company</b>	<i>2</i>	<b>54,532</b>	<b>64,151</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		0	36
Loans and borrowings	<i>3</i>	229	334
Asset retirement obligations		0	0
<b>Total non-current liabilities</b>		<b>229</b>	<b>370</b>
<b>Current liabilities</b>			
Loans and borrowings	<i>3</i>	15,170	12,853
Accounts payable and accruals		18,849	17,566
Current income tax payable		1	8
Taxes payable		1,028	803
<b>Total current liabilities</b>		<b>35,048</b>	<b>31,230</b>
<b>Total liabilities</b>		<b>35,277</b>	<b>31,600</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>89,809</b>	<b>95,751</b>



## GROUP'S INCOME STATEMENT

### Consolidated Income Statement for quarter and 9M ended 30 September 2014

<i>In thousand SEK</i>	<i>Note</i>	<b>9m 2014</b>	<b>9m 2013</b>	<b>Q3 2014</b>	<b>Q3 2013</b>	<b>2013</b>
Sales revenue		2,927	101,673	2,609	16,859	103,770
Cost of goods sold		(871)	(95,785)	(646)	(17,145)	(96,949)
<b>Gross profit</b>		<b>2,056</b>	<b>5,888</b>	<b>1,963</b>	<b>(286)</b>	<b>6,821</b>
Selling, general and administrative expenses		(4,130)	(7,071)	(1,535)	(1,876)	(9,177)
<b>Operating income / (loss)</b>		<b>(2,074)</b>	<b>(1,183)</b>	<b>428</b>	<b>(2,162)</b>	<b>(2,356)</b>
Net finance income / (expenses)		(2,725)	(8,102)	(2,029)	(2,850)	(3,417)
Other income / (expenses)		(2,178)	(4,889)	(4,684)	(4,549)	(9,359)
<b>Profit before income tax</b>		<b>(6,977)</b>	<b>(14,174)</b>	<b>(6,285)</b>	<b>(9,561)</b>	<b>(15,132)</b>
Income tax		(575)	866	(253)	(27)	(564)
<b>Net income / (loss)</b>		<b>(7,552)</b>	<b>(13,308)</b>	<b>(6,538)</b>	<b>(9,588)</b>	<b>(15,696)</b>
<b>Earnings per share</b>						
Basic earnings per share (SEK)	4	(0.14)	(0.26)	(0.30)	(0.18)	(0.30)
Diluted earnings per share (SEK)	4	(0.14)	(0.26)	(0.30)	(0.18)	(0.30)

### Consolidated Statement of Comprehensive Income for quarter and 9M ended 30 September 2014

<i>In thousand SEK</i>	<b>9m 2014</b>	<b>9m 2013</b>	<b>Q3 2014</b>	<b>Q3 2013</b>	<b>2013</b>
<b>Net income</b>	<b>(7,552)</b>	<b>(13,308)</b>	<b>(6,538)</b>	<b>(9,588)</b>	<b>(15,696)</b>
<b>Other comprehensive income</b>					
Currency translation	2,905	1,601	2,745	1,050	1,472
Currency translation loss on intragroup lending	(4,972)	0	(4,551)	0	(4,883)
<b>Total comprehensive income / (loss), net of tax</b>	<b>(9,619)</b>	<b>(11,707)</b>	<b>(8,344)</b>	<b>(8,538)</b>	<b>(19,107)</b>

## GROUP'S CHANGES IN EQUITY

### Consolidated Statement of Changes in Equity for period ended 30 September 2014

<i>In thousand SEK</i>	Share capital	Other Equity	Currency translation	Retained earnings	Total
<b>As of 31 December 2012</b>	<b>70,471</b>	<b>15,115</b>	<b>(7,750)</b>	<b>5,422</b>	<b>83,258</b>
<b>Comprehensive income</b>					
Net profit / (loss) for the period	0	0	0	(13,308)	(13,308)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	1,601	0	1,601
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>1,601</b>	<b>(13,308)</b>	<b>(11,707)</b>
<b>As of 30 September 2013</b>	<b>70,471</b>	<b>15,115</b>	<b>(6,149)</b>	<b>(7,886)</b>	<b>71,551</b>
<b>As of 31 December 2013</b>	<b>70,471</b>	<b>15,115</b>	<b>(11,161)</b>	<b>(10,274)</b>	<b>64,151</b>
<b>Comprehensive income</b>					
Net profit / (loss) for the period	0	0	0	(7,552)	(7,552)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	2,905	0	2,905
Currency translation loss on intragroup lending	0	0	(4,972)	0	(4,972)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(2,067)</b>	<b>(7,552)</b>	<b>(9,619)</b>
<b>As of 30 September 2014</b>	<b>70,471</b>	<b>15,115</b>	<b>(13,228)</b>	<b>(17,826)</b>	<b>54,532</b>

## GROUP'S CASH FLOWS STATEMENT

### Consolidated Statement of Cash Flows for quarter and 9M ended 30 September 2014

<i>In thousand SEK</i>	9m 2014	9m 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	(6,977)	(14,174)
Adjustments for:		
Depreciation, depletion and amortization	112	2,572
Finance income	0	(39)
Finance costs	773	1,091
Other finance (income) / expense	0	267
Loss on disposal of a subsidiary	0	1,239
Gain on loan forgiveness	(2,611)	0
Loss on assets transfer	0	4,676
Write down of assets	3,437	0
(Gain) / loss on disposal of assets	0	71
Net foreign exchange (gain) / loss	21	(3)
<b>Operating cash flow before changes in working capital</b>	<b>(5,245)</b>	<b>(4,300)</b>
<b>Changes in working capital:</b>		
Change in accounts receivable	1,553	(1,094)
Change in inventories	(2)	(699)
Change in accounts payable and accruals	780	(243)
Change in taxes payable	235	(4,327)
<b>Net cash generated by operating activities</b>	<b>(2,679)</b>	<b>(10,663)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	0	6
Issuance of loans	(23)	(677)
Proceeds from sale of property, plant and equipment	0	138
Purchase of property, plant and equipment	(2,749)	(4,767)
Purchase of intangible assets	(125)	(479)
<b>Net cash used in investing activities</b>	<b>(2,897)</b>	<b>(552)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	5,168	8,987
Repayment of borrowings	(626)	(3,231)
Repayment of interest	0	(161)
<b>Net cash used in financing activities</b>	<b>4,542</b>	<b>5,595</b>
<b>Currency translation effect</b>	<b>1,393</b>	<b>5,772</b>
<b>Net change in cash and cash equivalents</b>	<b>359</b>	<b>152</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>66</b>	<b>275</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>425</b>	<b>427</b>

## PARENT'S FINANCIAL POSITION

### Parent Company Statement of Financial Position as of 30 September 2014

<i>In thousand SEK</i>	30 September 2014	31 December 2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Shares in subsidiaries	89,823	89,823
<b>Total non-current assets</b>	<b>89,823</b>	<b>89,823</b>
<b>Current assets</b>		
Accounts receivable and prepayments	101	132
Loans issued	2,194	1,367
Cash and cash equivalents	70	47
<b>Total current assets</b>	<b>2,365</b>	<b>1,546</b>
<b>TOTAL ASSETS</b>	<b>92,188</b>	<b>91,369</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted reserve</b>		
Share capital	70,471	70,471
Restricted reserve	6,747	6,747
<b>Non-restricted reserve</b>		
Share premium	331,867	331,867
Retained earnings	(333,056)	(329,758)
<b>Equity attributable to equity holders of the company</b>	<b>76,029</b>	<b>79,327</b>
<b>Current liabilities</b>		
Loans and borrowing	6,935	4,442
Accounts payable and accruals	8,359	6,911
Taxes payable	865	689
<b>Total current liabilities</b>	<b>16,159</b>	<b>12,042</b>
<b>Total liabilities</b>	<b>16,159</b>	<b>12,042</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>92,188</b>	<b>91,369</b>

## PARENT'S INCOME STATEMENT

### Parent Company Statement of Comprehensive Income for quarter and 9M ended 30 September 2014

<i>In thousand SEK</i>	9m 2014	9m 2013	Q3 2014	Q3 2013	2013
Revenue from sales	0	0	0	0	0
Cost of sale	0	0	0	0	0
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Selling, general and administrative expenses	(2,736)	(1,689)	(743)	(532)	(3,563)
<b>Operating loss</b>	<b>(2,736)</b>	<b>(1,689)</b>	<b>(743)</b>	<b>(532)</b>	<b>(3,563)</b>
Net finance income / (expenses)	(454)	66	(178)	14	(78,679)
Other income / (expenses)	(108)	(95)	(25)	(82)	(232,810)
<b>Profit before income tax</b>	<b>(3,298)</b>	<b>(1,718)</b>	<b>(946)</b>	<b>(600)</b>	<b>(315,052)</b>
Income tax	0	0	0	0	0
<b>Net income / (loss)</b>	<b>(3,298)</b>	<b>(1,718)</b>	<b>(946)</b>	<b>(600)</b>	<b>(315,052)</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income / (loss), net of tax</b>	<b>(3,298)</b>	<b>(1,718)</b>	<b>(946)</b>	<b>(600)</b>	<b>(315,052)</b>

## PARENT'S CHANGES IN EQUITY

### Parent Company Statement of Changes in Equity for period ended 30 September 2014

<i>In thousand SEK</i>	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		
	Share capital	Restricted reserve	Share premium	Retained earnings	Total
<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>
Net profit / (loss) for the period	0	0	0	(1,718)	(1,718)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,718)</b>	<b>(1,718)</b>
<b>As of 30 September 2013</b>	<b>70,471</b>	<b>6,747</b>	<b>331,867</b>	<b>(16,424)</b>	<b>392,661</b>
<b>As of 31 December 2013</b>	<b>70,471</b>	<b>6,747</b>	<b>331,867</b>	<b>(329,758)</b>	<b>79,327</b>
Net profit / (loss) for the period	0	0	0	(3,298)	(3,298)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,298)</b>	<b>(3,298)</b>
<b>As of 30 September 2014</b>	<b>70,471</b>	<b>6,747</b>	<b>331,867</b>	<b>(333,056)</b>	<b>76,029</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

This interim report for the period ended 30 September 2014 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 2013.

### 2. Equity and share capital

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

*Largest shareholders as of 30 September 2014:*

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

Shareholder	Number of Shares	Proportion
Bryum Estonia	14,336,062	27.52%
Altare Energy	14,249,137	27.35%
Yuri Gusev	9,147,756	17.56%
OU SEE	6,000,000	11.52%
Others	8,365,522	16.05%
<b>Total</b>	<b>52,098,477</b>	<b>100.00%</b>

### 3. Loans and borrowings

The structure of non-current borrowings is as follows:

<i>In thousands of SEK</i>	30.09.2014	31.12.2013
Finance leases	223	334
Loans from related parties	6	0
<b>Total non-current borrowings</b>	<b>229</b>	<b>334</b>

The structure of current borrowings is as follows:

<i>In thousands of SEK</i>	30.09.2014	31.12.2013
Loans from related parties	13,153	10,944
Loans from companies	1,924	1,856
Finance leases	93	53
<b>Total current borrowings</b>	<b>15,170</b>	<b>12,853</b>

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

As at 30 September 2014 the effective interest rate on borrowings ranged between 5% p.a. to 18% p.a. Implicit interest rate in leasing agreement is 21.8%

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 30 September 2014 was based on the net profit / (loss) and a weighted average number of ordinary shares.

*In thousands of shares*

	9m 2014	Q3 2014	2013
Number of shares at the beginning of the year	52,098	52,098	52,098
<b>Weighted average number of ordinary shares in thousands</b>	<b>52,098</b>	<b>52,098</b>	<b>52,098</b>

	9m 2014	Q3 2014	2013
Weighted average number of ordinary shares in thousands	52,098	52,098	52,098
Profit / (loss) for the period, TSEK	(7,552)	(6,538)	(15,696)
Basic earnings per share (SEK)	(0.14)	(0.13)	(0.30)
Diluted earnings per share (SEK)	(0.14)	(0.13)	(0.30)

Diluted earnings per share do not differ from basic earnings per share as the Group has no financial instruments issued that could potentially dilute the earnings per share.

### 5. Balances and Transactions with Related Parties

Transactions with related parties for 9M 2014 and balances with related parties as of 30 September 2014 were as follows:

<i>In thousands of SEK</i>	Shareholders	Companies under common control	Key management personnel
Loans payable	3,822	3,768	5,566

Mr. Paul Waern, member of the Board of Directors, has granted loans to the Company. The loan principal and accrued interest balance amounted to 815 TSEK as of 30 September 2014; the loan carries 10% interest rate.

In September 2013 Bryum Estonia AS provided loans to the Company carrying 5% interest rate. The balance and accrued interest amounted to 1,942 TSEK as of 30 September 2014.

In 9M 2014 the Group received loan from OU SEE carrying 8% interest rate. The balance and accrued interest amounted to 1,066 TSEK as of 30 September 2014.

Sixbees provided several loans to the Group in 2013 and 9M 2014. The loan principal and accrued interest balance amounted to 1,876 TSEK as of 30 September 2014; the loans carry 10% interest rate.

In addition to the previous lending received in May 2014 the Group received additional loan from Mr Petr Arbatov. The balance and accrued interest on Mr. Arbatov's loans amounted to 3,726 TSEK as of 30 September 2014.

In 1Q 2014 Ms Nadezhda Popova forgave the loan and accrued interest to the Group in the amount of 2,611 TSEK and further 351 TSEK loan was offset against OOO Selena-Perm trade receivables. As of 30 September 2014 the Group has no receivables or payables with Popov's family. In addition to the above, there are certain intra-group transactions between the Group companies and members of the management of OOO Selena-Oil; 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, 28 November 2014

*Lars Bergström*

Chairman

*Indrek Rahumaa*

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 in 2014 on the dates indicated in the following table:

28 February 2015	Year-end 2014 report, unaudited
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### Certified Advisor

Mangold Fondkommission is the Company's Adviser on public information, 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 Emitor Holding AB) is engaged in the exploration, and production of oil and gas in the Volga-Ural region in the Russian Federation, around Perm. The Company's shares are temporarily not publicly listed, but the Company observes all rules, practices and policies for any company subject to public listing. Selena Oil & Gas Holding AB are in process of seeking for a new listing. Mangold Fondkommission serves as before as the company's Adviser on public information. 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.*