

# Selena Oil & Gas Holding AB

Company registration number 556643-6613

## Interim Report for H1 and quarter ended 30 June 2015



## FINANCIAL HIGHLIGHTS

### Second quarter and H1 2015

- The total production of crude oil in Q2 2015 amounted to 5.0 Mbbl (Q2 2014: none)
- Q2 2015 EBITDA amounted to a loss of -1,132 TSEK (Q2 2014: loss of -1,869 TSEK)
- Operating profit amounted to a loss of -1,187 TSEK in Q2 2015 (Q2 2014: loss of -1,711 TSEK)
- Q2 2015 Net Result was a loss of -1,261 TSEK (Q2 2014: a loss of -964 TSEK), including a net finance loss of -217 TSEK

	H1 2015	H1 2014	Q2 2015	Q2 2014	2014
Production, Mbbl	13.1	0	5.0	0	8.3
Production, bopd	72.2	0	54.6	0	76.4
Revenue TSEK	2,886	318	1,334	66	5,190
EBITDA TSEK	(2,050)	60	(1,132)	(1,869)	(4,977)
EBITDA margin (%)	(71.0%)	18.9%	(84.9%)	(2831.8%)	(95.9%)
Operating income/loss TSEK	(2,150)	(2,502)	(1,187)	(1,711)	(2,831)
Net result TSEK	(3,224)	(1,014)	(1,261)	(964)	(8,137)

### 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 mille)
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**

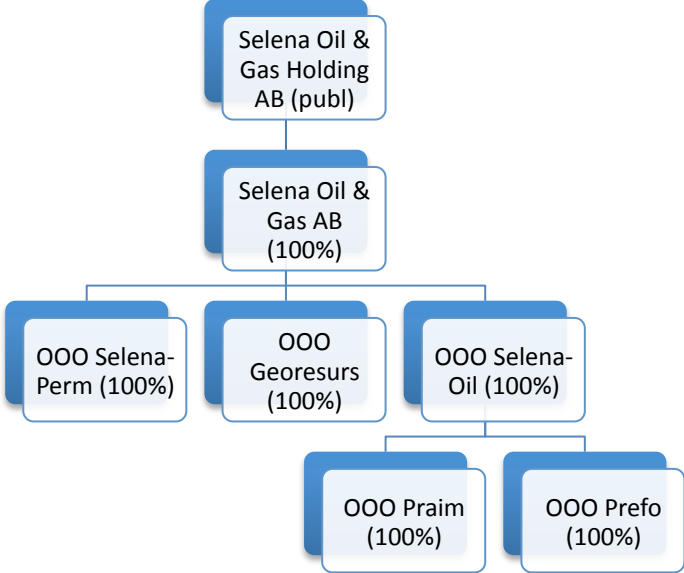
Selena Oil & Gas Holding AB (publ) (“SOGH”, “Parent” or the “Company”, and together with its subsidiaries the “Group”) is an independent Swedish oil and gas holding company with proved and producing assets located in the Russian Federation. The Group is engaged in the exploration and production of oil in the Volga-Ural region of the Russian Federation, including 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 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. 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. The history of the Group’s subsidiaries dates back to 1997, and it started oil production in 2000. 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. In 2013 oil production was temporarily discontinued due to reorganization and was re-started again in Q2 2014.

# Group structure

The structure of the Group as of 30 June 2015 is presented below:



As of 30 June 2015 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.

## 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 2014.

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 H1 2015	0.1462	8.3781
Closing rate 30.06.2015	0.1474	8.2389

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 H1 2015**

### **Petition for bankruptcy at Stockholms Tingsrätt has been withdrawn**

Petition for bankruptcy filed at the district court of Stockholm (Stockholms Tingsrätt) was withdrawn following an out of court settlement between the Creditor and Selena Oil & Gas Holding AB. Selena Oil & Gas Holding AB reached a settlement with the Creditor that filed for a bankruptcy petition December 17th, 2014, in relationship to an unpaid debt.

The settlement means that the filed petition at the district court of Stockholm (Stockholms Tingsrätt) has been withdrawn and Selena Oil & Gas Holding AB undertake to repay the debt through an installment plan. The settlement has been reached through an out of court action in a direct dialogue between the Creditor and the Company.

### **Resolutions from Annual General Meeting 2015**

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

Shareholders representing more than ten percent of capital and votes, voted to deny discharge from liabilities for Directors Lars Bergström, Jürgen Lamp, Indrek Rahumaa, Per-Olof Sjöstedt, and Poul Waern and also for the CEO, Magnus Stuart.

The AGM resolved to re-elect Board members Lars Bergström, Indrek Rahumaa, Jürgen Lamp, PeO Sjöstedt, and Paul Waern. PricewaterhouseCoopers AB was re-elected as auditors, with Martin Johansson as responsible auditor until end of the annual general meeting 2016.

It was resolved to set Director's fees unchanged 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.

The AGM resolved to adopt the proposed principals for establishment of appointment of a Nomination Committee.

## Comments on the Results of H1 2015

### Production and investments

In total 13.1 thousand bbl were produced in H1 2015 (H1 2014: none) and average production was 72 bbl per day during from two wells on Fedortsevskoye field in H1 2015. In Q2 2015 production volume decreased due to several occasions of temporary electricity supply termination due to failure by diesel generators. However, improvements to adjust the situation were made and permanent electricity supply was established for well 21 in Q2 2015.

In December 2014 the company received a commercial proposal from LUKoil for further acquisitions of temporarily abandoned wells located on oilfields licensed to the Company. The commercial proposal includes three wells on Kuliginskoye field, well 23 on Fedortsevskoye field as well as one well on Komarichinskoye field. In Q2 2015 the Company received a loan facility in the amount of up to 3,979 TSEK for the launch of Kuliginskoye field (funds drawn down of 2,221 TSEK as of 30 June 2015). Well 57 on Kuliginskoye field was acquired in Q2 2015, first land plot rent agreements were signed, well re-opening work as well as communication (road, pipeline) construction is ongoing. The Company estimates start of production from well 57 in Q3 2015. The Company intends to obtain further external financing to continue with development of Kuliginskoye field.

Investments amounted to 2,119 TSEK in H1 2015 and related to acquisition of well, construction works related investments on Fedortsevskoye and Kuliginskoye fields.

### Reserves

The company's reserves and prospective resources are as follows:

<b>Mmboe</b>	<b>1P</b>	<b>2P</b>	<b>3P</b>
Kulighinskoye field	2.2	4.4	7.1
Fedortsovskoye field	2.8	6.6	9.1
Borkmoskoye field	0.6	0.9	3.1
Komarichinskoye field	1.0	2.6	4.5
Tayozniy area	2.6	3.7	8.1
Tokarevskiy area		no assessment	
<b>Total</b>	<b>9.2</b>	<b>18.2</b>	<b>31.9</b>

### Revenue and results

The sales amounted to 2,886 TSEK in H1 2015 (H1 2014: 318 TSEK). EBITDA amounted to a loss of 2,050 TSEK in H1 2015 as compared to a profit of 60 TSEK in respective period in 2014. Net result for H1 2015 was a loss of 3,224 TSEK including net finance loss in the amount of 1,203 TSEK. A negative EBITDA and net result was heavily impacted by legal fees that Company carries in relation to ongoing court cases with minority shareholder Y.Gusev.

### Financial position and liquidity

Total assets of the Group amounted to 84,842 TSEK and increased by 6.7% as compared to the position as of 31 December 2014.

The Group's equity attributable to the equity holders of the Company amounted to 41,193 TSEK as of 30 June 2015 and decreased from 42,179 TSEK as of 31 December 2014.

Total loans and borrowings amounted to 19,325 TSEK and increased by 22.2% as compared to the balance as of 31 December 2014. For further details of the borrowings please refer to note 3 and note 5 of this report.

Cash and cash equivalents balance decreased from 572 TSEK to 471 TSEK as of 30 June 2015.

### **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.

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 73,118 TSEK as of 30 June 2015 and net loss amounted to 1,794 TSEK for the period ended 30 June 2015.



## Consolidated Statement of Financial Position as of 30 June 2015

<i>In thousand SEK</i>	<i>Note</i>	<b>30 June 2015</b>	<b>31 December 2014</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		10,912	7,734
Intangible assets		63,487	61,559
Deferred tax asset		912	725
<b>Total non-current assets</b>		<b>75,311</b>	<b>70,018</b>
<b>Current assets</b>			
Inventories		7	15
Accounts receivable and prepayments		8,944	8,783
Loans issued		109	101
Cash and cash equivalents		471	572
<b>Total current assets</b>		<b>9,531</b>	<b>9,471</b>
<b>TOTAL ASSETS</b>		<b>84,842</b>	<b>79,489</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		70,471	70,471
Other equity		15,115	15,115
Translation reserve		(22,758)	(24,996)
Retained earnings		(21,635)	(18,411)
<b>Equity attributable to equity holders of the company</b>	<b>2</b>	<b>41,193</b>	<b>42,179</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		0	0
Loans and borrowings	3	116	152
Asset retirement obligations		775	0
<b>Total non-current liabilities</b>		<b>891</b>	<b>152</b>
<b>Current liabilities</b>			
Loans and borrowings	3	19,209	15,659
Accounts payable and accruals		22,114	20,243
Current income tax payable		0	1
Taxes payable		1,435	1,255
<b>Total current liabilities</b>		<b>42,758</b>	<b>37,158</b>
<b>Total liabilities</b>		<b>43,649</b>	<b>37,310</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>84,842</b>	<b>79,489</b>

### Consolidated Income Statement for period ended 30 June 2015

<i>In thousand SEK</i>	<i>Note</i>	<b>H1 2015</b>	<b>H1 2014</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>2014</b>
Sales revenue		2,886	318	1,334	66	5,190
Cost of goods sold		(2,101)	(225)	(938)	(40)	(1,852)
<b>Gross profit</b>		<b>785</b>	<b>93</b>	<b>396</b>	<b>26</b>	<b>3,338</b>
Selling, general and administrative expenses		(2,935)	(2,595)	(1,583)	(1,737)	(6,169)
<b>Operating loss</b>		<b>(2,150)</b>	<b>(2,502)</b>	<b>(1,187)</b>	<b>(1,711)</b>	<b>(2,831)</b>
Net finance income / (expenses)		(1,203)	(696)	(217)	571	(2,963)
Other income / (expenses)		(4)	2,506	(2)	(16)	(2,291)
<b>Profit before income tax</b>		<b>(3,357)</b>	<b>(692)</b>	<b>(1,406)</b>	<b>(1,156)</b>	<b>(8,085)</b>
Income tax		133	(322)	145	192	(52)
<b>Net income / (loss)</b>		<b>(3,224)</b>	<b>(1,014)</b>	<b>(1,261)</b>	<b>(964)</b>	<b>(8,137)</b>
<b>Earnings per share</b>						
Basic earnings per share (SEK)	4	(0.06)	(0.02)	(0.02)	(0.02)	(0.16)
Diluted earnings per share (SEK)	4	(0.06)	(0.02)	(0.02)	(0.02)	(0.16)

### Consolidated Statement of Comprehensive Income for period ended 30 June 2015

<i>In thousand SEK</i>		<b>H1 2015</b>	<b>H1 2014</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>2014</b>
<b>Net income</b>		<b>(3,224)</b>	<b>(1,014)</b>	<b>(1,261)</b>	<b>(964)</b>	<b>(8,137)</b>
<b>Other comprehensive income</b>						
Currency translation		4,131	160	3,777	(2,968)	7,992
Currency translation loss on intragroup lending		(1,893)	(421)	(4,069)	4,978	(21,827)
<b>Total comprehensive income / (loss), net of tax</b>		<b>(986)</b>	<b>(1,275)</b>	<b>(1,553)</b>	<b>1,046</b>	<b>(21,972)</b>

Consolidated Statement of Changes in Equity for period ended 30 June 2015

<i>In thousand SEK</i>	Share capital	Other Equity	Currency translation	Retained earnings	Total
<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	(8,137)	(8,137)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	7,992	0	7,992
Currency translation loss on intragroup lending	0	0	(21,827)	0	(21,827)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(13,835)</b>	<b>(8,137)</b>	<b>(21,972)</b>
<b>As of 31 December 2014</b>	<b>70,471</b>	<b>15,115</b>	<b>(24,996)</b>	<b>(18,411)</b>	<b>42,179</b>
<b>Comprehensive income</b>					
Net profit / (loss) for the period	0	0	0	(3,224)	(3,224)
<b>Other comprehensive income</b>					
Effect on consolidation of foreign subsidiaries	0	0	4,131	0	4,131
Currency translation loss on intragroup lending	0	0	(1,893)	0	(1,893)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>2,238</b>	<b>(3,224)</b>	<b>(986)</b>
<b>As of 30 June 2015</b>	<b>70,471</b>	<b>15,115</b>	<b>(22,758)</b>	<b>(21,635)</b>	<b>41,193</b>

**Consolidated Statement of Cash Flows for period ended 30 June 2015**

<i>In thousand SEK</i>	<b>H1 2015</b>	<b>H1 2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	(3,357)	(692)
Adjustments for:		
Depreciation, depletion and amortization	104	56
Finance income	0	(34)
Finance costs	775	449
Other finance (income) / expense	81	0
Gain on loan forgiveness	0	(2,585)
Net foreign exchange (gain) / loss	336	328
<b>Operating cash flow before changes in working capital</b>	<b>(2,061)</b>	<b>(2,478)</b>
<b>Changes in working capital:</b>		
Change in accounts receivable	(530)	(560)
Change in inventories	8	0
Change in accounts payable and accruals	1,718	1,120
Change in taxes payable	125	325
<b>Net cash generated by operating activities</b>	<b>(740)</b>	<b>(1,593)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	0	34
Issuance of loans	0	(35)
Purchase of property, plant and equipment	(1,955)	(2,430)
Purchase of intangible assets	(164)	0
<b>Net cash used in investing activities</b>	<b>(2,119)</b>	<b>(2,431)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	2,990	5,033
Repayment of borrowings	(170)	(257)
Repayment of interest	(180)	0
<b>Net cash used in financing activities</b>	<b>2,640</b>	<b>4,776</b>
<b>Currency translation effect</b>	<b>118</b>	<b>(290)</b>
<b>Net change in cash and cash equivalents</b>	<b>(101)</b>	<b>462</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>572</b>	<b>66</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>471</b>	<b>528</b>

Parent Company Statement of Financial Position as of 30 June 2015

<i>In thousand SEK</i>	30 June 2015	31 December 2014
<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	89	47
Loans issued	2,505	2,180
Cash and cash equivalents	174	272
<b>Total current assets</b>	<b>2,768</b>	<b>2,499</b>
<b>TOTAL ASSETS</b>	<b>92,591</b>	<b>92,322</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	(335,967)	(334,173)
<b>Equity attributable to equity holders of the company</b>	<b>73,118</b>	<b>74,912</b>
<b>Current liabilities</b>		
Loans and borrowing	9,291	8,363
Accounts payable and accruals	9,159	8,130
Taxes payable	1,023	917
<b>Total current liabilities</b>	<b>19,473</b>	<b>17,410</b>
<b>Total liabilities</b>	<b>19,473</b>	<b>17,410</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>92,591</b>	<b>92,322</b>

**Parent Company Statement of Comprehensive Income for period ended 30 June 2015**

<i>In thousand SEK</i>	<b>H1 2015</b>	<b>H1 2014</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>2014</b>
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	(1,761)	(1,993)	(904)	(1,435)	(3,244)
<b>Operating loss</b>	<b>(1,761)</b>	<b>(1,993)</b>	<b>(904)</b>	<b>(1,435)</b>	<b>(3,244)</b>
Net finance income / (expenses)	(33)	(276)	(75)	(17)	(1,033)
Other income / (expenses)	0	-83	0	(42)	(138)
<b>Profit before income tax</b>	<b>(1,794)</b>	<b>(2,352)</b>	<b>(979)</b>	<b>(1,494)</b>	<b>(4,415)</b>
Income tax	0	0	0	0	0
<b>Net income / (loss)</b>	<b>(1,794)</b>	<b>(2,352)</b>	<b>(979)</b>	<b>(1,494)</b>	<b>(4,415)</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>(1,794)</b>	<b>(2,352)</b>	<b>(979)</b>	<b>(1,494)</b>	<b>(4,415)</b>

Parent Company Statement of Changes in Equity for period ended 30 June 2015

<i>In thousand SEK</i>	Restricted equity		Non-restricted equity		Total
	Share capital	Restricted reserve	Share premium	Retained earnings	
<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	(4,415)	(4,415)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,415)</b>	<b>(4,415)</b>
<b>As of 31 December 2014</b>	<b>70,471</b>	<b>6,747</b>	<b>331,867</b>	<b>(334,173)</b>	<b>74,912</b>
Net profit / (loss) for the period	0	0	0	(1,794)	(1,794)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,794)</b>	<b>(1,794)</b>
<b>As of 30 June 2015</b>	<b>70,471</b>	<b>6,747</b>	<b>331,867</b>	<b>(335,967)</b>	<b>73,118</b>

## Notes to the financial statements

### 1. Accounting policies

This interim report for the period ended 30 June 2015 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 2014.

### 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 30 June 2015:*

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	9 147 755	17,56%
OU SEE	6 000 000	11,52%
Others	8 365 523	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 thousand SEK</i>	30.06.2015	31.12.2014
Finance leases	111	148
Loans from related parties	5	4
<b>Total non-current borrowings</b>	<b>116</b>	<b>152</b>

The structure of current borrowings is as follows:

<i>In thousand SEK</i>	30.06.2015	31.12.2014
Loans from related parties	14,830	13,556
Loans from companies	4,292	2,031
Finance leases	87	72
<b>Total current borrowings</b>	<b>19,209</b>	<b>15,659</b>

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

As at 30 June 2015 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.

#### 4. Earnings per Share

The calculation of basic earnings per share at 30 June 2015 was based on the net profit / (loss) and a weighted average number of ordinary shares.

##### Earnings per share

<i>In thousands of shares</i>	H1 2015	Q2 2015	2014
Number of shares at the beginning of the year, adjusted for exchange ratio used in reverse acquisition and reverse split ratio	52,098	52,098	52,098
<b>Weighted average number of ordinary shares in thousands</b>	<b>52,098</b>	<b>52,098</b>	<b>52,098</b>
	<b>H1 2015</b>	<b>Q2 2015</b>	<b>2014</b>
Weighted average number of ordinary shares in thousands	52,098	52,098	52,098
Profit / (loss) for the period, TSEK	(3,224)	(1,261)	(8,137)
Basic earnings per share (SEK)	(0.06)	(0.02)	(0.16)
Diluted earnings per share (SEK)	(0.06)	(0.02)	(0.16)

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 2015 and balances with related parties as of 30 June 2015 were as follows:

<i>In thousand SEK</i>	Shareholders	Companies under common control	Key management personnel
Loans payable	3,093	5,420	6,322

Mr. Paul Waern, member of the Board of Directors, has granted loans to the Company. The loan principal and accrued interest balance amounted to 872 TSEK as of 30 June 2015; 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 1,986 TSEK as of 30 June 2015.

In 2014 the Group received loan from OU SEE carrying 8% interest rate. The balance and accrued interest amounted to 1,108 TSEK as of 30 June 2015.

Sixbees provided several loans to the Group in 2013 and 2014. The loan principal and accrued interest balance amounted to 2,056 TSEK as of 30 June 2015; the loans carry 10% interest rates.

In May 2014 the Group received loan from Mr Petr Arbatov. The balance and accrued interest on Mr. Arbatov's loans amounted to 3,255 TSEK as of 30 June 2015.

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.

## **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, 2015

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 (publ) in 2015 on the dates indicated in the following table:

30 November 2015	Unaudited Interim report for Q3 and 9M 2015
29 February 2016	Unaudited Interim report for Q4 and 12M 2015

**For further information, please contact:**

**Magnus Stuart, managing director**

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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)*

## **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.*