



PETROLIA

Q4 2013

PETROLIA SE fourth quarter and preliminary annual results 2013:

Financial results

- Earnings per share was USD -0.19 per share for the quarter and USD 0.38 for the year.
- Total comprehensive income of USD -5.7 million in Q4 2013 compared to USD -0.8 million in Q4 2012.
- For the year, total comprehensive income was USD 11.9 million in 2013 compared to USD -6.2 million in 2012.
- Increase in EBITDAX (EBITDA excluding exploration costs) to USD 7.8 million in Q4 2013 and USD 35.3 million for the year 2013, compared to USD 1.9 million in Q4 2012 and USD 19.6 million for the year 2012.
- Revenue was USD 30.0 million in Q4 2013 compared to USD 32.9 million in Q4 2012 and USD 120.1 million in 2013 compared to USD 102.9 million in 2012.
- Shareholders' equity as at 31 December 2013 was USD 3.76 per share. Year-end share price was NOK 5.99, or USD 0.98 at USD/NOK 6.08.

Oil and Gas: Focus on development of licence portfolio

- Preparations completed for Tastaveden well.
- Application made for a license in Awards in Predefined Areas in Norway (APA) 2013.
- Multiple farm-in opportunities evaluated.

OilService: Positive performance continues

- OilService division returns improved results with a good performance across all geographic regions.

Well and Drilling Technology: Good operational performance from land rig

- Drilling rig successfully completed 21 wells to conclude Romanian contract.

Post-period developments

- 11 January 2014: Petrolia Norway AS spudded the well 25/9-4 Tastaveden in PL 628. The well was water wet.
- 14 January 2014: Petrolia Norway AS entered into an agreement with Lundin Norway AS to purchase 10 % in PL 546.
- 16 January 2014: Extension of bond loan by two years from June 2015 to June 2017.
- 21 January 2014: Petrolia Norway awarded 20 % of the PL 739S license in the 2013 Awards in APA in Norway.

Key figures

All figures in USD (million)	Q4 2013	YTD 2013	Q4 2012	YTD 2012
Operating revenues	30.0	120.1	32.9	102.9
EBITDAX	7.8	35.3	1.9	19.6
EBITDA	6.6	10.1	0.3	10.4
Operating profit (loss-)	-1.4	-10.0	-5.6	-19.3
Profit before income tax	-3.5	-15.4	-4.1	-20.4
Profit for the year	-5.2	10.2	-0.6	-7.2
Total comprehensive income for the year	-5.7	11.9	-0.8	-6.2
EPS, basic	-0.19	0.38	-0.02	-0.26
Equity per share in USD	3.76	3.76	3.33	3.33
Share price in USD	0.98	0.98	0.80	0.80
Share price in NOK	5.99	5.99	4.45	4.45
NOK/USD	6.0837	6.0837	5.5664	5.5664

Financial information

Profit and loss in 2013 compared to 2012

Total revenue was USD 120.1 million compared to USD 102.9 million in 2012. Operating expenses were USD 84.8 million compared to USD 83.3 million in 2012. EBITDAX was USD 35.3 million compared to USD 19.6 million in 2012. Exploration cost was USD 25.2 million compared to USD 9.2 million in 2012. EBITDA was USD 10.1 million compared to USD 10.4 million in 2012.

Depreciation was USD 16.5 million compared to USD 31.2 million in 2012. From 2013, the estimated economic life for tubulars has been extended to 7 years compared to 5 years in the past. Operating loss was USD 10.0 million compared to USD 19.3 million in 2012. Result from associated company was USD -2.7 million compared to USD 0.3 million in 2012.

Impairment was USD 3.5 million compared to reversed impairments of USD 1.5 million in 2012.

Net financial result was USD -2.8 million compared to USD -1.3 million in 2012. The net result after tax was USD 10.2 million compared to USD -7.2 million in 2012. Total comprehensive income was USD 11.9 million compared to USD -6.2 in 2012.

Book value of the OilService equipment as at 31 December 2013 was USD 54.7 million compared to USD 62.9 million in 2012. The USD/NOK exchange rate has changed from 5.57 as at 31 December 2012 to 6.08 as at 31 December 2013.

Profit and loss for the fourth quarter of 2013 compared to the fourth quarter of 2012

Total revenue was USD 30.0 million compared to USD 32.9 million in 2012. Operating expenses were USD 22.2 million compared to USD 31.0 million in 2012. EBITDAX was USD 7.8 million compared to USD 1.9 million in 2012. Exploration cost was USD 1.3 million compared to USD 1.6 million in 2012. EBITDA was USD 6.6 million compared to USD 0.3 million in 2012.

Depreciation was USD 4.4 million compared to USD 7.4 million in 2012. Operating loss was USD 1.4 million compared to USD 5.6 million in 2012. Result from associated company was USD -2.7 million compared to USD 1.0 million in 2012. Net financial result was USD 0.6 million compared to USD 0.5 million in 2012.

Impairment was USD 3.5 million compared to reversed impairments of USD 1.5 million in 2012.

The net result after tax was USD -5.2 million compared to USD -0.6 in 2012. Total comprehensive income was USD -5.7 million compared to USD -0.8 in 2012.

Cash flow

Cash flow from operations was USD 3.3 million in 2013 compared to USD 7.6 million in 2012. Cash flow from investments in 2013 was USD -5.1 million compared to USD -10.5 million in 2012. Cash flow from financing activities in 2013 was USD -0.3 million compared to USD -7.9 million in 2012.

Free cash as at 31 December 2013 was USD 15.8 million compared to USD 7.9 million as at 31 December 2012.

Statement of financial position

As at 31 December 2013, total assets amounted to USD 201.7 million. Investment in OilService equipment had a book value of USD 54.7 million, investment in land rigs had a book value of USD 13.0 million, investment in listed shares had a book value of USD 15.3 million and total cash was USD 20.2 million. Total tax receivable was USD 21.4 million and relates to exploration expenses on the Norwegian Continental Shelf.

As at 31 December 2013, net interest bearing bond loans amounted to USD 33.8 million, of which USD 3.8 million is recognised as a short term liability as it is due for payment in June 2014. The Group holds Borrower's Bonds (bonds owned by the borrower) of USD 22.8 million (so total bond loan is USD 56.6 million). In addition there are financial leasing facilities for OilService equipment for USD 4.2 million and for one work-over rig for USD 4.7 million (total USD 8.9 million).

Total equity was USD 102.5 million as at 31 December 2013, including a minority interest of USD 4.1 million. Book value of equity per share was USD 3.76 as at 31 December 2013, including minority interests of USD 0.15 per share.

Share information

As at 31 December 2013, the total number of shares outstanding in Petrolia SE was 27,235,867, each with a par value of USD 1.00. The company has no outstanding or authorized stock options, warrants or convertible debt. As at 31 December 2013, the company held 47,274 (0.17 per cent) treasury shares.

Operational development, market and outlook

Oil & Gas division

Within the Oil & Gas division, Petrolia Norway is actively developing the licence portfolio. The company has established a cost efficient, robust and scalable business model, with the current drilling program fully funded. Petrolia Norway will actively pursue farm-in opportunities and participate in upcoming APA rounds. Petrolia Norway is targeting 20 – 30 MMbbl reserves within the four next years, with net annual capital expenditure after tax of USD 5 – 8 million.

During the fourth quarter, Petrolia Norway prepared for the drilling of Well 25/9-4 Tastaveden in PL 628. The main objective of Well 25/9-4 was to prove hydrocarbons in the Hugin Formation of the Vestland Group. The well encountered Hugin Formation sandstones of good reservoir quality, but was water wet. The well was terminated 30 meters into the Sleipner Formation at 2397 meters subsea, on 18 February 2014.

Well 25/9-4 Tastaveden was drilled with the semi-submersible rig Ocean Vanguard. Statoil Petroleum AS is the operator of the PL 628 license with 50 % interest. Partners are Petoro AS (20 %), Repsol Exploration (20%).

After the closing of the quarter, 15 January 2014, Petrolia Norway purchased 10 % in PL 546 from Lundin Norway AS. PL 546 is located north and adjacent to PL 501 Johan Sverdrup. The transaction is pending approval from the authorities.

21 January 2014, Petrolia Norway was awarded 20 per cent of license PL 739S in the 2013 APA in Norway. Petrolia Norway only applied for one license which it was awarded and is looking forward to co-operating with the operator Statoil and the license partner Petoro to identify the potential of the license. The license is stratigraphic divided and valid for post Jurassic strata.

The PL 739S license is located south of the Oseberg South field and encompasses parts of the blocks 26/1, 31/10 and 31/11. Statoil Petroleum AS is the operator with a 50 per cent share and Petoro AS holds the remaining 30 per cent of the license. The work program is to acquire a 3D seismic survey before a drill or drop decision within the next 3 years.

OilService division

The OilService division continued to return improved performance during the fourth quarter across all geographic regions. The OilService division has established its position as a well-known service and rental equipment company. Based on modern equipment and craftsmanship, in addition to global scale and reach, the division serves some of the industry's global leaders. The division has been restructured over recent years and is experiencing continuous positive margins and equipment utilization. The improvement in the operating performance has resulted in solid revenue and EBITDA growth, and subject to an oil price at current levels, this is expected to continue during 2014.

Some of the key market drivers for the OilService division are the oil companies' E&P Investments and the global rig activity. Based on the market and the division's present performance, the Board of Directors expects a continued satisfactory development for the OilService division going forward.

Drilling and Well Technology

The Drilling and Well Technology division currently has one drilling and one work over rig idle in Romania. The 21 well contract for the drilling rig expired in January 2014. The rig has demonstrated a solid operational performance and is being marketed in other regions where the day rates are expected to be higher. The work-over rig will be mobilized once an LOI is signed.

The rigs and the drilling competence may also be used for drilling in licences for the Oil & Gas division whenever such licences have a need for a drilling rig.

The Oil & Gas division is currently evaluating oil & gas licences where these rigs can make the difference.

Petrolia SE

24 January 2014, Petrolia SE extended the maturity date of bond loan "12.00% Petrolia SE Senior Unsecured Bond Issue 2013/2015 with call options" ISIN: NO 0010683592 by two years from June 2015 to June 2017, as a part of the company's long term financing strategy.

Related party transactions

There have not been any new related party transactions during Q4.

About the company

Oil & Gas division:

Petrolia Norway AS maximizes field potential through innovative exploration in mature areas on the Norwegian Continental Shelf, leveraging on the extensive industry experience of the Petrolia Norway team. Petrolia Norway AS is qualified as a licensee on the Norwegian Continental Shelf. The company currently holds 20 per cent of the PL 739S license, 50 per cent of the PL 674 license, 30 per cent of PL 506S, PL 506BS, PL 506CS, PL 506DS, 10 per cent of PL 628 and 10 per cent of PL 546, pending approval from the authorities. The company has offices in Oslo, Bergen and Stavanger and is fully owned by Petrolia SE.

Through Petroresources Ltd (47.32 per cent owned) the division has economic interests in licenses in Africa and the Middle East.

OilService division:

The company's involvement in oilfield services began through the acquisition of Independent Oil Tools AS in 2007. Total investment in equipment has subsequently exceeded USD 200 million. The investments were largely financed by Petrolia and in addition financial leases of more than USD 40 million were obtained. The division has developed into a well-respected international equipment rental group with a global presence. This division owns drill pipes, test strings & tubing, handling & auxiliary tools, pressure control equipment for on and offshore activities and other equipment. In addition, the division provides associated services like tubular running services through Premium Casing Services Pty Ltd in Australia and New Zealand.

The OilService division benefits from an excellent track record of availability, technical compliance, experience and performance. It has a well-established, large, international client base, including a portfolio of contracts in place with numerous major oil service companies, oil companies and drilling contractors.

Drilling and Well Technology division:

In 2012, a subsidiary of Petrolia SE acquired two land rigs which are presently located in Romania. The drilling rig has completed 21 wells since it commenced a one and a half year contract in Romania. The rig has proven to be efficient in line with expectations for the drilling activities, including fast and efficient mobilisation and demobilisation between wells. The rig is currently being marketed to a number of potential customers within East Europe, Middle East and other commercially attractive areas.

The work-over land rig is being marketed and will be mobilised once a LOI is signed. Both rigs are operated jointly by TM Drill, a Romanian land drilling contractor and IO&R Ltd Dubai. The division has a 19, 66% share in TM Drill with all rigs operating. To be able to expand within the segment, the division has started to build in-house competence within land drilling activities and has employed a number of skilled employees.

The Oil & Gas division is currently evaluating oil & gas licences where these rigs can make the difference.

Key risks and uncertainty

The activities and assets of the group are primarily in USD and the Bond Loan is in NOK. There is therefore a currency risk regarding the USD/NOK exchange rate.

The Estate of PetroMENA ASA (51 % owned by Petrolia) is, through a writ of summons ("stevning"), seeking to invalidate an equipment purchase on 13 November 2008 whereby Oil Tools Supplier AS (formerly Petrolia Services AS) purchased drilling equipment for USD 34.7 million from PetroMENA ASA. Petrolia has rejected the claim. On 19 March 2013 Oslo District Court ruled in favour of the PetroMena ASA estate for USD 14 million. Oil Tools Supplier AS has filed an appeal. Oil Tools Supplier AS is a subsidiary of Petrolia Drilling II AS, owned by Petrolia SE.

Oil Tools Supplier AS has filed a claim of USD 8.5 million against the Estate of PetroMENA ASA. There is an uncertainty regarding any dividends, so no dividend is included in the accounts of Oil Tools Supplier AS.

The board of PetroMENA ASA, under bankruptcy proceedings, has filed a claim of USD 1.2 billion against Deutsche Bank for various breaches of law and governance.

Corporate

Following the completion of the cross-border merger on 26 October 2012, the company is a European Public Limited Liability company (Societas Europaea or SE) with headquarters in Limassol, Republic of Cyprus.

At the Annual General Meeting in Limassol held on 28 June 2013 the following board of Directors was elected: Judith Parry, Berge Gerdt Larsen, Sjur Storaas and Erwin Joseph Pierre Godec.

Board of Directors, Petrolia SE, 28 February 2014



Financial report fourth quarter 2013 – preliminary

Consolidated Statement of Comprehensive Income

All figures in USD (1000)

	Q4 2013	YTD 2013	Q4 2012	YTD 2012
Operating revenues	29 983	120 078	32 924	102 893
Operating expenses	22 178	84 769	30 995	83 264
EBITDAX	7 805	35 309	1 930	19 630
Exploration expenses	1 252	25 230	1 588	9 230
EBITDA	6 553	10 079	342	10 399
Depreciation	4 421	16 544	7 434	31 241
Impairment	3 496	3 496	-1 500	-1 500
Operating profit (loss-)	-1 364	-9 961	-5 592	-19 342
Result from associated companies	-2 730	-2 662	975	253
Net financial income/expenses(-)	593	-2 768	541	-1 308
Profit before income tax	-3 502	-15 390	-4 076	-20 397
Tax on result	1 738	-25 607	-3 481	-13 199
Profit for the year	-5 240	10 217	-595	-7 198
Other comprehensive income				
Currency translation differences	-502	1 671	-243	994
Total other comprehensive income	-502	1 671	-243	994
Total comprehensive income for the year	-5 742	11 888	-838	-6 204
Number of shares	27 235 867	27 235 867	27 235 867	27 235 867
Earnings per share, basic	-0.19	0.38	-0.02	-0.26

Condensed Consolidated Statement of Financial Position

All figures in USD (1000)

Assets	31.12.2013	Audited 31.12.2012
Goodwill	1 947	1 947
Deferred tax assets	14 910	15 727
Exploration costs and licences	0	3 741
Land rigs	13 048	13 360
OilService and other equipment	54 715	62 881
Land and buildings	2 674	2 117
Investments in associates	2 334	4 246
Other financial fixed assets	4 023	5 410
Restricted cash	3 665	14 671
Total non-current assets	97 315	124 100
Inventory	1 740	1 271
Tax receivables	21 436	13 199
Accounts receivable	42 626	38 968
Other current assets	6 736	29 726
Financial asset at fair value through P&L	15 296	12 455
Free cash	15 813	7 827
Restricted cash	760	396
Total current assets	104 408	103 842
Total assets	201 723	227 942
Equity and liabilities	31.12.2013	31.12.2012
Share capital	27 236	27 236
Treasury shares	-47	-47
Other equity	71 178	60 258
Majority interest	98 367	87 447
Minority interest	4 099	3 131
Total equity	102 466	90 578
Bond loan	30 063	53 625
Retirement benefit obligations	622	328
Deferred tax liability	12 421	15 727
Other long-term liabilities	6 007	4 827
Total non-current liabilities	49 113	74 507
Short-term portion of non-current liabilities	6 715	10 820
Accounts payable	14 873	22 132
Provisions	8 548	11 848
Bank loan	4 257	3 827
Other current liabilities	15 750	14 230
Total current liabilities	50 144	62 857
Total liabilities	99 257	137 364
Total equity and liabilities	201 723	227 942
Book equity per share (end of period shares)	3.76	3.33
Equity (majority) ratio	49%	38 %

Total cash is USD 20.2 million. Restricted cash includes USD 1.2 million on a Bond Loan interest security account, USD 2.2 million in escrow connected to sale of disputed equipment.

Condensed Consolidated Statement of changes in Equity

All figures in USD (1000)

	YTD 2013	YTD 2012
Equity period start 01.01	90 578	84 098
Total equity from shareholders in the period	0	12 684
Total comprehensive income/loss (-) for the period	11 888	-6 204
Total change of equity in the period	11 888	6 480
Equity at period end 31.12	102 466	90 578

Condensed Consolidated Cash Flow Statement

All figures in USD (1000)

	Q4 2013	YTD 2013	Q4 2012	YTD 2012
Net cash flow from operating activities	10 392	3 291	6 586	8 415
Net cash flow from investing activities	-3 661	-5 100	-2 445	-10 499
Net cash flow from financing activities	-2 178	-307	-5 802	-7 856
Net change in cash and cash equivalents	4 553	-2 116	-1 661	-9 940
Cash and cash equivalents at beginning of period	16 225	22 894	24 555	32 834
Exchange gain/loss (-) on cash and cash equivalents	-539	-539		
Cash and cash equivalents at period end	20 239	20 239	22 894	22 894

Investment activities in Q1 2013 are: equipment investments of USD 2.7 million and divestment of other shares of USD 2.7 million. Financing activities in Q1 2013 are interests received of USD 1.3 million and lease payments of USD 2.5 million.

Investment activities in Q2 2013 are: equipment investments of USD 2.4 million and divestment of other shares of USD 3.4 million. Financing activities in Q2 2013 are Bond interests paid of USD 3.4 million, Bond interests received of USD 1.0 million, lease payments of USD 1.7 million, net Bond purchase of USD 2.2 million, liquidity loan of USD 5.8 million and sale/bareboat of work-over rig of USD 5.6 million.

Investment activities in Q3 2013 are: equipment investments of USD 2.4 million. Financing activities in Q3 2013 are lease payments of USD 2.1 million.

Investment activities in Q4 2013 are: equipment investments of USD 3.4 million. Financing activities in Q4 2013 are lease payments of USD 1.5 million, bond interests of USD 2.0 million and new leasing of USD 1.4 million.

Notes to the unaudited condensed consolidated figures:

Note 1 Applied accounting principles

This fourth quarter report is prepared according to the International Financial Reporting Standards (IFRS as adopted by the EU) and the appurtenant standard for quarterly reporting (IAS 34). The quarterly accounts are based on the current IFRS standards and interpretations and were approved by the Board on 28 February 2014 at 19:40 hours.

This fourth quarter report is prepared according to the same principles as the most recent annual financial statements, but does not include all the information and disclosures required in the annual financial statements. Consequently, this report should be read in conjunction with the latest annual report for the Company (2012). Changes in standards and interpretations may result in other figures.

The same accounting principles and methods for calculation which were applied in the latest annual report (2012) have been applied in the preparation of this interim report. The Company's accounting principles are described in detail in its annual report for 2012 available on the Company's website www.petrolia.eu.

The consolidated accounts are based on historical cost, with the exception of items required to be reported at fair value.

Note 2 Tangible fixed assets

The table below outlines the development of tangible fixed assets as of 31 December 2013:

	Drilling- and other equipment	Land rigs	Exploration cost & licences	Goodwill	Land and buildings	Total
All figures in USD (1000)						
Balance at 1 Jan 2013	62 881	13 360	3 741	1 947	2 117	84 046
Acquisition cost:						
Acquisition cost at 1 Jan 2013	276 186	13 745	3 741	1 947	2 989	298 608
Purchased tangibles in 2013	9 523	197			669	10 390
Disposal in 2013	2 829		3 741		201	6 453
Acquisition cost at 31 December 2013	285 516	14 234	0	1 947	3 437	305 134
Depreciation/impairment:						
Balance depreciation at 1 January 2013	202 529	385	0	0	872	203 786
Balance impairment at 1 January 2013	10 776	0	0	0	0	10 776
Depreciation in 2013	15 851	801			-108	16 544
Impairment in 2013	3 496					3 496
Disposal of depreciation in 2013	1 851					1 851
Balance at 31 December 2013	54 715	13 048	0	1 947	2 674	72 384
Translation differences	2 636	292			-20	2 590
Carrying amount:						
Balance at 31 December 2013	54 715	13 048	0	1 947	2 674	72 384
Residual value						

Note 3 Investments in associates

All figures in USD (1000)	Petroresources Ltd
Investments in associates	
Shareholding	47.32%
Business address	Limassol, Cyprus
Balance 1 January 2013	4 246
Investments	749
Share of result	-2 661
Balance at 31 December 2013	2 334

Note 4 Segment Information

All figures in USD (1000)	Oil & Gas	Drilling & Well Technology	OilService	Other	Total
Revenue	0	2.0	118.0	0.1	120.1
EBITDAX	-7.1	-2.1	51.8	-7.3	35.3
EBITDA	-32.3	-2.1	51.8	-7.3	10.1
Rental equipment, land rigs, licences	0	15.9	51.4	0	67.8
Property	0	0	2.7	0	2.7

Oil & Gas

Petrolia Norway has purchased 10 per cent of license PL 628 from Statoil Petroleum AS against granting an option on 10 percent of the PL 506 licenses to Statoil. Statoil did not exercise their option.

Petrolia SE has over a period negotiated to purchase and carried out due diligence on various producing assets and exploration licences in North Africa and the Middle East. Petrolia expects to finalise a transaction for the Tunisian license in the first quarter of 2014, concluding the process.

OilService

The improvement in the operating performance has resulted in solid revenue and EBITDA growth, and subject to an oil price at current levels, this is expected to continue during 2014.

Some of the key market drivers for the OilService division are the oil companies' E&P Investments and the global rig activity. Based on the market and the division's present performance, the Board of Directors expects a continued satisfactory development for the OilService division going forward.

Drilling & Well Technology

The Drilling and Well Technology division currently has one drilling rig on contract in Romania. The contract expired in January 2014. The rig has demonstrated a solid operational performance and is being marketed in other regions where the day rates are expected to be higher. The work-over rig will be mobilized once an LOI is signed

Both rigs are jointly managed by TM Drill, a Romanian Drilling contractor, in which Petrolia has a 19.66 % interest and IO&R Ltd Dubai.

Note 5 Legal disputes

The Estate of PetroMENA ASA (51 % owned by Petrolia) is, through a writ of summons ("stevning"), seeking to invalidate an equipment purchase on 13 November 2008 whereby Oil Tools Supplier AS (formerly Petrolia Services AS) purchased drilling equipment for USD 34.7 million from PetroMENA ASA. Petrolia has rejected the claim. On 19 March 2013 Oslo District Court ruled in favour of the PetroMENA ASA estate for USD 14 million. Oil Tools Supplier AS has filed an appeal. Oil Tools Supplier AS is a subsidiary of Petrolia Drilling II AS, owned by Petrolia SE.

Oil Tools Supplier AS has filed a claim of USD 8.5 million against the Estate of PetroMENA ASA.

The board of PetroMENA ASA, under bankruptcy proceedings, has filed a claim of USD 1.2 billion against Deutsche Bank for various breaches of law and governance.

On 2 November 2011 Petrolia SE received the decision from the Office of the City Recorder in Oslo in the case where Petrojack ASA, its bankruptcy estate claimed up to NOK 32.9 million related to Oil Tools Supplier AS' purchase of certain drilling equipment from Petrojack ASA on 13 November 2008. The bankruptcy estate asserted to have a claw back claim related to the transferred equipment. Petrolia SE dismissed the reasons for the claim, refer to Stock Exchange notice dated 10 March 2011. The Office of the City Recorder in Oslo has ruled in favour of Petrojack ASA, its bankruptcy estate for USD 3 million, approximately half of their claim. The parties reached an agreement in November 2013 and the case has been closed. The settlement had a minor positive financial effect, accounted for in Q4.

Note 6 Events after the balance sheet date

11 January, Petrolia Norway AS, a fully owned subsidiary of Petrolia SE, spudded the well 25/9-4 Tastaveden in PL 628. The well, which is located approximately 35 km northeast of the Grane field, tested a prospect adjacent to the Utsira High and was drilled with the semi-submersible rig Ocean Vanguard.

The main objective of Well 25/9-4, PL 628, was to prove hydrocarbons in the Hugin Formation of the Vestland Group. The well encountered Hugin Fm sandstones of good reservoir quality, but was water wet. The well was terminated 30 meters into the Sleipner Formation at 2397 meters subsea, on 18 February 2014.

14 January, Petrolia Norway AS, a subsidiary of Petrolia SE, entered into an agreement with Lundin Norway AS to purchase 10 % in PL 546. PL 546 is located north and adjacent to PL 501 Johan Sverdrup. The transaction is pending approval from the authorities.

16 January. A Bondholder Meeting was held pursuant to summons of 16th January 2014 and extended maturity date of bond loan "12.00% Petrolia SE Senior Unsecured Bond Issue 2013/2015 with call options" ISIN: NO 0010683592 by two years from June 2015 to June 2017.

21 January, Petrolia Norway AS, a subsidiary of Petrolia SE, was awarded a new licence in the 2013 Awards in Predefined Areas (APA) in Norway. The 20% share awarded is licence PL 739S located south of the Oseberg South field and encompasses parts of the blocks 26/1, 31/10 and 31/11. Statoil Petroleum AS is the operator with a 50 per cent share and Petoro AS hold the remaining 30 per cent of the license.

Glossary

APA	Awards in Predefined Areas
BOEPD	Barrels of oil equivalent per day
BOE	Barrels of oil equivalents
BOPD	Barrels of oil per day
EBIT	Earnings before Interests and taxes
EBITDAX	Earnings before interest, taxes and explorations costs
EPS	Earnings per share
Exploration	A general term referring to all efforts made in the search for new deposits of oil and gas
Exploration well	A well drilled in the initial phase in petroleum exploration
Farm out	A contractual agreement with an owner who holds a working interest in an area to assign all or parts of that interest to other parties
MMbbl	Million barrels (oil reserves)
NOK	Norwegian crowns
Oil field	An accumulation of hydrocarbons in the subsurface
Prospect	An area of exploration in witch hydrocarbons have been predicted to exist
Spud	To start drilling a well
USD	American dollars

