

MISEN ENERGY AB (publ)
Org No 556526-3968

Interim report January-December 2012

Group definition

On 30 June 2011 Misen Energy AB(publ) (formerly Svenska Capital Oil AB (publ)) acquired all shares in Misen Enterprises AB. Under IFRS rules this transaction is classified as a reverse take over.

The Misen Energy Group comprises Misen Enterprises AB and its wholly owned Ukrainian subsidiary KarpatyGaz LLC, including the between them owned 50,01% interest in a hydrocarbon extraction and sales Joint Activity ("JA") dedicated to business in the Ukraine. In the consolidated accounts is also included the sub-group of Misen Energy AB from 1 July 2011. This is the same group structure as last year.

The remaining 49.99% interest of the JA is owned by Ukrzagzvydobuvannya a wholly owned subsidiary of Naftogaz, Ukraine, the national gas company.

Results for the half year ended December 2012 (within brackets same period 2011)

Consolidated operating group income	187 533 KSEK (110 714)
Consolidated group net turnover	298 712 KSEK (190 701)
Income per share	1,00 SEK (0,57)
Parent company operating income	-11 793 KSEK (-2 989)
Parent company net turnover	544 KSEK (0)

Results for the year ended December 2012 (within brackets full year 2011)

Consolidated operating group income	350 673 KSEK (110 447)
Consolidated group net turnover	586 549 KSEK (191 113)
Income per share	1,83 SEK (0,58)
Parent company operating income	-11 756 KSEK (- 5 627)
Parent company net turnover	9 542 kSEK (0)

Essential events during the second half of 2012

- An agreement was entered into between Misen Energy AB and a Dutch financing fund whereby Misen Energy AB is granted a financial borrowing option up to EUR 7,5 million whereof EUR 2 325 000 is utilised till end of 2012. This option secures the financial long-range requirements for the Swedish operation of Misen Energy AB.

- In accordance with Addendum No 5 to the existing Joint Activity Agreement Misen Enterprises AB has during the year entered into a commitment to provide the Joint Activity with USD 12 515 958 as financial injection before 2014-02-25 and also to secure the Joint Activity additional financing up to 3 000 000 000 UAH when required. In the Group consolidation 50,01% of the above USD-amount, i.e. 38 965 KSEK has been accounted for as Intangible fixed assets. The 3 billion UAH is included in contingent liabilities.

- Gas production for the full year 2012 in the JA has been 360 million cubic meters as compared by 138 million cubic meters in 2011, an increase by 160 per cent. This is attributable to an improvement in productivity as well as the number of wells have gone from 110 to 145 in 2012.

- At end of 2012 the monthly gas production was 40 million cubic meter.

Essential events after end of the operational year 2012

- No essential events have occurred after end of the operational year 2012

The 2012 annual report will be published on May 8, 2013.

The Annual General Meeting will take place on May 23, 2013

The six months to 30 June 2013 report will be published on August 28, 2013.

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Misen Energy AB(publ) (former Svenska CapitalOil AB(publ)) is a Swedish oil and gas exploration and extraction company with operations in Ukraine. The company was founded in 2004 and the share is since 12 June, 2007, traded on NasdaqOMX First North.

In 2011 Misen Energy AB acquired Misen Enterprises AB and its Ukrainian subsidiary, KarpatyGaz, including the rights of 50,01 % of the revenue and profit from a gas production project in Ukraine. As consideration of this acquisition a new share issue was performed.

The gas extraction assets have been acquired by production cooperation via a joint activity project governed by a Joint Activity Agreement (the "JAA") between the wholly owned subsidiaries of Misen Energy AB, i.e. Misen Enterprises AB, KarpatyGaz (together 50.01%) and Ukrzagzvydobuvannya,(49.99%) the largest producer of natural gas in Ukraine and subsidiary of the publicly owned company Naftogaz, Ukraine. The value of the assets is estimated to be substantially more than the purchase price for Misen Enterprises AB.

The purpose of the project is to significantly increase production of gas and oil by implementing new technology and a large-scale investment program.

The registered office of Misen Energy AB is in Stockholm and the shares are traded on First North under identification MISE.

The Certified Adviser of the company at NasdaqOMX First North is Thenberg & Kinde Fondkommision AB.

For further information please visit our web site www.misenergy.se



Results – the Group and the parent company

The Misen Energy Group accounted for an operating income of 187 533 KSEK for the second half of 2012 as compared to 110 832 for the same period last year. Income after financial items for the period was 183 114 KSEK, as compared to 110 766 for the same period last year.

The significant improvement in financial performance is attributable to the profitable activities of the JA. The main activity of the JA is the extraction and sale of gas in the Ukraine. The JA became fully operational in the last four months of 2010 and has been increased by 35 new wells in 2012. The total number of wells are at present 145 units.

During 2012 the gas production has been 360 million cubic meters generating a turnover in the JA of 1 115 MSEK of which 50,01 % is attributable to the Misen Energy Group's interest in the JA.

Income after financial items for the parent company, Misen Energy AB, for the second half of 2012 amounted to - 11 026 KSEK (- 2 963).

Misen Energy Group revenue for the whole year of 2012 was 586 549 KSEK (191 113) and for the parent company Misen Energy AB 9 542 (0).

Cash position

As at 31 December 2012 the cash balance of the Misen Energy Group was 13 325 KSEK (14 819). The cash flow from operations before changes of working capital was 284 420 KSEK (96 101) during the full year of 2012.

Capital expenditure

Misen Energy Group's capital expenditure in equipment for gas production in Ukraine related to the JA-activity in 2012 amounted to 572 924 KSEK and were 44 341 in 2011. The capital expenditures are equipment, constructions and constructions in progress for for extraction of natural gas. The scope of capital expenditure has increased substantially during 2012 as a consequence of the increase in the business volume.

Expected future development of the company

The JA expects to achieve a continuing material increase in gas production and sales in the future thereby generating increased profits and cash flow and enhancing shareholder value. In order to achieve this, profits for 2012 will be re-invested in the activities of the JA and no dividends are expected from the JA until 2015 as stipulated in the Joint Activity Agreement.

Environmental influence

The operations within the JA in Ukraine have an environmental impact in Ukraine which is regulated by the laws and agreements which in turn monitor the activities of the JA.

Accounting principles

This report is prepared according to the International Financial Reporting Standards (IFRS), as adopted by EU. The report is further adopted to IAS 34 and The Annual Accounting Law as well as RFR 2. Accounting for a legal person. The accounting principles and computing methods both for the Group as well as for the Parent company are identical to the last annual report.

Financial and other risks

Misen Energy Group is active in the field of prospecting for and extracting of hydrocarbons in Ukraine. The Group is thereby exposed to a complex mix of specific risks for this line of business such as price of gas and oil, currency risk as well as interest fluctuation exposure etc., permissions regarding exploration, production, processing and environment compliance together with the uncertainty of the value of the completed exploration work and the following field appraisal. As the activities now are directed towards extraction in the main instead of exploration the risk exposure has however been considerably reduced.

Misen Energy AB intends to initiate a process aiming to investigate necessary steps to prolong licences due for expiration in 2018.

Financing requirements emerging in 2013 will be dealt with by prolonged credit facilities and if necessary adjustment in the investment program. A more in depth description of existing risk exposure is included in the Annual report for last year.

First North

Capital Oil is listed on First North, which is an alternative market place operated by NasdaqOMX Nordic Exchange Stockholm AB and the company adheres to the rules and regulations valid for First North. The Certified Adviser of the company is Thenberg & Kinde Fondkommission AB.

Transactions with related parties

Transactions such as salaries, board and consultancy fees, merchandise etc. have during the operational year been paid to relate persons and to related companies.

Dividend proposal

No dividend is proposed for the operational year 2012.

Publication of the full year interim report

The full year interim report is published at the company web-site www.misenenergy.se and can be ordered from the company office.

Future reports

The 2012 annual report will be published on 8 May, 2013.

The Annual General Meeting 2013 will take place on 23 May in Stockholm.

Next interim report, the semi annual report 2013, will be published on 28 August, 2013.

This report has not been audited by the company auditor.

Stockholm 25 March, 2013

Misen Energy AB(publ)

The Board of Directors

For further information, please contact:

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INCOME STATEMENT-THE GROUP

	1 July-31 Dec 2012 6 months	1 July-31 Dec 2011 6 months	1 Jan-31 Dec 2012 12 months	1 Jan-31 Dec 2011 12 months
<i>All amounts in KSEK</i>				
Operating revenue				
Net sales	298 712	190 701	586 549	191 113
	298 712	190 701	586 549	191 113
Operating expenses				
Other external expenses	-90 487	-61 704	-208 728	-62 362
Personnel expenses	-9 208	-5 287	-14 106	-5 287
Depreciation of tangible and intangible fixed assets	-8 219	-15 765	-9 777	-15 786
Capital gain from sale of subsidiary	-	2 769	-	2 769
Other operating income	97	-	97	-
Other operating cost	-3 362	-	-3 362	-
	-111 179	-79 987	-235 876	-80 666
Operating income	187 533	110 714	350 673	110 447
Financial items	-4 419	52	-7 781	34
Profit/loss after financial items	183 114	110 766	342 892	110 481
Taxes for the year	-38 736	-27 440	-78 142	-27 398
Result for the year attributable to the parent company shareholders	144 378	83 326	264 750	83 083
Report on the total result - The Group				
Net income for the year	144 378	83 326	264 750	83 083
Other total income for the year:				
Translation differences	-26 151	1 846	-19 543	6 608
Other total income for the year, net after taxes	-26 151	1 846	-19 543	6 608
Grand total result for the year	118 227	85 172	245 207	89 691
Net income per share, computed as net income allocated to the share owners in the parent company during the operating year (in SEK per share)				
Net income for the year, before and after dilution	1,00	0,57	1,83	0,58



BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	31 dec 2012	31 dec 2011
ASSETS		
Fixed assets		
Intangible fixed assets	40 514	844
Financial fixed assets	-	2 483
Tangible fixed assets	539 543	44 063
Total fixed assets	580 057	47 390
Current assets		
Stock	7 983	15 783
Accounts receivable	21 346	11 667
Other receivables	5 212	63 891
Prepaid expenses and accrued income	222	6 392
	34 763	97 733
Cash and bank balances	13 325	14 819
Total current assets	48 088	112 552
TOTAL ASSETS	628 145	159 942



BALANCE SHEET-THE GROUP

<u>All amounts in KSEK</u>	<u>31 Dec 2012</u>	<u>31 Dec 2011</u>
EQUITY AND LIABILITIES		
Equity	354 498	109 291
Long term debts		
Long-term loans	87 505	-
Other long-term liabilities to JA	39 639	-
Long-term deferred tax liability	984	-
Other long-term liabilities	14 790	1 518
Total long-term debts	142 918	1 518
Short-term debt		
Accounts payable	26 694	11 476
Tax debts	22 265	18 089
Short-term loans	57 239	-
Other short term debt	23 804	16 873
Accrued expenses and deferred income	727	2 695
Total short term debt	130 729	49 133
TOTAL EQUITY AND LIABILITIES	628 145	159 942

GROUP EQUITY DEVELOPMENT

<i>All amounts in KSEK</i>	Share capital	Other capital provided	Other reserves	Profit/Loss carried forward	Total equity
Equity brought forward 2011-01-01	50	100	-152	6 135	6 133
Net income					
Net profit of the year				83 083	83 083
Other result					
Translation difference			6 608		6 608
Total net income	0	0	6 608	83 083	89 691
Transactions with shareholders					
New share issue (effect from reverse take over)	290 086	-274 535		-2 084	13 467
Total transaction with shareholders	290 086	-274 535	0	-2 084	13 467
Equity brought forward 2012-01-01	290 136	-274 435	6 456	87 134	109 291
Net income					
Net profit of the year				264 750	264 750
Other result					
Translation difference			-19 543		-19 543
Total net income	0	0	-19 543	264 750	245 207
Equity brought forward 2012-12-31	290 136	-274 435	-13 087	351 884	354 498

CASH FLOW STATEMENT - THE GROUP

	1 Jan-31 Dec 2012 12 months	1 Jan-31 Dec 2011 12 months
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	350 673	110 447
Adjustment for non-cash items	14 091	13 018
Interest received	1 191	292
Interest paid	-8 972	-257
Income tax	-72 563	-27 398
Cash flow from operating activities before working capital changes	284 420	96 101
Cash flow from working capital changes		
Decrease(+)/increase in stocks	6 977	-15 783
Decrease(+)/increase in receivables	51 071	-82 842
Decrease(-)/increase in short-term debts	65 536	46 979
Cash-flow from operating activities	408 004	44 455
Investing activities		
Acquisition of tangible and intangible assets	-572 924	-49 729
Sale of financial assets	-	2 769
Sale of intangible assets	51	-
Change of long-term receivables (increase-)	-	2 619
Cash flow from investing activities	-572 873	-44 341
Financing activities		
New share issue	-	13 467
Change in long-term debt (increase+)	161 989	1 218
Cash flow from financing activities	161 989	14 685
Cash flow for the year	-2 880	14 799
Cash at the beginning of the year	14 819	20
Exchange rate difference in cash	1 386	0
Cash at the end of the period	13 325	14 819

INCOME STATEMENT - PARENT COMPANY
(Misen Energy AB)

	1 July-31 Dec 2012 6 months	1 July-31 Dec 2011 6 months	1 Jan-31 Dec 2012 12 months	1 Jan-31 Dec 2011 12 months
<i>All amounts in KSEK</i>				
Operating revenue				
Net sales	544	0	9 542	0
	544	0	9 542	0
Operating expenses				
Other external expenses	-11 036	-2 901	-18 603	-3 976
Personnel expenses	-1 301	-1 332	-2 695	-2 705
Depreciation of tangible fixed assets	-	-1 520	-	-1 560
Capital gain from sale of subsidiary	-	2 764	-	2 764
Capital loss from sale of tangible and intangible fixed assets	-	-	-	-150
	-12 336	-2 989	-21 297	-5 627
Operating income	-11 793	-2 989	-11 756	-5 627
Interest income	897	1	899	1
Currency exchange gains/losses	68	28	-	-1
Interest expense	-198	-3	-206	-18
	767	26	693	-18
Profit/loss after financial items	-11 026	-2 963	-11 063	-5 645
Taxes for the year	-	1	1	1
Net profit/loss	-11 026	-2 962	-11 062	-5 644
Report on the total result - Parent company				
Net income for the year	-11 026	-2 962	-11 062	-5 644
Other total income for the year:				
Translation differences	0	0	0	0
Other total income for the year, net after taxes	0	0	0	0
Grand total result for the year	-11 026	-2 962	-11 062	-5 644
Net income per share, computed as net income allocated to the share owners in the parent company during the operating year (in SEK per share)				
Net income for the year, before and after dilution	Neg	Neg	Neg	Neg

**BALANCE SHEET - PARENT COMPANY**

(Misen Energy AB)

All amounts in KSEK

31 dec 2012

31 dec 2011

ASSETS**Fixed assets****Financial fixed assets**

Shares in subsidiaries

1 001 799 1 000 899

1 001 799 1 000 899

Total financial fixed assets

1 001 799 1 000 899

Total fixed assets

1 001 799 1 000 899

Current assets**Short term receivables**

Other receivables

573 167

Prepaid expenses and accrued income

207 1 358

780 1 525

Cash and bank balances

8 512 639

Total current assets

9 292 2 164

TOTAL ASSETS

1 011 091 1 003 063

**BALANCE SHEET - PARENT COMPANY**

(Misen Energy AB)

All amounts in KSEK

31 dec 2012 31 dec 2011

Equity**Restricted equity**

Share capital	290 136	290 136
Statutory reserves	345	345
	<u>290 481</u>	<u>290 481</u>

Non-restricted equity

Profit/Loss brought forward	708 527	714 171
Profit/loss for the year	-11 062	-5 644
	<u>697 465</u>	<u>708 527</u>

Total equity**987 946 999 008****Long-term debts**

Long-term loan	20 033	-
Other long-term debts to group companies	93	93
	<u>20 126</u>	<u>93</u>

Total long-term debts**20 126 93****Short-term debts**

Accounts payable	1 080	743
Other short-term liabilities	904	919
Short-term debts to subsidiaries	399	624
Accrued expenses and deferred income	634	1 676
	<u>3 017</u>	<u>3 962</u>

Total short-term debt**3 017 3 962****TOTAL EQUITY AND LIABILITIES****1 011 091 1 003 063**

Sureties	39	39
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PARENT COMPANY EQUITY CHANGE

<i>All amounts in KSEK</i>	Share capital	Statutory reserves	Share Premium reserve	Profit/loss carried forward	Total equity
Equity brought forward 2011-01-01	4 422	345	960	-1 075	4 652
Net income					
Net profit of the year				-5 643	-5 643
Other result					
Translation difference					0
Total net income	0	0	0	-5 643	-5 643
Transactions with shareholders					
New share issue	285 714		713 325	960	999 999
Total transaction with shareholders	285 714	0	713 325	960	999 999
Equity brought forward 2012-01-01	290 136	345	714 285	-5 758	999 008
Net income					
Net profit of the year				-11 062	-11 062
Other result					
Translation difference					0
Group contribution after tax				1	1
Total net income	0	0	0	-11 061	-11 061
Equity brought forward 2012-12-31	290 136	345	714 285	-16 819	987 947

CASH FLOW STATEMENT - PARENT COMPANY
(Misen Energy AB)

	1 Jan-31 Dec 2012	1 Jan-31 Dec 2011
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	-11 756	-8 390
Adjustment for non-cash items	-29	1 709
Interest received	899	1
Interest paid	-206	-18
Cash flow from operating activities before working capital changes	-11 092	-6 698
Cash flow from working capital changes		
Decrease(+)/increase in receivables	745	3 314
Decrease(-)/increase in accounts payable	337	102
Decrease(-)/increase(+) in short term debts	-1 281	997
Cash flow from operating activities	-11 291	-2 285
Investment activities		
Sale of financial assets	-	2 764
Sale of tangible fixed assets	-	150
Payment of shareholders contribution	-900	-800
Cash flow from investing activities	-900	2 114
Financing activities		
Increase in long-term debt	20 063	626
Group contribution	1	-
Cash flow from financing activities	20 064	626
Cash flow for the year	7 873	455
Cash at the beginning of the year	639	184
Cash at the end of the period	8 512	639

FINANCIAL AND OPERATIONAL KEY RATIOS

	1 July-31 Dec 2012 6 months	1 July-31 Dec 2011 6 months	1 Jan-31 Dec 2012 12 months	1 Jan-31 Dec 2011 12 months
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The Group
Financial key ratios

EBITDA (KSEK)	195 752	126 479	360 450	126 233
Profit/loss per share before dilution SEK*	1,00	0,57	1,83	0,57
Profit/loss per share after dilution SEK*	1,00	0,57	1,83	0,57
Return on equity (ROE)	n.a.	n.a.	74,9%	76,0%
Return on capital employed (ROCE)	n.a.	n.a.	27,3%	88,8%
Debt/equity ratio	25,1%	0,0%	25,1%	0,0%
Equity ratio	56,4%	68,3%	56,4%	68,3%
Share of risk bearing capital	56,6%	68,3%	56,6%	68,3%
Weighted average number of shares for the period*	145 068 222	145 068 222	145 068 222	143 962 611
Number of outstanding shares before dilution *	145 068 222	145 068 222	145 068 222	145 068 222
Number of outstanding shares after dilution *	145 068 222	145 068 222	145 068 222	145 068 222
Weighted average number of shares for the period after dilution*	145 068 222	145 068 222	145 068 222	143 962 611

*Adjusted for amalgamation of shares 100:1 in January 2012

The Parent Company (Misen Energy AB)

EBITDA (KSEK)	neg	neg	neg	neg
Profit/loss per share before dilution SEK*	neg	neg	neg	neg
Profit/loss per share after dilution SEK*	neg	neg	neg	neg
Return on equity (ROE)	n.a.	n.a.	neg	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg	neg
Debt/equity ratio	2,0%	0,0%	2,0%	0,0%
Equity ratio	97,7%	99,6%	97,7%	99,6%
Share of risk bearing capital	97,7%	99,6%	97,7%	99,6%
Weighted average number of shares for the period*	145 068 222	145 068 222	145 068 222	73 639 722
Number of outstanding shares before dilution *	145 068 222	145 068 222	145 068 222	145 068 222
Number of outstanding shares after dilution *	145 068 222	145 068 222	145 068 222	145 068 222
Weighted average number of shares for the period after dilution*	145 068 222	145 068 222	145 068 222	73 639 722

*Adjusted for amalgamation of shares 100:1 in January 2012

Definition of financial key ratios

- 1 EBTDA (profit before interest, tax, depreciation, write-downs) defined as the group and the parent company's operating profit/loss before depreciation.
2. Profit/loss per share before dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares before dilution at the end of period.
3. Profit/loss per share after dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares after dilution at the end of period.
4. Return on equity defined as the group and the parent company's profit/loss divided by total equity at the end of period.
5. Return on working capital is defined as the group and the parent company's profit/loss after financial items plus interest expense plus/minus exchange differences on financial items divided by total capital employed (average of the two latest periods balance sheet total with reduction for non-interest bearing debt).
6. Debt/equity ratio defined as the group and the parent company's interest bearing debt divided by equity.
7. Equity ratio defined as the group and the parent company's equity including minority owner shares divided by balance sheet total.
8. Share of risk bearing capital defined as the sum of the group and the parent company's equity and deferred tax liabilities (including minority shares) divided by balance sheet total.
9. Number of outstanding shares with full dilution defined as number of outstanding shares including maximum utilized warrants.
10. Registration of new share issues took place at the 31st of January, 20th of February and 13th of April 2006 of 4 000 000, 2 537 454 and 6 530 546 shares respectively at a price of 0,25 per share.
11. Registration of new share issues took place at the 3rd of November, 21st of November and 22nd of November 2006 of 988 563, 213 000 and 1 700 089 shares respectively at a price of 1,2240 SEK per share.
12. Registration of an offset issue took place at the 30th of November 2006.
13. Registration of new share issues took place at the 11th of January and the 22nd of February 2007 of 4 650 000 and 1 670 180 shares respectively at a price of 1,2240 SEK per share.
14. Registration of a new share issue took place at the 15th of March 2007 of 13 200 000 shares at a price of 1,54 SEK per share.
15. Registration of a new share issue took place the 2nd of April 2007 of 10 185 000 shares at a price of 1,54 SEK per share.
16. Registration of a new share issue on the 12th of July 2007 of 42 000 000 at a price of 2,40 SEK per share.
17. Registration of a new share issue on the 11th of February 2009 of 32 339 802 at a price of 0,60 SEK per share.
18. Registration of share capital write-down of 13 849 777,84 SEK on the 6th of May 2010 without reduction in number of shares. Share capital was thereafter 3 462 444,46 SEK. Quota value per share thereafter 0,02 SEK per share.
19. Registration of a new share issue on the 2nd of September 2010 of 48 000 000 shares at a price of 0,04 per share.
20. Registration of a new share issue on 22nd of September 2011 of 14 285 700 000 shares at a price of 0,07 SEK per share.
21. On the 12th of January 2012 an amalgamation of shares 100:1 was registered whereby the number of shares were reduced to 145 068 222 and the quota value became approximately 2 SEK.