

**SVENSKA CAPITAL OIL AB (publ)**

Org. Nr. 556526-3968

**Interim Report January - September 2010**

*Essential events during the third quarter*

- The quarterly operating income was - 1 411 KSEK (-1 864).
- Total net sales amounted to 0 KSEK(0).
- Net result per share in the first nine months of the year amounted to - 0,03 SEK (-0,04).
- Directed new share issue to Misen Enterprises AB amounting to 1 920 000 SEK was completed in August.
- Thereby Misen Enterprises AB is the largest shareholder with close to 22 percent of total number of issued shares.
- Negotiations with the Ukrainian partners are proceeding, aiming at a financing and production cooperation.

*Essential events after the third quarter*

- Negotiations with the Ukrainian partners regarding production cooperation are proceeding.
- An essential objective for these negotiations is to secure as well short as long term financing for Svenska Capital Oil AB.
- The Board of Directors has as per 31 October 2010 prepared a new balance sheet for liquidation purposes wherein the registered share capital is fully complete.
- A Letter of Intent has been signed between the Ukrainian company Aikon LLC and Svenska Capital Oil confirming that Aikon will acquire the Ukrainian subsidiary from Svenska Capital Oil for minimum 5 MSEK, which is the valuation for the subsidiary in the balance sheet for liquidation purposes.
- Aiming at costcutting the Board has decided to reduce the number of financial reports from present four, to two per year from 2011 and onwards. The reporting will thereby comply with the basic requirements from First North, i.e. half year and full year interim reports.

An extra ordinary General Shareholders Meeting, inter alia dealing with the second control meeting, will take place on

Monday, December 20, 2010. The announcement will be published in Dagens Industri on Friday, December 3.

Next interim report is the full year interim report for 2010 to be published on Friday, February 25, 2011.

The annual report for 2010 will be published on the web site of the company on Friday, March 25, 2011.

The ordinary General Shareholders Meeting 2011 will be on Friday, April 29, 2011.

For further information please contact:

Leif Larsson, CEO  
tel + 046 31- 759 50 71  
mobile +46 708- 40 82 71  
E-mail: leif@capitaloil.se

Lennart Claesson, CFO  
tel. 031 -07509 50 72  
mobile +46 705 70 70 32  
E-mail. lennart@capitaloil.se

Svenska Capital Oil is a Swedish oil and gas exploration and production company. Its business idea is to identify and explore oil and gas fields, mainly in the Western Ukraine. The strategy is to find undeveloped fields demanding capital injection for start of production. The company will explore the fields with modern technology. The produced oil and gas will be sold locally or on the world market. Capital Oil cooperates with the public companies Bogorodchanyaftogas (BNG) and Zahidukrgeologia(ZUG) for refining in the licensed areas, Kubash-Lukva, Maydan and Gorodok.

The management in Capital Oil has great experience in the oil business in Eastern Europe and in the rest of the world including exploration as well as production and oil trading.

The residence of Capital Oil is in Gothenburg and the shares are traded on First North under identification name COIL. The Certified Adviser of the company at NasdaqOMX First North is Thenberg & Kinde Fondkommission AB.

For further information, please visit our web site: [www.capitaloil.se](http://www.capitaloil.se)

#### **Financial results – the group and the parent company**

Income after financial items for Capital Oil Group for the third quarter 2010 was - 2 552 KSEK to be compared with - 3 852 KSEK for the corresponding period last year and - 5 827 KSEK (-7 116) for the first nine months of 2010.

Operating income after financial items of the parent company for the third quarter amounted to - 1 248 KSEK (-2 787) and for the first nine months of 2010 to - 5 032 KSEK (-5 639). Total revenue of the group was 0 (0). Total revenue for the parent company was 0 KSEK (541) in the third quarter and for the first three quarters of the year 481 KSEK (1 820). The revenue of the parent company consists of invoicing of operating expenses according to the Joint Activity Agreement. These expenses have earlier, like the expenses in the Ukrainian subsidiary, been capitalized as exploration licenses in the group accounts. This is however not made any longer but are, as was done in the full year accounts 2009, immediately depreciated to zero both in the group accounts as well in the parent company accounts.

From second quarter this year the transit invoicing of actual costs has, in line with the JA rules, been ceased. This is the rational behind the reduction of turnover and income in the parent company.

#### **Cash situation**

On the 30th of September 2010 the cash equivalents of the group amounted to 788 KSEK (5 547). The cash flow from operating activities before working capital change amounted to - 4 879 KSEK (-5 943) for the first nine months of the year.

By the directed new share issue the group received new equity and cash injection with totally 1 920 KSEK during July and August. Owing to this issue the group had a positive cash-flow in the third quarter of 444 KSEK.

In order to further strengthen the capital base of the company a rights share issue is still in consideration of the Board of Directors within the limits to issue new shares up to maximum 8.5 MSEK granted by the AGM to be exercised before next AGM, whereof approximately 6,6 MSEK is remaining.

#### **Investing activities**

The investing activities in Ukraine amounted in the first nine months of 2010 to 0 KSEK (4 042). The investments in Ukraine are reported as exploration licenses in the group. The depreciation will take place when the exploration phase is ended. In the full year accounts 2009 all exploration licenses were depreciated to zero in the consolidation, as the poor cash situation in the company does not make the commencing of production drilling feasible. This is also the reason why no exploration expenses have been balanced during the current year.

#### **Essential events during the third quarter**

- As earlier this year the activities during the third quarter have been focusing on the negotiations with the Ukrainian oil konsortium interested in financing and production cooperation with Capital Oil.
- These negotiations have so far resulted in the completion of the directed newshare issue in total of SEK 1 920 000, that was finally registered by the Swedish Companies Register on September 2, 2010. Hereby the number of registered shares were increased by 48 000 000 to totally 221 122 223. By this issue Misen Enterprises AB has become main owner in Svenska Capital Oil AB with 21,7 % of total number of shares and votes.
- At an extra ordinary AGM on May 28, 2008 it was resolved to issue warranties to the management in the Svenska Capital Oil Group. The subscription period for shares was 1 March through 31 May 2010 at a subscription price of 2,80 SEK per share. The subscription period is thereby ended and no shares have been subscribed and the warranty program has lapsed.

#### **Essential events after the third quarter**

- The Board has as per 31 October 2010 prepared a new balance sheet for liquidation purposes to be presented at the second shareholders control meeting, to be held latest on December 23, 2010, as the first control meeting was in connection to the AGM on 23 April 2010. The latest, still not audited, balance sheet for liquidation purposes confirming that the registered share capital is fully complete. One essential element in this balance sheet is that the valuation of the Ukrainian subsidiary, Capital Oil Ukraine LLC, in the annual report as per 31 December 2009 amounting to 5,0 MSEK ( after depreciation from 18,5 MSEK) is verified by a signed Letter of Intent with the Ukrainian company Aikon LLC expressing their intention to acquire Capital Oil Ukraine for minimum 5 MSEK.

- In order to cut costs the Board has decided, that from 2011 and until further there will not be published any quarterly financial reports for the first and third quarters. The financial reporting to the shareholders will thereby comply with the basic requirements for NasdaqOMX First North, i.e. half year and full year interim reports.

#### **Expected future development of the company**

As the negotiations with the Ukrainian parties have taken a big step forward there are good opportunities for a future positive development, beneficial for old as well as new shareholders in the company.

In the nextcoming future the discussions will continuously be focusing on potential assets possible to be included in an issue in kind in Capital Oil in order to add positive cash-flow and a good profitability for the future.

**Environmental influence**

By the Joint Activity Agreement with BNG, the company has agreed to finance the work with repairing old wells with environmental impact. This work was finished in 2008 and no further restoring work is prepared.

**Accounting principles**

This report is prepared according to the International Financial Reporting Standards (IFRS) as they were adopted by EU.

**Financial risks**

Capital Oil is active in prospecting and extraction of hydrocarbons with focus on establishing oil and gas production in Ukraine. The company is thereby exposed to a complex mix of branch specific risks like price development of oil, permissions regarding investigation, processing and environment together with the uncertainty of the value of the completed exploration work and the following field exploration work.

In addition to these risks more general risk factors like business trend and exchange rate fluctuation must be considered.

**First North**

Svenska Capital Oil AB (publ) is listed on First North which is a market place operated by NasdaqOMX Nordic Exchange Stockholm AB and the company thereby adhere to the rulings valid for First North.

The company's Certified Adviser is Thenberg & Kinde Fondkommission AB.

**Future reports**

An extra ordinary General Shareholders Meeting, inter alia dealing with the second Control Meeting, will take place on Monday, December 20, 2010. The announcement will be published in Dagens Industri on Friday, December 3.

Full year interim report for 2010 will be launched on Friday, February 25, 2011.

The annual report for 2010 will be published on the web site of the company on Friday, March 25, 2011.

The ordinary General Shareholders Meeting 2011 will be on Friday, April 29, 2011.

This report has not been reviewed by the company auditor.

Gothenburg the 26th of November 2010

Svenska Capital Oil AB (publ)

The board of directors

For more information, please contact:

Leif Larsson, CEO  
telephone +46 (0)31 759 50 71  
mobile 0708- 40 82 71  
e-mail :leif@capitaloil.se

Lennart Claesson, CFO  
telephone +46 (0)31 759 50 72  
mobile 0705- 70 70 32  
e-mail: lennart@capitaloil.se

## INCOME STATEMENT-THE GROUP

	July 1-Sept 30 2010 3 months	July 1-Sept 30 2009 3 months	Jan 1-Sept 30 2010 9 months	Jan 1-Sept 30 2009 9 months	Jan 1-Dec 31 2009 12 months
<i>All amounts in KSEK</i>					
<b>Sales</b>					
Net sales	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating expenses</b>					
Other expenses	-562	-609	-2 252	-2 157	-3 252
Personnel expenses	-663	-654	-1 871	-2 080	-2 483
Depreciation of tangible assets	-186	-185	-589	-576	-730
Write-down of exploration licenses	0	0	-843	0	-95 621
Write-down of financial assets	0	0	0	0	-5 524
Write-down of tangible assets	0	0	0	0	-10 407
Capital loss from sale of tangible and intangible assets	0	-416	0	-416	-1 859
	-1 411	-1 864	-5 555	-5 229	-119 876
<b>Operating profit/loss</b>	<b>-1 411</b>	<b>-1 864</b>	<b>-5 555</b>	<b>-5 229</b>	<b>-119 876</b>
<b>Financial items</b>					
Interest income	0	3	1	76	77
Currency exchange gains/losses	-1 140	-1 989	-267	-1 949	-1 348
Interest expense	-1	-2	-6	-14	-17
	-1 141	-1 988	-272	-1 887	-1 288
<b>Profit/loss after financial items</b>	<b>-2 552</b>	<b>-3 852</b>	<b>-5 827</b>	<b>-7 116</b>	<b>-121 164</b>
<b>Net profit/loss for the period</b>	<b>-2 552</b>	<b>-3 852</b>	<b>-5 827</b>	<b>-7 116</b>	<b>-121 164</b>

## BALANCE SHEET - THE GROUP

All amounts in KSEK 30 Sept 2010 30 Sept 2009 31 Dec 2009

### ASSETS

#### Fixed assets

##### Intangible assets

Exploration licenses	0	93 530	0
	<u>0</u>	<u>93 530</u>	<u>0</u>

##### Tangible assets

Plant and machinery	2 052	1 489	2 824
Fixed assets under construction	5 138	19 013	5 705
	<u>7 190</u>	<u>20 502</u>	<u>8 529</u>

##### Financial assets

Other long-term receivables	0	4 057	0
	<u>0</u>	<u>4 057</u>	<u>0</u>

#### Total fixed assets

<u>7 190</u>	<u>118 089</u>	<u>8 529</u>
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#### Current assets

##### Current receivables

Other receivables	1 413	3 103	1 553
Prepaid expenses and accrued income	1 121	1 064	939
	<u>2 534</u>	<u>4 167</u>	<u>2 492</u>

##### Cash and bank balances

788	5 547	3 838
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#### Total current assets

<u>3 322</u>	<u>9 714</u>	<u>6 330</u>
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### TOTAL ASSETS

<u>10 512</u>	<u>127 803</u>	<u>14 859</u>
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**BALANCE SHEET-THE GROUP**

*All amounts in KSEK* 30 Sept 2010 30 Sept 2009 31 Dec 2009

**EQUITY AND LIABILITIES****Equity**

Share capital	4 422	17 312	17 312
Other reserves	-1 945	143 144	143 758
Profit/loss brought forward	12 243	-26 614	-26 614
Profit/loss for the period	-5 827	-7 116	-121 164

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<b>Total equity</b>	<b>8 893</b>	<b>126 726</b>	<b>13 292</b>
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**Short-term debt**

Accpunts payable	334	424	374
Other short-term liabilities	184	190	594
Accrued expenses and deferred income	1 100	462	599

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<b>Total short-term debt</b>	<b>1 619</b>	<b>1 076</b>	<b>1 567</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10 512</b>	<b>127 803</b>	<b>14 859</b>
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## GROUP EQUITY DEVELOPMENT



	Share capital	Other capital provided	Other reserves	Accumulated profit/loss	Total equity
<b>Equity brought forward 2004-01-01</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>-115</b>	<b>-15</b>
<b>Net income</b>					
Net profit of the year				-65	-65
<b>Other result</b>					
Translation difference			-		0
<b>Total net income</b>			<b>0</b>	<b>-65</b>	<b>-65</b>
<b>Transactions with shareholders</b>					
Shareholders contribution		18			18
New share issue in progress		2 800			2 800
<b>Total transactions with shareholders</b>		<b>2 818</b>			<b>2 818</b>
<b>Equity brought forward 2005-01-01</b>	<b>100</b>	<b>2 818</b>	<b>0</b>	<b>-180</b>	<b>2 738</b>
<b>Net income</b>					
Net profit of the year				-2 131	-2 131
<b>Other result</b>					
Translation difference			2		2
<b>Total net income</b>			<b>2</b>	<b>-2 131</b>	<b>-2 129</b>
<b>Transactions with shareholders</b>					
New share issue	2 455	-2 455			0
New share issue in progress		1 000			1 000
<b>Total transactions with shareholders</b>	<b>2 455</b>	<b>-1 455</b>			<b>1 000</b>
<b>Equity brought forward 2006-01-01</b>	<b>2 555</b>	<b>1 363</b>	<b>2</b>	<b>-2 311</b>	<b>1 609</b>
<b>Net income</b>					
Net profit of the year				-15 436	-15 436
<b>Other result</b>					
Translation difference			5		5
<b>Total net income</b>			<b>5</b>	<b>-15 436</b>	<b>-15 431</b>
<b>Transactions with shareholders</b>					
Offset issue	2 756	2 244			5 000
New share issue	1 597	4 220			5 817
Issue expenses		-536			-536
New share issue in progress		5 692			5 692
<b>Total transactions with shareholders</b>	<b>4 353</b>	<b>11 620</b>			<b>15 973</b>
<b>Equity brought forward 2007-01-01</b>	<b>6 908</b>	<b>12 983</b>	<b>7</b>	<b>-17 747</b>	<b>2 151</b>
<b>Net income</b>					
Net profit of the year				-1 407	-1 407
<b>Other result</b>					
Translation difference			-188		-188
<b>Total net income</b>			<b>-188</b>	<b>-1 407</b>	<b>-1 595</b>
<b>Transactions with shareholders</b>					
New share issue	7 170	131 687			138 857
Issue expenses		-12 200			-12 200
<b>Total transactions with shareholders</b>	<b>7 170</b>	<b>119 487</b>			<b>126 657</b>
<b>Equity brought forward 2008-01-01</b>	<b>14 078</b>	<b>132 470</b>	<b>-181</b>	<b>-19 154</b>	<b>127 213</b>
<b>Net income</b>					
Net profit of the year				-7 541	-7 541
<b>Other result</b>					
Liquidation Lithuania		-18		18	0
Translation difference			-1 401		-1 401
<b>Total net income</b>		<b>-18</b>	<b>-1 401</b>	<b>-7 523</b>	<b>-8 942</b>
<b>Transactions with shareholders</b>					
New share issue in progress		19 404			19 404
Issue expenses		-1 978			-1 978
Balanced value of services of employees				63	63
Deferred tax asset				18	18
<b>Total transactions with shareholders</b>		<b>17 426</b>		<b>81</b>	<b>17 507</b>
<b>Equity brought forward 2009-01-01</b>	<b>14 078</b>	<b>149 878</b>	<b>-1 582</b>	<b>-26 596</b>	<b>135 778</b>
<b>Net income</b>					
Net profit of the year				-121 164	-121 164
<b>Other result</b>					
Translation difference			-1 176		-1 176
<b>Total net income</b>			<b>-1 176</b>	<b>-121 164</b>	<b>-122 340</b>
<b>Transactions with shareholders</b>					
New share issue	3 234	-3 234			0
Issue expenses		-128			-128
Deferred tax asset				-18	-18
<b>Total transactions with shareholders</b>	<b>3 234</b>	<b>-3 362</b>		<b>-18</b>	<b>-146</b>
<b>Equity brought forward 2010-01-01</b>	<b>17 312</b>	<b>146 516</b>	<b>-2 759</b>	<b>-147 778</b>	<b>13 292</b>
<b>Net income</b>					
Net profit of the year				-5 827	-5 827
<b>Other result</b>					
Translation difference			-491		-491
<b>Total net income</b>			<b>-491</b>	<b>-5 827</b>	<b>-6 318</b>
<b>Transactions with shareholders</b>					
Share capital write down	-13 850			13 850	0
Exploitation of premium fund		-146 171		146 171	0
New share issue	960	960			1 920
<b>Total transactions with shareholders</b>	<b>-12 890</b>	<b>-145 211</b>	<b>0</b>	<b>160 021</b>	<b>1 920</b>
<b>Equity brought forward 2010-09-30</b>	<b>4 422</b>	<b>1 305</b>	<b>-3 250</b>	<b>6 416</b>	<b>8 893</b>



**CASH FLOW STATEMENT - THE GROUP**

	July 1-Sept 30 2010 3 months	July 1-Sept 30 2009 3 months	Jan 1-Sept 30 2010 9 months	Jan 1-Sept 30 2009 9 months	Jan 1-Dec 31 2009 12 months
<i>All amounts in KSEK</i>					
Operating activities					
Profit/loss before financial items	-1 411	-1 864	-5 555	-5 229	-119 876
Adjustment for non-cash items	182	229	680	-662	112 084
Interest received	0	0	0	5	77
Interest paid	-2	-34	-4	-57	-62
<b>Cash flow from operating activities before working capital changes</b>	<b>-1 231</b>	<b>-1 669</b>	<b>-4 879</b>	<b>-5 943</b>	<b>-7 777</b>
Cash flow from working capital changes					
Decrease(+)/increase(-) in receivables	5	-752	-278	523	472
Decrease(-)/increase(+) in accounts payable	-342	-52	-36	-82	-136
Decrease(-)/increase(+) in short-term debts	92	-146	223	-1 625	-1 085
<b>Cash flow from operating activities</b>	<b>-1 476</b>	<b>-2 619</b>	<b>-4 970</b>	<b>-7 127</b>	<b>-8 526</b>
Investing activities					
Purchase of plant and equipment	0	-9	0	-26	-44
Acquisition of exploration licenses	0	-549	0	-4 042	-5 089
Sale of equipment	0	350	0	350	1 100
<b>Cash flow from investing activities</b>	<b>0</b>	<b>-208</b>	<b>0</b>	<b>-3 718</b>	<b>-4 033</b>
Financing activities					
New share issue	1920	0	1920	0	0
Expenses from share issue	0	0	0	-128	-128
<b>Cash flow from financing activities</b>	<b>1920</b>	<b>0</b>	<b>1920</b>	<b>-128</b>	<b>-128</b>
Cash flow of the year	444	-2 828	-3 050	-10 974	-12 687
Cash at the beginning of the year	345	8 382	3 838	16 528	16 528
Exchange rate difference in cash	-1	-7	0	-7	-3
<b>Cash at end of the period</b>	<b>788</b>	<b>5 547</b>	<b>788</b>	<b>5 547</b>	<b>3 838</b>

**INCOME STATEMENT - PARENT COMPANY**

	July 1-Sept 30 2010 3 months	July 1-Sept 30 2009 3 months	Jan 1-Sept 30 2010 9 months	Jan 1-Sept 30 2009 9 months	Jan 1-Dec 31 2009 12 months
<i>All amounts in KSEK</i>					
<b>Sales</b>					
Net sales	0	541	481	1 820	2 320
	<b>0</b>	<b>541</b>	<b>481</b>	<b>1 820</b>	<b>2 320</b>
<b>Operating expenses</b>					
Other expenses	-564	-932	-2 414	-2 841	-3 950
Personnel expenses	-662	-872	-2 191	-3 216	-4 105
Depreciation of tangible assets	-20	-28	-60	-103	-124
Write-down of intangible assets	0	0	-843	0	-94 048
Write-down of financial assets	-132	0	-403	0	-25 194
Write-down of tangible assets	0	0	0	0	-5 000
Capital loss from sale of tangible and intangible assets	0	-416	0	-416	-1 860
	-1 378	-2 248	-5 911	-6 576	-134 281
<b>Operating income</b>	<b>-1 378</b>	<b>-1 707</b>	<b>-5 430</b>	<b>-4 756</b>	<b>-131 961</b>
<b>Financial items</b>					
Interest income	133	138	405	479	622
Currency exchange gains/losses	-1	-1 217	2	-1 349	-1 181
Interest expense	-2	-2	-9	-14	-17
	130	-1 080	398	-883	-576
<b>Profit/loss after financial items</b>	<b>-1 248</b>	<b>-2 787</b>	<b>-5 032</b>	<b>-5 639</b>	<b>-132 537</b>
<b>Net profit/loss for the period</b>	<b>-1 248</b>	<b>-2 787</b>	<b>-5 032</b>	<b>-5 639</b>	<b>-132 537</b>

## BALANCE SHEET - PARENT COMPANY

<i>Amount in KSEK</i>	30 Sept 2010	30 Sept 2009	31 Dec 2009
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Plant and machinery	96	178	156
Fixed assets under construction	2 034	9 226	2 034
	<u>2 129</u>	<u>9 404</u>	<u>2 190</u>
<b>Financial assets</b>			
Participation in group companies	5 100	18 589	5 100
Participation in associated companies	0	80 886	0
Other long-term receivables	0	4 057	0
Loans to group companies	0	6 338	0
	<u>5 100</u>	<u>109 870</u>	<u>5 100</u>
<b>Total tangible and intangible assets</b>	<b><u>7 229</u></b>	<b><u>119 274</u></b>	<b><u>7 290</u></b>
<b>Current assets</b>			
<b>Short term receivables</b>			
Accounts receivable	0	11 513	0
Other receivables	369	251	143
Prepaid expenses and accrued income	251	1 450	301
	<u>620</u>	<u>13 214</u>	<u>444</u>
<b>Cash and bank balances</b>	<b>776</b>	<b>5 308</b>	<b>3 806</b>
<b>Total current assets</b>	<b><u>1 397</u></b>	<b><u>18 522</u></b>	<b><u>4 250</u></b>
<b>TOTAL ASSETS</b>	<b><u>8 626</u></b>	<b><u>137 796</u></b>	<b><u>11 540</u></b>



**BALANCE SHEET - PARENT COMPANY**

<i>All amounts in KSEK</i>	30 Sept 2010	30 Sept 2009	31 Dec 2009
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	4 422	17 312	17 312
Statutory reserves	345	345	345
	<b>4 768</b>	<b>17 657</b>	<b>17 657</b>
<b>Non-restricted equity</b>			
Profit/Loss brought forward	6 214	-21 270	-21 270
Share premium reserve	960	146 171	146 171
Profit/loss for the year	-5 032	-5 639	-132 537
	<b>2 141</b>	<b>119 262</b>	<b>-7 636</b>
<b>Total equity</b>	<b>6 909</b>	<b>136 919</b>	<b>10 021</b>
<b>Long-term debts</b>			
Loan from group companies	199	0	195
<b>Total long-term debts</b>	<b>199</b>	<b>0</b>	<b>195</b>
<b>Short-term debts</b>			
Accounts payable	241	340	250
Other short-term liabilities	177	75	475
Accrued expenses and deferred income	1 100	462	599
<b>Total short-term debt</b>	<b>1 518</b>	<b>877</b>	<b>1 324</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8 626</b>	<b>137 796</b>	<b>11 540</b>

## PARENT COMPANY EQUITY CHANGE

	Share capital	Statutory reserves	Share issue reserves in progress	Share Premium reserve	Profit/loss	Total equity
<b>Equity brought forward 2003-01-01</b>	<b>100</b>				<b>-110</b>	<b>-10</b>
Net profit of the year					-5	-4
<b>Equity carried forward 2003-12-31</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-115</b>	<b>-15</b>
<b>Equity brought forward 2004-01-01</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-115</b>	<b>-15</b>
Shareholders contribution					18	18
New share issue in progress		0	2 800			2 800
Net profit of the year					-45	-45
<b>Equity carried forward 2004-12-31</b>	<b>100</b>	<b>0</b>	<b>2 800</b>	<b>0</b>	<b>-142</b>	<b>2 758</b>
<b>Equity brought forward 2005-01-01</b>	<b>100</b>	<b>0</b>	<b>2 800</b>	<b>0</b>	<b>-142</b>	<b>2 758</b>
New share issue	2 455	345	-2 800			0
New share issue in progress			1 000			1 000
Net profit of the year					-2 139	-2 139
<b>Equity carried forward 2005-12-31</b>	<b>2 555</b>	<b>345</b>	<b>1 000</b>	<b>0</b>	<b>-2 281</b>	<b>1 619</b>
<b>Equity brought forward 2006-01-01</b>	<b>2 555</b>	<b>345</b>	<b>1 000</b>	<b>0</b>	<b>-2 281</b>	<b>1 619</b>
Offset issue	2 756			2 244		5 000
New share issue	1 597		-1 000	5 220		5 817
Issue expenses				-536		-536
New share issue in progress			5 692			5 692
Net profit of the year					-15 016	-15 016
<b>Equity carried forward 2006-12-31</b>	<b>6 908</b>	<b>345</b>	<b>5 692</b>	<b>6 928</b>	<b>-17 297</b>	<b>2 576</b>
<b>Equity brought forward 2007-01-01</b>	<b>6 908</b>	<b>345</b>	<b>5 692</b>	<b>6 928</b>	<b>-17 297</b>	<b>2 576</b>
New share issue	7 170		-5 692	137 379		138 857
New share issue in progress						0
Issue expenses				-12 200		-12 200
Net profit of the year					-1 677	-1 677
<b>Equity carried forward 2007-12-31</b>	<b>14 078</b>	<b>345</b>	<b>0</b>	<b>132 107</b>	<b>-18 974</b>	<b>127 556</b>
<b>Equity brought forward 2008-01-01</b>	<b>14 078</b>	<b>345</b>	<b>0</b>	<b>132 107</b>	<b>-18 974</b>	<b>127 556</b>
New share issue in progress			17 427			17 427
Net profit of the year					-2 296	-2 296
<b>Equity carried forward 2008-12-31</b>	<b>14 078</b>	<b>345</b>	<b>17 427</b>	<b>132 107</b>	<b>-21 270</b>	<b>142 687</b>
<b>Equity brought forward 2009-01-01</b>	<b>14 078</b>	<b>345</b>	<b>17 427</b>	<b>132 107</b>	<b>-21 270</b>	<b>142 687</b>
New share issue	3 234		-3 234			0
New share issue in progress			-14 193	14 193		0
Issue expenses				-129		-129
Net profit of the year					-132 537	-132 537
<b>Equity carried forward 2009-12-31</b>	<b>17 312</b>	<b>345</b>	<b>0</b>	<b>146 171</b>	<b>-153 807</b>	<b>10 021</b>
<b>Equity brought forward 2010-01-01</b>	<b>17 312</b>	<b>345</b>	<b>0</b>	<b>146 171</b>	<b>-153 807</b>	<b>10 021</b>
Share capital write down	-13 850				13 850	0
Exploitation of premium fund				-146 171	146 171	0
New share issue	960			960		1 920
Net profit of the year					-5032	-5 032
<b>Equity carried forward 2010-09-30</b>	<b>4 422</b>	<b>345</b>	<b>0</b>	<b>960</b>	<b>1 182</b>	<b>6 909</b>

## CASH FLOW STATEMENT - PARENT COMPANY

	July 1-Sept 30 2010 3 months	July 1-Sept 30 2009 3 months	Jan 1-Sept 30 2010 9 months	Jan 1-Sept 30 2009 9 months	Jan 1-Dec 31 2009 12 months
<i>All amounts in KSEK</i>					
Operating activities					
Profit/loss before financial items	-1 378	-1 707	-5 430	-4 756	-131 961
Adjustment for non-cash items	152	-97	465	-1 301	123 192
Interest received	0	0	0	5	76
Interest paid	-1	-35	-4	-58	-61
<b>Cash low from operating activities before working capital changes</b>	<b>-1 227</b>	<b>-1 839</b>	<b>-4 969</b>	<b>-6 110</b>	<b>-8 754</b>
Cash flow from working capital changes					
Decrease(+)/increase(+) in receivables	3	62	-176	1 373	1 458
Decrease(-)/increase(+) in accounts payable	-366	-15	-9	-87	-177
Decrease(-)/increase(+) in short term debts	111	-144	204	-1 636	-1101
<b>Cash flow from operating activities</b>	<b>-1 479</b>	<b>-1 936</b>	<b>-4 950</b>	<b>-6 460</b>	<b>-8 574</b>
Investing activities					
Purchase of plant and equipment	0	0	0	-3	-4
New loans to Joint Activity	0	-551	0	-4 043	-5 089
Sale of equipment	0	350	0	350	1 100
Decrease(+)/increase(-) in long term receivables	0	-713	0	-713	0
<b>Cash flow from investing activities</b>	<b>0</b>	<b>-914</b>	<b>0</b>	<b>-4 409</b>	<b>-3 993</b>
Financing activities					
New share issue	1920	0	1920	0	0
Expenses from share issues	0	0	0	-128	-128
Decrease(-)/increase(+) in long term debts	0	0	0	0	195
<b>Cash flow from financing activities</b>	<b>1 920</b>	<b>0</b>	<b>1 920</b>	<b>-128</b>	<b>67</b>
Cash flow for the year	441	-2 850	-3 030	-10 998	-12 500
Cash at the beginning of the year	335	8 158	3 806	16 306	16 306
<b>Cash at end of the period</b>	<b>776</b>	<b>5 308</b>	<b>776</b>	<b>5 308</b>	<b>3 806</b>

## FINANCIAL AND OPERATIONAL KEY RATIOS

	1 Jan-30 Sept 2010	1 Jan-30 Sept 2009	1 Jan-31 Dec 2009
<b>THE GROUP</b>			
EBITDA	neg	neg	neg
Profit/loss per share before dilution SEK	-0,03	-0,04	-0,70
Profit/loss per share after dilution SEK	-0,03	-0,4	-0,69
Return on equity (ROE)	neg	neg	neg
Return on capital employed (ROCE)	neg	neg	neg
Debt/equity ration	0%	0%	0%
Equity ratio	85%	99%	89%
Share of risk bearing capital	85%	99%	89%
Weighted average number of shares for the period	178 045 300	168 146 869	169 400 931
Number of outstanding shares before dilution	221 122 223	173 122 223	173 122 223
Number of outstanding shares after dilution	221 122 223	173 922 223	173 922 223
Weighted average number of shares for the period after dilution	178 045 300	173 922 223	169 401 731

## THE PARENT COMPANY

EBITDA	neg	neg	neg
Profit/loss per share before dilution SEK	-0,02	-0,03	-0,77
Profit/loss per share after dilution SEK	-0,02	-0,03	-0,76
Return on equity (ROE)	neg	neg	neg
Return on capital employed (ROCE)	neg	neg	neg
Debt/equity ratio	0%	0%	0%
Equity ratio	80%	99%	87%
Share of risk bearing capital	80%	99%	87%
Weighted average number of shares for the period	178 045 300	168 146 869	169 400 931
Number of outstanding shares before dilution	221 122 223	173 122 223	173 122 223
Number of outstanding shares after dilution	221 122 223	173 922 223	173 922 223
Weighted average number of shares for the period after dilution	178 045 300	173 922 223	169 401 731

## Definition key ratios

1. EBITDA (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 a new share issue 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 a new share issue 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 a new share issue 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 the 15th of March 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 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 without reduction in number of shares. Sharecapital 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 SEK per share.