

# Independent Oil & Resources PLC

Income Statement  
All amounts in NOK 1,000

| Operating revenue and operating costs                   | 12 months ended<br>31.12.2015 | Audited Y/E<br>31.12.2014 |
|---|-------------------------------|---------------------------|
| <b>Revenues</b>   |                               |                           |
| <hr/>   |                               |                           |
| <b>Cost of goods sold</b>                               |                               |                           |
| Salaries and fees                                       | 420                           | 398                       |
| Other operating expenses                                | 2,108                         | 2,150                     |
| <b>Total operating expenses</b>                         | <b>2,529</b>                  | <b>2,548</b>              |
| <b>Operating profit/-loss</b>                           | <b>-2,529</b>                 | <b>-2,548</b>             |
| Gain/-loss on shares and impairment loss on investments | -74,471                       | 2,014                     |
| Other financial income/-expense                         | 11,225                        | 11,256                    |
| <b>Financial items - net</b>                            | <b>-63,246</b>                | <b>13,270</b>             |
| <b>Income before tax and extraordinary items</b>        | <b>-65,775</b>                | <b>10,722</b>             |
| Income Taxes  | 918                           | 1,225                     |
| Extraordinary Items                                     | 0                             | 0                         |
| <b>Net Income/(Loss)</b>                                | <b>-66,693</b>                | <b>9,497</b>              |
| Share of (losses) / profits from associates             | 0                             | -9,784                    |
| Currency translation difference of foreign operations   | 0                             | 3,000                     |
| <b>Other comprehensive (loss) / income for the year</b> | <b>0</b>                      | <b>-6,783</b>             |
| <b>Total comprehensive income / (loss) for the year</b> | <b>-66,693</b>                | <b>2,713</b>              |
| Average number of shares                                | 16,541,917                    | 10,443,531                |
| Number of shares at end of period                       | 14,166,726                    | 17,377,632                |
| <b>Net income/(loss) per share</b>                      | <b>-4.032</b>                 | <b>0.260</b>              |

**Balance Sheet**  
All amounts in NOK 1,000

|   | 31.12.2015     | 31.12.2014     |
|---|----------------|----------------|
| <b>Assets</b>                                   |                |                |
| Deferred Tax asset                              | 0              | 0              |
| Investment in affiliates                        | 73,809         | 87,332         |
| Project Investments                             | 0              | 0              |
| Long Term Investments                           | 0              | 5,801          |
| <b>Total long-term assets</b>                   | <b>73,809</b>  | <b>93,133</b>  |
| Short-term investments                          | 93,043         | 133,052        |
| Short-term receivables                          | 14,376         | 328            |
| Cash and bank deposits                          | 42,579         | 31,077         |
| <b>Total current assets</b>                     | <b>149,998</b> | <b>164,457</b> |
| <b>Total assets</b>                             | <b>223,806</b> | <b>257,590</b> |
| <b>Equity and liabilities</b>                   |                |                |
| <b>Paid-in capital</b>                          |                |                |
| Share capital                                   | 35,417         | 43,444         |
| Own Shares                                      | 0              | -870           |
| Share Premium                                   | 40,113         | 40,113         |
| Translation Reserve                             | 5,065          | 5,065          |
| Other paid in equity                            | 107,059        | 169,532        |
| <b>Total paid-in-equity / Retained earnings</b> | <b>187,654</b> | <b>257,285</b> |
| <b>Long term liabilities</b>                    |                |                |
| Defferred tax                                   | 0              | 0              |
| <b>Total long term liabilities</b>              | <b>0</b>       | <b>0</b>       |
| <b>Short term Debt</b>                          |                |                |
| Income Taxes                                    | 0              | 0              |
| Short term Debt                                 | 36,153         | 306            |
| <b>Total short term Debt</b>                    | <b>36,153</b>  | <b>306</b>     |
| <b>Total equity and liabilities</b>             | <b>223,806</b> | <b>257,590</b> |

# Independent Oil & Resources PLC

## Cash flow statement

All amounts in NOK 1,000

|  | <b>12 months ended<br/>31.12.2015</b> | <b>Audited Y/E<br/>31.12.2014</b> |
|--|---------------------------------------|-----------------------------------|
| Cash flow from operating activities                | 3,683                                 | 7,169                             |
| Cash flow from investing activities                | 10,757                                | -24,696                           |
| Cash flow from financing activities                | -2,938                                | 37,171                            |
| <b>Cash flow in the period</b>                     | <b>11,502</b>                         | <b>19,643</b>                     |
| <b>Cash / cash equivalents at period beginning</b> | <b>31,077</b>                         | <b>11,434</b>                     |
| <b>Cash / cash equivalents at period end</b>       | <b>42,579</b>                         | <b>31,077</b>                     |

# Independent Oil & Resources PLC

## Notes to interim financial statements

The financial statements for the period ended 31.12.2015 have been prepared in accordance with IFRS.

Long term investments in shares are accounted for using the cost method. Short term investments in shares that are traded on the Oslo Stock Exchange are accounted for using market value at the balance sheet date. Other short term investments in shares are accounted for using the cost method.

### Note 1 Investments in shares

| Investment in affiliated companies              | No of shares | Market value  | Book value    |
|---|--------------|---------------|---------------|
| Petrolia SE                                     | 13,381,639   | 64,232        | 64,232        |
| Heavy Minerals Ltd                              | 1,021,414    | -             | -             |
| Petrolia Norway AS                              | 79,000       | 4,885         | 4,885         |
| Petroresources Ltd                              | 21,820       | 1,258         | 1,258         |
| Epsis AS  | 105,420      | 3,434         | 3,434         |
| Helsetelefonen                                  | 5,000        | -             | -             |
| <b>Total investment in affiliated companies</b> |              |               | <b>73,809</b> |
| <b>Total long-term investment in shares</b>     |              |               | <b>73,809</b> |
| <b>Short-term investments at market value</b>   |              |               |               |
| DNO International ASA                           | 1,450,000    | 8,744         | 8,744         |
| Marine Harvest                                  | 50,000       | 5,980         | 5,980         |
| Sparebanken Vest Egenkapitalbev.                | 77,353       | 2,707         | 2,707         |
| Opera Software                                  | 130,000      | 6,572         | 6,572         |
| Norwegian Air Shuttle                           | 15,000       | 4,856         | 4,856         |
| Vardia Insurance Group                          | 2,017,237    | 3,288         | 3,288         |
| Avance Gas Holding                              | 85,000       | 9,690         | 9,690         |
| Frontline Ltd                                   | 100,000      | 2,562         | 2,562         |
| Grieg Seafood                                   | 170,000      | 5,270         | 5,270         |
| Odfjell Drilling Ltd                            | 50,000       | 248           | 248           |
| <b>Total short-term investment in shares</b>    |              | <b>49,917</b> | <b>49,917</b> |
| <b>Short-term investments at cost</b>           |              |               |               |
| Bond Loan 12% Petrolia SE 13/15                 | 66,500,000   | 36,575        | 36,575        |
| 7.5% USD Genel Energy Finan 14/19               | 400,000      | 2,482         | 2,482         |
| 10.25% USD Det Norske Oljes 15/22               | 200,000      | 1,616         | 1,616         |
| 8.75% USD DNO Asa 15/20                         | 400,000      | 2,454         | 2,454         |
| Warrant Europa Vekst - CZ44C52                  | 100          | -             | -             |
| Warrant UK Vekst II - CZ44DYO                   | 50           | -             | -             |
| <b>Total short-term investment in shares</b>    |              | <b>93,044</b> | <b>93,044</b> |