

# Independent Oil & Resources PLC

## Unaudited Financial Statements as of June 30th 2014

Income Statement  
All amounts in NOK 1,000

| Operating revenue and operating costs                   | 6 months ended<br>30.06.2014 | 6 months ended<br>30.06.2013 | Audited Y/E<br>31.12.2013 |
|---|------------------------------|------------------------------|---------------------------|
| <b>Revenues</b>   |                              |                              |                           |
| <b>Cost of goods sold</b>                               |                              |                              |                           |
| Salaries and fees                                       | 303                          | 510                          | 571                       |
| Other operating expenses                                | 1,030                        | 2,235                        | 3,337                     |
| <b>Total operating expenses</b>                         | <b>1,333</b>                 | <b>2,745</b>                 | <b>3,908</b>              |
| <b>Operating profit/-loss</b>                           | <b>-1,333</b>                | <b>-2,745</b>                | <b>-3,908</b>             |
| Gain/-loss on shares and impairment loss on investments | 3,434                        | 13,559                       | -15,873                   |
| Other financial income/-expense                         | 6,520                        | 4,498                        | 8,947                     |
| <b>Financial items - net</b>                            | <b>9,954</b>                 | <b>18,057</b>                | <b>-6,926</b>             |
| <b>Income before tax and extraordinary items</b>        | <b>8,621</b>                 | <b>15,312</b>                | <b>-10,834</b>            |
| Income Taxes  | 0                            | 0                            | 0                         |
| Extraordinary Items                                     | 0                            | 0                            | 0                         |
| <b>Net Income</b>                                       | <b>8,621</b>                 | <b>15,312</b>                | <b>-10,834</b>            |
| Average number of shares                                | 958,508,828                  | 958,508,828                  | 958,508,828               |
| Number of shares at end of period                       | 958,508,828                  | 958,508,828                  | 958,508,828               |
| <b>Net income per share</b>                             | <b>0.009</b>                 | <b>0.016</b>                 | <b>-0.0113</b>            |

Limassol, August 12th 2014

# Independent Oil & Resources PLC

## Unaudited Financial Statements as of June 30th 2014

Balance Sheet  
All amounts in NOK 1,000

|   | 30.06.2014     | 30.06.2013     | 31.12.2013     |
|---|----------------|----------------|----------------|
| <b>Assets</b>                                   |                |                |                |
| Investment in affiliates                        | 92,521         | 114,398        | 98,406         |
| Long Term Investments                           | 7,219          | 12,647         | 7,219          |
| <b>Total long-term assets</b>                   | <b>99,740</b>  | <b>127,045</b> | <b>105,625</b> |
| Short-term investments                          | 114,603        | 97,220         | 100,440        |
| Short-term receivables                          | 450            | 1,777          | 432            |
| Cash and bank deposits                          | 12,175         | 18,834         | 11,434         |
| <b>Total current assets</b>                     | <b>127,226</b> | <b>117,831</b> | <b>112,305</b> |
| <b>Total assets</b>                             | <b>226,966</b> | <b>244,876</b> | <b>217,930</b> |
| <b>Equity and liabilities</b>                   |                |                |                |
| <b>Paid-in capital</b>                          |                |                |                |
| Share capital                                   | 23,963         | 23,963         | 23,963         |
| Own Shares                                      | -870           | -683           | -870           |
| Share Premium                                   | 22,424         | 22,424         | 22,424         |
| Other paid in equity                            | 180,503        | 197,843        | 171,884        |
| <b>Total paid-in-equity / Retained earnings</b> | <b>226,020</b> | <b>243,547</b> | <b>217,401</b> |
| <b>Short term Debt</b>                          |                |                |                |
| Income Taxes                                    | 0              | 0              | 0              |
| Short term Debt                                 | 948            | 1,329          | 531            |
| <b>Total short term Debt</b>                    | <b>948</b>     | <b>1,329</b>   | <b>531</b>     |
| <b>Total equity and liabilities</b>             | <b>226,966</b> | <b>244,876</b> | <b>217,930</b> |

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# Independent Oil & Resources PLC

## Unaudited Financial Statements as of June 30th 2014

### Cash flow statement

All amounts in NOK 1,000

|  | <b>6 months ended<br/>30.06.2014</b> | <b>6 months ended<br/>30.06.2013</b> | <b>Audited Y/E<br/>31.12.2013</b> |
|--|--------------------------------------|--------------------------------------|-----------------------------------|
| Cash flow from operating activities                | 5,586                                | -31                                  | -15,104                           |
| Cash flow from investing activities                | -4,844                               | -4,446                               | 3,228                             |
| Cash flow from financing activities                | 0                                    | -248                                 | -249                              |
| <b>Cash flow in the period</b>                     | <b>742</b>                           | <b>-4,725</b>                        | <b>-12,125</b>                    |
| <b>Cash / cash equivalents at period beginning</b> | <b>11,434</b>                        | <b>23,559</b>                        | <b>23,559</b>                     |
| <b>Cash / cash equivalents at period end</b>       | <b>12,176</b>                        | <b>18,834</b>                        | <b>11,434</b>                     |

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# Independent Oil & Resources PLC

## Unaudited Financial Statements as of June 30th 2014

### Notes to interim financial statements

The financial statements for the period ended 30.06.2014 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   | 143,184        | 81,193         |
| Heavy Minerals Ltd                              | 1,021,414    | -              | -              |
| Petroresources Ltd                              | 21,232       | 8,031          | 8,031          |
| Epsis AS  | 105,420      | 3,297          | 3,297          |
| Helsetelefonen                                  | 5,000        | -              | -              |
| <b>Total investment in affiliated companies</b> |              | <b>154,512</b> | <b>92,521</b>  |
| <b>Long-term investment</b>                     |              |                |                |
| OPRA Technologies                               | 12,754       | 7,219          | 7,219          |
| <b>Total long-term investment in shares</b>     |              | <b>161,731</b> | <b>99,740</b>  |
| <b>Short-term investments at market value</b>   |              |                |                |
| DNO International ASA                           | 500,000      | 11,795         | 11,795         |
| Marine Harvest                                  | 300,000      | 25,125         | 25,125         |
| Norsk Hydro ASA                                 | 250,000      | 8,208          | 8,208          |
| Q-Free ASA                                      | 100,000      | 1,420          | 1,420          |
| Vardia Insurance Group                          | 50,000       | 1,200          | 1,200          |
| Odfjell Drilling Ltd                            | 50,000       | 1,680          | 1,680          |
| <b>Total short-term investment in shares</b>    |              | <b>49,428</b>  | <b>49,428</b>  |
| <b>Short-term investments at cost</b>           |              |                |                |
| Bond Loan 12% Petrolia SE 13/15                 | 66,500,000   | 66,500         | 63,675         |
| Bond Loan 12% OPRA Technologies 1310            | 1,500,000    | 1,500          | 1,500          |
| OPRA Technologies Warrants                      | 6,200,000    |                |                |
| <b>Total short-term investment in shares</b>    |              | <b>117,428</b> | <b>114,603</b> |