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CAPITAL OIL ESTIMATES TO MAKE PROFIT FOR 2011.

- Capital Oil Group profit approximately 40 MSEK for the period January-September 2011.
- Production of gas and oil approximately 29 million SCF (Standard cubic feet) per day corresponding to around 4 800 BOE per day (Barrel of oil equivalent).
- Cooperation agreement signed with ABG Sundal Collier Norge ASA.

A preliminary and unaudited interim statement for the Svenska Capital Oil Group after 9 months of 2011 is indicating an operating income of a little more than 50 MSEK and a net income of slightly more than 40 MSEK.

The daily production of natural gas and crude oil is approximately 29 million SCF (Standard cubic feet) corresponding to approximately 4 800 BOE per day (Barrel of oil equivalent). This production emanates from the Joint Activity Agreement (JAA) signed between the largest gas producer in Ukraine, Ukgazvydobuvannya, giving the Capital Oil Group the right of 50,01 % as part of the production assets defined and regulated in the JAA.

Capital Oil accomplished as per 1 July 2011 an issue in kind whereby Misen Enterprises AB including its Ukrainian subsidiary Karpatygas was acquired and thereby the Capital Oil Group also acquired the Joint Activity rights together with Ukgazvydobuvannya, the largest gas producer in Ukraine. The ownership of this Joint Activity by the Capital Oil Group is 50,01 %. The value of these assets has been assessed by PwC in Ukraine and are estimated to significantly exceed the acquisition price for Misen Enterprises AB amounting to 999 999 000 SEK. This acquisition will be accounted for as a reversed take over according to IFRS rules in the group accounts of the Capital Oil Group for 2011, as the former owners of Misen have become majority owners in Svenska Capital Oil after the acquisition of Misen.

The renovation work in order to increase production in existing and already producing wells is in continuing process and we are expecting an ongoing increasing production and growth also in 2012 and onwards.



Cooperation agreement with ABG Sundal Collier Norge ASA .

A cooperation agreement has been signed between ABG Sundal Collier Norge ASA and Svenska Capital Oil AB making ABG Sundal Collier financial advisor of the company in connection with strategic development of Capital Oil.

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Capital Oil is a Swedish oil and gas exploration and extraction company with operations in Ukraine. Capital Oil was founded in 2004 and the Capital Oil share is since 12 June 2007 traded on NasdaqOMX First North.

In 2011 Svenska Capital Oil AB acquired Misen Enterprises AB and its Ukrainian subsidiary, Karpatygas, including the rights of 50,01 % of the revenue and profit from a gas production project in Ukraine, which will provide Capital Oil with essential gas and oil assets. As consideration of this acquisition a new share issue was performed.

The gas extraction assets are acquired by production cooperation via a joint activity project governed by a Joint Activity Agreement (the "JAA") between the wholly owned subsidiaries of Capital Oil, i.e. Misen Enterprises AB and Karpatygas and Ukgazvydobuvannya, the largest producer of natural gas in Ukraine and subsidiary of the publicly owned company Naftogaz Ukraine. The value of the assets has been assessed by PwC in Ukraine and is estimated to be essentially more than the purchase price for Misen.

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

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