

Crudecorp ASA

Condensed Consolidated Income Statement

Unaudited figures in USD	Note	Q1 12	Q1 11	2011
Revenues		319 937	196 729	732 868
Other operating income		17 276	2 838	12 261
Production costs		-339 072	-159 923	-311 860
Salaries		-352 185	-273 208	-1 537 095
Depreciation	2	-493 075	-268 985	-886 885
Other operating expenses		-273 936	-366 768	-1 690 561
Operating profit		-1 121 055	-869 317	-3 681 273
Net financial items	7	-1 732 953	-630 444	1 900 071
Profit before tax		-2 854 008	-1 499 761	-1 781 202
Taxes		-	-	-
Net profit/(loss)		-2 854 008	-1 499 761	-1 781 202

Consolidated Statement of Comprehensive Income

Unaudited figures in USD	Note	Q1 12	Q1 11	2011
Net profit		-2 854 008	-1 499 761	-1 781 202
Comprehensive income items				
Translation differences		263 623	-1 059 229	-1 651 583
Other comprehensive income, net after tax		263 623	-1 059 229	-1 651 583
Total comprehensive income		-2 590 385	-2 558 990	-3 432 785
Net profit allocated				
The shareholders of the parent		-2 854 008	-1 499 761	-1 781 202
Total comprehensive income allocated				
The shareholders of the parent		-2 590 385	-2 558 990	-3 432 785

Earnings per. share is calculated by dividing net profit attributable to equity shareholders of the weighted average number of ordinary shares outstanding during the period

	Q1 12	Q1 11	2011
Profit attributable to equity shareholders	-2 854 008	-1 499 761	-1 781 202
Weighted average number of ordinary shares outstanding (in thousands)	91 152	73 920	84 511
Earnings per share	-0,03	-0,02	-0,02
Diluted earnings per share	-0,03	-0,02	-0,02

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Consolidated Balance Sheet

Unaudited figures in USD

	Note	Q1 12	Q1 11	2011
ASSETS				
Fixed Assets				
Fixed Assets	2	20 483 711	4 127 705	15 559 364
Production Rights in oil field	3	7 924 936	7 998 331	7 464 281
Other non-current assets	6	1 074 849	253 586	253 586
		29 483 496	12 379 622	23 277 231
Current Assets				
Client Receivables and other receivables		671 136	385 422	686 424
Cash and cash equivalents		8 574 763	17 053 369	14 757 306
		9 245 899	17 438 791	15 443 730
Total assets		38 729 395	29 818 413	38 720 960
Unaudited figures in USD				
	Note	Q1 12	Q1 11	2011
EQUITY				
Share capital	4	320 207	283 257	304 209
Share premium	4	42 486 492	31 448 655	40 431 789
Retained Earnings		-7 082 395	-3 826 713	-4 492 012
Total shareholders' equity		35 724 304	27 905 199	36 243 986
DEBT				
Long Term Debt				
Loan	5	1 726 942	1 533 792	1 674 642
Provisions for liabilities		0	0	
		1 726 942	1 533 792	1 674 642
Short Term Debt				
Trade and other payables		1 278 149	379 421	802 331
Taxes payable		0	0	0
		1 278 149	379 421	802 331
Total liabilities		3 005 091	1 913 213	2 476 973
Total equity and liabilities		38 729 395	29 818 413	38 720 960

Note 1 to 8 forms an integral part of the group accounts.

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Consolidated cash flow

Unaudited figures in USD

	Note	Q1 12	Q1 11	2011
Cash flow from operating activities				
Cash flow from operations		-798 479	-649 000	-960 860
Interest paid		-	-	
Taxes paid		-	-	
Net cash from operating activities		-798 479	-649 000	-960 860
Cash flow from investing activities				
Purchase of tangible fixed assets		-4 731 883	-2 544 559	-14 833 536
Purchase of intangible assets *		-	-	
Net cash flow from investing activities		-4 731 883	-2 544 559	-14 833 536
Cash flow from financing activities				
Issue of ordinary shares			16 600 973	28 456 030
Loans to third parties		-816 451		
Net cash from financing activities		-816 451	16 600 973	28 456 030
Net change in cash, cash equivalents and bank overdrafts				
Cash, cash equivalents and bank overdrafts as of 1 January		14 757 305	3 510 943	3 510 943
Exchange rate gain-/loss on cash, cash equivalents and bank overdrafts		164 271	135 012	-1 415 272
Cash, cash equivalents and bank overdrafts at end of period		8 574 763	17 053 369	14 757 305

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Changes in Group Equity

Unaudited figures in USD

Note	Share Capital	Share Premium	Retained Earnings	Sum Equity
Equity 31 December 2010	111 992	12 569 318	-1 267 723	11 413 587
Bonus Issue	114 462	-114 462		-
Share Issue	43 630	17 408 377		17 452 007
Share Issue Cost		-1 158 115		-1 158 115
Result of Q1 2012	-	-	-1 499 761	-1 499 761
Comprehensive income Q1 2011			-1 059 229	-1 059 229
Translation differences equity	13 173	2 743 537		2 756 710
Equity of 31.03.2011	283 257	31 448 655	-3 826 713	27 905 199
IFRS 2 option cost		6 899		6 899
Share Issue	46 194	12 424 204		12 470 400
Share Issue Cost		-308 260		-308 260
Transfer from share premium		-1 267 723	1 267 723	-
The result of 2011 except Q1 2011			-281 441	-281 441
Comprehensive income 2011			-1 651 583	-1 651 583
Translation differences equity	-25 242	-1 871 986		-1 897 228
Equity 31.12.2011	304 209	40 431 789	-4 492 014	36 243 986
Result of Q1 2012			-2 854 008	-2 854 008
Comprehensive income Q1 2012			263 623	263 623
Translation differences equity	15 998	2 054 703		2 070 701
Equity of 31.03.2012	320 207	42 486 492	-7 082 399	35 724 302

Note 1 – General accounting principles

Crudecorp ASA (the “Company”) and its subsidiaries (together with the Company the “Group”) is an international oil company. The Group owns 90 % of the working interest in the oilfield Chico Martinez in California.

Crudecorp ASA is a public limited liability company, incorporated and domiciled in Norway.

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2011.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31 December 2011.

2 Fixed Assets

	Q1 2012	Q1 2011	2011
Carrying value as of beginning of period	15 559 364	1 618 527	1 618 527
Conversion differences (Translation)	-	-	-
Additions	5 417 422	2 778 163	14 827 722
Retirement	-	-	-
Period's depreciation	-493 075	-268 985	-886 885
Carrying value as of end of period	20 483 711	4 127 705	15 559 364
As of end of period			
Acquisition Cost	21 922 952	4 459 387	16 510 105
Accumulated depreciation	-1 439 242	-331 683	-950 741
Carrying value as of end of period	20 483 711	4 127 705	15 559 364

Reserves and production (not audited)

Estimated total 1P reserves as of 12.31.11 is 3.35 million boe. Total production in 2011 was 10,112 boe.

3 Oil field production rights

	Q1 2012	Q1 2011	2011
Carrying Value as of beginning of period	7 464 281	7 457 204	7 457 204
Conversion differences (Translation)	408 355	494 177	-180 723
Additions interest	52 300	46 950	187 800
Carrying value as of end of period	7 924 936	7 998 331	7 464 281
As of end of period			
Acquisition Cost	7 924 936	7 998 331	7 464 281
Cumulative depreciation and amortization	-	-	-
Carrying value as of end of period	7 924 936	7 998 331	7 464 281

4 Share capital and share premium

	Number of shares (1,000s)	Share capital (NOK)	Share capital (USD)	Share premium (USD)	Total (USD)
As of 31 December 2010	65 587	655 870	111 992	12 569 318	12 681 310
Bonus issue		655 870	114 462	-114 462	-
Share issue February 2011	12 500	250 000	43 630	17 408 377	17 452 007
Translation differences			13 173	1 585 423	1 598 596
Total as of 31 March 2011	78 087	1 561 740	283 257	31 448 655	31 731 913
Share issue October 2011	12 859	257 175	45 477	12 332 948	12 378 426
Share issue November 2011	26	518	90	29 219	29 309
Share issue cost				-1 466 375	-1 466 375
Capital increase in connection with the exercise of op	180	3 600	627	62 037	62 663
IFRS 2 option cost				6 899	6 899
Transferred to uncovered losses				-1 267 723	-1 267 723
Translation differences			-25 243	-713 871	-739 114
Total as of 31 December 2011	91 152	1 823 034	304 209	40 431 789	40 735 998
Conversion differences (Translation)			15 998	2 054 703	2 070 701
Total as of 31 March 2012	91 152	1 823 034	320 207	42 486 492	42 806 699

5 Loans

	Q1 12	Q1 11	2011
Long-term debt			
Promissory notes and other loans	1 726 942	1 533 792	1 674 642
	1 726 942	1 533 792	1 674 642
Short-term debt			
Promissory notes and other loans	-	-	
	-	-	
Total loans	1 726 942	1 533 792	1 674 642

Promissory note has a nominal interest rate 0% and a repayment schedule that is in step with production with installments of \$2 per barrel produced in the Chico Martinez field

	Nominal value		
	Q1 12	Q1 11	2011
Promissory note and other loans	1 966 933	1 995 100	1 975 518
	1 966 933	1 995 100	1 975 518

The carrying value of the Group's loan is in USD.

The Company has in March 2012 established a overdraft facility with Sandnes Sparebank of NOK 10,000,000. Due date is 31 December 2012. The draft facility has so far been unused.

6 Other non-current assets

	Q1 12	Q1 11	2011
Warranty Bond related to production rights	258 398	253 586	253 586
Third parties' share of investment	816 451		
Other non-current assets	1 074 849	253 586	253 586

According to the Purchase Agreement related to 90 % of Working interest in the Chico Martinez oil field Sea Industries, Inc. and Petrov Enterprises, Inc, which owns 5 % each of the working interest in Chico Martinez, shall not be required to bear any of the first 20 Million USD in costs and expenses incurred in the development of the leases. Third parties' share of investment is reflecting the amount due in the period.

7 Financial income and expenses

	Q1 12	Q1 11	2011
Interest expense			210
Entry cost overdraft facility and miscellaneous financial expenses	33 113	2 134	
Foreign exchange losses	1 745 528	654 545	28 405
Financial expenses	1 778 641	656 679	28 615
Foreign exchange gain			1 655 024
Interest income on short-term bank deposits	45 688	26 235	273 662
Financial Income	45 688	26 235	1 928 686
Net financial expenses	-1 732 953	-630 444	1 900 071

Due to the fact that the parent company has NOK as functional currency, any intercompany receivables with USD entities generate foreign exchange gains and losses. These are in general offset by translation differences presented within Other Comprehensive Income.

8 Events after balance date

There have been no subsequent events that affect the accounts.

The Company did sign a Term Sheet in April 2011 Credit Suisse for a possible external financing of approximately 25 million USD. The Company are working with Credit Suisse towards an agreement of this external financing.

The Company are in the process of listing on Oslo Axess.



To the Board of Directors of Crudecorp ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Crudecorp ASA as of 31 March 2012 and the related consolidated condensed statements of income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting".. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with standards on auditing adopted by Den Norske Revisorforening, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Stavanger, 2 May 2012
PricewaterhouseCoopers AS


Torbjørn Larsen
State Authorised Public Accountant