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Gripén Oil & Gas AB (publ)
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GRIPEN OIL & GAS AB (publ)
Q4 AND YEAR END 2015 FINANCIAL & OPERATIONAL REPORT

Gripén Oil & Gas AB (publ) (GOG), focussed on exploring for and producing oil and gas in Sweden, announces an operational and unaudited financial update for the fourth quarter and 12 months period ending 31st of December 2015.

Financial summary:

- The Group has no revenue to report during the fourth quarter of 2015, result after tax for the Gripén Group's fourth quarter amounted to SEK -16,6 million (SEK -1.1 million during Q4 2014) with a result per share of -0.16 (-0.01, Q4 2014).
- Result after tax for Gripén Group's 2015 amounted to SEK -18.9 million (SEK -4.1 million, 2014) with a result per share for the period of -0.18 (-0,04).
- Approximately SEK 0.9 million (SEK 4.5 million 2014) in cash at the end of December 2015.
- Impairment of oil and gas assets during the fourth quarter affected the Group result negatively with SEK -16.3 million.

Operational summary:

The fourth quarter saw further weakening in oil and gas prices.

On 14 December 2015 the Board took the decision to write down the oil and gas assets in Östergötland and Gotland to reflect the low oil and gas prices. An EGM was called for 28 January 2016 to reduce the share capital. The results of the EGM are shown below. The proposed write down led to Aktietorget moving GOG onto the observation list on the exchange until the company presents its plans going forward regarding future funding and operations.

Despite the weakness in price we continued to look for opportunities in the resource sector and related industries that would compliment GOG.

No operational work was carried out on the Östergötland and Gotland exploration permits.

Important events after the expiration of the reporting period:

An extra General Meeting in Gripén Oil & Gas was held on January 28th 2016 in Stockholm. The following decisions were passed by the meeting:

- **Decision to reduce the share capital without redemption of shares**
The meeting decided to reduce the company's share capital with SEK 10,175,522.20 by allocation to a non-restricted reserve to be used in accordance with the shareholders'

decision. The reduction of the share capital will be made without redemption of shares by changing the share quota value from SEK 0.10 to SEK 0.005 per share. After registration of the share capital reduction, the share capital will amount to SEK 535,553.80 distributed on 107,110,760 shares with a quota value of SEK 0.005 per share.

- **Decision on delisting**

The meeting decided to reject the proposal under item 7 resulting in that the Gripen shares will remain listed on AktieTorget. The reason for this is that Gripen has been approached by a company which may result in a merger if it is of benefit to the shareholders of Gripen. Therefore it was decided to remain listed on AktieTorget as the board considers this to be an advantage to Gripen.

The Board will communicate as soon as there are concrete information to announce regarding such potential merger.

- **Decision on authorization to issue shares**

The Extra General Meeting decided to authorize the Board of Directors to, at one or more occasions before the next Extra General Meeting, with or without deviation from the pre-emption rights of shareholders, resolve upon the new issue shares, warrants and/or convertibles. The issue of shares, warrants and/or convertibles may increase the number of shares by a maximum of 292,889,240 shares corresponding to an increase in share capital of maximum SEK 1,464,446.20.

Impairments

Following the sharp decline in oil prices from USD 114/bbl in July 2014 to USD 31/bbl in February 2016 and a 65% reduction in spot gas prices since December 2014 the board of Gripen Oil & Gas has decided to impair the book values of mainly its gas projects in the balance sheet of the Group with approximately SEK 16.3 million, which affects the result negatively as per year end 2015. The impairment is done in order to better align the balance sheet values with the current pricing of hydrocarbon assets.

Value is held for the oil exploration assets on Gotland. The board is of the opinion that Gripen Oil & Gas has potential oil resources on Gotland that could be accessed if the oil price recovers within the coming years.

Lack of share capital

As a result of the impairment of the book values above, the share capital of the parent company needs to be reduced by way of an allocation to a non-restricted reserve in order to cover the loss. At the end of 2015 more than 50% of the share capital was consumed, mainly as a result of the impairment of the oil and gas assets. The share capital was restored after the expiration of the reporting period by the decision to reduce the restricted equity on the EGM held on the 28th of January 2016.

Share issues during the year

No shares have been issued during 2015. The total number of issued shares at the end of 2015 amounts to 107,110,760.

No latent dilution exists at the end of 2015.

Auditor's review

This interim report has not been subject to a special review by the Company's auditors.

Share dividends

The Board of Gripen Oil & Gas proposes that no dividend shall be distributed for the financial year 2015.

Annual General Meeting

The annual general meeting will be held on the 27th of May 2016 in Stockholm. Premises and exact time for the General Meeting will be announced in the formal notice to the meeting.

Upcoming reports

Q1 2016:	May 20 th 2016
Q2 and 6 months interim report 2016:	August 25 th 2016
Q3 and 9 months interim report 2016:	November 17 th 2016
Q4 and Year End report 2016:	February 16 th 2017

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Consolidated income statement

(TSEK)	Oct-Dec 2015	Oct-Dec 2014	Jan - Dec 2015	Jan-Dec 2014
<i>Operating income</i>				
Net income	-	-	-	-
Total income	0	0	0	0
<i>Operating costs</i>				
Other external expenses	-350	-1,013	-2,389	-3,734
Personnel expenses	-14	-87	-252	-397
Depreciation and impairments	-16,260	-	-16,260	-17
Net operating result	-16,624	-1,100	-18,901	-4,148
Financial net	-1	2	-3	1
Result after financial net	-16,625	-1,098	-18,905	-4,147
Tax	0	0	0	0
Result for the period	-16,625	-1,098	-18,905	-4,147

Consolidated statement of financial position

(TSEK)	2015-12-31	2014-12-31
Assets		
Fixed assets		
<i>Intangible fixed assets</i>		
Concessions, patents, licenses	1,814	17,989
<i>Tangible fixed assets</i>		
Equipment, plants etc	4	21
<i>Long term financial assets</i>		
Other financial fixed assets	175	175
Total fixed assets	1,993	18,185
Current assets		
Other current assets	174	427
Cash & bank	945	4,522
Total current assets	1,119	4,949
Total assets	3,112	23,134
Shareholders' equity and liabilities		
Equity	2,799	21,704
Short term liabilities	313	1,430
Total shareholders' equity and liabilities	3,112	23,134

Consolidated statement of changes in equity

(TSEK)	Share capital	Pending registration of share issue	Other paid in capital	Retained earnings and result for the period	Total Equity
Equity 2014-01-01	9,152	1,526	13,728	1,130	25,536
New share issue	33		282		315
Effect from reversed take over	1,526	-1,526			0
Result for the period				-4,147	-4,147
Equity 2014-12-31	10,711	0	14,010	-3,017	21,704
Result for the period				-18,905	-18,905
Equity 2015-12-31	10,711	0	14,010	-21,922	2,799

Consolidated statement of cash flow

(TSEK)	Jan - Dec 2015	Jan-Dec 2014
Operating result for the period	-18,901	-4,148
Adjustments for non cash items	16,260	19
Net financial	-3	1
Total cash flow from operations before change in working capital	-2,645	-4,128
Changes in accounts receivable and other receivables	253	555
Changes in accounts payable and other payables	-1,117	-1,293
Total cash flow from operations	-3,509	-4,866
Total cash flow used for investments	-68	-5,157
Cash flow from financing activities	-	315
Cash flow for the year	-3,577	-9,708
Cash and bank beginning of the year	4,522	14,230
Cash and bank end of year	945	4,522

Key ratios and share data - Group

	2015-12-31	2014-12-31
Profitability on total assets (%)	-607.5%	-18.6%
Profitability on equity (%)	-675.4%	-19.1%
Debt/equity ratio (%)	89.9%	93.2%
Result per share (SEK)	-0.18	-0.04
Equity per share (SEK)	0.03	0.20
Total number of shares	107,110,760	107,110,760
Average number of shares	107,110,760	107,097,314

Income statement - Parent Company

(TSEK)	Oct-Dec 2015	Oct-Dec 2014	Jan - Dec 2015	Jan-Dec 2014
<i>Operating income</i>				
Other income*	-	1,135	958	4,385
Total income	0	1,135	958	4,385
<i>Operating costs</i>				
Raw materials and consumables	-	-999	-96	-3,311
Other external expenses	-90	-758	-2,140	-3,519
Personnel expenses	-15	-87	-252	-396
Depreciation and impairments	-45,206	-	-45,206	-
Net operating result	-45,311	-709	-46,737	-2,841
Financial net	-1	1	-3	-1
Result after financial net	-45,312	-708	-46,740	-2,842
Tax	0	0	0	0
Result for the period	-45,312	-708	-46,740	-2,842

*Total income in the parent company is in its entirety attributable to intergroup sales

Balance sheet - Parent company

(TSEK)	2015-12-31	2014-12-31
Assets		
Fixed assets		
<i>Long term financial assets</i>		
Shares in subsidiaries	1,600	38,820
Group receivables	1,000	6,869
Total fixed assets	2,600	45,689
Current assets		
Other current assets	116	1,315
Cash & bank	215	3,642
Total current assets	331	4,957
Total assets	2,931	50,646
Shareholders' equity and liabilities		
Equity	2,691	49,431
Short term liabilities	240	1,215
Total shareholders' equity and liabilities	2,931	50,646

Statement of changes in shareholders' equity

(TSEK)	Share capital	Pending registration of share issue	Other paid in capital	Retained earnings and result for the period	Total Equity
Equity 2014-01-01	9,152	1,526	44,175	-2,895	51,958
Correction of accounting related to share issue	33		282		315
New share issue	1,526	-1,526			0
Result for the period				-2,842	-2,842
Equity 2014-12-31	10,711	0	44,457	-5,737	49,431
Result for the period				-46,740	-46,740
Equity 2015-12-31	10,711	0	44,457	-52,477	2,691

Key ratio definitions

Return on capital employed:	Earnings Before Interest and Tax (EBIT) / Capital Employed
Return on Equity:	Net Income/Shareholder's Equity
Debt/Equity ratio:	Equity/balance sheet total
Result per share:	Result after tax/total number of outstanding shares
Equity per share:	Total Equity/ total number of outstanding shares