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Press Release **27 August 2010**

Quorum Oil and Gas Technology Fund Limited

(the “Company”)

Half-yearly Financial Report

Quorum Oil and Gas Technology Fund Limited (LSE:QOGT), a registered closed-ended investment company incorporated in Guernsey, today presents its 2010 unaudited half yearly report for the six months ended 30 June 2010.

Highlights

- Net asset value per Share of $10.66
- Declared dividends of $0.20 per share in respect of the first half of 2010
- Continuing work to ensure that each of the investee companies reduces any need for working capital injections and that they start to pay interest to the Company

Tom Price, Chairman of Quorum Oil and Gas Technology Fund Limited, said: “We are very aware that the Company’s shares trade at a discount to the Net Asset Value of $10.66. We believe that when the issues relating to the investment management arrangements are resolved, then that discount should close and are working diligently, together with the company’s advisers, to achieve that. We intend to issue a document shortly to all shareholders, the purpose of which is to draw these issues to a close.”

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Notes to editors:

Quorum Oil and Gas Technology Fund Limited ("Q-OGT") is a registered closed-ended investment company incorporated in Guernsey to provide expansion capital to companies which own and/or are developing proven proprietary technology which may have a potentially significant effect on the oil and gas industry. Q-OGT was admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange on 7 January 2008. Its stock market EPIC is QOGT.L. Further information can be found at www.q-ogtfund.com.

Chairman's Statement

I am pleased to introduce the 2010 half-yearly report for the Quorum Oil and Gas Technology Fund Limited ("the Company").

I note that the Company has declared dividends amounting to $0.20 per share in respect of the first half of 2010. The Board understands the importance of these dividends to shareholders.
We are very aware that the Company's shares trade at a discount to the Net Asset Value of $10.66. We believe that when the issues relating to the investment management arrangements are resolved, then that discount should close and are working diligently, together with the company's advisers, to achieve that. We intend to issue a document shortly to all shareholders, the purpose of which is to draw these issues to a close.

We very much hope to continue our constructive dialogues with shareholders and others involved in the company.

Tom Price
Chairman
27 August 2010

Interim Investment Manager's statement

On behalf of Sefton Partners LLP, we are pleased to introduce the half-yearly report of 2010 for the Quorum Oil and Gas Technology Fund Limited.

Notwithstanding other events that are currently happening in respect of the Company and its management arrangements, and which we understand will be the subject of a new shareholder circular to be produced very shortly, we remain focused on the investee companies.

Specifically, we are working hard to ensure that each of the investee companies reduces any need for working capital injections and that they start to pay interest to the Company again as soon as possible. This requires a focus on core businesses and growth opportunities and a determination on our part and that of the investee company management teams to take the difficult but positive decisions which ultimately strengthen all involved.

We have also worked to advance realisation plans and look forward to an opportunity to share these with you in the very near future.

Sefton Partners LLP
27 August 2010

Statement of Operations

for the period ended 30 June 2010 (in U.S. Dollars)

	Note	30 June 2010 US$	31 December 2009 US$	30 June 2009 US$
Investment Income				
Portfolio interest income	2	**2,586,477**	4,772,295	2,240,984
Unrealised change				
Non-portfolio interest income		**831**	611	267
Realised gain / (loss) on foreign exchange	2	**4,844**	(30,775)	(18,470)
		2,592,152	**4,742,131**	**2,222,781**
Expenses				
Management fees	3,4	**887,780**	1,220,828	588,463
Marketing expenses		**64,270**	301,391	148,618
Advisory board fees and expenses		**125,000**	247,784	112,500
Legal and professional fees		**373,445**	149,919	52,153
Administration fees		**73,822**	193,944	72,171
Stock based compensation		**-**	151,912	-
Directors fees and expenses		**50,000**	111,680	51,147
Insurance expense		**13,885**	87,758	43,638
Registrar and custodian fees		**38,199**	40,051	30,590
Audit and taxation fees		**150,105**	65,755	41,393
Other expenses		**93,130**	18,780	10,100
Listing and license fees		**31,924**	27,421	6,643
		1,901,560	**2,617,223**	**1,157,416**
Net Investment Income		**690,592**	**2,124,908**	**1,065,365**
Unrealised (losses) gains on investments				
Unrealised loss on investments held at fair value through profit or loss		**(7,561,350)**	(18,251,195)	-
Foreign currency translation		**(4,428)**	87,946	45,444
Change in unrealised (losses) gains on investments		**(7,565,778)**	18,339,141	45,444
Net (Deficit) Income		**(6,875,186)**	**20,464,049**	**1,110,809**
Weighted average number of preferred shares outstanding		**8,156,348**	6,373,221	6,122,471
Basic earnings per share	8	**(0.84)**	3.21	0.18
Diluted weighted average number of preferred shares outstanding		**8,156,348**	6,373,221	6,122,471
Diluted earnings per share	8	**(0.84)**	3.21	0.18
Dividends paid per share	7	**0.10**	**0.40**	**0.20**

The accompanying notes are integral to these financial statements

Balance sheet as at 30 June 2010

	Note	30 June 2010	31 December 2009	30 June 2009
		US$	US$	US$
ASSETS				
Cash and cash equivalents		**4,159,731**	5,024,318	1,188,057
Accounts receivable and prepaid expenses		**1,893,292**	186,034	505,163
Investments	2,9	**82,718,124**	81,949,125	57,729,771
		88,771,147	**87,159,477**	**59,422,991**
LIABILITIES				
Accounts payable and accrued liabilities	10	**763,643**	203,754	283,762
Deferred interest income	10	**370,638**	309,158	451,832
		1,134,281	**512,912**	**735,594**
SHAREHOLDERS' EQUITY				
Common (founder) shares of US$1 par. Authorized 2 shares; issued 2 shares	11	**2**	**2**	**2**
Participating redeemable preferred shares Authorized 50,000,0000 shares; issued 8,156,348 shares (December 2009 7,186,707; June 2009 6,122,469 shares)	11	**8,156,346**	7,186,707	6,122,469
Contributed surplus		**69,865,923**	60,497,266	51,577,104
Warrants		**-**	987,822	987,822
Reserves		**9,614,595**	17,974,768	-
		87,636,866	**86,646,565**	**58,687,397**
		88,771,147	**87,159,477**	**59,422,991**

The accompanying notes are integral to these financial statements

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF BY:

Tom Price
Chairman

Christopher Hill
Director

Statement of cash flows
for the period ended 30 June 2010 (in U.S. Dollars)

	Note	30 June 2010 US$	31 December 2009 US$	30 June 2009 US$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Net investment income		**690,592**	2,124,908	1,110,808
Stock based compensation		**-**	151,912	-
Net change in non-cash working capital	10	**(1,054,849)**	(1,725,719)	(1,853,907)
		(364,257)	551,101	(743,099)
INVESTING				
Purchase of investments	9	**(8,334,777)**	(12,201,884)	(1,970,267)
Sale of investments		**-**	4,319,663	-
		(8,334,777)	(7,882,221)	(1,970,267)
FINANCING				
Issuance of share capital	11	**9,722,514**	10,206,042	-
Share issuance costs	11	**(403,079)**	(527,532)	-
Dividends paid	7	**(1,484,988)**	(2,448,989)	(1,224,494)
		7,834,447	7,229,521	(1,224,494)
NET INCREASE IN CASH DURING THE PERIOD		**(864,587)**	(101,599)	(3,937,860)
CASH, BEGINNING OF PERIOD		**5,024,318**	5,125,917	5,125,917
CASH, END OF PERIOD		**4,159,731**	5,024,318	1,188,057

The accompanying notes are integral to these financial statements

Statement of changes in shareholder's equity
For the period 30 June 2010 (in U.S. Dollars)

	Note	Share Capital	Warrants	Contributed Surplus	Retained Earnings	Total
As at 1 January 2010		**7,186,707**	**987,822**	**60,497,266**	**17,974,768**	**86,646,563**
Issuance of shares	11	**969,641**	**-**	**8,783,914**	**-**	**9,753,555**
Reclassification of expired warrants		**-**	**(987,822)**	**987,822**	**-**	**-**
Share issuance costs	11	**-**	**-**	**(403,079)**	**-**	**(403,079)**
Net income / deficit		**-**	**-**	**-**	**(6,875,186)**	**(6,875,186)**
Dividends paid	7	**-**	**-**	**-**	**(1,484,987)**	**(1,484,987)**
As at 30 June 2010		**8,156,348**	**-**	**69,865,923**	**9,614,595**	**87,636,866**
As at 1 January 2009		6,122,471	987,822	51,731,082	(40,292)	**58,801,083**
Issuance of shares and warrants		1,064,236	-	9,141,804	-	**10,206,040**
Share issuance costs		-	-	(527,532)	-	**(527,532)**
Stock option expense		-	-	151,912	-	**151,912**
Net income		-	-	-	20,464,049	**20,464,049**
Dividends paid		-	-	-	(2,448,989)	**(2,448,989)**
As at 31 December, 2009		7,186,707	987,822	60,497,266	17,974,768	**86,646,563**
As at 1 January 2009		6,122,471	987,822	51,731,082	(40,292)	**58,801,083**
Net income		-	-	-	1,110,808	**1,110,808**
Dividends paid		-	-	(153,978)	(1,070,516)	**(1,224,494)**
As at 30 June, 2009		6,122,471	987,822	51,577,104	-	**58,687,397**

Statement of Investment Portfolio
For the period 30 June 2010 (in U.S. Dollars)

Company	Security Held	Par Value / Number of Securities $	Dividend / Interest Rate	Cost $	Estimated Fair Value $
1482747 Alberta Ltd. (Holding company for AmbercoreSoftware Inc.)	Convertible secured debenture	**3,150,000**	**8.5%**	**3,150,000**	**2,492,583**
	Loan	**400,000**	**10%**	**400,000**	**-**
	Promissory notes	**135,167**	**10%**	**135,167**	**-**
Ambercore Software Inc.	Secured convertible loan	**1,200,000**	**8%**	**1,200,000**	**100,000**
	Loan	**600,000**	**10%**	**600,000**	**-**
Quorum MENA Limited	Convertible secured debentures	**6,896,000**	**8.5%**	**6,896,000**	**2,711,733**
	Promissory notes	**427,168**	**8.5%**	**427,168**	**427,168**
SR2020 Inc.	Convertible secured debentures	**900,000**	**8.5%**	**900,000**	**900,000**
	Promissory notes	**700,000**	**8.5%**	**700,000**	**700,000**
SQFive Intelligent Oilfield Solutions Ltd.	Convertible secured debentures	**12,568,361**	**8% - 8.5%**	**12,568,361**	**11,111,728**
	Redeemable convertible preferred shares	**2,783,471**	**8% - 8.5%**	**2,783,471**	**-**
Strata Energy Services Inc.	Convertible secured debentures	**20,000,000**	**8%**	**20,000,000**	**41,890,372**
	Secured promissory note	**4,850,000**	**12%**	**4,850,000**	**4,850,000**
Wellpoint Systems	Convertible secured debentures	**17,538,968**	**8% - 8.5%**	**17,538,968**	**17,534,540**
				72,149,135	**82,718,124**

The accompanying notes are integral to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2010 to 30 June 2010 and comparatives for the period from 1 January 2009 to 30 June 2009 and the year ending 31 December 2009.

1. BUSINESS OPERATIONS AND REGISTRATION

Quorum Oil and Gas Technology Fund Limited (the "Company") is an authorised closed ended investment company incorporated in Guernsey on 20 November 2007. The Company's participating redeemable preference shares are listed on the London Stock Exchange.

The nature of the Company's operations and its principal activities are set out in the Investment Manager's Strategy/Investment Process. The address of the Company's registered office is set out in the interim report.

The Investment Management Advisory Agreement appointing QOGT Inc. and Sefton Partners LLP as Investment Managers (the "Investment Managers") ceased on 1 July 2010. Pending the appointment of a new investment manager, the Company appointed Sefton Partners LLP ("Sefton Partners") to provide sole discretionary investment management services. Under the terms of this appointment, for a fixed period from 1 July 2010, Sefton Partners was entitled to a management fee equivalent to 1.0% of the Company's net asset value and was not entitled to charge transaction fees on any investments in investee companies

These financial statements are presented in United States Dollars as that is the currency of the primary economic environment in which the Company operates.

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements as, after due consideration, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors note that the investments are income generating, the Company has cash reserves, no gearing and the shares are only redeemable at the discretion of the Company.

The Company is designated as authorised pursuant to the Authorised Closed-Ended Investment Scheme Rules 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP").

The Company is an investment company and accounted for in accordance with the Canadian Institute of Chartered Accountants Accounting Guideline 18 - Investment Companies. All amounts are in the currency of the United States Dollar unless otherwise stated.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Significant estimates and judgments in these financial statements are required principally in determining the reported estimated fair value of investments since these determinations include estimates of expected future cash flows, rates of return and the impact of future events. Actual results could differ significantly from those estimates.

Changes in Accounting Policy and Recent Pronouncements

In January 2009, the Emerging Issues Committee ("EIC") issued Abstract No. 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC-173). EIC-173 requires an entity to take into account its own credit risk and that of the relevant counterparties when determining the fair value of financial assets and financial liabilities, including derivative instruments. This EIC had no impact on the Company's financial position or results of operations.

The Company adopted the amendment to Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 Financial Instruments – Disclosures ("Section 3862"). This amendment establishes a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I - Unadjusted quoted prices in an active market for identical assets or liabilities provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level II - Inputs other than unadjusted quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III - Inputs that are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

All of the investments for the Company are classified as Level III.

The CICA has announced that Canadian GAAP for publicly accountable enterprises will be replaced with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011. The Company may begin reporting its financial statements in accordance with IFRS on 1 January 2011, subject to the developments or results from Canada's Accounting Standards Board's (the "ACSB") June 2010 exposure draft, 'Adoption of IFRS by Investment Companies which proposes that this process should be delayed and be adopted for accounting periods beginning on or after 1 January, 2012.

Valuation of Investments

- Generally, a combination of two methods, including a market multiple approach that considers one or more financial measures, such as revenues, EBITDA, adjusted EBITDA, EBIT, net income, net asset value, discounted cash flow or liquidation analysis, are used to determine the estimated value of an investment. Consideration may also be given to such factors as:

- The company's historical and projected financial data;
- Valuations given to comparable companies;
- The size and scope of the company's operations;
- Expectations relating to the market's receptivity to an offering of a company's securities;
- Any control associated with interests in a company that are held by the Company;
- Information with respect to transactions or offers for a company's securities (including the transaction pursuant to which the investment was made and the year of time that has elapsed from the date of the investment to the valuation date);
- Applicable restrictions on transfer;
- Industry information and assumptions;
- General economic and market conditions; and
- Other factors deemed relevant.

The Company notes that the valuations assume the ongoing operations of the investee companies. In certain cases this may require refinancing of existing debt or additional financing from the Company or other investors. Because of the inherent uncertainty of the valuation process, the fair value may differ materially from the actual value that would be realised if such investments were sold in an orderly disposition.

Further information regarding the Company's investments can be found in Note 9.

Other Financial Assets and Liabilities

Other financial assets and financial liabilities are recorded at cost. Since these assets and liabilities are short-term in nature, their carrying values approximate fair values.

Investment Transactions and Income
Investment transactions are accounted for as of the trade date. Interest income is recorded on an accrued basis. Realised and unrealised gains and losses from investment transactions are calculated on an average cost basis. Interest income received in advance is recorded as deferred interest income on the balance sheet as a liability.

Translation of Foreign Currencies
Investments and other financial assets and liabilities denominated in foreign currencies are translated into United States Dollars at the exchange rates prevailing on each valuation day. Purchases and sales of investments, income and expenses are translated into United States Dollars at the exchange rate prevailing on the respective dates of such transactions.

Issuance Costs
Issuance costs incurred to form the Company are deducted directly from contributed surplus.

Stock-Based Payments
The Company has granted stock options to the former Investment Managers and Investment Advisory Committee. CICA Handbook Section 3870-Stock-based Compensation and other Stock-based Payments requires recognition of an expense of option awards using the fair value method of accounting. Under this method, the fair value of an award at the grant date is recognized as an expense. The effects of actual forfeitures of previously granted options are recognized as they occur.

3. MATERIAL AGREEMENTS

Under the terms of the Investment Management Advisory Agreement dated 27 December 2007, a management fee is payable to the Investment Managers, acting during the period, for investment management services. These are paid monthly in arrears and are subject to a maximum of 2% per annum of the net asset value.

The Investment Management Advisory Agreement was terminated on 1 July 2010 by the Board of Directors as both Investment Managers were deemed to have materially breached the terms of the Agreement. On termination, the fees of the Investment Managers were paid up to the date of the termination together with any outstanding expenses.

Sefton Partners LLP was appointed as the sole Investment Manager in the interim, up until the Board nominate a suitable replacement, to be approved by the Shareholders of the Company. Under the terms of a separate Investment Management Advisory Agreement, dated 1 July 2010, a management fee is payable to the Interim Investment Manager for investment management services. These are paid monthly in arrears and are subject to a maximum of 1% per annum of the net asset value.

4. RELATED PARTY TRANSACTIONS

The Investment Managers for the period and the Directors are regarded as related parties. For certain investments other funds managed by the Quorum Group, the previous Investment Managers, co-invest alongside the Company. These are described in the review of Principal Investments.

The fees and expenses payable to the Investment Managers are explained in Note 3 and are detailed in the Statement of Operations.

5. SEGMENT INFORMATION

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment management, therefore no segment reporting is required.

6. TAX

The Company has been granted exemption from income tax in Guernsey under the Income Tax (Exempt Bodies) (Bailiwick of Guernsey) Ordinance, 1989 for which it pays an annual fee of £600 (2008 - £600). As such it will not be liable for income tax in Guernsey other than on Guernsey source income (excluding deposit interest on funds deposited with a Guernsey bank). No withholding tax is applicable to distributions to shareholders by the Company. With effect from 1 January 2008, Guernsey abolished some aspects of the exempt company regime. As a publicly available fund, it will continue to be eligible to apply for exempt status however, and liable to the annual fee if it chooses to do so. The Company has taken advantage of this exemption for the current period and expects to do so for future years.

7. DIVIDENDS

Dividends of $0.10 per participating redeemable preference share were paid on 23 April 2010 and 13 August 2010 respectively. Total dividends paid during the period ending 30 June 2010 were $1,484,998 (31 December 2009 - $2,448,989; 2008 - $1,463,860).

Under Guernsey Law, companies can pay dividends in excess of accounting profit provided they satisfy the solvency test prescribed under the Companies (Guernsey) Law, 2008. The solvency test considers whether a company is able to pay its debts when they fall due; and whether the value of a company's assets is greater than its liabilities. The Company has passed the solvency test for each dividend payment in 2010.

8. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share is computed by dividing net income available to preferred shareholders by the weighted average number of preferred shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if additional preferred shares are issued under warrants and stock options that entitle their holders to obtain common shares in the future, to the extent such entitlement is not subject to unresolved contingencies. The number of additional shares for inclusion in diluted earnings per share calculations is determined using the treasury stock method. Under this method, warrants and stock options whose exercise price is less than the average market price of the preferred shares are assumed to be exercised with the proceeds used to repurchase preferred shares at the average market price for the period. The incremental number of preferred shares issued under warrants and stock options and repurchased from proceeds is included in the calculation of diluted earnings per share. For each of the periods ended 30 June 2010 and 30 June 2009 and the year ended 31 December 2009 the Company excluded potential share equivalents comprised of stock options and warrants for the diluted earnings per share as these would be considered anti-dilutive.

BASIC EARNINGS PER SHARE	**30 June 2010 (USD)**	**31 December 2009 (USD)**	**30 June 2009(USD)**
Net (deficit) income	(6,875,186)	20,464,049	1,110,808
Average number of preferred shares	7,759,022	6,373,221	6,122,471
Basic (loss) earnings per share	(0.84)	3.21	0.18

DILUTED EARNINGS PER SHARE			
Net (deficit) income	(6,875,186)	20,464,049	1,110,808
Warrants		-	-
Stock options	-	-	-
Average number of diluted preferred shares	7,759,022	6,373,221	6,122,471
Diluted (loss) earnings per share	(0.84)	3.21	0.18

9. INVESTMENTS

(a) Ambercore Software Inc. and 1482747 Alberta Ltd.
1482747 Alberta Ltd. is a non-operating company used solely as an investment vehicle through which the Company invests indirectly into Ambercore. At 31 December 2008 SQFive had underlying investments in Ambercore, SR2020 and LxData. After a restructuring at the SQFive level in 2009, the Ambercore investment is now held through 1482747 Alberta Ltd. The convertible secured debenture in the principal amount of $3,150,000 matures on 29 May 2013 and bears an annual interest rate of 8.5%. The Company also has an additional $585,167 invested directly in 1482747 Alberta Ltd. in the form of a $400,000 loan and a $135,167 promissory notes both of which bear interest rates of 10%. The 1482747 Alberta Ltd. investment was valued at fair value and as such a provision has been made for $1,192,584 at 30 June 2010.

The Company also has a direct investment in Ambercore with a secured convertible loan in the principal amount of $1,200,000 which bears an annual interest rate of 8% and is repayable upon the sale of certain assets of Ambercore along with a bonus payment of $250,000 which has not been recognized by the Company. The Company also has an additional $600,000 invested directly into Ambercore in a promissory note which also bears an annual interest rate of 10%. The Ambercore investment was valued at fair value and as such a provision has been made for $1,700,000 at 30 June 2010.

(b) Quorum MENA Ltd. ("QMENA")
The convertible secured debenture in the principal amount of $6,896,000 matures on 17 December 2013 and bears an annual interest rate of 8.5%. The debenture is convertible at the Company's option at any time into common shares of QMENA at a conversion price of $1.00 per share. The promissory note in the principal amount of $427,168 bears an annual interest rate of 8.5% and has the same terms and conditions as the convertible secured debenture. The QMENA investment has been valued at fair value and as such a provision has been made for $4,184,267 at 30 June 2010.

(c) SQFive Intelligent Oilfield Solutions Ltd. ("SQFive")
The convertible secured debentures in the aggregate principal amount of $11,518,361 mature on dates ranging from 25 April 2013 to 31 December 2013, and bear annual interest rates ranging from 8% to 8.5%. The debentures are convertible at the Company's option at any time into common shares of SQFive at a conversion price ranging from $0.52 to $0.78 per share. The convertible preferred shares in the aggregate par value of $3,833,471 bear annual dividend rates ranging from 8% to 8.5%. The preferred shares are convertible at the Company's option at any time into common shares of SQFive at a conversion price ranging from $0.52 to $0.78 per share. The SQFive investment was valued using a comparable company multiples approach of the two underlying companies, SR2020 and LxData. This approach led to a partial write down of the SR2020 and LxData components in 2009 of $775,053 and $1,984,683 respectfully. A write down of $995,758, which represented the total funds left at the SQFive level, was also taken due to the winding up of the SQFive operations, leading to a total write down in SQFive of $3,755,494 for 2009. For the first half of 2010 a write down of $484,610 was taken which included the write down of additional capital employed as part of the investee company's capital restructuring. The write downs are marked against the convertible preference shares in the first instance, and the remaining write down against the debentures in line with security ranking. SQFive is now solely a vehicle through which the Company invests into underlying companies. .

On 16 March 2009 a claim was filed against Seismic Reservoir 2020, Inc., SR2020 Inc. (the successor company to Seismic Reservoir 2020, Inc.), a director of the Quorum Oil and Gas Technology Fund Limited, and against two other individuals employed by SQFive and SR2020 Inc. The claim was filed by a former employee and shareholder of Seismic Reservoir Inc. in the amount of $2.2 million seeking relief for wrongful dismissal and deprivation of shareholders' rights. The Company believes that the claim is without merit and accordingly is defending the claim vigorously. As the claim is not considered likely to succeed by the Company and it and its directors have in force directors' and officers' liability insurance coverage of $5 million, no accrual has been recorded for the potential liability as a result of this claim.

(d) SR 2020 Inc. ("SR2020")
The convertible secured debenture in the principal amount of $900,000 matures on 29 May 2013 and bears an annual interest rate of 8.5%. The Company also has an additional investment of $700,000 in the form of promissory notes which bear an interest rate of 8.5%.

The SR2020 investment was valued using a comparable company multiples approach which led to a valuation equal to the cost of the investment. As this investment was made after the time of the SR2020 investment through SQFive, a more favourable conversion price was granted. For is the reason, there was no write down of the direct SR2020 investment as opposed to the SR2020 investment held through SQFive, which was partially written down.

(e) Strata Energy Services Inc. ("Strata")
The convertible secured debenture in the principal amount of $15,000,000 matures on 25 February 2013, bearing an annual interest rate of 8% is convertible into 31.4% of the Strata common shares.

The convertible secured debenture in the principal amount of $5,000,000 matures on 1 August 2013, bearing an annual interest rate of 8% is convertible into 10.5% of the Strata common shares.

The convertible secured promissory note in the principal amount of $4,850,000 matures on 30 September 2010, bearing an annual interest rate of 12%. The promissory note is, at the option of the Company, exchangable into a secured convertible debenture which is convertible into approximately 5% of the Strata common shares.

The Strata investment was valued using both a comparable company multiples approach as well as a discounted cash flow approach. The combination of these two approaches led to a substantial write up of the investment in the amount of $21,890,372 at 31 December 2009. The Company continues to value the investment using this method with no incremental change to the value at 30 June 2010.

(g) WellPoint Systems Inc. ("WellPoint")
The convertible secured debentures in the principal amounts of $15,200,000, $2,000,000 and Cdn$300,000 mature on 10 April 2013, 30 January 2014, and 1 October 2010, bearing an annual interest rate of 8.5%. The debentures are convertible at the Company's option at any time into common shares of WellPoint. The conversion price for the common shares range from $0.2872 to $0.35 per share for the United States Dollar denominated debentures and $0.35 per common share for the Canadian Dollar denominated debenture. Under certain circumstances, WellPoint may prepay the entire principal amount of the debentures, subject to a right by the Company to exercise its conversion right into common shares of WellPoint. Additionally, under certain circumstances, WellPoint may compel a conversion of its debentures into common shares.

The promissory note in the amount of Cdn$55,000 matures on 30 September 2010 and bears an annual interest rate of 8%.

The WellPoint investment was valued using a comparable company multiples approach which led to a valuation equal to the cost of the investment.

WellPoint has a working capital deficit of $15.9 million. Approximately $14.4 million of this working capital deficit is related to debt that is coming due in 2010, of which $5.5 million is due to other funds managed by the Quorum Group. WellPoint will likely not generate enough cash from operations in order to fund these debt obligations. The other major lenders have extended the due date from June to August 2010 to October 1, 2010 and are in negotiations with both the Company and Wellpoint to renegotiate the current debt or find new capital.

During the year ending 31 December 2009, the reconciliation of investments measured at fair value using unobservable inputs (Level III) is presented as follows:

FAIR VALUE DISCLOSURE BY FAIR VALUE HIERARCHY LEVEL:	**30 June 2010 LEVEL 3 (USD)**	**31 DECEMBER 2009 LEVEL 3 (USD)**
Investments	82,718,124	81,949,125

RECONCILIATION OF LEVEL 3 FAIR VALUES:	**30 June 2010 TRADING SECURITIES (USD)**	**31 DECEMBER 2009 TRADING SECURITIES (USD)**
Opening balance	81,949,125	55,727,763
Total unrealised gains (losses) in net income (footnote 1)	(7,565,778)	18,251,195
Additions	8,334,777	12,201,884
Disposals	-	(4,231,717)
	82,718,124	**81,949,125**

Footnote 1: Total unrealised gains in net income are presented in the Statement of Operations under unrealised change in valuation of investments.

The key valuation assumption is the multiple used. A change in the EBITDA factor of +/- 1.0 would result in an aggregate change in the unrealised gains in investments of approximately +/- $1.45 million.

The valuation of WellPoint has been prepared assuming that WellPoint will continue as a going concern. This assumes that WellPoint will continue in operation for the foreseeable future and accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. The valuation does not include any adjustments that might be necessary should WellPoint be unable to continue future operations.

10. LIABILITIES

	30 June 2010 (USD)	31 December 2009 (USD)	30 June 2009 (USD)
Accounts payable and accrued liabilities	763,643	203,754	471,563
Deferred interest income	370,638	309,158	1,664,789
	1,134,281	**512,912**	**2,136,352**

The deferred interest income relates to interest payments received from investee companies in advance.

11. SHAREHOLDERS' EQUITY

	30 June 2010		31 December 2009	
		NOMINAL		NOMINAL
AUTHORISED	**NUMBER**	**VALUE (USD)**	**NUMBER**	**VALUE (USD)**
Common (founder) shares	2	2	2	2
Unclassified shares	50,000,000	50,000,000	50,000,000	50,000,000
ISSUED				
Common (founder) shares	2	2	2	2
Participating redeemable preference shares	8,156,348	8,156,348	7,186,707	7,186,707
Warrants			851,571	987,822

The shares may be allotted and issued as one of more classes of shares, being participating redeemable preference shares in the Company. To qualify as participating redeemable preference shares, the shares are required under Guernsey Law to have a preference over another class of share capital. The participating redeemable preference shares may be redeemed at the option of the Company subject to the discretion of the Directors. The common or founder shares have been created so that the participating redeemable preference shares may be issued. The common or founder shares are not redeemable and do not carry any right to vote or receive dividends and are only entitled to participate in the assets of the Company on a winding-up. On 6 October 2009, the Company issued an additional 1,064,238 participating redeemable preference shares at an issuance price of $9.59 per share for total gross subscription proceeds of $10,206,042. On 24 February and 1 March, the Company issued for cash 476,458 participating redeemable preference shares, of $1 each, which rank pari passu with the existing shares in issue. The issuance price of $10.12 per share raised total gross subscription proceeds of $4,821,755.

On 25 July 2008, the Company issued 851,571 warrants to record holders of the same date on the basis of one warrant for every five participating redeemable preference shares held. Upon the issuance of the warrants, a reclassification was made in the amount of $987,822 from contributed surplus to warrants. The warrants were exercisable at a price of $10.00 on each of 1 April 2009 and 1 April 2010 following which date rights under the warrants will lapse. The key assumptions used in the pricing of the warrants were a risk free interest rate of 3.53%, expected dividend yield of 4.00% and expected share volatility of 18%. On 18 March 2010, 493,180 warrants were exercised as at the final exercise date of 1 April 2010 at a conversion price of $10.0, raising approximately $4,931,800 of new capital for the Company.

12. STOCK-BASED PAYMENTS

The Company has the ability to issue stock options representing 20% of the fully diluted capital of the Company under its stock option plan. As at 30 June 2010, options had been granted to the Investment Managers in respect of 20% of the fully diluted share capital of the Company at exercise prices of $10.00,

$10.35 and $9.59 per share increasing by 8% per annum subject to reductions in any dividends paid. The options are exercisable in three equal tranches on the first three anniversaries of the grant date and have a 10 year life. As at 30 June 2010, 865,045 (31 December 2009 - 865,045) of the options were exercisable, with a weighted average exercise price of $10.20.

SUMMARY OF STOCK OPTION ACTIVITY

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (USD)
As at 31 December 2008	**1,530,618**	**10.28**
Granted	**266,059**	**9.59**
Exercised	-	-
Cancelled	-	-
As at 31 December 2009	**1,769,677**	**10.17**
Granted	-	-
Exercised	-	-
Cancelled	-	-
As at 30 June 2010	**1,769,677**	**10.16**

Options that could be granted during the period, but are yet to be granted as at 30 June 2010, were estimated to be a total number of 193,928. The weighted average fair value of options granted during the prior year were estimated to be $151,912.

13. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Company's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Company. The level of risk depends on the Company's investment objective and the type of securities it invests in. The investment objective of the Company is to provide interest income and capital appreciation by investing in secured convertible debentures, convertible loans, and promissory notes of public and private companies. On a quarterly basis, the Company performs a formal review of its investments, which includes, but not limited to, an assessment of the global macro environment, the outlook for credit, and the amount of active risk being taken in the Company. The Company's overall risk management program seeks to minimize the potentially adverse effect of risk on the Company's financial performance in a manner consistent with the Company's investment objective.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company is exposed to credit risk in respect of the investment portfolio, with a maximum exposure equal to the value of the loans advanced. Credit risk is mitigated by the Company's Interim Investment Managers performing satisfactory due diligence on prospective investments. Under the terms of the convertible secured debenture, should the principal not be repaid by the maturity date or if there is a default in the debenture covenants, the debenture is secured by a charge of the investee companies' assets or may be converted into ordinary shares of the borrower. However, the Company may not be able to recover all or some of the value of the debenture through realisation of each investee companies' assets or shares. Given the current status of each investee companies and their respective financial positions, the recoverability of these investments is, in some cases, predicated on the performance of the companies. As of 30 June 2010 $1.7m was due from investee companies in respect to interest payments.

The Company's investments are focused solely in the oil and gas technology sector. The Company attempts to mitigate its exposure by investing in companies that sell their products internationally.

The Company is exposed to credit risk in respect to its cash and cash equivalents, arising from possible default of the relevant counterparty, with a maximum exposure equal to the carrying value of those assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company monitors the placement of cash balances on an ongoing basis. The Company only invests its cash and cash equivalents with its banker and custodian, the Royal Bank of Canada (Channel Islands) Ltd.

Liquidity Risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

The Company's exposure to liquidity risk is concentrated in the investments of private secured convertible debentures, convertible loans and promissory notes. The Company primarily invests in securities that are not traded in active markets and cannot be readily disposed. To compensate for this, the Company retains sufficient cash and cash equivalent positions to maintain liquidity to meeting operating expenses and distributions. Furthermore, it is mitigated by the fact that the participating redeemable preference Shares of the Company are redeemable only at the Company's discretion.

The Company has sufficient cash on hand to meet all current liabilities as at 30 June 2010 and for the foreseeable future.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Company invests in interest-bearing financial instruments. The Company is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Company seeks to mitigate this risk by monitoring the placement of cash balance on an ongoing basis in order to maximise the interest rates obtained.

Sensitivity to movements in interest rates is limited by the fact that the Company's investments bear interest at a fixed rate and the fair value of the debt is not sensitive to changes in interest rates.

To gauge the duration of the debt instruments, their maturities on a fair value basis are as follows:

DEBT INSTRUMENTS BY MATURITY DATE	**30 June 2010 ESTIMATED FAIR VALUE (US$ EQUIVALENT)**	**31 December 2009 ESTIMATED FAIR VALUE (US$ EQUIVALENT)**
Less than 1 year	6,380,546	1,489,045
1 - 3 years	-	-
3 - 5 years	62,976,696	59,491,919
Greater than 5 years	-	-
Total	**69,357,242**	**60,980,964**

** Excludes cash and cash equivalents and preferred shares, as applicable

Other Price Risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices other than those arising from interest rate risk. It represents the potential loss that the Company might suffer through holding interests in unquoted private companies whose value may fluctuate and which may be difficult to value and/or to realise.

All investments represent a risk of loss of capital. The Investment Managers moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Company's investment objective and strategy, as well as by establishing a clear exit strategy for all potential investments. The Company's overall market positions are monitored on a quarterly basis by the portfolio manager. Financial instruments held by the Company are susceptible to market price risk arising from uncertainties about future prices of the instruments. If the value of the

Company's investment portfolio were to decline by 10%, it would represent a loss of $8.3 million. This would cause the net asset value of the Company to fall by 9.3%.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than United States dollars, which represents the functional currency of the Company. The Company has 1.4% of its investments not denominated in the functional currency. As such, currency risk is not considered to be a material risk to the Company.

14. CAPITAL MANAGEMENT

The Company considers Shareholders' Equity to be its capital. The Company does not have any externally imposed capital requirements. The capital is to be used by the Company to invest in accordance with its investment objective. The Company though does have specific restrictions on how it can deploy its shareholders' capital; the Company will not invest more than 30 percent of its total assets in any one company (this restriction is calculated at the time of the relevant investments).

The investment objective of the Company is to seek long-term capital appreciation with a target return of 20 percent over a five-year time horizon. The Company aims to deliver its objective by investing available cash and generating portfolio interest income whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments.

15. SUBSEQUENT EVENTS

A dividend of $0.10 per participating redeemable preference share was declared on 26 July 2010 and will be paid on 13 August 2010.

On 10 August 2010, copy of a notice from the Quorum Investment Pool Limited Partnership ("QIP"), an investment fund controlled by an affiliate of QOGT Inc, one of the former investment managers, was received by the company. This notice was a notice of default given by QIP to 1482747 Alberta Limited, the company through which all of QIP's (and a portion of the Company's) interests are held in Ambercore. On 12 August 2010, and in response to the above notice and in order to protect and preserve the security and position of the Company, the Company's investment in Ambercore, the company served notices under the laws applicable in Canada in regards to the enforcement of secured rights on 1482747 Alberta Limited, Ambercore and its subsidiaries Terrapoint Canada and Terrapoint USA.

Subsequent to 30 June 2010 an investment in SR2020 was made in the form of a promissory note in the amount of $200,000. The investment bears an interest rate of 10% and matures on 20 September 2010. This investment is part of an overall $750,000 commitment made in early 2010 and has been traunched to the company over the last two quarters.

Subsequent to 30 June 2010 an investment in Ambercore was made in the form of a promissory note for the amount of $100,000. The investment will bear an interest rate of 10% and is due on demand. The proceeds of the investment were used as general working capital.

Subsequent to 30 June 2010 an investment in Lxdata was made in the form of a secured convertible loan in the amount of CA$275,107. The investment bears an interest rate of 12% and is due on 31 December 2010. The proceeds of the investment was used for ongoing development and working capital for the pressure and temperature sensors.

As previously set out in the circular of 30 July 2010, QOGT Inc, the former investment manager, stated on 8 July 2010 that it had "instructed it's legal advisors to give notice of it's intention to issue proceedings for damages against [the company]…" and that "The damages are likely to be substantial and to include: damages for failure to give 36 months' contractual notice to QOGT Inc under [the Original IMAA]; compensation in respect of the damage to QOGT Inc's reputation; and associated legal costs."

The Company does not agree with many of the points made in the statements by QOGT Inc. The Company's decision to terminate the Original IMAA was made after full consideration of it's contractual rights and obligations in light of the factual position and with the interests of it's shareholders as the paramount consideration. Should QOGT Inc. decide to articulate claims against the Company, the Company will of course vigorously defend and act consistently with it's duties to shareholders in responding to those claims.

- Ends -