International Oil and Gas Technology

INTERIM REPORT AND ACCOUNTS

for the six months to 30 June 2011

International Oil and Gas Technology Limited

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INVESTMENT OBJECTIVE

International Oil and Gas Technology Limited ("the Company" or "IOGT") aims primarily to generate long-term capital growth by investing expansion capital into companies that provide services and technology to the upstream oil and gas industry. It also seeks to provide regular income to shareholders through dividends.

INVESTMENT POLICY

To achieve its investment objective, the Company invests expansion capital into companies operating in the upstream oil and gas services and technology sector. These companies have proprietary and proven technologies, services and/or processes that can be deployed more rapidly or on a larger scale through the introduction of growth capital.

IOGT believes that companies that best meet these criteria will typically have recurring annual revenues of between US$5 million and US$25 million, positive EBITDA and/or significant working capital, and strong management teams.

CHAIRMAN'S STATEMENT

It is now nearly a year since the future direction of your Company was decided and, in my view, the overall results to date indicate a strong performance by the Investment Manager in working with the management teams of the respective Investee Companies to focus on development of their businesses and realise the true potential of the portfolio. The growth in the Company's net asset value per share to US$9.49 reflects this positive activity.

Our primary goal remains to increase the net asset value of the Company by building and selling successful portfolio companies. To reflect our global ambitions, the Company's name was changed to International Oil and Gas Technology Limited at the Annual General Meeting. The Company's stock market EPIC remains OGT.

The Investment Manager's Report describes in detail the performance of the Investee Companies since 1 January 2011. While the strategy is simple, its execution has been more complex and has therefore involved considerable hard work by the team. We have achieved exits from two investments. Companies with further potential value have been re-focused and additional investments made. Much work continues to be dedicated to reorganising certain arcane and complex corporate structures that may detract from the value of the underlying businesses.

As I reported in my statement accompanying the 2010 accounts, in May 2011 the Company sold its interest in WellPoint Systems for US$19.8 million, representing a total return on investment (including all interest received) of 27 per cent. This was a clear demonstration of the Investment Manager's ability to negotiate a successful exit. Also, since the period-end, the Company's investment in LxData was sold to Weatherford, a major oil services group, at net asset value, providing further funds for potential future investments.

We have invested incremental amounts of capital in both SR2020 and Crest Energy Services as these companies seek to capitalise on the opportunities that their market position, proprietary intellectual property and innovative products and services have created. We have taken a realistic view of our investment in Crest and reduced the valuation to reflect the delays in commencing major operations in Saudi Arabia. We are hopeful that operations will be scaled up this autumn. If Crest performs in accordance with its projections, the investment will generate significant capital growth for the Company.

Unfortunately, there are no positive developments to report concerning our problem investment in Ambercore. We continue to carry this investment at zero value, a situation that we do not currently expect to change.

As reported on 4 August 2011, we have restructured our investment in Strata, a company that has increased its year-on-year turnover by more than 50 per cent from last year's disappointing performance. The six months' results for Strata see the company firmly re-established on its growth trend. By swapping the majority of our debt for equity, the Company has positioned itself to take advantage of those continuing growth prospects, strengthened the incentives to management and enabled Strata to retain more cash for further expansion.

Apart from portfolio decisions, your board has also adopted a number of measures to enhance shareholder value.

As we have already announced, the Company commenced a limited share buy-back scheme in June to rebalance our shareholder base. This has, to date, involved the acquisition of nearly 600,000 shares at a significant discount to net asset value, which has been accretive to your Company's net asset value per share. We are confident that our Investee Companies, as well as carefully selected potential investments, will generate strong capital growth for shareholders. Having canvassed shareholders' views, we will in future look to retain a significant percentage of our cash resources within the Company in order to retain the flexibility to provide further support to our existing portfolio companies and take advantage of exciting new investment opportunities.

In my statement accompanying the 2010 accounts, I referred to the difficult decision taken by the board to suspend payment of dividends in order to retain sufficient funds to protect the position of the Company's investments. I am pleased to confirm that the board intends, in January 2012, to declare a dividend of US$0.10 per share in respect of the second half of 2011. Thereafter, we hope that the Company can sustain a dividend payment at an annual rate of US$0.20 per share.

Shareholders will recall that, since 28 September 2010, the Company has engaged the services of the Investment Manager, Sefton Partners LLP (now renamed Linton Capital LLP), under a temporary contract. The terms of this contract have now been painstakingly renegotiated and finalised. The board believes that the new contract provides adequate (but not lavish) incentives for Linton Capital to deliver growth in shareholder value across the portfolio. The notice period for termination has reduced from three years to twelve months.

CHAIRMAN'S STATEMENT CONTINUED

Roland Wessel has been an adviser to the Investment Manager throughout the period and I am hopeful that he will increase the amount of time he devotes to the Company's investments. Roland has an outstanding track record in building and managing businesses in this sector, and we look forward to benefiting further from his insights and experience. Linton Capital has also secured the advice and assistance of Nick Butler, former chief economist at BP. His participation will be of great benefit to your Company.

Before closing, I would like to take this opportunity to thank Tom Price for his tireless work on behalf of your Company during more than three years as a director. He retired from the board after the Annual General Meeting in June 2011, and we wish him well in the future.

Christopher Hill
Chairman

31 August 2011

BOARD OF DIRECTORS

Christopher Hill *(non-executive chairman)*

Christopher Hill is an Associate of the Chartered Institute of Bankers and was managing director of Guernsey International Fund Managers Ltd ("GIFM"), part of the Barings Financial Services Group, from 1996 until the group was sold to Northern Trust in 2005. During this period, Christopher was also a director of GIFM's subsidiaries in Dublin and Jersey. In his 16 years with GIFM, the company administered funds with a wide range of investment strategies. In total, Christopher has over 35 years' experience in the field of offshore banking and fund administration.

He presently serves as non-executive director of a number of financial institutions and investment funds. Several of the investment funds maintain listings of their shares on the stock exchanges of London, Ireland or the Channel Islands. Christopher, a resident of Guernsey, is a former chairman of the Guernsey Investment Funds Association.

Arthur Copple *(non-executive director)*

Arthur Copple has more than 30 years' experience of working in the world of investment, primarily specialising in investment companies. He was a main board director of Smith New Court PLC and, from October 1995 to March 2002, was a managing director at Merrill Lynch where he ran the investment company team and later directed their pan-European small- and mid-cap service.

Presently, Arthur acts as a consultant to the investment company division of BlackRock Investment Managers. He is also a non-executive director of Temple Bar Investment Trust Plc and chairman of the UTI India Fund. He was a non-executive director of Framlington Income & Capital Trust PLC until September 2008. Arthur is a resident of the UK.

John Imle *(non-executive director)*

John Imle, a petroleum-engineering graduate of Texas A&M University, has over 45 years of experience in the global oil and gas industry, with particular emphasis on oil, gas and geothermal exploration, development and infrastructure projects.

John currently serves as managing director and chief executive of AED Oil, a publicly traded Australian exploration company. Previously, John was CEO of Nations Petroleum Company, a private Canadian-registered company. He served as president of privately held Vanco Energy Company from 2005 to 2007, where he focused on several deep-water exploration projects both in offshore Africa and in Ukraine. Earlier, John was president and vice-chairman of the international energy company, Unocal Corporation, responsible for the company's worldwide oil, gas and geothermal operations. He served as a member of the Unocal board for ten years.

John is a member of the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG) and a former director of the American Petroleum Institute and National Ocean Industries Association. He was a co-founder of the Business Humanitarian Forum, a Geneva-based organisation promoting cooperation between industry and humanitarian NGOs. He lives in the United States.

Jeremy Thompson *(non-executive director)*

Jeremy Thompson is a Guernsey resident with sector experience in finance, telecoms, aerospace & defence, and oil & gas. Since 2009, Jeremy has been a consultant to a number of businesses, including holding non-executive directorships of investment vehicles relating to the Hermes group and the BT pension scheme. Between 2005 and 2009, he was a director of multiple businesses in the Novator private equity group. Prior to that, he was chief executive of four autonomous businesses at Cable & Wireless, and earlier held managing director roles within the Dowty Group. Additionally, Jeremy has worldwide experience in the oilfield services sector gained at what is now National Oilwell Varco.

Jeremy currently serves on the States of Guernsey Renewable Energy Team and is a member at the Alderney Gambling Control Commission. He is a graduate of Brunel and Cranfield Universities.

INVESTMENT MANAGER'S REPORT

Linton Capital

INTRODUCTION

On behalf of Linton Capital, we are pleased to present our report on the performance of the Company's portfolio of investments for the six months to 30 June 2011.

This has been a period of positive developments for the Company, mostly ahead of the targets that we discussed with the board at the turn of the year.

The highlights have included two portfolio exits, from WellPoint and LxData. The former provided a positive return on investment and the latter returned capital in line with net asset value. In addition, the recent performance of the Company's most successful investment to date, Strata, has exceeded expectations. SR2020 and Crest are both at earlier stages in their development, but both are executing focused, customer-led business plans that provide opportunities for capital growth.

The progress of the businesses in the portfolio has reflected the opportunities that are offered through investment of growth capital in high-quality, technology-driven companies that service the upstream operations of the oil and gas sector. We are pleased to say that these opportunities are not limited to the Company's current portfolio. With increasing demand in the sector allied to a lack of other sources of capital, such as bank finance, we see, and are advancing, discussions with the owners and managers of a number of high-quality potential investments.

DEVELOPMENTS IN THE OIL AND GAS SERVICES AND TECHNOLOGY SECTOR

In the oil and gas industry as a whole, we observe the role of new technologies growing in importance and generating significant profits for those that invest in them. Reworking of mature fields, new sources of supply such as shale gas and specific regional issues such as the redevelopment of Iraq's industry have led to, and are expected to continue to cause, an expansion in drilling activity globally. This has had a particular impact on the high-technology end of the sector, in areas such as under-balanced drilling ("UBD") and managed-pressure drilling ("MPD"). Oil and gas companies worldwide are increasingly interested in services that will enable them to maintain or increase production from their established and increasingly mature fields.

Perhaps the best example of the impact of technology on the industry is in the shale gas sector. That there is gas contained within shale strata is not a new discovery – it has been known for decades. What has changed is the application of new technologies, such as hydraulic fracturing ("fracking") and micro-seismic analysis. These have brought on stream, at an affordable cost, reserves of gas that have transformed the marketplace in the United States and look set to have a similar impact in countries including Canada, China and Poland.

PORTFOLIO COMPANIES

Current

Strata Energy Services Inc ("Strata")

Strata has had an excellent first half-year, returning to its longer-term growth trend. Since the last quarter of 2010, when the management team refocused on growth in the core provision of UBD and MPD services, the results have exceeded forecasts. Company revenues and EBITDA for the seven months to 30 June 2011 were US$17.3 million and US$5.7 million respectively. The equivalent figures for the twelve months to 30 November 2010 were US$18.6 million and US$1.0 million.

This strong performance has been, in large part, driven by high utilisation rates in North America, where demand for Strata's services considerably outstrips its capital capacity. A principal driver of the capital restructuring described below was to release capital for investment in new UBD and MPD equipment for deployment in the field. Broader deployment is essential to maintain and deepen customer relationships because Strata is now the UBD and MPD drilling services provider of choice to several large oil companies. It is also financially desirable as the payback on capital invested can be as short as nine months. As a direct result of the restructuring, Strata aims to deploy up to ten new MPD kits in operation in North America within the next twelve months. The key challenge for Strata's North American business is to manage this growth without overextending the company's capital structure and while maintaining its excellent standards of customer service.

In parallel, Strata has successfully commenced operations in the Middle East. It provides UBD services to OMV, the Austrian oil major, in the Kurdistan region of Northern Iraq. Currently, OMV has only one UBD kit in operation, although management believes that there is demand for further operations if it can deploy equipment in the region. We support this analysis, having been approached by several other operators in the Middle East seeking our assistance in persuading Strata to provide services to them. Furthermore, revenues from operations in Iraq, which so far are slightly ahead of forecast, only began half way through the period. Their full impact will be more visible at the year-end.

Notwithstanding this excellent progress, there remain some challenges ahead to maximise the value of the Company's investment in Strata. The management team of Strata has been fully extended, and has performed superbly, in turning around the business. However, this performance cannot continue without further resources. At our instigation, a new CFO has been appointed to allow the existing CFO to move to an operations-management role. We are looking at further ways to support and strengthen the team.

Our primary focus is to enable Strata to deploy its equipment more effectively and thereby maximise its utilisation of capital. There will be difficult judgments to consider over the medium term as to when, and at what value, it will appropriate to introduce third-party capital so that the company can expand its operations more rapidly.

In July 2011, IOGT's secured convertible debenture and part of its loan note were converted into equity. Among the benefits of this restructuring is the better alignment of interests between IOGT and the management team, the other major shareholders, in seeking to maximise long-term value in preparation for an exit. As part of this restructuring, Strata's existing conventional bank facility has been replaced in its entirety by a new facility, on materially more favourable terms, with PNC Bank Canada Branch.

Strata's recently improved performance has resulted in an increase in the valuation of the Company's investment. However, this valuation still reflects, in part, the weaker performance of Strata during 2010.

Crest Energy Services Limited ("Crest")

As previously reported, Crest has decided to focus its initial efforts on the development of an in-situ nitrogen pipeline-purging business. It is deploying advanced separator equipment under a contract with Ultra Industrial Services, which is a supplier to Saudi Aramco. Small-scale operations began in August 2011 and further, more substantial, deployments are scheduled to commence in September 2011. We are working closely with Crest's management team to ensure that this business capitalises on its successful start and expands successfully.

However, getting to this stage has taken longer than originally hoped as starting new operations in Saudi Arabia can occasionally be unpredictable and uncertain. We have therefore reduced the valuation of the investment in Crest by US$2 million to reflect possible further costs and delays that could arise as the business develops.

In spite of these teething problems, we remain optimistic about the potential value of the nitrogen pipeline-purging operations. There is considerable demand for the service, with customers being targeted both in Saudi Arabia and in the wider Gulf region, as well as other applications of the technology, such as re-pressurisation. In addition, Crest continues to look at new opportunities in the region. While some are in co-operation with other Investee Companies, for which Crest's contacts in and knowledge of the region can prove invaluable, others are of a stand-alone nature. These present the company with a source of interesting investment opportunities in a region that is otherwise not easily accessible to investors.

We believe that Crest, provided it can establish a solid operating foundation and expand its services and customer base, will become an even more valuable business.

SR2020 Inc ("SR2020")

SR2020 has excellent, proprietary seismic-processing technology coupled with a professional team that is well respected by its peers, many of whom work in the geophysics departments of oil and gas companies. SR2020 operates in a growing and important sector. It has its own acquisition capabilities, its pricing is highly competitive and the company can usually complete processing and re-processing orders more quickly than its competitors. However, although SR2020 has a high-profile customer list, it has not so far been able to translate this potential into the levels of growth that we believe the company is capable of achieving.

The management team is focused on tackling SR2020's main challenge of how to package its technologies to provide value-add services to companies in the sector and how to demonstrate to potential customers the financial benefits, both in reduced costs and increased revenues. The financial benefits both in reduced costs and increased revenues to potential customers. Since the period end, the board of IOGT took the decision to make a further investment in SR2020. This should complete the process of linking SR2020's technologies and enable it to put in place a targeted and well-resourced marketing and business development plan. Together, these changes have the potential to transform this business.

One example of the potential for high growth is the application of SR2020's micro-seismic monitoring technology to the shale-gas industry, which has grown to account for 20-25 per cent of total US gas supply. The market for shale-gas monitoring services in the US alone is estimated at over US$650 million. Internationally, the market is many times larger as shale-gas exploration and extraction activity grows in countries as diverse as Poland, China and Argentina, often carried out in conjunction with oil majors.

INVESTMENT MANAGER'S REPORT CONTINUED

Ambercore Software ("Ambercore")

As previously reported, Ambercore is in receivership. This follows a petition presented by Canrock Ventures, a company associated with Jim Estill, which had purchased Ambercore's working capital facility from the Royal Bank of Canada. The receivership has proceeded neither well nor smoothly. From the rubble of this process, the Company considers that there are potential avenues of legal redress against certain other parties but it is not, pending further developments, pursuing any action. The Company continues to hold the investment at zero value.

Realised

Since 1 January 2011, the Company has realised two investments.

WellPoint Systems Inc ("WellPoint")

In May 2011, the company successfully disposed of its interest in WellPoint for a cash consideration of US$19.8 million. The overall return on our investment, including all interest received during the term, was 27 per cent and the IRR was 8.85 per cent. The cost of the investment in WellPoint totalled US$17.5 million.

The exit followed a lengthy process, which we initiated on behalf of the company, to force the sale. WellPoint, although an interesting business, did not fit within IOGT's focus of technology-driven service businesses addressing the upstream oil and gas sector. The exit process was undertaken with the full support of WellPoint's management team and represents the early fulfilment, on better than expected terms, of one of the key parts of the strategy outlined to shareholders last summer.

LxData Inc ("LxData")

On 25 August 2011, as already reported to shareholders, the Company's interest in LxData was sold to Weatherford Canada Limited, a subsidiary of Weatherford International Oil Field Services (NYSE:WFT), one of the world's largest international oil and natural-gas service groups. The total sale consideration receivable by the Company of US$4.41 million was equal to the valuation of this investment as most recently used to calculate the Company's net asset value. The Company received US$3.22 million on closing. The balance of US$1.19 million will be held in escrow, half for 12 months and half for 18 months, to provide security against the warranties that have been given to the purchaser. There is no earn-out clause in the sale agreement.

Potential new investments

We are monitoring a large number of potential new investments for the Company. Of these, a few are now at the stage where we are sufficiently convinced by the technology and business plan to move to evaluating a potential investment and entering into discussions with management. These companies all operate or deploy technology at the wellhead. We will make announcements at appropriate stages when discussions and due diligence progress.

Mechanism of investing

Historically, the Company has made the majority of its investments through a convertible secured debenture, with the expressed intention to convert to equity only at the time of exit. However, whilst we recognise that these debentures do have some advantages, such as security over the assets of a business ahead of the shareholders, they also have drawbacks. In particular, withdrawing cash from growing but invariably capital-hungry companies and artificially skewing their debt-to-equity ratios act to hinder their growth and thereby reduce the ultimate capital gain to shareholders. Furthermore, many of the perceived advantages, such as a running yield and strong covenants, can be largely illusory.

The debenture instrument, in an amended form, will sometimes have a role to play, particularly at an early stage. However, our experience has shown that, in particular when an Investee Company grows in scale, the better instrument for making a long-term investment for capital growth is to hold equity alongside the other shareholders. Equity can also provide income in the form of dividends.

Conclusion

We look forward to reporting on further progress by the Company's investments in our year-end report.

Linton Capital LLP
31 August 2011

David Sefton
Investment Manager

Michael Goffin
Investment Manager

INVESTMENT MANAGER

LINTON CAPITAL LLP

Linton Capital LLP ("Linton" or the "Investment Manager"), which was founded in 2005, is the sole investment manager for the Company. Linton changed its name from Sefton Partners LLP on 15 August 2011.

Linton is an English limited liability partnership authorised and regulated by the Financial Services Authority. David Sefton and Michael Goffin, who are the ultimate owners of Linton, are both highly experienced professionals in private equity and the oil and gas sector.

Linton has been an investment manager of the Company since incorporation.

Website: www.linton-capital.com

KEY PRINCIPALS

David Sefton *(partner)*

David, the founder of Linton, has been involved in private equity investment in the oil and gas industry since 2004. He has extensive experience of making and managing investments and achieving exits. David has been a specialist in the oil and gas industry across Europe, Russia, the Middle East and North America. He has worked with many of the world's leading international and national oil companies.

David sits on the boards of all the Investee Companies.

Before his appointment as chief legal officer at Lukoil Financial Services in 2002, David began his career at Cleary, Gottlieb, Steen & Hamilton, where he was a senior associate based in the London and New York offices.

David completed undergraduate and postgraduate studies at the University of Oxford and is a qualified barrister.

Michael Goffin, CGA *(partner)*

Michael has over 15 years of experience in investment management, accounting and corporate finance. He has worked with David Sefton since 2004.

Prior to joining Linton in 2010, he was a partner with a Canada-based private equity firm for 13 years and held financial positions in the services industry and manufacturing sector.

Michael has extensive experience across all aspects of fund management and oversight of portfolio investments. He has served on the boards of numerous funds as well as privately-held and publicly-listed companies.

Michael graduated from the University of Toronto in 1994 with a degree in economics and environmental management. He holds a certified general accountant professional designation.

Roland Wessel *(advisor)*

Roland has over 30 years of experience in the oil and gas industry. He was initially involved in the drilling services sector and undertook managerial roles in most of the active oil and gas regions of the world, including West Africa, the Middle East, the North Sea, and North and South America.

Leaving his position as Eastern Hemisphere Manager at Teleco Oilfield Services, Roland founded a new company, Integrated Drilling Services ("IDS") in 1992 with backing from 3i Group plc. While establishing IDS, he co-developed a rotary steerable system for Camco that (as the *PowerDrive* system) is currently one of Schlumberger's most successful products. Roland sold IDS in 1998 before founding Star Energy, which is a leading onshore UK producer and developer of oil and gas and an operator of gas-storage facilities. After listing on the London stock market in 2004, Star Energy was bought by Petronas, the Malaysian state oil company, in 2008. Roland remains chief executive of Star Energy.

Roland holds a number of non-executive positions in the oil and gas sector, including at Dominion Petroleum. This is an AIM-listed, independent oil and gas exploration company operating in Africa. He is a geology graduate from University College, London.

INVESTMENT MANAGER CONTINUED

Nick Butler *(advisor)*

Nick graduated in economics from Cambridge University before joining BP, the British oil firm, in 1977, ultimately becoming senior economist and group vice-president for strategy and policy development.

Nick is a Visiting Fellow and chair of the King's Policy Institute at King's College, London. He is also energy policy adviser at the Cavendish Laboratory in Cambridge and a senior adviser to both Coller Capital and Corporate Value Associates. From 2007 to 2009, he was chairman of the Cambridge Centre for Energy Studies. He was a special adviser to Gordon Brown, then British Prime Minister, from 2009 to 2010.

He is a non-executive director of Cambridge Econometrics and a trustee of Asia House.

James Cane FCA *(chief financial officer)*

James has been a chief executive and finance director in both listed and private equity-backed businesses, and was a non-executive director of the Lambeth Building Society until its sale to the Portman, now the Nationwide, in 2006. James, a fellow of the Institute of Chartered Accountants and an associate of the Securities Institute, has operated a consultancy business for over thirty years.

Since 2010, he has been the chief financial officer of 8 Miles LLP, a private equity firm raising a fund to invest in buyouts across Africa. He has also advised a number of private-equity firms on strategy, marketing and business development. After resigning as chief executive and finance director of Ashley House PLC in 2004, James has carried out a number long-term consultancy projects for private equity investment firms operating in the UK and the emerging markets, as well as advising a leading global private-equity placement agent. During 2007, he was a director of an AIM-quoted shell company that reversed into a Chinese food manufacturer.

James was a management consultant during the 1980s and 1990s, prior to his appointment as a divisional managing and finance director at Westminster Healthcare before and after its buyout by a private equity consortium in 1999. This was followed by roles as the operations and finance director of a private equity advisory firm.

James is a trustee of the UK's longest-established drama school, LAMDA (the London Academy of Music and Dramatic Art) and chairs its finance committee.

Debra Feldman *(practice manager)*

Debra manages Linton's administration and finance functions. She joined from the American law firm Cleary, Gottlieb, Steen & Hamilton, where she spent ten years after previously working at County NatWest and the Port of London Authority.

THE COMPANY

STRATEGY

The Company has identified a need for enhanced services and differential technological solutions to react to challenges in the oil and gas industry. Of these, the principal challenge is to increase recovery ratios from known and mature fields. Others include the pressing requirements to develop innovative exploration technologies, identify new oil and natural gas fields globally, and exploit unconventional oil and natural gas resources. In addition, the industry needs to improve the environmental footprint of its activities and products.

The Company seeks investments in companies that the Investment Manager believes have long-term growth prospects, an established market position relative to the competition and a strong management team.

KEY STRENGTHS OF THE COMPANY

Sector opportunities

Besides a few small regional funds based in Norway and Houston (Texas), the Investment Manager is not aware of any other company or investment fund that offers investors the opportunity to participate in the growth of companies in the oil and gas technology sector. Linton aims to address the shortage of growth capital available to oil and gas service and technology companies.

Sector knowledge and contacts

The principals of Linton have an extensive network from which to source investment opportunities and they apply a proactive approach to strategic selection and subsequent due diligence. This helps the Company identify those that are attractive and then enhance their strategic, operational and technical capabilities across their market.

GROWTH CAPITAL

The Company seeks to provide capital to growing companies that have already established a customer base for their products and services and now require capital to expand their operations. Typically, they will have revenues of between US$5 million and US$25 million at the time that the Company makes its investment. This range is an under-served segment of the market, lying between the target sizes of venture capital and leveraged private equity. With the levels of conventional bank lending available to small companies restricted in the current environment, IOGT's expansion capital can be particularly attractive to potential investee companies.

CRITERIA FOR INVESTMENT

The presence of an existing customer base and revenues helps to establish the commercial, as distinct from simply experimental, premise for the technology.

The technology or processes should be proprietary, have been proven in use and have the potential to create a significant impact within the energy sector.

JOINT VENTURES

The Investment Manager seeks to create local joint ventures or partnerships in regions such as the Middle East that enable Investee Companies to accelerate the growth of their market share across the sector and on a global basis.

THE OIL AND GAS SERVICES AND TECHNOLOGY SECTOR

The Investment Manager believes that the oil and gas industry needs new and enhanced services and technologies to maintain and, where possible, increase production rates for its products. In particular, the industry requires services and technologies that address the following issues:

- **Mature field recovery**

  At a time when relatively few new fields of any significance are being discovered, it is essential to improve the rates of production and recovery from existing fields. For most fields, the overall recovery rate can be as low as 25 to 40 per cent of the total field potential.

  Linton believes that this shortfall in field recovery remains the most significant issue for the industry. It continues to seek investments in companies with products and services that can improve recovery rates.

- **Reduce exploration and production costs**

  Linton believes that the frequent and often major changes in the price of oil and of gas-related products have made this issue one of increasing importance. Cost reduction is especially vital if the industry is to avoid the long periods of under-investment experienced in the 1980s and 1990s.

- **New exploration technologies**

  The industry considers that a reasonable target is the addition of one trillion BBL of conventional oil over the next 25 years. New exploration technologies will be essential if this goal is to be achieved.

- **The development of unconventional oil and gas reserves**

  Technology is the key to the development of unconventional reserves, such as heavy oil and gas shale. These resources will be essential as existing conventional reserves dwindle. The development of shale gas in particular is a good example of how technology can revolutionise a source of supply.

- **Reduction of the industry's environmental footprint**

  The industry must address the impact of its activities and products to anticipate and meet future environmental regulations.

Linton believes that these factors are causing a strategic, positive shift in the appetite for enhanced services and technology in the oil and gas sector. This shift gives the Company an opportunity to generate attractive returns for investors by deploying technologies and products to address the current and future challenges facing the industry.

REVIEW OF PRINCIPAL INVESTMENTS

CURRENT INVESTMENTS

STRATA ENERGY SERVICES INC

Strata is a fully-integrated service provider of UBD and MPD services, headquartered in Alberta (Canada).

Strata has developed and patented its own rotating flow diverters and other equipment. The company has an excellent reputation amongst its client base, which includes many of the world's largest oil and gas companies. Strata has operations across North America as well as in the Middle East and Asia.

Strata's revenues and market share have grown significantly over recent years and the business is well positioned for further international expansion.

CREST ENERGY SERVICES LIMITED

Crest was established to become an oil and gas services provider to the major oil companies in the Middle East and to act as a sales and licensing channel for other Investee Companies.

Crest's principal initial business is to provide nitrogen pipeline-purging services. Crest has the potential to expand this service across the oil and gas industry in the Middle East and Asia Pacific regions.

Crest's equipment produces very high-purity nitrogen at the wellhead, using separator units such as those deployed by Strata in its UBD operations. This can be used to purify pipelines and other producing equipment. At present, operators use cryogenic nitrogen that has been trucked to the operational site, which is an expensive source and method of supply. The move to a different technology model has enabled Crest to offer terms that are significantly cheaper than the alternative.

Crest is also actively developing further business activities in the upstream sector, some on a stand-alone basis and some in cooperation with other Investee Companies.

SR2020 INC

SR2020 is a Delaware corporation with operations in Brea (California) and Houston (Texas).

SR2020 is a technical leader in high-definition, borehole (namely, sub-surface) seismic acquisition and processing. This includes 3D Vertical-Seismic Processing ("3DVSP") for conventional reservoir characterisation and micro-seismic monitoring and reservoir fracture characterisation for shale-gas and shale-oil reservoirs. SR2020 uses its technologies to offer services to operators that reduce production costs (for example, by analysing a reservoir more accurately so as to reduce the number of hydraulic fracturing operations required) and increase revenues and production (for example, by identifying more precisely the location and total depth for optimum drilling).

Linton believes that this sector will expand considerably over the coming period and SR2020 is well positioned to take advantage of this growth. The Company has an excellent client base and, in particular, offers opportunities in fast-growing areas such as shale gas. Linton is working intensively with the management of SR2020 to sharpen the commercial focus of its technologies and product offerings. The Company looks to support the growth of SR2020 by providing expansion capital to increase processing capacity and enhance its sales and marketing capabilities.

REVIEW OF PRINCIPAL INVESTMENTS CONTINUED

SQFIVE INTELLIGENT OILFIELD SOLUTIONS INC ("SQFIVE")

SQFive is the holding company for the Company's indirect investments in LxData (see note 17) and SR2020.

This corporate structure is an ineffective vehicle within which to manage the investments. For this reason, SQFive is currently in the process of a formal restructuring with a court-appointed receiver, Ernst & Young. The expected outcome of the receivership is that the Company will hold these investments directly.

Since 30 June 2011, IOGT has provided approximately US$150,000 for its pro-rata share of the costs of the receivership. The provision of funding for the receivership ranks in first position as a creditor of SQFive and will therefore be recoverable, in cash or in kind, upon formal completion of the restructuring.

AMBERCORE SOFTWARE INC

Ambercore, which is now in receivership, had two business streams: the software division, which principally comprised proprietary data compression and 3D-modelling software, and the *Terrapoint* business, which provided LiDAR (light-imaging detection and range) mapping services.

The receiver has indicated that it considers that it cannot solicit offers for the residual assets of Ambercore that would result in the Company receiving any proceeds. For this reason, the Company continues to value its interest at zero. Although the Company considers that there are potential avenues of legal redress against certain other parties, it is not, pending further developments, pursuing any action.

REALISED INVESTMENTS

LxDATA INC ("LxDATA")

LxData, a Canadian company founded in 2001, is headquartered in Montreal (Quebec) with offices in Calgary, Maryland (Virginia) and Houston.

LxData has developed patented fibre-optical technology, including related process manufacturing. It originally serviced the telecoms industry but refocused in order to provide multi-point temperature sensors as well as single- and multi-point pressure sensors to the oil and gas industry. LxData now provides a turnkey down-hole optical sensing solution. This includes sensors, packaging, integration, installation, surface instrumentation, software and data base connectivity and visualisation, as well as remote down-hole monitoring and support using the LxIQ platform.

On 25 August 2011, as reported to shareholders, the Company's interest in LxData was sold to Weatherford International Oil Field Services (NYSE:WFT), one of the largest international oil and natural-gas service groups. The total sale consideration receivable by the Company of US$4.41 million was equal to the valuation of this investment as most recently used to calculate the Company's net asset value.

WELLPOINT SYSTEMS INC

WellPoint was registered in Calgary (Alberta) and was traded on the TSX Venture Exchange under the symbol WPS until 31 January 2011.

On 10 May 2011, following completion of an auction process conducted by Ernst & Young, the company's court-appointed receivers, IOGT received aggregate proceeds of US$19.8 million for its interest in WellPoint. This exit generated an IRR of 8.85 per cent and the total proceeds over the life of the investment represented a return of 27 per cent on cost of US$17.5 million.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm that, to the best of their knowledge, the unaudited interim report and accounts for the six months to 30 June 2011 have been prepared in accordance with applicable law and Canadian Accounting Standards (Canadian generally accepted accounting principles) and gives a true and fair view of the assets, liabilities, financial position and return of the Company as required by the Disclosure and Transparency Rules DTR 4.2.4R.

The report includes a fair value review of the information required by:

(a) **DTR 4.2.7R** of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year

(b) **DTR 4.2.8R** of the Disclosure and Transparency Rules, being related-party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the Company during that period and any changes in the related-party transactions described in the last Annual Report that could do so.

BY ORDER OF THE BOARD

Christopher Hill
Chairman

31 August 2011

BALANCE SHEET

at 30 June 2011

	Note	30 June 2011 US$	31 December 2010 US$
ASSETS			
Cash and cash equivalents		18,091,188	764,446
Accounts receivable and prepaid expenses	10	2,944,916	1,962,278
Investments	2,11	55,493,176	70,865,527
		76,529,280	73,592,251
LIABILITIES			
Accounts payable and accrued liabilities	12	476,576	1,084,660
Deferred interest income	12	–	51,176
Payable on repurchase of own shares	12	3,805,803	–
		4,282,379	1,135,836
SHAREHOLDERS' EQUITY			
Common (founder) shares	13	2	2
Participating redeemable preferred shares	13	8,156,348	8,156,348
Contributed surplus	2	67,565,301	67,565,301
Treasury shares		(3,805,803)	–
Retained earnings (deficit)		331,053	(3,265,236)
		72,246,901	72,456,415
		76,529,280	73,592,251
Net asset value per preferred share		9.49	8.88

The accompanying notes are integral to these financial statements.

Approved by the Board of Directors and signed on its behalf by

Christopher Hill
Chairman

31 August 2011

STATEMENT OF OPERATIONS

for the six months to 30 June 2011

	Note	**30 June 2011 US$**	30 June 2010 US$
INVESTMENT INCOME			
Portfolio interest income	2	**2,204,889**	2,586,477
Non-portfolio interest income		**711**	829
Realised (loss) gain on foreign exchange		**(44,075)**	4,844
		2,161,525	2,592,150
EXPENSES			
Administrative expenses	6	**1,236,004**	1,901,560
		1,236,004	1,901,560
Net investment income		**925,521**	690,590
GAINS (LOSSES) ON INVESTMENTS			
Unrealised change in valuation of investments		**2,670,768**	(7,561,350)
Net realised loss on investments		**–**	(4,428)
Net income (loss)		**3,596,289**	(6,875,188)
Average number of preferred shares		**8,114,289**	7,759,022
Basic earnings (loss) per preferred share	9	**0.44**	(0.89)
Average number of preferred shares (diluted)		**8,114,289**	7,759,022
Diluted earnings (loss) per preferred share	9	**0.44**	(0.89)
Dividends paid per preferred share	8	**–**	0.10

The accompanying notes are integral to these financial statements.

STATEMENT OF CASH FLOWS

for the six months to 30 June 2011

Net inflow (outflow) of cash related to the following activities	Note	**30 June 2011 US$**	30 June 2010 US$
OPERATING			
Net investment income		**925,521**	690,590
Net change in non-cash working capital	10,12	**(1,790,898)**	(1,054,847)
		(865,377)	(364,257)
INVESTING			
Purchase of investments	11	**(686,125)**	(8,334,777)
Disposals of investments	11	**18,878,244**	–
		18,192,119	(8,334,777)
FINANCING			
Issuance of share capital		–	9,722,513
Share issuance costs		–	(403,079)
Dividends paid	8	–	(1,484,987)
		–	7,834,447
Net increase (decrease) in cash during the period		**17,326,742**	(864,587)
Cash, beginning of period		**764,446**	5,024,318
Cash, end of period		**18,091,188**	4,159,731

The accompanying notes are integral to these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months to 30 June 2011

	Share capital US$	Warrants US$	Treasury shares US$	Contributed surplus US$	Retained earnings US$	**Total US$**
At 1 January 2011	**8,156,350**	**–**	**–**	**67,565,301**	**(3,265,236)**	**72,456,415**
Repurchase of own shares	–	–	(3,805,803)	–	–	**(3,805,803)**
Net income	–	–	–	–	3,596,289	**3,596,289**
At 30 June 2011	**8,156,350**	**–**	**(3,805,803)**	**67,565,301**	**331,053**	**72,246,901**
At 1 January 2010	7,186,709	987,822	–	60,497,266	17,974,768	86,646,565
Issuance of shares and warrants	969,641	–	–	8,783,914	–	9,753,555
Reclassification of expired warrants	–	(987,822)	–	987,822	–	–
Share issuance costs	–	–	–	(403,079)	–	(403,079)
Net deficit	–	–	–	–	(6,875,188)	(6,875,188)
Dividends paid	–	–	–	(1,484,987)	–	(1,484,987)
At 30 June 2010	8,156,350	–	–	68,380,936	11,099,580	87,636,866

The accompanying notes are integral to these financial statements.

STATEMENT OF INVESTMENT PORTFOLIO

at 30 June 2011

Company / type of security	Par value/ number of securities US$/No.	30 June 2011 Cost US$	30 June 2011 Estimated fair value US$	31 December 2010 Cost US$	31 December 2010 Estimated fair value US$
STRATA ENERGY SERVICES INC					
Convertible secured debentures	20,000,000	**20,029,669**		20,000,000	
Secured promissory note	4,850,000	**4,850,000**	**43,589,680**	4,850,000	38,822,012
WELLPOINT SYSTEMS INC					
Convertible secured debentures	–	–		18,823,078	
Promissory note	–	–	–	55,165	18,878,243
SQFIVE INTELLIGENT OILFIELD SOLUTIONS LTD[(1)]					
Convertible secured debentures	12,168,750	**12,268,750**		12,168,750	
Convertible redeemable preferred shares	2,783,471	**2,783,471**	**8,946,722**	2,783,471	8,846,722
CREST ENERGY SERVICES LIMITED					
Convertible secured debentures	6,996,499	**6,996,499**		6,996,499	
Promissory note	1,055,000	**1,055,000**	**1,800,000**	955,000	3,767,232
SR2020 INC					
Convertible secured debenture	900,000	**900,000**		900,000	
Promissory note	1,825,000	**1,835,456**	**605,456**	1,230,000	–
LxDATA INC					
Convertible secured loan	563,305	**551,318**	**551,318**	551,318	551,318
AMBERCORE SOFTWARE INC					
Convertible loan	1,200,000	**1,200,000**		1,200,000	
Loan	700,000	**700,000**	–	700,000	–
1482747 ALBERTA LTD[(2)]					
Convertible secured debentures	3,150,000	**3,150,000**		3,150,000	
Loan	400,000	**400,000**		400,000	
Promissory notes	135,167	**135,167**	–	135,167	–
Total		**56,855,330**	**55,493,176**	74,898,448	70,865,527

1. SQFive Intelligent Oilfield Solutions is a holding company owning investments in LxData and SR2020 (see notes 11 and 17)
2. 1482747 Alberta is a holding company that owns Ambercore Software

NOTES TO THE ACCOUNTS

1. BUSINESS REGISTRATION

International Oil and Gas Technology Limited is a closed-ended investment company incorporated on 20 November 2007 and registered in Guernsey. The Company's participating redeemable preference shares are listed on the London Stock Exchange. The Company changed its name from Quorum Oil and Gas Technology Fund Limited on 10 June 2011.

Descriptions of the Company's investments are provided on pages 13 to 14. The address of the Company's registered office is set out on page 32.

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 stated in United States dollars unless otherwise noted.

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 accounts 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.

Accounting policy

In 2009, the Company adopted CICA Handbook – Accounting Section 3862, "Financial Instruments – Disclosures" ("Section 3862") and Section 3863, "Financial Instruments – Presentation" ("Section 3863"). These sections establish standards for comprehensive disclosure and presentation requirements for financial instruments. The standards include new requirements to quantify certain risk exposures and to provide sensitivity analyses for certain risks. The additional disclosure can be found in note 15 to these accounts.

The Company also adopted the CICA Handbook Section 1535, "Capital Disclosures" ("Section 1535"), which establishes standards for disclosing information about the Company's capital and how it is managed. The Company has included disclosures recommended by this new handbook section. The adoption of this standard results in additional disclosures but does not affect the Company's results or financial position. The additional disclosures can be found in note 16 to these accounts.

Valuation of investments

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 provide the most reliable evidence of fair value. This 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 of the Company are classified as Level III.

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 the company's securities
- Any control associated with interests in the company that are held by IOGT

NOTES TO THE ACCOUNTS CONTINUED

- Information with respect to transactions or offers for the company's securities (including the transaction pursuant to which the investment was made and the number of years that have elapsed from the date of the investment to the valuation date)
- Applicable restrictions on transfer
- Industry information and assumptions
- General economic and market conditions
- Other factors deemed relevant.

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 11.

The CICA Accounting Standards Board decided to defer the mandatory IFRS changeover date of 1 January 2011 for a two-year period for investment companies. As a result, the Company has elected to defer the first-time adoption of IFRS until 1 January 2013.

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 at 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 and is included on the balance sheet as a liability. Where interest receivable is capitalised, it is added to the relevant investment's cost of investment and is not shown as interest receivable in debtors.

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.

Treasury shares

Own-equity instruments that are acquired (treasury shares) are deducted from equity and accounted for at the amounts equal to the consideration paid, including any directly attributable incremental costs

Stock-based payments

The Company has the power to grant stock options. CICA Handbook Section 3870 – "Stock-based compensation and other stock-based payments" – requires recognition of the 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 recognised as an expense. The effect of acturial forfeitures of previously granted options is recognised when the forfeitures occur.

3. MATERIAL AGREEMENTS

A new Investment Management Agreement to take effect from 1 June 2011 was executed on 30 August 2011.

Prior to this and as at 30 June 2011, no replacement investment management agreement with the Investment Manager was in place following the extraordinary general meeting ("EGM") on 29 September 2010 (at the end of which the interim investment management agreement expressly terminated). During the period, the Company has substantially followed the arrangement proposed in the circular issued after the EGM. This provided for payment of a fee of 1.5 per cent of the lower of cost and net asset value. A monthly investment management fee of US$75,000 fee was paid during the period.

See note 17 to these accounts for further information in respect of the Investment Management Agreement.

4. RELATED-PARTY TRANSACTIONS

The Investment Manager and the directors are regarded as related parties. Linton has undertaken that no co-investments will be made in any other funds that may at any time be managed by the Investment Manager or any entity controlled by the principals of the Investment Manager.

Details of the fee arrangements with the Investment Manager are explained in note 3.

5. SEGMENTAL INFORMATION

As the directors are of the opinion that the Company is engaged in a single segment of business, namely investment management, no segmental reporting is required.

6. ADMINISTRATIVE EXPENSES

The administrative expenses of the Company for the six months to 30 June 2011 are set out in the table below:

	Note below	30 June 2011 US$	30 June 2010 US$
Administration fees	a	**98,823**	73,822
Advisory board fees and expenses	b	**–**	86,538
Audit and taxation fees		**94,080**	150,105
Stockbroker's fees		**27,168**	38,569
Directors' fees and expenses		**137,411**	88,462
Insurance costs		**7,750**	13,885
Investment management fees	c	**450,000**	887,780
Investor communications costs		**59,752**	47,983
Legal and professional fees		**283,432**	387,676
Listing and licence fees		**4,450**	31,924
Marketing expenses		**46,534**	38,955
Other expenses		**3,055**	16,773
Registrar and custodian fees		**4,381**	38,199
Travel and entertainment costs		**19,168**	889
	d	**1,236,004**	1,901,560

Notes

a International Administration (Guernsey) Limited succeeded Ogier Limited as the administrator of the Company in April 2011

b The advisory board ceased to operate at the end of 2010

c Investment management fees for the six months to 30 June 2011 have been accrued at the rate of US$75,000 per month

d Certain expenses shown in the interim report of 2010 have been reallocated to other categories.

7. 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 (US$1,000). With this exemption, the Company will not be liable to 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.

8. DIVIDENDS

No dividends were paid during the period (30 June 2010: US$1,484,987).

NOTES TO THE ACCOUNTS CONTINUED

9. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Earnings (loss) per share is computed by dividing net income (deficit) available to preferred shareholders by the weighted average number of preferred shares outstanding for the period.

Diluted earnings (loss) 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 that such entitlement is not subject to unresolved contingencies. The number of additional shares for inclusion in diluted loss 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 to 30 June 2011 and 30 June 2010, the Company excluded potential share equivalents comprised of stock options and warrants for the diluted earnings (loss) per share as these would be considered anti-dilutive.

	30 June 2011 US$	30 June 2010 US$
Basic earnings per share		
Net income (deficit)	**3,596,289**	(6,875,188)
Average number of preferred shares	**8,114,289**	7,759,022
Basic earnings (loss) per share	**0.44**	(0.89)
Diluted earnings per share		
Net income (deficit)	**3,596,289**	(6,875,188)
Average number of preferred shares (diluted)	**8,114,289**	7,759,022
Diluted earnings (loss) per share	**0.44**	(0.89)

10. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	30 June 2011 US$	31 December 2010 US$
Total accounts receivable and prepaid expenses	**2,944,916**	1,962,278

11. INVESTMENTS

a) 1482747 Alberta Ltd ("Alberta")

Alberta is a non-operating company used solely as an investment vehicle through which IOGT invests indirectly into Ambercore. At 31 December 2008, SQFive held underlying investments in Ambercore, SR2020 and LxData. After a restructuring at the SQFive level in 2009, the investment in Ambercore was transferred to Alberta.

The convertible secured debenture in the principal amount of US$3,150,000 matures on 29 May 2013 and bears an annual interest rate of 8.5 per cent. The US$400,000 loan and US$135,167 promissory note are due on demand and bear interest at ten per cent per annum.

In November 2010, Ambercore was placed into court-appointed receivership by the senior secured lender, Canrock Ventures LLP. In April 2011, the sale of the assets of the company's *Terrapoint* division was approved by the courts. The remaining asset of Ambercore is currently under review by the receiver. Due to the nature of the receivership, the Company has written down the value of its investment to zero.

b) Ambercore

The convertible loan in the principal amount of US$1,200,000 bears an annual interest rate of 8.5 per cent. This is repayable upon the sale of certain assets of Ambercore, together with a bonus payment of US$250,000, which has not been recognized by the Company. The loan of US$700,000 bears interest ranging between 8.5 per cent and ten per cent per annum and is due on demand.

For the reasons set out in (a) above, the Company has written down the value of its investment in Ambercore to zero.

c) Crest

The convertible secured debenture in the principal amount of US$6,996,499 matures on 17 December 2013 and bears an annual interest rate of 8.5 per cent. The debenture is convertible at the Company's option at any time into common shares of Crest at a conversion price of US$1.00 per share.

During the period, a promissory note was issued in the principal amount of US$100,000. As a result, the promissory notes outstanding at 30 June 2011 totalled US$1,055,000. They bear an annual interest rate of 8.5 per cent and are repayable on dates between 28 March 2013 and 31 October 2013.

The investment in Crest has been valued using a venture-capital market-multiple approach. Pending the commencement of successful operations under the company's service contracts in Saudi Arabia, the board has reduced the valuation of the Company's investment by US$2.07 million compared to 31 December 2010. The valuation of the Company's interest at 30 June 2011 was US$1.7 million.

d) LxData

At 30 June 2011, the Company, through its investment in SQFive, had an interest in 106,978,745 liquidated preference shares and 23,818,689 common shares of LxData. The preferred shares were convertible into common shares on a 1:1 basis after a return of 125 per cent of the capital has been received. SQFive owned approximately 32 per cent of LxData on a fully-diluted, fully-converted basis.

In addition, the Company held a direct investment in a convertible secured loan of CDN$550,214 (US$563,305), which bears interest at 12 per cent and is convertible into preferred shares of LxData.

This investment was sold on 25 August 2011, as reported elsewhere in this report and in note 17 to these accounts.

NOTES TO THE ACCOUNTS CONTINUED

11. INVESTMENTS CONTINUED

e) SQFive

The convertible secured debentures, in the aggregate principal amount of US$12,168,750, mature on dates between 21 March 2013 and 22 November 2013. They bear annual interest at rates ranging between eight per cent and 8.5 per cent. The debentures are convertible, at the Company's option at any time, into common shares of SQFive at a conversion price ranging from US$0.52 to US$0.78 per share.

The convertible preferred shares in the aggregate par value of US$2,783,471 bear annual dividend rates ranging between eight per cent and 8.5 per cent. The preferred shares are convertible, at the Company's option at any time, into common shares of SQFive at a conversion price ranging from US$0.52 to US$0.78 per share.

During the period, SQFive has been placed into receivership. However, the investment in SQFive was valued by using a combination of a comparable-company multiples approach and indicative third-party interest in its two underlying companies, SR2020 and LxData. Legal costs incurred on the company's behalf totalling US$100,000 have been capitalised. Besides this addition, the valuation of the holding has remained unchanged since 31 December 2010.

On 16 March 2009, a claim was filed against Seismic Reservoir 2020, Inc. ("Seismic"), Seismic Reservoir 2020 Ltd, SR2020 Inc. ("SR2020", the successor company to Seismic), a director of Quorum Oil and Gas Technology Fund Limited (the former name of the Company), and against two other individuals employed by SQFive and SR2020. The claim for US$2.2 million was filed by a former employee and shareholder of Seismic seeking relief for wrongful dismissal and deprivation of shareholders' rights. Since 30 June 2011, the specific claims against Seismic and SR2020 have been settled by SR2020 and the former employee and shareholder with the payment of US$150,000 by SR2020. IOGT lent this sum to SR2020.

f) SR2020

The convertible secured debenture in the principal amount of US$900,000 matures on 29 May 2013 and bears an annual interest rate of 8.5 per cent. During the period, promissory notes totalling US$595,000 were issued by SR2020. Promissory notes outstanding to the Company at 30 June 2011 totalled US$1,825,000. They are due on demand and bear interest at 8.5 per cent per annum.

The investment in SR2020 was valued using a comparable-company multiples approach and took into account that the Company's direct investment in SR2020 is supported by a second charge on the security. Legal costs incurred on the company's behalf totalling US$10,456 have been capitalised.

The value of the Company's overall investment in SR2020 is reflected within the valuation of SQFive.

g) Strata

As at the period-end (and before the reorganisation referred to in note 17):

- The convertible secured debenture in the principal amount of US$15,000,000 had a maturity date of 25 February 2013. It bears an annual interest rate of eight per cent and is convertible into 31.4 per cent of Strata common shares.
- The convertible secured debenture in the principal amount of US$5,000,000 had a maturity date of 1 August 2013. It bears an annual interest rate of eight per cent and is convertible into 10.5 per cent of Strata common shares.

The secured promissory note in the principal amount of US$4,850,000, carrying interest at 15 per cent per annum, matured on 30 September 2010. During the period, the maturity date was extended on a monthly basis. No interest was charged after 31 March 2011. The promissory note was due on demand.

At 30 June 2011, the valuation of the Company's investment in Strata increased by US$4.7 million to US$43.6 million.

This valuation took account of the restructuring referred to in note 17 in addition to using a combination of comparable-company multiples and the discounted cash flow basis of valuation, using actual and budget figures. Legal costs of approximately US$30,000 incurred on the company's behalf were capitalised.

11. INVESTMENTS CONTINUED

Summary

During the period to 30 June 2011, the reconciliation of investments measured at fair value using unobservable inputs (Level III) is presented as follows:

	30 June 2011 US$	31 December 2010 US$
Fair level disclosure by fair value hierarchy level		**Level III**
Investments	**55,493,176**	70,865,527

	30 June 2011 US$	31 December 2010 US$
Reconciliation of Level III fair values	**Trading securities**	
Opening balance	**70,865,527**	81,949,125
Total unrealised gains (losses) in net income[1]	**2,670,768**	(22,206,233)
Additions	**835,125**	11,122,635
Disposals	**(18,878,244)**	–
Closing balance	**55,493,176**	70,865,527

(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 level of EBITDA multiple used. A change in this factor of +/- 1.0 would result in an aggregate movement in the unrealised change in valuation of investments of approximately +/- US$2.5 million.

12. LIABILITIES

	30 June 2011 US$	31 December 2010 US$
Accounts payable and accrued liabilities	**476,576**	1,084,660
Deferred interest income	**–**	51,176
Payable on repurchase of own shares	**3,805,803**	–
	4,282,379	1,135,836

The deferred interest income relates to interest payments received in advance from Investee Companies.

NOTES TO THE ACCOUNTS CONTINUED

13. SHAREHOLDERS' EQUITY

	30 June 2011 Number	31 December 2010 Number
Authorised		
Common (founder) shares	**20,000**	20,000
Unclassified shares	**50,000,000**	50,000,000
Issued		
Common (founder) shares of US$1.00	**2**	2
Participating redeemable preference shares of US$1.00	**7,615,367**	8,156,348
Treasury shares of US$1.00	**540,981**	–

	Nominal value US$	Nominal value US$
Authorised		
Common (founder) shares	**20,000**	20,000
Unclassified shares	**50,000,000**	50,000,000
Issued		
Common (founder) shares	**2**	2
Participating redeemable preference shares	**8,156,348**	8,156,348

The unclassified shares of the Company may be allotted and issued as one or more classes of shares, including participating redeemable preference shares. 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 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. They are only entitled to participate in the assets of the Company on a winding-up.

Issued

- On 1 April 2010, the Company issued 493,180 participating redeemable preference shares at an issuance price of US$10.00 per share for total gross subscription proceeds of US$4,931,800.
- On 1 March 2010, the Company issued 86,093 participating redeemable preference shares at an issuance price of US$10.13 per share for total gross subscription proceeds of US$871,261.
- On 24 February 2010, the Company issued 390,565 participating redeemable preference shares at an issuance price of US$10.12 per share for total gross subscription proceeds of US$3,950,494.
- On 6 October 2009, the Company issued 1,064,238 participating redeemable preference shares at an issuance price of US$9.59 per share for total gross subscription proceeds of US$10,206,042.
- 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 US$987,822 from contributed surplus to warrants. The warrants were exercisable at a price of US$10.00 each on 1 April 2009 and 1 April 2010, following which dates rights under the warrants would lapse. 493,180 warrants were exercised on 1 April 2010. The key assumptions used in the pricing of the warrants were a risk-free interest rate of 3.53 per cent, expected dividend yield of four per cent and expected share volatility of 18 per cent.

Repurchased

- On 17 June 2011, the Company repurchased 540,981 of its participating redeemable preference shares for US$7.00 per share at a total cost of US$3,805,803. The Company's policy is to hold repurchased shares in treasury.

14. STOCK-BASED PAYMENTS

The Company is authorised to issue stock options representing up to 20 per cent of the capital of the Company under its stock-option plan. The Company is currently reviewing its stock-option arrangements.

15. 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 in which it invests. The investment objective of the Company is to provide interest income and capital appreciation by investing in equity, 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 is 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 programme seeks to minimise 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 Investment Manager 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 over the assets of the Investee Company 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 the assets or shares of the Investee Company. Given the status of the Investee Companies and their respective financial positions, the recoverability of these investments is, in some cases, predicated on the performance of the companies. Provisions have been made where appropriate.

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

The Company is exposed to credit risk in respect of 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 a regular 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 ordinary shares, convertible secured debentures, convertible loans and promissory notes. The Company primarily invests in securities that are not traded in active markets and cannot be readily disposed of. To compensate for this, the Company retains sufficient cash and cash-equivalent positions to maintain liquidity to meet operating expenses and distributions. Furthermore, the liquidity risk is mitigated by the fact that the participating redeemable preference shares of the Company are redeemable only at the Company's discretion.

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 balances on a continuing basis in order to optimise 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.

NOTES TO THE ACCOUNTS CONTINUED

15. FINANCIAL RISK MANAGEMENT CONTINUED

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

	30 June 2011 Cost US$	31 December 2010 Cost US$
Debt instruments by maturity date*		
Shorter than one year	**6,386,775**	6,137,384
1 – 3 years	**47,685,086**	62,655,248
3 – 5 years	**–**	2,000,000
Longer than five years	**–**	–
Total	**54,071,861**	70,792,632

* Excludes cash, 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 (market-price risk). It represents the potential loss that the Company might suffer through holding interests in private companies whose value may fluctuate and that may be difficult to value or realise.

All investments carry a risk of loss of capital. The Investment Manager moderates this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Company's investment objective and policy, 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 ten per cent, it would represent a loss of US$5.6 million. This would cause the net asset value of the Company to fall by 7.8 per cent.

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 no investments that are not denominated in the functional currency. As such, currency risk is not considered to be a material risk to the Company.

16. 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 ordinary shares, convertible secured debentures, convertible loans and promissory notes of companies operating worldwide.

The Company does have specific restrictions on how it can deploy its shareholders' capital. Other than where specific authorisation is given by the board of directors, such as in the case of Strata, the Company will not invest more than 30 per cent of its total assets in any one company (this restriction is calculated at the time of the relevant investment on a cost basis).

International Oil and Gas Technology Limited aims primarily to generate long-term capital growth by investing expansion capital into companies that provide services and technology to the upstream oil and gas industry. It also seeks to provide regular income to shareholders through dividends.

The Company aims to deliver its objective by investing available cash and generating portfolio interest income while maintaining sufficient liquidity to meet day-to-day expenses.

17. POST-BALANCE SHEET EVENTS

1. Share buy-back programme

Between the period-end and 31 August 2011, the date of signature of these accounts, a further 25,000 participating redeemable preference shares have been bought back by the Company for a total consideration of US$160,500 (average price – US$6.42 per share) and are currently held as treasury shares.

2. Sale of interest in LxData

On 25 August 2011, and as reported to shareholders, the Company's interest in LxData was sold to a subsidiary of Weatherford International Oil Field Services (NYSE:WFT), one of the largest international oil and natural gas service groups.

The total sale consideration receivable by the Company of US$4.41 million was equal to the valuation of this investment as most recently used to calculate the Company's net asset value. The Company received US$3.22 million on closing. The balance of US$1.19 million will be held in escrow, half for 12 months and half 18 months, to provide security against the warranties that have been given to the purchaser. There is no earn-out clause in the sale agreement.

3. Restructuring of investment in Strata

As reported to shareholders on 4 August 2011, the Company's investment in Strata was restructured on 3 August 2011:

- The Company converted both its US$20 million convertible secured debentures in Strata and US$2.85 million of its US$4.85 million secured promissory note to the company into common shares of Strata. When fully diluted by Strata's employee share-option programme, the Company will hold 43 per cent of the common shares of Strata.
- The remaining part of the secured promissory note (US$2.0 million) was converted into a one-year promissory note carrying a coupon of four per cent per annum.

4. Investment Management Agreement

A new Investment Management Agreement between the Company and the Investment Manager that took effect from 1 June 2011 was executed on 30 August 2011. This replaced the interim investment management agreement in operation since the EGM in September 2010. The new Investment Management Agreement provides for:

(a) a monthly investment management fee of US$110,000 payable to Linton, subject to regular review by the board and Investment Manager; and

(b) a revised incentivisation arrangement in respect of the portfolio assets held by the Company on 1 June 2011 under which the Investment Manager will receive, upon realisation of the asset:

  (i) 7.5 per cent of the increase in value of each portfolio asset between the amount of its valuation at 30 September 2010 and the lower of the realisation proceeds of the portfolio asset and the equivalent of the amount of its valuation as at 31 December 2009, and then

  (ii) in the event that the realisation proceeds exceed the amount of its valuation as at 31 December 2009, 20 per cent of the increase in value of each portfolio asset between the realisation proceeds of the portfolio asset and the equivalent of the amount of its valuation on 31 December 2009 as used in (b)(i) above.

(c) an incentivisation arrangement in respect of any portfolio assets purchased subsequent to 1 June 2011 under which the Investment Manager will receive 20 per cent of the value of all portfolio realisations once the Company has received an amount equal to the aggregate amount invested at cost in the respective portfolio asset plus an additional amount calculated by reference to a hurdle rate of eight per cent per annum.

Any payments due to the Investment Manager under the above paragraphs (b) i and ii and (c) will be subject to an escrow arrangement, initially restricting the Company's cash payments to the Investment Manager to (i) 50 per cent of the calculated amount in respect of any realisation of either Strata or any future portfolio assets, and (ii) 20 per cent of the calculated amount in respect of all other portfolio realisations.

The new Investment Management Agreement may be terminated by either party giving twelve months' prior written notice and may additionally be terminated without notice in certain circumstances, including the departure of key investment management executives.

Additionally, the Investment Manager has waived (a) any interest in the unissued stock options of the Company in respect of the Company's capital issuances during 2010 and (b) the right to receive any transaction fees on the Company making any further investments.

MANAGEMENT AND ADMINISTRATION

REGISTERED OFFICE OF THE COMPANY

Regency Court
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GY1 1WW

Registered number: 48074

ADMINISTRATOR AND COMPANY SECRETARY

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BANKER AND CUSTODIAN

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DEFINITIONS

AGM	Annual General Meeting of the Company
AUDITORS	Deloitte LLP
BILLION	One thousand million
BOARD	The board of directors of the Company or, as the context may require, the directors of the Company from time to time
BUSINESS DAY	A day on which banks and stock exchanges in Guernsey and London are normally open for business
CDN$	The lawful currency of Canada
CFO	Chief financial officer
COMBINED CODE	The combined code on corporate governance issued by the Financial Reporting Council
COMPANY or **IOGT**	International Oil and Gas Technology Limited
CREST	The paperless settlement procedure operated by CRESTCo under the CREST Regulations enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument
CRESTCo	Euroclear UK and Ireland Ltd
DIRECTORS	The directors of the Company from time to time
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, taxation, depreciation and amortisation, exploration and production costs
EBITDA (adjusted)	Standardised EBITDA excluding foreign exchange gains
EBITDA (standardised)	A non-GAAP measure in accordance with the definition noted in the Canadian Institute of Chartered Accountants ("CICA") draft publication "*Improved Communication with Non-GAAP Financial Measures*" issued by the Canadian Performance Reporting Board of CICA EBITDA can vary significantly, depending on exchange-rate fluctuations, write downs of deferred development costs, goodwill impairment, financing costs, stock-based compensation, fees and expenses on settlement of debt and losses on extinguishment of debt and after deducting the annual amount invested in respect of deferred development costs
EGM	Extraordinary General Meeting of the Company
FSA	The UK Financial Services Authority
GAAP	Generally Accepted Accounting Principles
GFSC	The Guernsey Financial Services Commission
GFSC REGULATIONS	The Authorised Closed-Ended Investment Scheme Rules 2008
GUERNSEY	The Bailiwick of Guernsey
INVESTEE COMPANY	A company in which the Company has made an investment, directly or, in some cases, indirectly from time to time, they currently being Strata Energy Services Inc., Crest Energy Services Ltd., SR2020, SQFive Intelligent Oilfield Solutions Inc (which includes, indirectly, the SQFive Companies)
INVESTMENT MANAGEMENT AGREEMENT	The investment management agreement between the Company and the Investment Manager
INVESTMENT MANAGER	Linton Capital LLP (formerly called Sefton Partners LLP), also referred to in this report as 'Linton'

DEFINITIONS CONTINUED

INVESTMENT MANAGEMENT FEE	The aggregate investment management fee payable by the Company to the Investment Manager
LAW	The Companies (Guernsey) Law, 2008, as amended, and every other Order in Council, Act, Ordinance, Statutory Instrument or regulation for the time being in force concerning companies registered in Guernsey and affecting the Company (in each case as amended, substituted or replaced)
LONDON STOCK EXCHANGE	The London Stock Exchange plc
NET ASSET VALUE or **NAV**	The total assets of the Company less its total liabilities (including accrued but unpaid fees) valued in accordance with the Company's accounting policies adopted by the Company from time to time and expressed in US dollars
NGO	Non-governmental organisation – any non-profit, voluntary citizens' group that is organised on a local, national or international level
OFFICIAL LIST	The official list maintained by the UK Listing Authority
PORTFOLIO	The portfolio of the Company's investments from time to time
REGISTER	The register of members in the Company
SHAREHOLDER	A holder of Shares
SHARES	The participating redeemable preference shares of US$1 each in the share capital of the Company
SQFIVE COMPANIES	SQFive Intelligent Oilfield Solutions Inc, SR 2020 Inc and LxData Inc, which has been sold since the period-end
SQFIVE GROUP	SQFive Intelligent Oilfield Solutions Inc. in its capacity as an investment vehicle that makes direct investments in the SQFive Companies
£ or STERLING	The lawful currency of the United Kingdom
TRILLION	One thousand billion
UK or **UNITED KINGDOM**	United Kingdom of Great Britain and Northern Ireland
US$ or **US DOLLARS**	The lawful currency of the United States
US or **UNITED STATES**	The United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

GLOSSARY OF TECHNICAL TERMS

3DVSP	3D Vertical-Seismic Processing – enables exploration in areas with complex structures lying below complex overburden, such as sub-salt exploration
BBL	Barrel (of oil or condensate)
CRYOGENIC NITROGEN	Very high purity nitrogen produced in a cryogenic-nitrogen plant
DOWNSTREAM	The downstream oil sector refers to the refining of crude oil, and the selling and distribution of natural gas and products derived from crude oil
ERP	Enterprise resource planning systems which integrate (or attempt to integrate) all data and processes of organisation into a unified system. A typical ERP system will use multiple components of computer software and hardware to achieve the integration. A key ingredient of most ERP systems is the use of a unified database to store data for the various systems
FIBER-BRAGG GRATING	A fiber-Bragg grating (FBG) is a type of distributed Bragg reflector constructed in a short segment of optical fibre that reflects particular wavelengths of light and transmits all others
FRACTURING	Hydraulic fracturing, often called fracking, fracing or hydrofracking, is the process of initiating and subsequently propagating a fracture in a rock layer, employing the pressure of a fluid as the source of energy. The fracturing, known as a frack job (or frac job), is done from a wellbore drilled into reservoir rock formations, in order to increase the extraction rates and ultimate recovery of oil and natural gas and coal seam gas
LiDAR	Light-imaging Detection And Range. This is an optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target
MIDSTREAM	The midstream industry processes, stores, markets and transports commodities such as crude oil and natural gas
MPD	Managed-pressure drilling
SHALE GAS AND SHALE OIL	Natural gas produced from shale, which is fine-grained, clastic sedimentary rock composed of mud that is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals, especially quartz and calcite
SHALE OIL	Shale oil (or kerogen oil) is an unconventional oil produced from oil shale by pyrolysis, hydrogenation or thermal dissolution. These processes convert the organic matter within the rock (kerogen) into synthetic oil and gas
UBD	Under-balanced drilling
UPSTREAM	The upstream oil sector refers to the searching for and the recovery and production of crude oil and natural gas. The upstream oil sector is also known as the exploration and production (E&P) sector

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