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Press Release **29 August 2008**

Quorum Oil and Gas Technology Fund Limited

("Q-OGT" or "the Company")

Half-yearly Financial Report

Quorum Oil and Gas Technology Fund Limited (LSE:QOGT), a registered closed-ended Guernsey investment company listed on the London Stock Exchange, today presents its half-yearly financial report for the six months ended 30 June 2008.

Highlights Since Launch

- Successfully raised US$42.6 million at IPO in January 2008
- Total net assets of US$41.6 million
- US$15 million investment into Strata Energy Services, Inc.
- US$15.2 million investment into WellPoint Systems, Inc.
- US$ 8.1 million investment made into SQFive™ Intelligent Oilfield Solutions Ltd which in turn invested in Neotek, Ambercore Software Inc, Terrapoint Inc, and Seismic Reservoir 2020 Ltd
- Appointment of Christopher Hill as a non-executive Director

Since 30 June 2008, the Company has:

- Paid a dividend of US$0.20 per share for the period from 7 January 2008 to 30 June 2008 on 29 July 2008.
- Raised a further US$19.3 million (gross) in July 2008 via a secondary placing
- Invested an additional US$5 million into Strata Energy Services, Inc.
- Invested an additional US$5.5 million, of which US$2.8 million was advanced, into

SQFive™ Intelligent Oilfield Solutions Ltd which in turn invested into LXSix Photonics Inc.

Wanda Dorosz, Managing Partner & CEO of Quorum Group, said: “We are delighted to report first half-yearly financial report for Quorum Oil and Gas Technology Fund Limited. I would like to take this opportunity to thank the whole Q-OGT team for all their efforts since the Company listed in January. I look forward to building on the success of the first half of the year as the Company enters what I am confident will be an exciting and productive period.”

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Chairman's Statement

Quorum Oil and Gas Technology Fund Limited (the "Company") is pleased to present its first half-yearly financial report for the period ending 30 June 2008. The Company launched in January 2008, raising US$42.6 million. The initial net asset value ("NAV") per share at launch was US$9.75. As at 30 June 2008, the NAV per share was US$9.76 and the share price was US$10.95, rising from an opening price of US$10.20

In July 2008, the Company declared and paid a dividend of US$0.20 per share.

In terms of our investment portfolio, the Company had invested US$38.3 million in three companies as at 30 June 2008. Our first investment of US$15 million was made in Strata Energy Services Inc., a provider of managed pressure and underbalanced drilling services and equipment. Our second investment, of US$15.2 million, was made in WellPoint Systems Inc., an enterprise software company specialising in the oil & gas, mining & exploration, chemical and utility industries. Our third investment of US$8,074,102 was made in SQFive Intelligent Oilfield Solutions Ltd. ("SQFive"). SQFive in turn has invested in and controls Ambercore Software Inc., Terrapoint Inc. and Seismic Reservoir 2020 Ltd. SQFive is a technological solution provider in oil and gas extraction including Light Detection and Ranging ("LiDAR") mapping, reservoir modelling, data interpretation, and fibre optic sensor measurement.

In June 2008, Christopher Hill was appointed to the Company's Board of Directors following the tragic death of the Company's then Director, Jeffrey Burton.

The secondary placing closed on 28 July 2008, raising US$19.3 million in gross proceeds, which brings total funds raised since launch in January 2008 to US$61.9 million. The secondary issue price per share was US$10.35. At the current time, we do not intend to make any additional public offerings for the remainder of the year, although the Company may utilise its ability to issue up to 10 per cent of its shares without the requirement to publish a prospectus.

Since 30 June 2008, the Company has invested an additional US$5 million into Strata and an additional US$5.5 million, of which US$2.8 million was advanced, into SQFive which in turn invested into LXSix Photonics Inc.

The market in which the Company operates continues to be encouraging in terms of investment opportunities, which may attract further competition for such opportunities. The Quorum Group is currently investigating a pipeline of new investment opportunities which the Company will have access to. It is expected that the Company will be fully invested by the end of the year.

All shareholders are more than welcome to attend the upcoming Quorum Oil and Gas Technology Symposium to be held in London on 18 September 2008 and we all look forward to meeting you there. Further details for this event are available on request by emailing info@quorum.ca.

Thomas Price
Chairman
29 August 2008

Investment Manager’s statement

During the period from launch in January 2008 to 30 June 2008, the Company made 3 investments, totalling US$38.3 million; Strata Energy Services Inc., WellPoint Systems Inc. and SQFive Intelligent Oilfield Solutions Ltd.

Each investment was made by way of a convertible secured debenture with the first year’s interest prepaid on closing. We have Board representation on each investee company which enables us to monitor progress and strategy on the Company’s behalf.

Strata’s growth in 2008 sales is 300 per cent higher than 2007; significantly, that growth is manifested in all regions of the world. Strata also attracted even more executive talent of international calibre in quarter two, thereby extending its abilities in under balanced drilling to both onshore and offshore markets, both markets being ready adapters of this fast growing submarket of global oil and gas services.

WellPoint too expects nearly 100 per cent sales growth year on year, having had two strong quarters in 2008 from its US operations in particular.

WellPoint had a delayed collection of a large account receivable for the period ending 30 June 2008, which we discovered in late August would adversely impact covenants with the Company. However, the receivable is 90 per cent insured by Export Development Corporation, as known by us at the time of investment, and we have been advised by WellPoint that payment should be made shortly; therefore this appears to be a manageable event for WellPoint.

SQFive launched in April 2008. It subsequently acquired 100 per cent of Neotek, a reservoir processing entity, as well as taking a controlling investment in both Ambercore and Terrapoint. Ambercore is a world leader in 3D volume visualisation integration for the resource sector and Terrapoint is one of North America’s Light Detection and Ranging (“LiDAR”) airborne and truck mounted laser topological surveyor markets leaders. The recent sales of Ambercore and Terrapoint suggest that overall sales in 2008 will be more than 40 per cent higher compared to 2007. SQFive also invested in Seismic 2020, a world leader in massive Vertical Seismic Profile (“VSP”) seismic processing, in the second quarter of 2008.

Although global prices for oil and gas have come off the record highs reached earlier this year, the overall global market for oil and gas technology was, and remains strong. With few exceptions, most of the investee companies are experiencing record sales growth. We continue to have a full pipeline of global growth plays in the oil and gas technology sector for the Company.

Quorum European Partners LLP and QOGT Inc.
29 August 2008

Quorum Oil and Gas Technology Fund Limited
Unaudited condensed income statement
for the period 20 November 2007 (incorporation date) to 30 June 2008

	Note	Period from 20 November 2007 to 30 June 2008
Income		**USD**
Bank deposit interest	3	237,686
Portfolio Interest income	3	871,113
Other income	3	2,685
Expenses		
Marketing Expenses		(159,743)
Administration fees		(193,558)
Investment managers' fees		(200,751)
Directors' fees		(100,000)
Advisory Board fees		(50,000)
Other expenses		(92,633)
Insurance		(50,011)
Audit fees		(18,640)
Listing and licensing fees		(57,959)
Custodian fees		(7,500)
Legal fees		(24,353)
Exchange loss		(12,885)
Registrar fees		(6,931)
Net profit for the period		136,520
Non-diluted and diluted return per participated redeemable preference share		0.03

Unaudited condensed balance sheet as at 30 June 2008

	Notes	2008 USD
Assets		
Cash and cash equivalents	10	5,532,644
Financial assets at fair value though profit or loss	6	38,274,102
Receivables and other assets	7	55,240
		43,861,986
Liabilities		
Payables	8	61,820
Deferred interest income	9	2,214,637
		2,276,457
Net assets attributable to the holders of participating redeemable shares	15	41,585,527
Founder shares	11	2
Amounts due to shareholders		41,585,529
Total liabilities and amounts due to shareholders		43,861,986
Number of participating redeemable preference shares in issue	14	4,258,690
Net asset per participating redeemable preference share, diluted and non-diluted		9.76

Unaudited condensed cash flow statement
for the period from 20 November 2007 (incorporation date) to 30 June 2008

	Note	Period from 20 November 2007 to 30 June 2008 USD
Operating activities		
Net loss for the period		136,520
Increase in debtors and prepayments		(55,240)
Increase in payables		61,820
Increase in deferred interest income		2,214,637
Net cash inflow generated by operating activities		**2,357,737**
Investing activities		
Purchase of investments		(38,274,102)
Net cash outflow used in investing activities		**(38,274,102)**
Financing activities		
Issue of participating redeemable preference shares	11	42,586,902
Issue costs paid		(1,137,893)
Net cash inflow from financial activities		**41,449,009**
Net increase in cash and cash equivalents		5,532,644
Cash and cash equivalents and beginning of period		-
Cash and cash equivalents at end of period	10	5,532,644

Unaudited condensed statement of changes in equity
For the period from 20 November 2007 (incorporation date) to 30 June 2008

	Share Premium Account	**Share Capital**	**Retained Earnings**	**Total Equity**
Ordinary shares issued	**-**	**-**	**-**	**-**
Ordinary shares issued 7 January 2008	38,328,210	4,258,692	-	42,586,902
Costs related to issuance of Ordinary shares	(1,137,893)	-	-	(1,137,893)
Retained earnings	-	-	136,520	136,520
As at 30 June 2008	37,190,317	4,258,692	-	41,585,529

1. Company Information

Quorum Oil and Gas Technology Fund Limited (the "Company") is a closed-ended investment company incorporated under the laws of Guernsey with registered number 48074 on 20 November 2007, with its registered office at Ogier House, St. Julian's Avenue, St Peter Port, Guernsey GY1 1WA. The Company's participating redeemable preference shares are listed on the London Stock Exchange.

The Company's objective is to seek long term capital appreciation with a target return of 20%. Its investment objective is to provide expansion capital to companies which own and/or are developing proprietary technology which may have a potentially significant effect on the oil and gas industry.

2. Principal accounting policies

The financial statements are prepared in accordance with applicable international Financial Reporting Standards. The principal accounting policies adopted are described below.

a) *Accounting convention*

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and financial instruments.

b) *Critical accounting judgments and key sources of estimation uncertainty*

The preparation of Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Where such judgments are made they are discussed below.

c) *Valuation of investments*

All investments are classified as "fair value through the profit and loss" and are initially recognized at cost, being the fair value of the consideration given. Investments in convertible secured debentures are valued at their fair values. The investments are fair valued using principles from the International Private Equity and Venture Capital Valuation Guidelines. The fair value of these investments is considered to be the greater of their principal amount plus accrued interest, and the value as if they have been converted, with such estimated value being determined by the Manager.

The difference between cost and valuation and realized gains/or losses on realization of investments are included in the Income Statement.

d) *Purchases and sales of investments*

Purchases and sales of investments are recognized at trade date. Where monies have been forwarded in advance of the trade date these have been accounted for as a receivable on the balance sheet as advance applications for investments.

e) *Interest and investment income*

Bank deposit interest and interest from the converted secured debentures is accounted for on an accruals basis.

f) *Expenses*

Expenses are accounted for on an accruals basis.

g) *Foreign exchange*

The functional and presentational currency of the Company is United States Dollars. Foreign currency monetary assets and liabilities are translated into United States Dollars at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into United States Dollars at the rate ruling at the date of the transaction. Realized and unrealized foreign exchange gains and losses are recognized in the income statement. Monetary assets and liabilities, including investments denominated in currencies other than United States Dollars have been translated into United States Dollars at the following rate of exchange which were current at 30 June, 2008, being: Canadian Dollar 1.0146.

h) *Segmental reporting*

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

i) *Other receivables*

The assets are initially recognized at fair value and are subsequently measured at amortized cost less any provision for impairment.

j) *Standards issued but not yet effective as at the date of authorization of the financial information.*

At the date of authorization of the financial information, the following Standards and Interpretations were issued but not yet effective. ,

- IAS 1 “Presentation of financial statements” revised (issued September 2007 and effective for periods beginning on or after 1 January 2009)
- IAS 23 “Borrowing costs” revised (issued March 2007 and effective for periods beginning on or after I January 2009)
- IFRS 8 “Operating segments” (effective for periods beginning on or after 1 January 2009)

Currently, the directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial information of the Company.

k) *Option Agreements*

Certain members of the Investment Advisory Committee, the Investment Managers’ Investment Committee and certain employees are eligible to receive options of the Company. The Company accounts for these options using IFRS 2 Share Based Payment. As the Company is not able to reliably measure the fair value at the grant date they have opted to use an intrinsic value approach based on the Net Asset Value of the entity. The entity will re-measure the value at each reporting date with any change in the intrinsic value being recognized in profit or loss in the period.

3. Income

	Period from 20 November 2007 to 30 June 2008
	USD
Bank deposit interest	237,686
Portfolio interest income	873,798
Total income	1,111,484

4. Investment management fees

QOGT Inc. and Quorum European Partners LLP, the Investment Managers, were appointed under an agreement with the Company dated 27 December 2007. Either party, giving not less than 3 years' prior written notice, may terminate the agreement. The aggregate management fee is subject to a maximum of two percent per annum payable by the Company to the Investment Managers monthly in arrears.

5. Taxation

The Company is exempt from Guernsey Income Tax on income earned outside Guernsey and bank interest earned in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 for which it pays an annual fee of £600.

With effect from 1 January 2008, Guernsey abolished some aspects of the exempt company regime. As a publicly available fund, it will continue to be eligible to apply for exempt status however, and liable to the annual fee if it chooses to do so.

6. Investments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which gains and losses are recognized, in respect of its financial assets and financial liabilities are disclosed in Note 2 to the financial statements.

a) Categories of investments

	Fair value	As at 30 June 2008 % of net assets attributable to holders of preference shares
	USD	
Financial assets at fair value through profit or loss		
Designated as fair value through profit or loss:		
Secured convertible debentures	35,169,034	84.57%
Preferred shares	2,883,333	6.94%
Unsecured promissory note	221,735	0.53%
	38,274,102	92.04%

b) Net gains on investments

	Period from 20 November 2007 to 30 June 2008 USD
Movement in the year	
Opening valuation	-
Purchase at cost	39,071,736
Sale at cost	(797,634)
Closing valuation	38,274,102

c) *Description of investment*

WellPoint Systems Inc. ("WellPoint")

The convertible secured debenture in the principal amount of US$15,200,000 matures on 10 April 2013 and bears an annual interest rate of 7.75%. The debenture is convertible at the Company's option at any time into common shares of WellPoint. The conversion price for the common shares shall be US$0.90 per common share at a fixed exchange rate of USD to CAD of $1.00. Under certain circumstances, WellPoint may prepay the entire principal amount of the debentures, subject to a right by the Company to exercise its conversion right into common shares of WellPoint. Additionally, under certain circumstances, WellPoint may compel a conversion of its debentures into common shares of its company.

Strata Energy Services Inc. ("Strata")

The convertible secured debenture in the principal amount of US$15,000,000 matures on 25 February 2013 and bears an annual interest rate of 8%. The debentures are convertible at the Company's option at any time into 25% of the issued and outstanding Strata common shares immediately after giving effect to the conversion on a fully-diluted basis.

SQFive Oilfield Services Ltd. ("SQ5")

The convertible secured debentures in the principal amounts of US$2,869,033 and US$2,100,000 mature on 25 April 2013 and 29 May 2013 respectively, and bear an annual interest rate of 8% and 8.5% respectively. The debentures are convertible at the Company's option into common shares of US$1.00 per share. The preferred shares in the par value amounts of US$1,833,333 and US$1,050,000 bear an annual dividend rate of 8% and 8.5% respectively. The promissory note in the amount of US$221,735 bears an annual interest rate of 8% and is repayable on demand.

7. Receivables and other assets

	As at 30 June 2008 USD
Prepayment of expenses	49,632
Sundry receivables	5,608
	55,240

The above carrying value of receivables is equivalent to its fair value.

8. Payables

	As at 30 June 2008
	USD
Accrued expenses	61,820
	61,820

The above carrying value of receivables is equivalent to its fair value.

9. Deferred interest income

The deferred interest income of $2,214,637 relates to interest payments received from investee companies paid in advance.

10. Cash and cash equivalents

	As at 30 June 2008
	USD
Cash and cash on call at bank	5,532,644
	5,532,644

Cash and cash equivalents comprise cash on call and cash clearing held by the Company with Royal Bank of Canada (Channel Islands) Limited, which earned an interest of 2.5% during the quarter.

The carrying amount of these assets approximates their fair value.

11. Share capital

The authorized share capital of the Company is US$50,000,002 divided into two Founder Shares of US$1 each and 50,000,000 unclassified shares of US$1 each. The Unclassified Shares may be allotted and issued as one or more classes of Shares, being participating redeemable preference shares in the Company. To qualify as participating redeemable preference shares, the Shares are required under Guernsey law to have a preference over some other class of share capital. The Shares may be redeemed at the option of the Company subject to the discretion of the Directors.

On 7 January 2008 the Company raised US$42,586,902 in relation to a placing of participating redeemable preference shares. The Company capped the issuance costs to 2.5 percent of the gross issue proceeds.

12. Founder shares

The Founder Shares have been created so that the participating redeemable preference shares may be issued. The Founder Shares are not redeemable and do not carry any right to vote or dividends and are only entitled to participate in the assets of the Company on a winding-up.

13. Option arrangements

Options were granted to the Investment Managers in respect of 20 per cent of the fully diluted share capital of the Company at an exercise price of USD$10 increasing by 8 per cent per annum subject to reductions in any dividends paid. The options are exercisable in three equal tranches on the first three anniversaries of the grant date and have a 10 year life.

As the fair value of the options cannot be reliably measured, the options will be measured on their intrinsic value, using net asset value and adjusted each reporting date for any change in intrinsic value until the options are exercised forfeited or expire. The intrinsic value of the options as at 30 June 2008 based on net asset value is zero.

14. Reserves, share capital and share premium

	Share Capital	**Share Premium**	**Profit and loss account**	**Total**
	USD	**USD**	**USD**	**USD**
Brought forward	-	-	-	-
Shares issued	4,258,690	38,328,212	-	42,586,902
Issued costs	-	(1,137,893)	-	(1,137,893)
Net Profit for the period	-	-	136,520	136,520
As at 30 June 2008	4,258,690	37,190,319	136,520	41,585,529

15. Net asset value per share

	No. of shares	**30 June 2008**
		USD
Redeemable participating preference shares	**4,258,690**	**9.76**

The net asset value per redeemable participating preference share is based on net assets attributable to shares of $41,585,527 and on 4,258,690 shares, being the number of shares in issue at the period end.

16. Financial risk management

Financial risk profile

The Company has exposure to concentration risk, credit risk, liquidity risk and market risk. The Investment Managers have the overall responsibility for oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed.

The Company's financial instruments are comprised of portfolio investments and cash and cash equivalents.

Categories of financial instruments

30 June 2008 financial assets	**Note**	Held at fair value through profit or loss
		USD
Financial assets at fair value through profit or loss	6	38,274,102
Cash and cash equivalents	10	5,532,644
		43,806,746

The following describes the risks involved and the applied risk management.

Concentration risk

Concentration risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions.

The Company's investments are located in Canada and therefore the Company is exposed to the macro economic changes in Canada. These investments are focused solely in the oil and gas technology sectors. The Company attempts to mitigate this risk by conducting extensive due diligence on its investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to risks associated with changes in interest rates in respect of interest earned on its cash balances. The Company seeks to mitigate this risk by monitoring the placement of cash balances on an ongoing basis in order to maximize 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.

Capital risk management

The capital structure of the Company consists of the cash and cash equivalents and net assets attributable to holders of participating redeemable preference shareholders, which comprise of issued participating redeemable preference shares, Founders shares and reserves as disclosed in Notes 11 to 14. The Company does not have any externally imposed capital requirements. The capital is to be used by the Company to invest in secured convertible debentures, preferred shares and promissory notes worldwide. The Company though does have specific restrictions on how it can deploy its shareholders capital. The Company will not invest more than 30% of its total assets in any one company (this restriction is calculated at the time of the relevant investments), additionally the Company will not invest more than 10% of its assets in other closed-ended or open-ended funds.

At 30 June 2008, net assets attributable to the holders of participating redeemable preference shares were US$41,585,527.

The investment objective of Quorum Oil and Gas Technology Fund Limited is to seek long term capital appreciation with a target return of 20% over a five-year time horizon.

The Company aims to deliver its objective by investing available cash and generating portfolio interest income whilst maintaining sufficient liquidity to meet on-going expenses and dividend payments.

The Company's investment objective is to provide investors with the potential for long term capital growth by providing capital to companies headquartered predominately in North America, Europe and the Middle East that provide technological solutions in the oil and gas industry. The Company's policy is to remain substantially fully invested at all times.

As at 30 June 2008, the Company's assets were deployed into investments as set out below:

	Market value	**% of NAV**
	USD	
Investment Strategy		
Secured Convertible debentures	35,169,034	80.18%
Preferred shares	2,883,333	6.57%
Promissory note	221,735	0.51%
Total Investments	38,274,102	87.26%
Cash and other assets	5,587,884	12.74%
Total assets	43,861,986	100.00%

Market price risk

Market price risk arises principally from uncertainty concerning future values of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding interests in unquoted private companies whose value may fluctuate and which may be difficult to value and/or to realize. The Company seeks to mitigate this risk by assessing such risks as part of the due diligence process related to all potential investments, and by establishing a clear exit strategy for all potential investments. If the value of the Company's investment portfolio were to decline by 10%, it would represent a loss of US$3,827,410. This would cause the net asset value of the Company to fall by 9.2%.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its liabilities as they fall due. The Company's only liabilities relate to trade payables as they relate the operational activities. The Company's primary source of liquidity consists of net cash and interest income generated by portfolio interest income. As the portfolio interest rate of return on the Company's investments exceeds the operational expenses of the Company, there is sufficient ongoing liquidity to satisfy the continuance of the Company, provided that credit risk remains at acceptable levels.

The investments of the Company are not very liquid by nature. This is mitigated by the fact that the participating redeemable preference shares of the Company are redeemable only at the Company's discretion.

Credit risk

Credit risk, is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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 Managers performing satisfactory due diligence on prospective investments. Under the terms of the convertible secured debenture, should the principal not be repaid by the maturity date or if there is a default in the debenture covenants, the debenture is secured by a charge of the investee companies' assets and/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 realization of the investee companies' assets or shares. Given the current status of the two investee companies and their respective financial positions, the recoverability of these investments is predicted on improved future performance of the companies.

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 an ongoing basis. The Company only invests its cash and cash equivalents with its banker and custodian, The Royal Bank of Canada (Channel Islands) Limited.

17. Related parties

Quorum European Partners LLP and QOGT Inc. (the "Investment Managers"), and the Directors are regarded as related parties. The only related party transactions are described below:

The fees and expenses payable to the Investment Managers are explained in Note 4 and detailed in the income statement. As at 30 June 2008 the Company had a payable to the Investment Managers in an amount of US$34,574 which is recorded in the balance sheet.

18. Events after the balance sheet date

a) Placing

On 25 July 2008, the Company issued 851,350 warrants to record holders of the same date on the basis of one warrant for every five shares held. The warrants are exercisable at a price of US$10.00 on each of 1 April 2009 and 1 April, 2010, following which date rights under the warrants will lapse.

On 28 July 2008, the Company issued an additional 1,864,406 participating redeemable preference shares at an issuance price of US$10.35 per share for total consideration proceeds of US$19,296,642.

b) Dividend

A dividend of US$0.20 per participating redeemable preference share was paid on 23 July, 2008.

c) Further investments:

Subsequent to the balance sheet date, the Company made the following investments:

Strata Energy Services Inc. (“Strata”)

On 31 July 2008, a further investment was made in Strata in consideration of a convertible secured debenture in the principal amount of US$5,000,000 which matures on 31 July 2013 and bears an annual interest rate of 8%. These debentures together with the existing US$15,000,000 convertible secured debenture are convertible at the Company’s option at any time into 33.33% of the issued and outstanding Strata common shares immediately after giving effect to the conversion on a fully-diluted basis.

SQFive Oilfield Services Ltd. (“SQ5”)

On 31 July 2008, a further investment was made in SQ5 in consideration of a convertible secured debenture in the principal amount of US$797,634 which matures on 25 April 2013 and bears an annual interest rate of 8%. The debentures are convertible at the Company’s option into common shares at US$1.00 per share.

On 1 August 2008, a further investment was made in SQ5 in consideration of preferred shares in the par value amount of US$2,625,000, which bears a stated dividend of 8% in the first year only.

Directors Responsibility Statement

The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with IAS 34 and the half-yearly financial report includes a fair 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 financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

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 and that have materially affected the financial position or performance of the entity during that period.