

**ETF5 OIL SECURITIES LIMITED**

**Registered No: 88371**

**Unaudited Interim Financial Report for the  
Six Months to 30 June 2013**

**ETFS OIL SECURITIES LIMITED**  
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**ETFS OIL SECURITIES LIMITED**  
**DIRECTORS' REPORT**

The directors of ETFS Oil Securities Limited ("OSL" or the "Company") submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2013.

**Directors**

The names and particulars of the directors of the Company during or since the end of the financial period are:

Mr Graham J Tuckwell - Chairman

Mr Graeme D Ross

Mr Craig A Stewart (resigned 21 June 2013)

Mr Joseph L Roxburgh

Mr Mark K Weeks (appointed 21 June 2013)

**Principal Activities**

During the period there were no significant changes in the nature of the Company's activities.

**Review of Operations**

During the period, the Company had the following number of classes, in aggregate, of Energy Securities in issue and admitted to trading on the following exchanges:

| Security                 | London Stock Exchange | Borsa Italia | Deutsche Börse | NYSE-Euronext Paris | Bolsa Mexicana de Valores |
|--------------------------|-----------------------|--------------|----------------|---------------------|---------------------------|
| Brent Energy Securities  | 5                     | 1            | 1              | 1                   | 1                         |
| WTI Energy Securities    | 5                     | 1            | 1              | 1                   | -                         |
| Carbon Energy Securities | 2                     | -            | -              | -                   | -                         |
| Total Energy Securities  | 12                    | 2            | 2              | 2                   | 1                         |

As at 30 June 2013, assets under management amounted to USD 399.4 million (31 December 2012: USD 399.7 million). The Company recognises its financial assets ("Energy Contracts") and financial liabilities ("Energy Securities") at fair value in the Condensed Statement of Financial Position.

During the period, the Company generated income from creation and redemption fees and management fees as follows:

|                              | 30 June 2013<br>USD | 30 June 2012<br>USD |
|------------------------------|---------------------|---------------------|
| Creation and Redemption Fees | 22,364              | 21,221              |
| Management Fees              | 1,023,935           | 1,081,950           |
| Total Fee Income             | 1,046,299           | 1,103,171           |

Under the terms of the service agreement with ETFS Management Company (Jersey) Limited ("ManJer"), the Company accrued expenses equal to the management fees and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in an operating result for the period of USD Nil (30 June 2012: USD Nil).

The gain or loss on Energy Securities and Energy Contracts is recognised in the Condensed Statement of Comprehensive Income in line with the Company's accounting policy, these gains or losses offset each other.

**ETFS OIL SECURITIES LIMITED**  
**DIRECTORS' REPORT – CONTINUED**

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**Future Developments**

The directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached interim financial statements.

**Dividends**

There were no dividends declared or paid in the current or previous period. It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient distributable reserves.

**Employees**

The Company does not have any employees. It is the Company's policy to use the services of specialist subcontractors or consultants as far as possible.

**Directors' Interests**

The following table sets out the only director's interest in Ordinary Shares as at the date of this report:

| <b>Director</b>   | <b>Ordinary Shares of Nil Par Value</b> |
|---|---|
| Graham J Tuckwell<br>(as controlling party of ETF Securities Limited ("ETFSL")) | 1,000                                   |

**Directors' Remuneration**

No director has a service contract with the Company and details of the directors' remuneration which has been paid by ManJer on behalf of the Company for the period is disclosed below. Mr Craig A Stewart resigned on 21 June 2013, but received his fee to 30 June 2013.

|                      | <b>30 June 2013</b> | <b>30 June 2012</b> |
|----------------------|---------------------|---------------------|
|                      | <b>GBP</b>          | <b>GBP</b>          |
| Mr Graham J Tuckwell | Nil                 | Nil                 |
| Mr Graeme D Ross     | 3,750               | 3,750               |
| Mr Craig A Stewart   | 3,750               | 3,750               |
| Mr Joseph L Roxburgh | Nil                 | Nil                 |
| Mr Mark K Weeks      | Nil                 | Nil                 |

On behalf of the directors



**Graeme D Ross**  
Director  
Jersey  
27 August 2013

## ETFS OIL SECURITIES LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing the interim financial statements in accordance with applicable law and regulations.

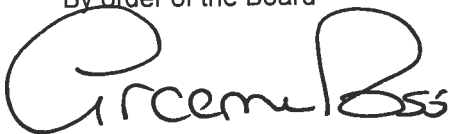
Company law requires the directors to prepare interim financial statements for each financial period. Under that law the directors have elected to prepare the interim financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the directors are also required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



**Graeme D Ross**  
Director

27 August 2013

**ETFS OIL SECURITIES LIMITED**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

|   | Note | Period ended 30 June     |                          |
|---|------|--------------------------|--------------------------|
|   |      | 2013<br>Unaudited<br>USD | 2012<br>Unaudited<br>USD |
| <b>Revenue</b>  | 2    | 1,046,299                | 1,103,171                |
| <b>Expenses</b>   | 2    | (1,046,299)              | (1,103,171)              |
| <b>Operating Result</b>                                     | 2    | -                        | -                        |
| Net Loss Arising on Fair Value of Energy Contracts          | 5    | (21,088,024)             | (36,056,254)             |
| Net Gain Arising on Fair Value of Energy Securities         | 6    | 21,088,024               | 36,056,254               |
| <b>Result and Total Comprehensive Income for the Period</b> |      | -                        | -                        |

The directors consider the Company's activities as continuing.

**ETFS OIL SECURITIES LIMITED**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**

|                                       | Note | As at              |                    |
|---------------------------------------|------|--------------------|--------------------|
|                                       |      | 30 June 2013       | 31 December 2012   |
|                                       |      | Unaudited<br>USD   | Audited<br>USD     |
| <b>Current Assets</b>                 |      |                    |                    |
| Trade and Other Receivables           | 4    | 176,931            | 167,803            |
| Energy Contracts                      | 5    | 399,358,793        | 399,738,001        |
| Energy Contracts Awaiting Settlement  | 5    | 190,387            | -                  |
| Energy Securities Awaiting Settlement | 6    | 5,359,389          | -                  |
| <b>Total Assets</b>                   |      | <b>405,085,500</b> | <b>399,905,804</b> |
| <b>Current Liabilities</b>            |      |                    |                    |
| Energy Securities                     | 6    | 399,358,793        | 399,738,001        |
| Energy Securities Awaiting Settlement | 6    | 190,387            | -                  |
| Energy Contracts Awaiting Settlement  | 5    | 5,359,389          | -                  |
| Trade and Other Payables              | 7    | 173,189            | 164,061            |
| <b>Total Liabilities</b>              |      | <b>405,081,758</b> | <b>399,902,062</b> |
| <b>Equity</b>                         |      |                    |                    |
| Stated Capital                        | 8    | 1,742              | 1,742              |
| Retained Profits                      |      | 2,000              | 2,000              |
| <b>Total Equity</b>                   |      | <b>3,742</b>       | <b>3,742</b>       |
| <b>Total Equity and Liabilities</b>   |      | <b>405,085,500</b> | <b>399,905,804</b> |

The financial statements on pages 4 to 11 were approved by the board of directors and signed on its behalf on 27 August 2013.



**Graeme D Ross**  
 Director

**ETFS OIL SECURITIES LIMITED**  
**CONDENSED STATEMENT OF CASH FLOWS**

|  | Period ended 30 June |                  |
|--|----------------------|------------------|
|  | 2013                 | 2012             |
|  | Unaudited<br>USD     | Unaudited<br>USD |
| <b>Operating Result for the Period</b>                   | -                    | -                |
| <i>Changes in Operating Assets and Liabilities</i>       |                      |                  |
| (Increase)/Decrease in Receivables                       | (9,128)              | 25,257           |
| Increase/(Decrease) in Payables                          | 9,128                | (29,262)         |
| Cash Generated from/(Used in) Operations                 | -                    | (4,005)          |
| <b>Net Movement in Cash and Cash Equivalents</b>         | <u>-</u>             | <u>(4,005)</u>   |
| Cash and Cash Equivalents at the Beginning of the Period | -                    | 4,006            |
| Net Movement in Cash and Cash Equivalents                | -                    | (4,005)          |
| Cash and Cash Equivalents at the End of the Period       | <u>-</u>             | <u>1</u>         |

Energy Securities issued or redeemed by receipt/transfer of Energy Contracts have been netted off in the Condensed Statement of Cash Flows.



**ETFS OIL SECURITIES LIMITED****CONDENSED STATEMENT OF CHANGES IN EQUITY**

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|   | <b>Stated Capital</b> | <b>Retained Earnings</b> | <b>Total Equity</b> |
|---|-----------------------|--------------------------|---------------------|
|   | <b>USD</b>            | <b>USD</b>               | <b>USD</b>          |
| Audited Opening Balance at 1 January 2012 | 1,742                 | 2,000                    | 3,742               |
| Total Comprehensive Income for the Period | -                     | -                        | -                   |
| Unaudited Balance at 30 June 2012         | <u>1,742</u>          | <u>2,000</u>             | <u>3,742</u>        |
| <br>                                      |                       |                          |                     |
| Audited Opening Balance at 1 January 2013 | 1,742                 | 2,000                    | 3,742               |
| Total Comprehensive Income for the Period | -                     | -                        | -                   |
| Unaudited Balance at 30 June 2013         | <u>1,742</u>          | <u>2,000</u>             | <u>3,742</u>        |

The notes on pages 8 to 11 form part of these financial statements

# ETFS OIL SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Accounting Policies

The main accounting policies of the Company are described below.

#### Basis of Preparation

The interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2012. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2012.

This half yearly report has not been audited or reviewed by the Company's auditors.

The presentation of interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

#### Accounting Standards

(a) *Standards, amendments and interpretations effective on 1 January 2013:*

- IFRS 13 "Fair Value Measurement"
- Amendments to IFRS 7 "Financial Instruments: Disclosures"
- Various improvements to IFRSs issued in 2011

The adoption of the improvements and interpretation resulted in additional disclosures but did not have an impact on the Company's financial position or performance.

(b) *Standards, amendments and interpretations effective on 1 January 2013 but not relevant to the Company:*

- Various improvements to IFRSs issued in 2011

(c) *Standards, amendments and interpretations that are in issue but not yet effective:*

- IFRS 9 "Financial Instruments" (effective 1 January 2015)
- Amendments to IAS 32 "Financial Instruments: Presentation" (effective 1 January 2014)

The directors anticipate that the adoption of these standards in future periods will have no material financial impact; however the amendments may change the presentation of the financial statements. The directors have considered other new and revised standards and they believe that they are not relevant to the Company's activities.

#### Going Concern

The nature of the Company's business dictates that the outstanding Energy Securities may be redeemed at any time by the holder and in certain circumstances may be redeemed by the Company. As the redemption of Energy Securities will coincide with the redemption of an equal amount of Energy Contracts, no liquidity risk is considered to arise. All other liabilities of the Company are met by ManJer; therefore the directors consider the Company to be a going concern for the foreseeable future and have prepared the financial statements on this basis.

**ETFS OIL SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**1. Accounting Policies**

**Segmental Reporting**

The Company has not provided segmental information as the Company has only one business or product group, oil securities, and one geographical segment which is the UK and Europe. All information relevant to the understanding of the Company's activities is included in these interim financial statements.

**2. Operating Result**

Operating result for the period comprised:

|  | <b>Period ended 30 June</b> |                          |
|--|-----------------------------|--------------------------|
|  | <b>2013</b>                 | <b>2012</b>              |
|  | <b>Unaudited<br/>USD</b>    | <b>Unaudited<br/>USD</b> |
| Creation and Redemption Fees             | 22,364                      | 21,221                   |
| Management Fees                          | 1,023,935                   | 1,081,950                |
| <b>Total Revenue</b>                     | <b>1,046,299</b>            | <b>1,103,171</b>         |
| Management Fees to ManJer                | (1,046,299)                 | (1,076,424)              |
| Creation and Redemption Fees Written Off | -                           | (26,719)                 |
| Net Finance Charges                      | -                           | (52)                     |
| Net Foreign Exchange Gain                | -                           | 24                       |
| <b>Total Operating Expenses</b>          | <b>(1,046,299)</b>          | <b>(1,103,171)</b>       |
| <b>Operating Result</b>                  | <b>-</b>                    | <b>-</b>                 |

During the previous year, the Company revised its agreements with a number of the Authorised Participants regarding the fees charged for the creation and redemption of securities. As a result of the revised agreements, certain future creation and redemption fees were waived. The revised agreement backdated the charge, which meant that some of the historically charged creation and redemption fees were waived and written off.

**3. Taxation**

The Company is subject to Jersey Income Tax at the rate of 0%.

**4. Trade and Other Receivables**

|                              | <b>As at</b>             |                         |
|------------------------------|--------------------------|-------------------------|
|                              | <b>30 June 2013</b>      | <b>31 December 2012</b> |
|                              | <b>Unaudited<br/>USD</b> | <b>Audited<br/>USD</b>  |
| Creation and Redemption Fees | 19,781                   | 16,168                  |
| Management Fees              | 157,150                  | 151,635                 |
|                              | <b>176,931</b>           | <b>167,803</b>          |

**ETFS OIL SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**5. Energy Contracts**

|  | As at        |                  |
|--|--------------|------------------|
|  | 30 June 2013 | 31 December 2012 |
|  | Unaudited    | Audited          |
|  | USD          | USD              |
| Change in Fair Value for the Period/Year | (21,088,024) | 15,838,226       |
| Energy Contracts                         | 399,358,793  | 399,738,001      |

At 30 June 2013, there were certain amounts of Energy Contracts awaiting the creation or (redemption) of Energy Securities with trade dates before the period end and settlement dates in the following period. The amount receivable as a result of unsettled creations at the period end was USD 190,387 (31 December 2012: USD Nil), and the amount (payable) as a result of unsettled redemptions at the period end was (USD 5,359,389) (31 December 2012: USD Nil).

**6. Energy Securities**

|  | As at        |                  |
|--|--------------|------------------|
|  | 30 June 2013 | 31 December 2012 |
|  | Unaudited    | Audited          |
|  | USD          | USD              |
| Change in Fair Value for the Period/Year | 21,088,024   | (15,838,226)     |
| Energy Securities                        | 399,358,793  | 399,738,001      |

At 30 June 2013, there were certain Energy Securities awaiting (creation) or redemption with trade dates before the period end and settlement dates in the following period. The amount (receivable) as a result of unsettled redemptions at the period end was (USD 5,359,389) (31 December 2012: USD Nil), and the amount payable as a result of unsettled creations at the period end was USD 190,387 (31 December 2012: USD Nil).

**7. Trade and Other Payables**

|                                   | As at        |                  |
|-----------------------------------|--------------|------------------|
|                                   | 30 June 2013 | 31 December 2012 |
|                                   | Unaudited    | Audited          |
|                                   | USD          | USD              |
| Management Fees Payable to ManJer | 173,189      | 164,061          |

**8. Stated Capital**

|   | As at        |                  |
|---|--------------|------------------|
|   | 30 June 2013 | 31 December 2012 |
|   | Unaudited    | Audited          |
|   | USD          | USD              |
| 1,000 Shares of Nil Par Value, Issued at GBP 1 Each | 1,742        | 1,742            |

The Company can issue an unlimited capital of nil par value shares.

All shares issued by the Company carry one vote per share without restriction and carry the right to dividends. All shares are held by ETFS Holdings (Jersey) Limited ("HoldCo").

**9. Related Party Disclosures**

Entities and individuals which have a significant influence over the Company, either through the ownership of HoldCo shares or by virtue of being a director of the Company, are related parties.

*Management Fees paid to ManJer during the period:*

|                 | As at        |                  |
|-----------------|--------------|------------------|
|                 | 30 June 2013 | 31 December 2012 |
|                 | Unaudited    | Audited          |
|                 | USD          | USD              |
| Management Fees | 1,046,299    | 2,046,217        |

*The following balances were due to ManJer at the period end:*

|                         | As at        |                  |
|-------------------------|--------------|------------------|
|                         | 30 June 2013 | 31 December 2012 |
|                         | Unaudited    | Audited          |
|                         | USD          | USD              |
| Management Fees Payable | 173,189      | 164,061          |

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 7,500 (30 June 2012: GBP 7,500).

Graeme D Ross and Craig A Stewart are directors of R&H Fund Services (Jersey) Limited ("R&H"), the administrator. During the period, R&H charged ManJer secretarial and administration fees in respect of the Company of GBP 18,250 (30 June 2012: GBP 18,750), of which GBP 9,125 (30 June 2012: GBP 9,375) was outstanding at the period end.

Craig A Stewart was appointed as director of ManJer on 18 July 2013. Graeme D Ross was a director of ManJer until 21 June 2013.

Graham J Tuckwell is also a director of ETFSL, ManJer and HoldCo.

**10. Ultimate Controlling Party**

The immediate parent company is HoldCo, a Jersey registered company. The ultimate controlling party is Graham J Tuckwell through his shareholding in ETFSL. ETFSL is the parent company of HoldCo.