



Junior Oils Trust

Interim Unaudited Report and Financial Statements
28 February 2011

MANAGER
Capita Financial Managers Limited
Head Office:
Ibex House
42 – 47 Minories
London EC3N 1DX
Telephone: 0870 607 2555 Fax: 0870 607 2550
Email: enquiries@capitafinancial.com
(Authorised and regulated by the Financial Services Authority)

DIRECTORS OF THE MANAGER
C. Addenbrooke
N. Boyling (from 7 February 2011)
L. Everitt (to 18 February 2011)
C. Hayes
K.J. Midl
J. Millan
R. M. Short (from 22 November 2010)

INVESTMENT MANAGER
Sector Investment Managers Ltd
16 Eastcheap
London EC3M 1BD
(Authorised and regulated by the Financial Services Authority)

TRUSTEE
BNY Mellon Trust & Depositary (UK) Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
(Authorised and regulated by the Financial Services Authority)

REGISTRARS
Capita Financial Administrators Limited
Customer Service Centre:
2 The Boulevard
City West One Office Park
Gelderd Road
Leeds LS12 6NT
Telephone: 0845 922 0044 Fax: 0113 224 6001
(Authorised and regulated by the Financial Services Authority)

INDEPENDENT AUDITOR
Ernst & Young LLP
1 More London Place
London SE1 2AF

CONTENTS

Investment Manager's Report	2
Authorised Status	3
Manager's Statement	3
Fund Information	4
Portfolio Statement	6
Summary of Material Portfolio Changes	8
INTERIM FINANCIAL STATEMENTS	
Statement of Total Return	10
Statement of Change In Unitholders' Funds	10
Balance Sheet	11
Notes to the Interim Financial Statements	12
General Information	13

INVESTMENT MANAGER'S REPORT FOR THE HALF YEAR ENDED 28 FEBRUARY 2011

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Junior Oils Trust ('the Trust') is to provide long-term capital growth from a global portfolio of small to medium capitalisation companies specialising in oil exploration and production. There may be occasions in light of adverse market conditions where the Investment Manager chooses to hold a high level of bonds and government securities.

The benchmark comparison against which the performance of the Trust is measured is the FTSE 350 Oil & Gas Index.

INVESTMENT REVIEW

Almost all commodities sectors boomed in 2010 as demand from China, India and other industrialising economies continued to grow. We expect that demand for energy from the same regions will continue to be strong in 2011 while supply could remain constrained. The industrialisation of regions of the scale of China and India alone consumes ever-increasing volumes of base commodities and energy and the large infrastructure programmes which have started will take several years to complete.

The social unrest in North Africa and the Middle East which erupted early in 2011 continues to spread into other countries. It is evident that the younger generations which are being educated by the internet and social networking cannot understand why they should be excluded from the decision-making process on the basis of tradition and religion. They demand a more democratic government and the chance to work towards a better standard of life. The result, in the short-term, is a squeeze of oil supply from these major exporting countries. On the other side of the balance, the catastrophic events in Japan have meant that there is greater demand for oil. This situation can only mean that oil prices should continue to rise.

This should be good news for companies involved in exploration and production activities. Higher average prices mean expanded profitability for producers and greater interest in funding exploration programmes for new deposits. Shares, therefore, of smaller companies controlling large reserves, growing production, strong balance sheets and active exploration programmes should perform particularly well.

The Trust performed well in the six months to 28 February 2011, delivering a bid-to-bid return of 34.7%* compared to an increase in the WTI oil price of 30.9%* and 29.3%* for the Trust's benchmark, the FTSE 350 Oil & Gas Index. Some notable contributors to performance were the takeover of Dana Petroleum by KNOC, the re-rating of Premier Oil partly as a consequence and exploration success by Encore Oil, Bowleven and Caza Petroleum. We believe that the investment approach and positioning of the Trust can continue to benefit from the rise in demand for oil.

* Source: *Sector Investment Managers Limited*.

SECTOR INVESTMENT MANAGERS LIMITED
Investment Manager
5 April 2011

AUTHORISED STATUS

Junior Oils Trust is an authorised unit trust scheme established on 20 September 2004 and authorised by the Financial Services Authority on 15 July 2004.

It is a 'UCITS Scheme' which complies with the COLL Sourcebook, and the currency of the Trust is pounds sterling.

A unitholder shall not be liable to make any further payments for the units held in excess of the price of the units and no further liability can be imposed in respect of the units held.

MANAGER'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Services Authority.

K.J. MIDL

J. MILLAN

CAPITA FINANCIAL MANAGERS LIMITED
Manager of Junior Oils Trust
11 April 2011

FUND INFORMATION

PERFORMANCE RECORD

Accumulation units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2006	207.15	141.86	–
2007	227.06	151.20	–
2008	269.94	94.51	–
2009	218.04	98.73	–
2010	302.40	187.87	–
2011*	324.54	285.66	–

* To 28 February 2011.

NET ASSET VALUE

Date	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
31.08.08	30,497,584	15,068,053	202.40
31.08.09	27,434,112	15,893,735	172.61
31.08.10	34,469,259	15,911,821	216.63
28.02.11	66,783,200	22,963,301	290.83

RISK WARNING

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not necessarily a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TOTAL EXPENSE RATIO

Expense Type	28.02.11 %	31.08.10 %
Manager's periodic charge	1.75	1.75
Other expenses	0.13	0.13
Total expense ratio	1.88	1.88

The Total Expense Ratio represents the total expenses of the Trust, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

Other expenses include fees payable to the trustee and auditors, registration fees and safe custody and other related bank charges.

DISTRIBUTIONS

There are no distributions payable for the current half year.

TRUST PERFORMANCE TO 28 FEBRUARY 2011 (%)

	6 months	1 year	3 years	5 years
Junior Oils Trust	34.25	45.47	40.03	86.02
FTSE 350 Oil & Gas Index*	31.08	15.95	32.10	48.48

* Source: Bloomberg.

The performance of the Trust is based on the net asset value per Accumulation unit which includes reinvested income.

PORTFOLIO STATEMENT

AS AT 28 FEBRUARY 2011

Holding	Portfolio of Investments	Value £	Total Net Assets	
			28.02.11 %	31.08.10 %
DEBT SECURITIES				
NOK2,500,000	Norwegian Energy floating rate notes 2013	281,323	0.42	
NOK16,000,000	Norwegian Energy 12.9% 2014	1,861,943	2.79	
US\$2,000,000	Panoro Energy 12% 2018	1,315,715	1.97	
NOK2,500,000	Panoro Energy 13.5% 2018	293,673	0.44	
	TOTAL DEBT SECURITIES	3,752,654	5.62	-
UNITED KINGDOM				
8,000,000	Amerisur Resources	1,800,000	2.70	
9,260,869	Caza Oil & Gas	5,232,391	7.83	
5,000,000	Circle Oil	1,850,000	2.77	
1,111,111	Deo Petroleum	600,000	0.90	
400,000	Dragon Oil	2,378,000	3.56	
2,000,000	EnCore Oil	2,410,000	3.61	
36,048	EnQuest	51,296	0.08	
125,000	Global Energy Development	123,125	0.18	
13,500,000	Irvine Energy*	-	-	
500,000	Melrose Resources	1,222,500	1.83	
2,600,000	Nighthawk Energy	219,700	0.33	
241,000	Petrolatina Energy	96,400	0.14	
550,000	Petroneft Resources	352,000	0.53	
100,000	Premier Oil	2,084,000	3.12	
2,650,000	Regal Petroleum	1,000,375	1.50	
450,000	Salamander Energy	1,390,950	2.09	
3,000,000	Serica Energy	1,185,000	1.77	
400,000	SOCO International	1,359,200	2.04	
100,000	Sterling Energy	68,000	0.10	
130,500	Valiant Petroleum	835,200	1.25	
12,500,000	Victoria Oil & Gas	597,500	0.89	
41,551	Zeta Petroleum	166,204	0.25	
	TOTAL UNITED KINGDOM	25,021,841	37.47	52.91
CONTINENTAL EUROPE				
1,000,000	Bridge Energy	1,284,477	1.92	
50,000	Front Exploration**	5,489	0.01	
2,000,000	Norse Energy Corporation	278,852	0.42	
500,000	North Energy	1,130,779	1.69	
1,000,000	Norwegian Energy Company	1,965,140	2.94	
2,000,000	PA Resources	839,212	1.26	

Holding	Portfolio of Investments	Value £	Total Net Assets	
			28.02.11 %	31.08.10 %
CONTINENTAL EUROPE (continued)				
200,000	Panoro Energy	168,190	0.25	
2,000,000	Questerre Energy Corporation	2,061,751	3.09	
4,970,000	Rocksource	1,533,558	2.30	
	TOTAL CONTINENTAL EUROPE	9,267,448	13.88	10.05
AUSTRALIA				
4,000,000	Carnarvon Petroleum	889,020	1.33	
6,500,000	Cooper Energy	1,546,394	2.32	
13,500,000	Entek Energy	1,267,793	1.90	
19,402,000	First Australian Resources	1,579,113	2.36	
7,000,000	Oilex	1,796,822	2.69	
650,000	Roc Oil Company	144,466	0.22	
	TOTAL AUSTRALIA	7,223,608	10.82	7.67
CANADA				
1,400,000	Cirrus Energy	971,549	1.45	
5,500,000	Quetzal Energy	433,727	0.65	
8,000,000	Sea Dragon Energy	1,236,517	1.85	
350,000	Trioil Resources	916,347	1.37	
	TOTAL CANADA	3,558,140	5.32	6.99
UNITED STATES				
168,000	GeoPetro Resources	48,546	0.07	
58,280	Resaca Exploitation	56,256	0.08	
	TOTAL UNITED STATES	104,802	0.15	0.34
	Portfolio of investments	48,928,493	73.26	77.96
	Net other assets	17,854,707	26.74	22.04
	Net assets	66,783,200	100.00	100.00

All investments are ordinary shares unless stated otherwise.

* Suspended security.

** Previously known as Discover Petroleum.

SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE HALF YEAR ENDED 28 FEBRUARY 2011

Total purchases for the half year **£19,728,437**

Major purchases	Cost £
Norwegian Energy 12.9% 2014	1,837,716
Bridge Energy	1,695,953
Questerre Energy Corporation	1,653,845
Cooper Energy	1,623,232
Panoro Energy 12% 2018	1,342,872
Sea Dragon Energy	1,283,063
Trioil Resources	1,145,219
Lundin Petroleum	1,069,924
Rocksource	908,758
Serica Energy	886,476
Circle Oil	744,714
Norwegian Energy Company	722,475
SOCO International	646,817
Melrose Resources	574,293
Salamander Energy	500,866
Deo Petroleum	500,000
Quetzal Energy	436,615
Carnarvon Petroleum	377,901
First Australian Resources	358,939
North Energy	358,553

Total sales for the half year **£10,289,376**

Sales	Proceeds £
BowLeven	3,308,519
EnCore Oil	1,185,952
Lundin Petroleum	1,155,317
Gran Tierra Exchangeco	1,136,956
Canacol Energy	1,005,022
Premier Oil	970,818
Regal Petroleum	508,604
Xcite Energy	394,522
JKX Oil & Gas	319,588
Bridge Energy	281,624
Woburn Energy	22,454

The portfolio changes represent the 20 largest purchases and all of the sales during the half year.

INTERIM FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 28 FEBRUARY 2011

	28.02.11		28.02.10	
	£	£	£	£
Income:				
Net capital gains		12,536,390		4,600,407
Revenue	11,490		15,730	
Expenses	(445,782)		(293,669)	
Finance costs: Interest	(2,559)		(1,641)	
Net expense before taxation	(436,851)		(279,580)	
Taxation	–		–	
Net expense after taxation		(436,851)		(279,580)
Total return before distributions		12,099,539		4,320,827
Finance costs: Distributions		–		–
Change in unitholders' funds from investment activities		12,099,539		4,320,827

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS
FOR THE HALF YEAR ENDED 28 FEBRUARY 2011

	28.02.11		28.02.10	
	£	£	£	£
Opening net assets		34,469,259		27,434,112
Amounts receivable on issue of units	20,727,035		3,335,046	
Amounts payable on cancellation of units	(505,051)		(2,901,574)	
		20,221,984		433,472
Stamp duty reserve tax	(7,582)		(9,697)	
Change in unitholders' funds from investment activities		12,099,539		4,320,827
Closing net assets		66,783,200		32,178,714

The above statement shows the comparative closing net assets at 28 February 2010 whereas the current accounting period commenced 1 September 2010.

BALANCE SHEET
AS AT 28 FEBRUARY 2011

	28.02.11		31.08.10	
	£	£	£	£
ASSETS				
Investment assets		48,928,493		26,873,647
Other assets				
Debtors	359,863		6,213	
Cash and bank balances	18,695,780		8,351,697	
Total other assets		19,055,643		8,357,910
Total assets		67,984,136		35,231,557
LIABILITIES				
Other liabilities				
Creditors	(211,180)		(243,479)	
Bank overdrafts	(989,756)		(518,819)	
Total other liabilities		(1,200,936)		(762,298)
Total liabilities		(1,200,936)		(762,298)
Net assets		66,783,200		34,469,259
Unitholders' funds		66,782,200		34,469,259

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 August 2010 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Management Association in October 2010.

GENERAL INFORMATION

VALUATION POINT

The valuation point of the Trust is 10.00am on each business day. Valuations may be made at other times with the Trustee's approval.

BUYING AND SELLING UNITS

The Manager will accept orders to buy or sell units on normal business days between 8.30am and 5.30pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell units may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent buying and selling prices of shares are available on the website of the Investment Management Association at www.investmentuk.org under the heading Capita Financial Managers or by calling 0845 922 0044 during the Manager's normal business hours.

OTHER INFORMATION

The Trust Deed, Prospectus, Simplified Prospectus and the latest annual and interim reports may be inspected at the offices of the Manager and the Trustee and copies may be obtained on application to the Manager.

The Register of Unitholders can be inspected by unitholders during normal business hours at the Customer Service Centre, Capita Financial Administrators Limited at 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT.

Unitholders who have any complaints about the operation of the Trust should contact the Manager or the Trustee in the first instance. In the event that a unitholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

DATA PROTECTION ACT

Unitholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Unitholders who do not want to receive such details should write to the Manager requesting their removal from any such mailing list.

