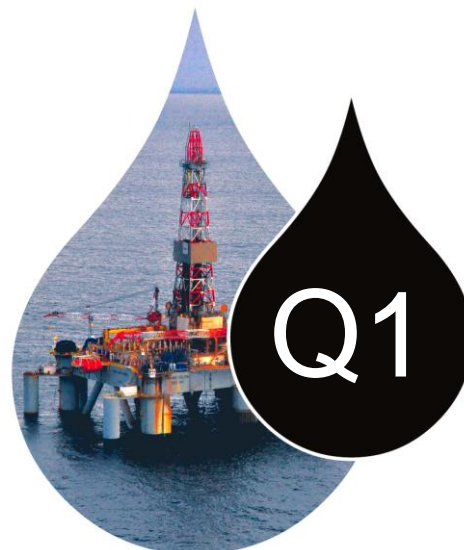


Interim Report

1 January – 31 March 2011



SUMMARY

- Total revenue for the Group during the first quarter amounted to SEK 583.2 million (410.2).
- EBITDA for the quarter totalled SEK 358.8 million (207.5).
- Profit before tax for the first quarter was SEK 143.3 million (-88.5).
- Earnings per share before and after dilution were SEK 0.08 (-0.27).
- A five-year unsecured bond loan of NOK 900 million, with proceeds payable in April, was issued to refinance bond loans maturing in June 2011 and March 2012.
- Following completion of the refinancing in April, cash and cash equivalents amounted to SEK 500.4 million.
- The drilling rig for Didon North is at location since the beginning of May, and spud of the production well is imminent.

FINANCIAL KEY RATIOS

	Q1 2011	Q1 2010	2010
Revenue (SEK million)	583.2	410.2	2 226.7
EBITDA (SEK million)	358.8	207.5	1 275.7
EBITDA margin (%)	61.5%	50.6%	57.3%
Operating profit (SEK million)	139.9	14.4	490.4
Operating margin (%)	24.0%	3.5%	22.0%
Profit/loss before tax (SEK million)	143.3	-88.5	179.3
Earnings per share after dilution (SEK)	0.08	-0.27	-0.61

CEO'S COMMENTS

The development projects in West Africa and North Africa remain on schedule and within the investment budget. According to the current timetable, additional production will be added from Didon North during the second half of 2011, followed by the Aseng field during the first quarter of 2012.

PA Resources' dependence on a few producing wells was evident during the first quarter and is reflected in the lower production figures compared with the fourth quarter of 2010. The Azurite field was affected by ongoing drilling and the completion of the final water injector and production well. Production at the field will be reduced also in April and May, when the final production well is completed.

Production at the Didon field in Tunisia has returned to a normal level following a temporary interruption in March. Preparations are under way in the country for general elections that are planned in July. The political situation is affecting all activities in the country and has led to logistical disruptions and union actions, among other things. To date PA Resources' operations have not been affected to any major degree, but this cannot be ruled out.

In terms of earnings and cash flow, PA Resources has benefited from the continued high price of oil, despite the lower level of production.

The new fiscal terms for the Azurite field apply retroactively and are settled through PA Resources receiving a higher net entitlement share of future liftings during the second half of 2011, with a stronger cash flow as a result.

The price of oil rose from SEK 95 to USD 117 during the quarter and has subsequently risen further. As long as the political uncertainty remains in North Africa and the Middle East, the prospects of a major decline in the price of oil are judged to be less likely. Even if the unrest subsides and the price of oil falls back to a level of around USD 90, PA Resources will continue to have good cash flow.

In March, PA Resources issued a new five-year unsecured bond loan of NOK 900 million, entailing a refinancing of all bond loans maturing in the next two years.

During the second quarter, the important drilling operations will commence at the two prospects under our Danish licence 12/06, which together with the results of the seismic analyses of our Greenlandic licence, are expected to be completed during the summer. Our hope is that these activities can help demonstrate the value that exists in our asset portfolio.

Bo Askvik, President and CEO, PA Resources AB

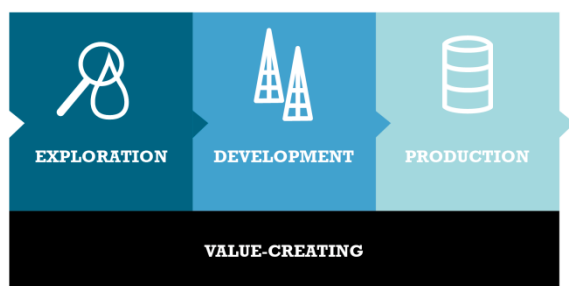
IMPORTANT EVENTS DURING THE QUARTER

- New offshore licence granted in Germany immediately adjacent to the Group's Danish licence 12/06.
- Development plan approved for the Alen field offshore Equatorial Guinea.
- Formal approval received for the improved fiscal terms for the production-sharing agreement for the Azurite field and MPS licence in the Republic of Congo.
- A bond loan maturing in June 2011 was refinanced through a new, five-year unsecured bond loan of NOK 900 million, with proceeds payable in April.

PA RESOURCES IN BRIEF

Business concept

PA Resources' business consists of the acquisition, development, extraction and divestment of oil and gas reserves, as well as exploration to find new reserves. The production of oil generates an important cash flow that makes possible the investments required to increase the Group's reserves and thereby its value to shareholders. In geographical terms, PA Resources focuses on three regions: North Africa, West Africa and the North Sea.



Value creating business model

PA Resources conducts exploration activities to increase the amount of oil and gas resources. Value is also created by moving resources to reserves through efficiently progressing assets to the production phase. Prioritised investments are financed through cash flow from production in combination with raising external capital and revenues from active management of the asset portfolio. The objective is to obtain a balanced business and asset portfolio that generates long-term production and value growth.

Strategic focus

During the five-year period 2010–2014, PA Resources predominantly focuses on generating greater value from its existing assets. A growing number of assets will be moved into the production phase, thus enabling the Company to achieve a long-term increase in production. A complementary aim is to increase the amount of reserves and resources through selective exploration. These investments are based on a strengthened capital structure.

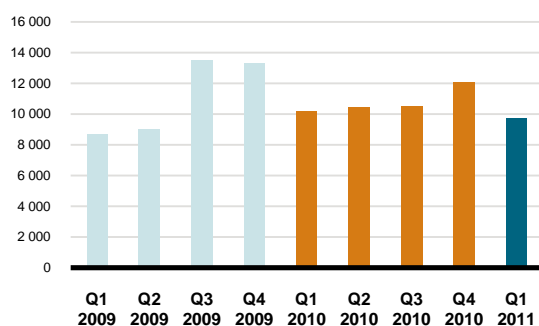
OPERATIONAL OVERVIEW

Production and sales

PA Resources' total oil production amounted to 873,400 barrels (886,000) during the first quarter. Average production was 9,700 (10,200) barrels per day. The Azurite field in the Republic of Congo produced 6,200 (5,750) barrels per day, and the six oilfields in Tunisia produced 3,500 (4,450) barrels per day. The production is based on working interest, which is PA Resources' share of the total gross production on the oil fields before deduction of royalties and other taxes.

Until further notice, PA Resources will be publishing monthly production reports in order to provide current information on the Company's actual production.

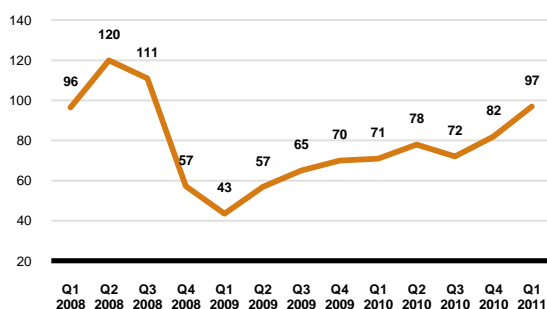
PA Resources' average production 2009–2011 (barrels/day)



A total of 702,000 barrels (739,000) of oil, excluding royalties, were sold at a final determined average price for the quarter of USD 97 per barrel (71). Oil inventory including royalties and other taxes increased during the period by 38,324 barrels to 300,480 barrels at the end of the period.

The Group's total oil inventory as per the balance sheet date is stated at fair value and is reported as if the inventory had been sold. Sales vary from quarter to quarter, depending on when the inventory is filled and the customers collect the agreed-upon volume.

PA Resources' average sales price per quarter 2008 – 2011 (USD per barrel)



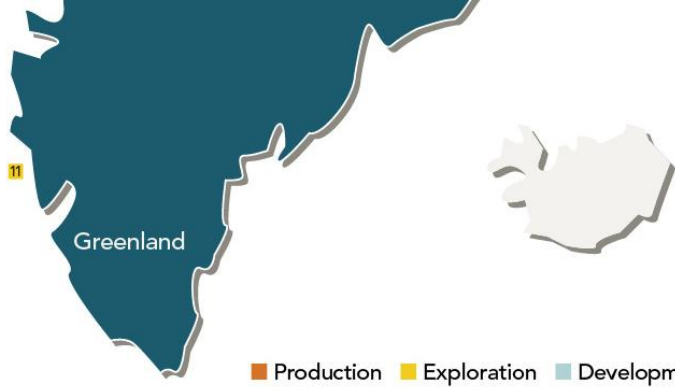
Drilling programme 2011/2012

The 2011/2012 drilling programme comprises up to six exploration wells, one appraisal well and two production wells. PA Resources estimates that these wells can contain oil resources amounting to approximately 253 million barrels of oil equivalents, of which 107 million barrels net for PA Resources.

Exploration drilling is continuing on the Jelma licence in Tunisia. During the second quarter, drilling of two exploration wells will commence on the Danish licence 12/06, and the production well on Didon North in Tunisia will be drilled. The final production well on the Azurite field in the Republic of Congo will also be drilled during the second quarter, thereafter rendering the field fully developed.

Licence	Field/Prospect	Time	Well/number
Tunisia			
Jelma	Sidi M'barek /Jbil	Ongoing	Exploration/2
Zarat	Didon North	Q2 2011	Production/1
Zarat	Elyssa	2012	Appraisal/1
Rep. Congo			
Azurite		Q2 2011	Production/1
MPS		Q1 2012	Exploration/1
Marine XIV		Q4 2011	Exploration/1
Denmark			
Block 12/06	Lille John Broder Tuck	Q2/3, 2011	Exploration/2

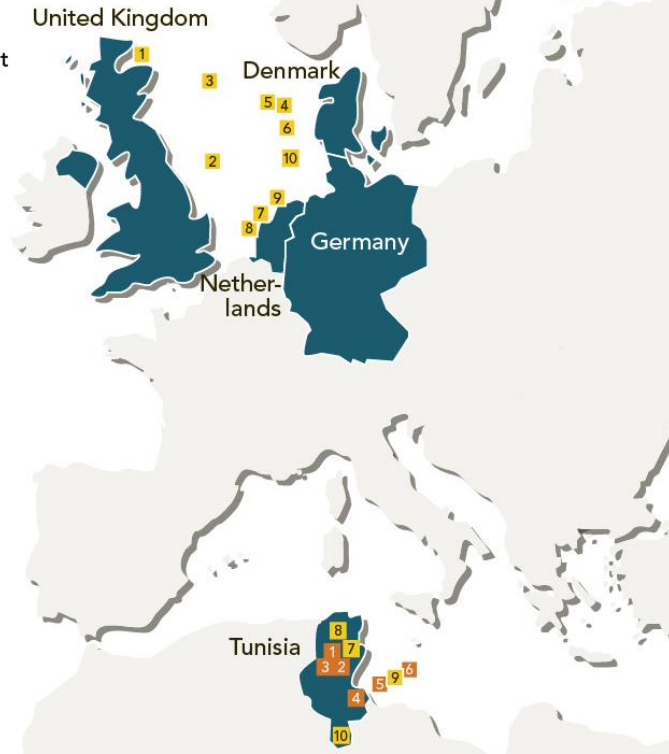
The drilling programme is revised continuously based on the capex budget and prioritised commitments.



■ Production ■ Exploration ■ Development

North Sea Region

Concession/licence	Operator	Partners
United Kingdom		
1	P1342	PA Resources (100%)
2	P1529	PA Resources (32%)
3	Block 22/18c	PA Resources (33.34%)
Denmark		
4	Block 9/06 (Gita)	Maersk Olie og Gas (31.2%)
5	Block 9/95 (Maja)	Maersk Olie og Gas (31.2%)
6	Block 12/06	PA Resources (64%)
Netherlands		
7	Block Q7	Smart Energy Solutions (30%)
8	Block Q10a	Smart Energy Solutions (30%)
9	Schagen	Smart Energy Solutions (30%)
Germany		
10	B20008-73	PA Resources (100%)
Greenland		
11	Licence 2008/17 (Block 8)	PA Resources (87.5%)
		NunaOil (12.5%)



North Africa Region

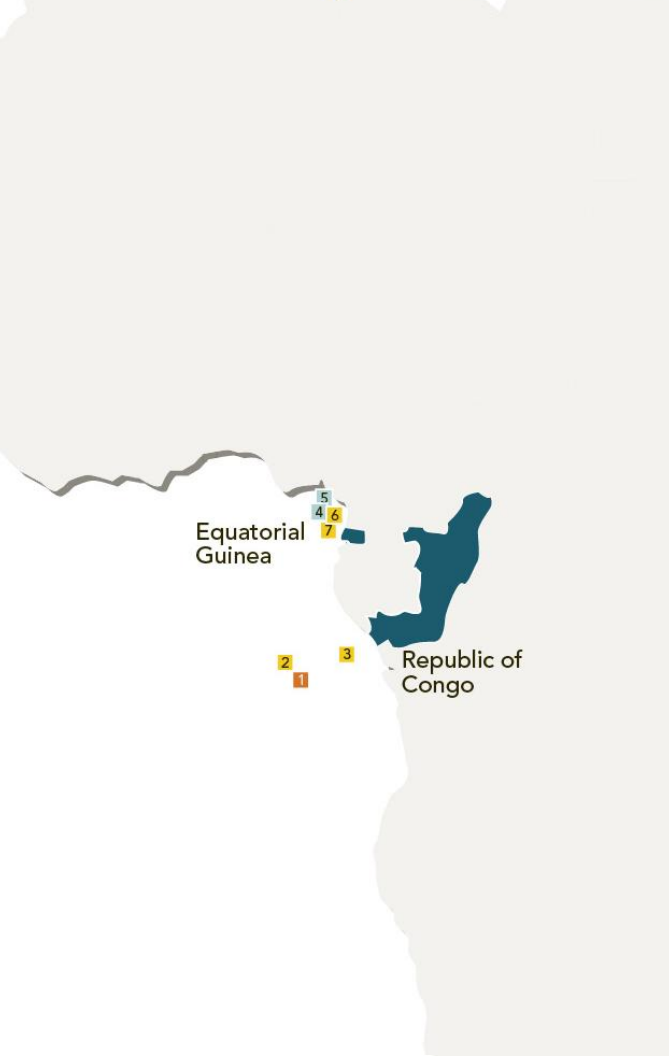
Concession/licence	Operator	Partners
Tunisia		
1	Douleb	PA Resources (70%)*
2	Semmama	PA Resources (70%)*
3	Tamesmida	PA Resources (95%)*
4	Ezzaouia	Maretap**
5	El Bibane	Candax-Ecumed (73.8%)
6	Didon	PA Resources (100%)
7	Jelma***	PA Resources (70%)
8	Makthar***	PA Resources (100%)
9	Zarat***	PA Resources (100%)
10	Jenein Centre****	Storm Ventures Int (65%)
		PA Resources (35%)

* Operatorship outsourced to Serept.
 ** Operatorship outsourced to Maretap, a joint venture owned 50% by ETAP and 50% by Candax-Ecumed. Maretap has no interest in the licence.
 *** ETAP has the right to take a 50% interest in the Jelma licence and 55% in the Makthar and Zarat licences once discoveries have been made on the licence and a development plan has been submitted. Until such time, ownership is shared as shown above.
 **** ETAP is the sole licence holder, but has signed a production-sharing agreement with PA Resources and Storm Ventures.

West Africa Region

Concession/licence	Operator	Partners
Republic of Congo (Brazzaville)		
1	Azurite*	Murphy (50%)
2	Mer Profonde Sud*	Murphy (50%)
3	Marine XIV*	SOCO (29.4%)
Equatorial Guinea		
4	Aseng field**	Noble Energy (38%)
5	Alen field***	Noble Energy (44.65%)
6	Block I**	Noble Energy (38%)
7	Block H**	Atlas Petroleum (53.44%)
		Roc Oil (35.62%), PA Resources (5.94%), GEPetrol (5%)

* Participating interests are reported inclusive of the rights to participating interests of the state-owned company SNPC.
 ** Participating interests are reported from and including 2011 inclusive of the rights to participating interests of the state-owned company GEPetrol.
 *** 95% of the Alen field is located in Block O and 5% in Block I. PA Resources has a 5.7% working interest in Block I, which provides 0.285% of the field in total.



WEST AFRICA REGION

The region contains PA Resources' major producing field, the Azurite field in the Republic of Congo (Brazzaville), where the drilling programme will soon be completed. The Group also owns interests in two exploration licences in the Republic of Congo and interests in two exploration licences in the Gulf of Guinea offshore Equatorial Guinea, where development of the Aseng and Alen fields is progressing.

■ **Improved fiscal terms for Azurite and MPS**

In March the production-sharing contract amendment providing for improved fiscal terms for the Azurite field and the Mer Profonde Sud (MPS) licence received formal approval by Parliament in the Republic of Congo and was sanctioned by Presidential Decree. These new terms give PA Resources a larger net entitlement share of the Azurite field's production and revenues and apply retrospectively from 1 October 2010. Net entitlement production refers to barrels of oil attributable to PA Resources under the terms of the production-sharing contract and which can be equated to "post-tax" barrels.

PA Resources will lift a further increased quantity of oil in the second half of 2011 in order to bring its share of lifted oil in line with that resulting from the new retrospective fiscal terms.

■ **Production and completion on Azurite field**

Azurite field working interest production to PA Resources was an average of 6,200 barrels per day during the first quarter. As previously advised, this level of production and the field's anticipated reserves are below the levels anticipated in the field's plan of development. The reasons for this disappointing outcome include reduced reservoir development and increased reservoir complexity.

Production continues to be impacted by ongoing drilling and completion work for the last injection and production wells respectively, hence production during the first quarter was below expectations. During the first quarter, two water injection wells were drilled and completed as planned. Water injection from the first well commenced in February and the second in April. Reservoir pressure is expected to progressively increase as injection increases.

Production in April and May will be reduced as a result of one well being taken out of production, to be

sidetracked to a new location as the final production well and is expected to be completed during the latter part of the second quarter. Data from the last wells will be incorporated into PA Resources' model of the field to allow a re-forecast of the field's future production.

■ **Evaluation activities, MPS licence**

3D seismic data is being processed, and data from recent wells is being evaluated to determine future drilling priorities in Mer Profonde Sud. Both exploration and appraisal drilling are considered possible pending completion of these studies.

■ **Exploration drilling on Marine XIV licence**

The drilling of an exploration well on the Marine XIV licence is planned by the fourth quarter of 2011. As a result of a farmout by PA Resources in 2009, PA Resources' costs on this well are carried by the licence partners.

■ **Development of Aseng field**

Development drilling and completions on the Aseng field in Block I were slightly ahead of schedule during the first quarter. A total of ten wells have been drilled, of which five are production wells, three are water injectors and two are gas injectors.

Overall progress on upgrading the FPSO vessel, topsides fabrication and subsea assembly and testing remain on schedule. Installation activities will commence in mid-2011, and the field's production start is anticipated in the first quarter of 2012.

■ **Approved development of Alen**

The plan of development for the Alen field was approved in January 2011. The reservoir lies primarily in Block O, where the original discovery was made, and extends into the northern part of Block I, where PA Resources has a 5.7% interest.

The development of Alen will result in substantial cost savings for PA Resources and the other partners, since the Alen field will utilise storage capacity at the nearby Aseng FPSO. The project is proceeding with procurement of equipment with long lead times and allocation of contracts for construction of the field's production facilities.

NORTH AFRICA REGION

PA Resources has been operating in Tunisia since 1998 and is one of the country's largest oil producers. The Group has interests in six producing fields, of which Didon is the largest, as well as in four exploration licences. PA Resources is the operator of seven of the licences.

■ **Production and maintenance on Didon**

During the first quarter, the field produced primarily from two of its wells. Measurements and actions are being carried out on a continuous basis at all wells in order to provide partial compensation for the field's natural decline. An updated statistical model of the field will form the basis of a new dynamic modelling of the field's production profile.

In March, production was temporarily interrupted on the Didon field, which is PA Resources' second largest producing field, due to the aggravated situation in Libya. The restart of production on the remote-controlled platform was delayed due to bad weather combined with flight restrictions in the area. This resulted in PA Resources losing four to five production days in March, corresponding to approximately 20,000 barrels of production. Production has now resumed.

■ **Development of Didon North satellite field**

Development activities at the Didon North discovery are proceeding according to plan. The contracted Ensco 85 rig was mobilised to the field in the beginning of May, and spud of the well is imminent. Production start is expected during the second half of 2011.

■ **Unitisation and development of the Zarat field**

The unitisation of the Zarat field – entailing allocation of the oil reserves between PA Resources' Zarat licence offshore Tunisia and Sonde Resources' 7th of November licence – is making progress. Data is being

exchanged, and work is under way on defining the areas as well as on integrating data and results in various models. The plan is to file a revised plan of development towards the end of 2011.

■ **Seismic analysis of Zarat licence**

Analysis of data from the 3D seismic survey that was conducted in 2010 of the southern parts of the Zarat licence, with focus on the Elyssa discovery, is expected to be completed during the second quarter of 2011. Parallel with this, 3D seismic data of Zarat and Elyssa from 2004 is being processed with the same process parameters. Together these surveys provide more comprehensive documentation.

■ **Exploration drilling on Jelma**

Drilling of two exploration wells on the Jelma licence onshore Tunisia began late in the fourth quarter of 2010. Drilling on the first prospect, Sidi M'barek, began in mid-December and was completed in mid-February. Production tests without a rig will begin after the rig has been moved to the other prospect, Jbil. The project is behind schedule due to the situation in the country, which has caused logistical disruptions.

■ **Seismic survey of the Makthar licence**

Processing and evaluation of the 2D seismic survey that was conducted during the fourth quarter of 2010 is under way and will be completed during the second quarter.

■ **Situation in Tunisia**

Preparations are under way in Tunisia for the planned general elections in July. The political situation is affecting all activities in the country, such as through logistical disruptions and union actions.

PA Resources' operations have not been affected to any major degree to date, but this cannot be ruled out.

NORTH SEA REGION

PA Resources conducts offshore exploration activities in the UK, Denmark, the Netherlands, Germany and western Greenland, and is the operator of six out of a total of 11 licences. No production comes from this region.

■ **Award of licence offshore Germany**

In January PA Resources was awarded the German offshore licence B20008-73, which lies immediately adjacent to the Group's Danish licence 12/06 with similar exploration targets. The two wells that will be drilled on the Danish licence commencing in the second quarter 2011 will form important, modern data points to

allow an up-to-date evaluation of the prospectivity of the German licence. PA Resources is the operator of the licence with a 100% working interest.

■ **Exploration drilling on 12/06 in Denmark**

Two exploration wells will be drilled at the Lille John and Broder Tuck prospects on Danish licence 12/06 commencing during the second quarter of 2011. Planning for the wells is advanced, and a small operational office was opened in Esbjerg in April to manage the drilling programme.

FINANCIAL OVERVIEW

Revenue, expenses and EBITDA

Group revenue during the period increased to SEK 583.2 million (410.2). Revenue increased as a result of the higher sales price averaging USD 97 (71) per barrel. The increase was countered by currency effects from the weaker US dollar.

Costs for raw materials and consumables including royalties increased to SEK 192.9 million (167.1). Production costs rose in connection with higher production on the Azurite field in the Republic of Congo, which was counteracted by lower production in North Africa. The royalty cost was SEK 73.8 million (59.4). Currency movements had a positive impact on the cost of raw materials and consumables.

EBITDA (earnings before interest, tax, depreciation and amortisation) was SEK 358.8 million (207.5).

Depreciation, amortisation and operating profit

Depreciation, amortisation and impairment losses for the period amounted to SEK 218.9 million (193.2). Depreciation per barrel for the period increased in the West Africa region as a result of decreased reserves on the Azurite field. Total depreciation increased compared with the same period a year ago as a result of higher production on the Azurite field, at the same time that depreciation decreased in the North Africa region, mainly as a result of lower production. Depreciation was favourably affected by exchange rate effects.

As in the same period a year ago, no impairment was recognised.

Operating profit was SEK 139.9 million (14.4), and the operating margin for the period was 24.0% (3.5%).

Net financial items, taxes and profit for the period

Net financial items for the Group amounted to SEK 3.5 million (-102.9) during the period. Exchange rate effects on net financial items totalled SEK 50.1 million (-19.1).

Profit before tax was SEK 143.3 million (-88.5).

Reported income tax for the period amounted to SEK -93.0 million (-6.1) and included a favourable one-off effect of approximately USD 10 million from the new fiscal terms in the Republic of Congo. The tax charge increased compared with the first quarter of 2010, mainly due to higher production on the Azurite field in the Republic of Congo.

Paid tax for the quarter was SEK 3.4 million (3.3).

Earnings per share before and after dilution were SEK 0.08 (-0.27).

Financial position

Total interest-bearing liabilities including convertibles amounted to SEK 3,512.1 million (3,772.4) as per the end of March. Available lines of credit amounted to approximately SEK 1,900 million, of which approximately 40% was utilised. Cash and cash equivalents at the end of the period amounted to SEK 274.1 million (45.8). At the end of March the Company issued an unsecured five-year

bond loan of NOK 900 million with proceeds payable in April 2011 and maturity in April 2016. The loan is converted to US dollars through a swap and carries a fixed coupon of 10% based on USD. Of the net proceeds, approximately SEK 800 million has been used to amortize existing bond loan worth USD 100 million maturing in June 2011 and bond loan worth USD 70 million maturing in March 2012.

Total interest-bearing liabilities amounted to approximately SEK 3,780 million on 1 April, and cash and cash equivalents amounted to approximately SEK 500 million. All bond loans maturing in the next two years have thereby been refinanced. The weighted, average term to maturity of the interest-bearing liability has increased from approximately two years to slightly more than three years as a result of the refinancing.

Shareholders' equity decreased during the quarter by SEK 468.2 million compared with the start of the year, to SEK 4,781.8 million, and was negatively affected by translation differences of SEK 518.5 million.

The Group's debt/equity ratio was 67.7% (85.2%) as per 31 March. The net debt/equity ratio, assuming full conversion of convertible bonds to shareholders' equity, was 43.1% (57.1%) as per 31 March, compared with the Company's target of 50%.

Cash flow and capital expenditures

The Group's operating cash flow for the period was SEK 142.3 million (329.4). Total capital expenditures during the period amounted to SEK 356.5 million (328.7). Most of the capital expenditures in 2011 are planned to continue during the first six months of the year. The full-year forecast is unchanged at SEK 1,100–1,250 million.

Capital expenditures in intangible assets totalled SEK 94.1 million (32.6) during the period and pertained to investments in development of oil and gas assets. Of this, SEK 79.1 million (21.0) pertained to investments in the West Africa region.

The Group's capital expenditures in property, plant and equipment totalled SEK 262.4 million (296.1) during the period and pertained to investments in producing oil and gas assets. Of this, SEK 233.6 million (265.3) pertained to investments in the West Africa region. During the period, a net total of SEK 746.6 million (76.5) in interest-bearing liabilities was amortised. Net cash flow after financing and capital expenditures amounted to SEK -960.8 million (-75.7).

Parent company

The parent company's revenue pertains mainly to intra-Group sales and amounted to SEK 7.2 million (5.4) during the period. Net financial items amounted to SEK -224.4 million (-18.7) for the period. The result before tax was SEK -226.1 million (-21.3). Shareholders' equity amounted to SEK 3,627.7 million (2,481.6). The increase is mainly attributable to the rights issue that was carried out in June 2010.

OTHER INFORMATION

Risks and uncertainties

PA Resources' financial, operational, business and social risks are described in the Company's 2010 Annual Report, published on 31 March 2011, in the section Risks and risk management.

Risks in the near term include possible disruptions in production at the producing fields, especially in connection with drilling, maintenance and installations, and additional delays in development projects. Ongoing political unrest in north Africa and the Middle East, which is difficult to assess, could also have an impact on the Company's operations.

Events after the end of the reporting period

■ *Listing of bond loan*

PA Resources' unsecured bond loan of SEK 850 million, which was issued in December 2010, is traded since 15 April 2011 on NASDAQ OMX in Stockholm (PARE 001 O2).

This report has not been reviewed by the Company's auditors

PA Resources AB (publ.)
Stockholm, 4 May 2011

Bo Askvik
President and CEO

Further information about PA Resources can be found at www.paresources.se. Queries concerning this report can be sent to ir@paresources.se or directed to:

Bo Askvik, President and CEO
Tel: +46 (0)8 21 83 82 (switchboard)
Mobile: +46 (0)708 19 59 18

or

Nicolas Adlercreutz, CFO
Tel: +46 (0)8 21 83 82 (switchboard)
Mobile: +46 (0)70 587 44 88

Group – condensed income statement

SEK 000s	Notes	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Revenue	3, 5	583,182	410,213	2,226,732
Cost of sales	4	-192,935	-167,083	-758,828
Other external expenses		-17,004	-17,977	-125,169
Personnel expenses	10	-14,489	-17,604	-67,059
Depreciation, amortisation and impairment losses	5	-218,860	-193,185	-785,252
Operating profit	5	139,894	14,364	490,424
Financial income	6	82,979	37,842	182,890
Financial expenses	6	-79,529	-140,718	-494,033
Total financial items		3,450	-102,876	-311,143
Profit before tax	5	143,344	-88,512	179,281
Income tax	7	-92,989	-6,064	-495,668
Profit for the period		50,355	-94,576	-316,387
Profit for the period attributable to:				
Owners of the parent		50,355	-94,576	-316,387
Earnings per share before dilution		0.08	-0.27	-0.61
Earnings per share after dilution		0.08	-0.27	-0.61

Earnings per share are attributable to owners of the parent.

Group – condensed statement of comprehensive income

SEK 000s	Notes	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Profit for the period		50,355	-94,576	-316,387
Other comprehensive income				
Exchange differences during the period		-518,514	-170,184	-712,429
Financial assets available for sale		-1	-437	-1,065
Income tax relating to financial assets available for sale		0	116	284
Total other comprehensive income		-518,515	-170,505	-713,210
Total comprehensive income		-468,160	-265,081	-1,029,597
Total comprehensive income attributable to:				
Owners of the parent		-468,160	-265,081	-1,029,597

Group – condensed statement of financial position

SEK 000s	Notes	31 March 2011	31 March 2010	31 Dec. 2010
ASSETS				
Intangible assets		1,718,238	1,632,089	1,728,771
Property, plant and equipment		6,742,311	7,308,386	7,221,384
Financial assets		2,145	2,867	2,185
Total non-current assets		8,462,694	8,943,342	8,952,340
Inventory		4,739	5,074	5,034
Accounts receivable and other receivables		695,687	675,325	677,117
Current tax assets	7	3,344	3,630	3,168
Cash and cash equivalents		274,084	45,835	1,260,393
Total current assets		977,854	729,864	1,945,712
TOTAL ASSETS		9,440,548	9,673,206	10,898,052
EQUITY				
Equity attributable to owners of the parent				
Share capital		318,738	83,877	318,738
Other capital contributions	9	3,764,137	2,357,593	3,764,137
Reserves		-1,473,426	-412,206	-954,911
Retained earnings and profit for the period		2,172,381	2,343,701	2,122,026
Total equity		4,781,830	4,372,965	5,249,990
LIABILITIES				
Interest-bearing loans and borrowings	9	2,248,034	2,008,691	2,767,310
Deferred tax liabilities	7	371,520	520,436	409,031
Provisions	10	406,889	358,514	429,884
Total non-current liabilities		3,026,443	2,887,641	3,606,225
Current tax liabilities		142,475	296,662	70,746
Derivative financial instruments	8	0	29,916	9,523
Current interest-bearing loans and borrowings		1,264,099	1,763,716	1,627,695
Accounts payable and other liabilities		225,701	322,306	333,873
Total current liabilities		1,632,275	2,412,600	2,041,837
TOTAL EQUITY AND LIABILITIES		9,440,548	9,673,206	10,898,052
PLEDGED ASSETS	12	1,779,278	2,364,634	2,179,630
CONTINGENT LIABILITIES	12	14,000	14,000	14,000

Group – condensed statement of changes in equity

SEK 000s	Equity attributable to owners of the parent					Total
	Notes	Share capital	Other capital contribution	Reserves	Retained earnings and profit/loss for the period	
Balance at 1 January 2010		83,877	2,357,593	-241,701	2,438,055	4,637,824
Total comprehensive income				-170,505	-94,576	-265,081
Transactions with shareholders						
Share based payments	10				222	222
Closing balance at 31 March 2010		83,877	2,357,593	-412,206	2,343,701	4,372,965
Balance at 1 April 2010		83,877	2,357,593	-412,206	2,343,701	4,372,965
Total comprehensive income				-542,705	-221,811	-764,516
Transactions with shareholders						
New share issue		234,856	1,526,561			1,761,417
Issue expenses			-120,087			-120,087
Redemption convertible shares	9	5	70			75
Share based payments	10				136	136
Closing balance at 31 December 2010		318,738	3,764,137	-954,911	2,122,026	5,249,990
Balance at 1 January 2011		318,738	3,764,137	-954,911	2,122,026	5,249,990
Total comprehensive income				-518,515	50,355	-468,160
Closing balance at 31 March 2011		318,738	3,764,137	-1,473,426	2,172,381	4,781,830

The number of shares was 637,475,843 as per 31 March 2011. No dividend has been decided for the 2009 financial year or previous financial years. Nor has the Board proposed any dividend for 2010. Existing reserves pertain to the effects of translation of operations conducted in foreign currencies and changes in the revaluation reserve.

Group – condensed statement of cash flows

SEK 000s	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Cash flow from operating activities			
Income after financial items	143,344	-88,512	179,281
Adjustments for non-cash items	137,558	423,268	348,359
Income tax paid	-3,423	-3,338	-229,639
Total cash flow from operating activities			
before changes in working capital	277,479	331,418	298,001
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventory	-383	-2,348	-6,392
Increase (-)/decrease (+) in receivables	-18,432	11,604	-168,613
Increase (+)/decrease (-) in liabilities	-116,315	-11,234	293,218
Cash flow from operating activities *	142,349	329,440	416,214
Cash flow from investing activities			
Investments in intangible assets	-94,132	-32,540	-273,189
Investments in property, plant and equipment	-262,401	-296,114	-1,312,150
Cash flow from investing activities	-356,533	-328,654	-1,585,339
Cash flow from financing activities			
New share issue	0	0	1,641,330
Loans raised	160,232	172,499	2,272,818
Amortisation of debt	-906,829	-248,997	-1,593,182
Cash flow from financing activities	-746,597	-76,498	2,320,966
Cash flow for the period	-960,781	-75,712	1,151,841
Cash and cash equivalents at the beginning of period	1,260,393	123,874	123,874
Exchange rate difference in cash and cash equivalents	-25,528	-2,327	-15,322
Cash and cash equivalents at end of period	274,084	45,835	1,260,393
Adjustments for non-cash items			
Depreciation, amortisation and impairment losses	218,860	193,185	785,252
Accounting fair value of financial instruments	-9,523	28,664	8,271
Oil sales attributable to Net Entitlement Method (net)	0	79,737	33,153
Valuation oil sales **	-118,690	0	0
Other items including exchange gains and losses (net)	46,911	121,682	-478,317
Total	137,558	423,268	348,359

* Starting in 2011, PA Resources reports changes in working capital excluding exchange rate movements, which were previously reported in the items *Other items including accrued interest and exchange gains and losses and Working capital*.

** Starting in 2011, PA Resources reports the effects from fair valuation of inventory and reported differences between Working Interest and Net Entitlement in the item *Valuation oil sales*.

Parent company – condensed income statement

SEK 000s	Notes	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Net sales		7,218	5,442	26,677
Other external expenses	11	-4,511	-3,420	-23,932
Personnel expenses		-4,312	-4,651	-23,883
Depreciation, amortisation and impairment losses		-47	-47	-193
Operating profit/loss		-1,652	-2,676	-21,331
Financial income and similar	6, 8	107,489	126,653	427,612
Financial expenses and similar	6, 8	-331,922	-145,326	-707,092
Total financial items		-224,433	-18,673	-279,480
Profit/loss before tax		-226,085	-21,349	-300,811
Income tax	7	2,823	2,348	10,082
Result for the period		-223,262	-19,001	-290,729

Parent company – condensed balance sheet

SEK 000s	Notes	31 March 2011	31 March 2010	31 Dec. 2010
ASSETS				
Tangible non-current assets		199	338	246
Financial assets		8,466,526	7,137,490	8,349,455
Total non-current assets		8,466,725	7,137,828	8,349,701
Current tax assets		1,252	1,252	984
Other receivables		2,229	3,723	2,044
Prepaid expenses and accrued income		9,331	1,927	9,404
Cash and cash equivalents		45,154	32,032	1,081,247
Total current assets		57,966	38,934	1,093,679
TOTAL ASSETS		8,524,691	7,176,762	9,443,380
SHAREHOLDERS' EQUITY				
<i>Restricted equity</i>				
Share capital		318,738	83,877	318,738
Statutory reserve		985,063	985,063	985,063
Revaluation reserve		19	480	20
<i>Total restricted equity</i>		<i>1,303,820</i>	<i>1,069,420</i>	<i>1,303,821</i>
<i>Non-restricted equity</i>				
Share premium reserve	9	2,748,709	1,342,166	2,748,709
Profit/loss brought forward and profit/loss for the period		-424,848	70,004	-201,586
<i>Total non-restricted equity</i>		<i>2,323,861</i>	<i>1,412,170</i>	<i>2,547,123</i>
Total shareholders' equity		3,627,681	2,481,590	3,850,944
LIABILITIES				
Liabilities Group companies		2,484,981	1,544,890	2,610,248
Interest-bearing loans and borrowings	9	1,662,154	1,506,037	1,650,448
Deferred tax liability		42,176	52,902	44,999
Total non-current liabilities		4,189,311	3,103,829	4,305,695
Accounts payable		1,089	3,814	1,046
Other liabilities		993	346	506
Derivative financial instruments	8	0	29,916	9,523
Current interest-bearing loans and liabilities		629,651	1,499,041	1,150,602
Accrued expenses and prepaid income		75,966	58,226	125,064
Total current liabilities		707,699	1,591,343	1,286,741
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		8,524,691	7,176,762	9,443,380
PLEGGED ASSETS	12	1,742,641	2,358,688	2,123,060
CONTINGENT LIABILITIES	12	14,000	14,000	14,000

Key ratios

FIVE-YEAR OVERVIEW

		31 March 2011	31 March 2010	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007	31 Dec. 2006
Revenue	SEK 000s	583,182	410,213	2,226,732	2,112,841	2,419,863	2,793,831	856,675
EBITDA	SEK 000s	358,754	207,549	1,275,676	1,325,877	1,771,823	2,073,729	471,296
Operating profit	SEK 000s	139,894	14,364	490,424	429,601	1,395,749	1,833,485	359,267
Operating profit per share after dilution**	SEK	0.22	0.04	0.94	1.35	4.64	6.08	1.26
Operating margin	%	24%	4%	22%	20%	58%	66%	42%
Income after financial items per share after dilution**	SEK	0.22	-0.26	0.34	1.00	2.74	5.96	1.04
Earnings per share after dilution**	SEK	0.08	-0.27	-0.61	0.04	3.08	3.14	0.81
Return on equity	%	neg	neg	neg	0.3%	23.9%	33.6%	12.8%
Return on assets	%	6.3%	5.4%	5.1%	5.0%	16.4%	32.3%	9.9%
Return on capital employed	%	7.2%	6.6%	5.9%	6.3%	19.6%	41.3%	12.2%
Equity per share before dilution**	SEK	7.50	12.65	8.24	13.41	15.86	11.12	7.72
Equity per share after dilution**	SEK	7.50	12.65	8.24	13.41	15.80	10.79	7.52
Profit margin	%	24.6%	-21.6%	8.1%	15.0%	34.0%	64.3%	34.7%
Equity/assets ratio	%	50.7%	45.2%	48.2%	44.6%	45.5%	49.5%	46.9%
Debt/equity ratio	%	67.7%	85.2%	59.7%	80.4%	74.8%	64.6%	54.5%
Debt/equity ratio, full conversion	%	43.1%	57.1%	38.3%	54.6%	n/a	n/a	n/a
Share price at end of period*	SEK	4.57	24.90	7.50	11.93	5.58	24.74	35.05
Share price/Equity per share before dilution*	Times	0.61	1.97	0.91	0.89	0.35	2.23	4.54
P/E margin per share*	Times	57.85	-91.05	-12.36	295.22	1.81	7.81	43.20
Number of shares outstanding before dilution**	Number	637,475,843	345,814,769	637,475,843	345,814,769	299,968,388	298,937,668	298,937,668
Number of shares outstanding after dilution**	Number	637,475,843	345,814,769	637,475,843	345,814,769	300,999,108	308,059,540	307,080,356
Average number of shares outstanding before dilution**	Number	637,475,843	345,814,769	521,614,740	318,998,246	299,427,260	298,937,668	284,116,480
Average number of shares outstanding after dilution**	Number	637,475,843	345,814,769	521,614,740	318,998,246	300,921,829	301,700,581	285,309,480

QUATERLY OVERVIEW

		Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Revenue	SEK 000s	583,182	697,662	529,954	588,903	410,213	653,917	696,487	432,143
Operating profit	SEK 000s	139,894	218,679	94,335	163,046	14,364	79,137	247,296	119,858
Operating margin	%	24.0%	31.3%	17.8%	27.7%	3.5%	12.1%	35.5%	27.7%
Earnings per share after dilution**	SEK	0.08	-0.23	0.22	-0.46	-0.27	-0.06	0.08	0.24
Return on equity	%	4.0%	neg	9.8%	neg	neg	neg	2.0%	6.1%
Return on assets	%	5.7%	8.5%	4.0%	6.6%	1.2%	4.8%	9.7%	5.2%
Return on capital employed	%	6.5%	9.7%	4.5%	7.7%	1.5%	5.8%	12.4%	6.8%
Equity per share before dilution**	SEK	7.50	8.24	8.36	9.53	12.65	13.41	14.13	15.31
Equity per share after dilution**	SEK	7.50	8.24	8.36	9.53	12.65	13.41	14.10	15.29
Profit margin	%	24.6%	13.1%	59.5%	-23.5%	-21.6%	15.3%	16.5%	35.1%
Equity/assets ratio	%	50.7%	48.2%	52.7%	53.0%	45.2%	45.8%	48.0%	44.8%
Debt/equity ratio	%	67.7%	59.7%	52.2%	41.0%	85.2%	80.4%	69.9%	61.1%

* In connection with the completed rights issue in May/June 2010, the share price at the end of the period has been adjusted retrospectively, which has affected Share price/Equity per share before dilution and the P/E multiple per share.

** The number of shares outstanding includes only shares that give rise to a dilutive effect. In calculating the potential dilutive effect for convertibles, this would have resulted in a positive effect on earnings per share. The applicable accounting policies (IAS 33) do not allow inclusion of a positive effect. Outstanding convertibles are also excluded in calculations of the dilutive effect on shareholders' equity per share. The completed rights issue in May/June 2010 gave rise to a bonus issue element in the number of shares outstanding. According to the applicable accounting policies (IAS 33), a retrospective adjustment of the number of shares outstanding is to be done. Such retrospective adjustment has led to changed key ratio measurements for operating profit per share, profit after net financial items per share, profit after tax per share, shareholders' equity per share, the share price through shareholders' equity per share, and the P/E multiple per share as per above.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Company information

PA Resources AB (publ.), corporate identity no. 556488-2180, registered in Stockholm, Sweden, has been listed on the NASDAQ OMX Nordic Exchange in Stockholm (Mid Cap segment) since 2006. On 31 January 2011, PA Resources' shares and convertibles were delisted from the Oslo Stock Exchange, at which time the shares obtained a primary listing on NASDAQ OMX Nordic Exchange in Stockholm. The Company's and its subsidiaries' operations are described in the section *PA Resources in brief* and *Operational overview*.

Note 2. Accounting policies

The interim report for the period ended 31 March 2011 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January – March 2011 have, like the full year 2010, been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Swedish Annual Accounts Act. The parent company's accounts have been prepared in accordance with Annual Accounts Act and guideline RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR).

The same accounting policies have been applied for the period as those applied for the 2010 financial year and as described in the 2010 Annual Report. The interim report does not contain all the information and disclosures provided in the annual report; the interim report should therefore be read in the same context as the 2010 Annual Report.

Note 3. Revenue

Total outstanding oil inventory in number of barrels is carried at fair value as per the balance sheet date and is reported as if the inventory had been sold. In addition, PA Resources' entire working interest is reported within revenue. The accounting policies that generate non-cash effects are adjusted for cash flow.

Note 4. Raw materials and consumables

SEK 000s	Jan-March 2011	Jan-March 2010
Operation and production costs	-119,132	-107,687
Royalties	-73,803	-59,396
Total cost of sales	-192,935	-167,083

The parent company has no costs for raw materials and consumables.

Note 5. Segment reporting

The Group is organised in and is managed according to geographical regions that correspond to the operating segments for which information is given and is followed up internally at the operational level. Operating segments per geographical region include all reporting local entities within each respective region.

The same accounting policies and calculation methods have been used in the reporting of operating segments in this interim report as in the 2010 Annual Report.

Following is a compilation of operating segments per geographical region and the local reporting entities that are included within the respective reportable operating segments:

North Africa: Hydrocarbures Tunisie Corp., Hydrocarbures Tunisie El Bibane Ltd, PA Resources Tunisia

West Africa: PA Energy Congo Ltd, PA Resources Congo SA, Osborne Resources Ltd

North Sea: PA Resources UK Ltd, PA Resources Denmark ApS, PA Resources Arctic ApS, PA Resources Greenland ApS, PA Resources Nuna ApS

Other: PA Resources AB, Microdrill AB

The reportable operating segments are accounted for according to the same accounting policies as for the Group. The reportable operating segments' revenue, expenses, assets and liabilities include items directly attributable to and items that can be allocated to a specific operating segment in a reasonable and reliable way.

Externally reported revenue for all operating segments except for "Other" pertains to sales of oil and services related to exploration and production of oil and gas. Internally reported revenue for all operating segments pertains to further invoiced expenses related to services provided for geology, seismology and exploration. Market conditions in accordance with arm's length are applied for transactions between operating segments.

Group management (the CODM) follows up the profit or loss measure "profit before tax". Financial revenue and expenses are reported gross for the tables below but net in the income statement.

Interim period January-March 2011

SEK 000s	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
Income statement						
Revenue, external	198,522	384,246	405	9		583,182
Revenue, internal	-	-	-	7,209	-7,209	0
Depreciation, amortisation and impairment losses	-106,373	-111,702	-738	-47		-218,860
Operating profit/loss	19,124	125,770	-3,348	-1,652	0	139,894
Financial income	25,095	1,426	29,199	359,193	-321,722	93,191
Financial expenses	-24,227	-40,473	-9,985	-583,626	568,570	-89,741
Profit/loss before tax	19,992	86,723	15,866	-226,085	246,848	143,344
Income tax revenues						13,993
Income tax expenses						-106,982
Profit for the period						50,355

Interim period January-March 2010

SEK 000s	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
Income statement						
Revenue, external	278,345	131,819	-	49		410,213
Revenue, internal	-	-	-	5,393	-5,393	0
Depreciation, amortisation and impairment losses	-170,482	-22,510	-146	-47	-	-193,185
Operating profit/loss	20,950	1,662	-179	-2,676	-5,393	14,364
Financial income	129,783	7,875	-	181,393	-254,439	64,612
Financial expenses	-116,225	-360	-24,620	-200,066	173,783	-167,488
Profit/loss before tax	34,508	9,177	-24,799	-21,349	-86,049	-88,512
Income tax revenues						91,799
Income tax expenses						-97,863
Profit for the period						-94,576

31 March 2011

SEK 000s	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
Balance sheet						
Assets						
Non-current assets	5,565,509	5,211,433	421,135	6,249,139	-8,984,522	8,462,694
Current assets, external	326,004	542,204	50,230	59,416		977,854
Liabilities						
Non-current liabilities	1,377,777	5,896,777	557,497	4,178,914	-8,984,522	3,026,443
Current liabilities, external	869,987	46,853	7,735	707,700		1,632,275
Investments in property, plant and equipment (gross amounts)	28,791	233,589	21	-		262,401
Investments in intangible assets (gross amounts)	-	79,060	15,072	-		94,132

31 March 2010

SEK 000s	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
Balance sheet						
Assets						
Non-current assets	6,607,043	3,810,612	341,825	4,920,441	-6,736,579	8,943,342
Current assets, external	244,063	437,279	9,514	39,008		729,864
Liabilities						
Non-current liabilities	1,943,275	4,113,161	404,771	3,163,013	-6,736,579	2,887,641
Current liabilities, external	648,138	163,193	9,918	1,591,351		2,412,600
Investments in property, plant and equipment (gross amounts)	30,782	265,276	56	-		296,114
Investments in intangible assets (gross amounts)	-	21,005	11,535	-		32,540

Assets that are included in the statements refer to all assets. The column "Group & eliminations" includes, in addition to elimination of Group transactions between the operating segments, reclassification of exchange differences pertaining to operations.

The Group's customers consist of a small number of major international oil and trading companies. Information on external revenue pertaining to the region where the operating segments are registered and outside the region is shown below. The table also shows revenue from individual external customers, where the revenue amounts to 10% or more compared with total external revenue for the Group.

Interim period January-Mars 2011

SEK 000s	North Africa	West Africa	North Sea	Other	Total Group
Revenues from external customers within the region	11,961	384,246	405	9	396,621
Revenues from external customers outside the region	186,561	-	-	-	186,561
Total revenues, external	198,522	384,246	405	9	583,182
Revenues from external customers exceeding 10% of total Group revenue					
Customer 1	140,266	-	-	-	140,266
Customer 2	-	384,246	-	-	384,246
% share of revenue from external customers exceeding 10% of total Group revenue:					
Customer 1	24%	-	-	-	24%
Customer 2	-	66%			66%

Customer 1 refers to Tunisia. Customer 2 refers to the Republic of Congo.

Note 6. Financial income and expenses during the period

SEK 000s	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Interest income	5,227	16,456	46,067
Exchange gains	50,052	0	33,437
Other financial items	27,700	21,386	103,386
Total financial income (net)	82,979	37,842	182,890

SEK 000s	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Interest expense	-55,300	-67,874	-299,797
Exchange losses	0	-19,119	0
Other financial items	-24,229	-53,725	-194,236
Total financial expenses (net)	-79,529	-140,718	-494,033

Exchange gains/losses are broken down as follows:

Exchange gains arising from bank equivalents (gross)	6,351	9,523	49,560
Exchange gains arising from borrowings (gross)	53,913	17,247	262,816
Exchange losses arising from bank equivalents (gross)	-8,979	-7,356	-67,968
Exchange losses arising from borrowings (gross)	-1,233	-38,533	-210,971
Total exchange gains (+) / losses (-) (net)	50,052	-19,119	33,437

Parent company - SEK 000s	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Interest income	79,789	82,056	324,226
Exchange gains	0	23,211	0
Other financial items	27,700	21,386	103,386
Total financial income (net)	107,489	126,653	427,612

SEK 000s	Jan-March 2011	Jan-March 2010	Jan.-Dec. 2010
Interest expense	-96,370	-100,651	-380,274
Exchange losses	-223,141	0	-174,537
Other financial items	-12,411	-44,675	-152,281
Total financial expenses (net)	-331,922	-145,326	-707,092

Exchange gains/losses are broken down as follows:

Exchange gains arising from bank equivalents (gross)	6,254	4,351	24,800
Exchange gains arising from borrowings (gross)	245,450	73,600	1,231,943
Exchange losses arising from bank equivalents (gross)	-8,629	-6,851	-40,637
Exchange losses arising from borrowings (gross)	-466,216	-47,889	-1,390,643
Total exchange gains (+) / losses (-) (net)	-223,141	23,211	-174,537

Exchange gains and losses are reported net in the income statement for the Group and parent company.

Note 7. Income tax

Reported tax pertains to income tax charges and deferred tax attributable to interests in oilfields in Tunisia and Tax Oil (the difference between the "Working Interest share" and "Net Entitlement") in the Republic of Congo. The reported tax leads to a higher effective tax charge than what the underlying tax rates generate in tax charge. The underlying tax rates are unchanged, and the high effective tax charge is attributable to, among other things, unbooked tax loss-carryforwards in the parent company and other Group companies. The parent company's accounts include only a deferred tax asset attributable to deferred tax on convertible bonds.

Note 8. Reporting of financial instruments

PA Resources' oil and gas assets are valued in USD and generate revenue in USD. The Group conducts various hedging activities on the interest-bearing liability to match the corresponding foreign exchange risk associated with the assets. Through this, the Group has entered into currency and interest rate swap agreements to match the currency exposure in the Group's listed bond issues. A combination of the bond issues with the currency and interest rate swap agreements provides risk exposure that corresponds to USD-denominated loans. In cases where the Group has currency and interest rate swap agreements, these are carried at fair value, which results in unrealised net gains/losses.

Note 9. Convertible bond

The parent company issued, after final settlement on 14 January 2009, a total of 72,757,002 convertibles, corresponding to a nominal amount of SEK 1,164.1 million. The convertibles carry interest at an annual nominal rate of 11% from 15 January 2009. Interest is paid to holders on 15 January each year, starting on 15 January 2010 and the last time on 15 January 2014. The convertibles fall due for payment of the nominal amount on 15 January 2014 unless conversion or repayment has occurred prior to this date. Conversion to shares may be done during the period 1 – 30 September of each year. The convertible debenture is defined as a Compound Financial Instrument, which entails a split classification between financial liability and equity. PA Resources has calculated the present value of the convertibles' future cash flows as per the issue date, which has led to an initial allocation between equity and non-current liabilities of SEK 209.1 million and SEK 880.2 million, respectively, after deducting transaction costs. The conversion price for PA Resources outstanding convertible bonds has been recalculated from SEK 16 to SEK 8.52 per share due to the rights issue that was completed in June 2010.

A total of 11,245,683 convertibles corresponding to a nominal value of SEK 179.9 million have been converted to stock, which increased shareholders' equity by SEK 140.1 million, of which the share capital by SEK 5.6 million. This has also decreased the nominal liability amount by SEK 179.9 million.

Note 10. Provisions**Asset Retirement Obligation (ARO):**

For parts of oilfields where the Group has an obligation to contribute to asset retirement costs for environmental restoration, dismantling, cleaning and similar actions around the drilling areas both onshore and offshore, a provision corresponding to future calculated obligations is recorded. An obligation arises either at the time an oilfield is acquired or when the Group starts to utilise these, and an asset is recorded as part of the Group's total oil and gas assets.

The Asset Retirement Obligation is accounted for as a provision based on the present value of costs that are judged to be required to fulfil the obligation, using the estimated cash flows. The discount rate used takes into account the time value of money and the risk specifically associated with the liability, assessed by the market. The Group's estimated provision amounted to SEK 370.9 million as per 31 March 2011. PA Resources uses the Full Cost Method, which entails that the corresponding amount for the provision is capitalised as an asset and amortised. Total assets pertaining to Asset Retirement Obligation costs amounted to SEK 171.3 million as per 31 March 2011. Future changes in provisions due to the time value of money are accounted for as a financial expense, and estimated changes are capitalised or reversed against the corresponding assets.

Note 11. Related party transactions

No remuneration other than customary directors' fees that have been approved by the Annual General Meeting have been paid out.

Definitions

FINANCIAL DEFINITIONS

- **EBITDA** is defined as operating profit plus total depreciation and amortisation including impairment.
- **Operating profit** is defined as operating revenue less operating expenses.
- **Operating margin** is defined as operating profit after depreciation and amortisation as a percentage of total revenue.
- **Earnings per share after dilution** is defined as net profit after income tax in relation to the average number of shares after dilution.
- **Return on equity** is defined as net profit after tax as a percentage of average adjusted equity.
- **Return on assets** is defined as operating profit plus adjusted financial revenue as a percentage of average total assets.
- **Return on capital employed** is defined as operating profit plus adjusted financial revenue as a percentage of average capital employed (total assets minus non interest-bearing liabilities including deferred tax liabilities).
- **Shareholders' equity per share** before and after dilution is defined as the Group's reported equity in relation to the number of shares outstanding before or after dilution.
- **Profit margin** is defined as profit after net financial items as a percentage of total revenue.
- **Equity/assets ratio** is defined as the Group's reported equity as a percentage of total assets.
- **Debt/equity ratio** is defined as the Group's interest-bearing liabilities minus cash and cash equivalents in relation to adjusted equity. Share price/equity per share before dilution is defined as the share price at the end of the period in relation to equity per share before dilution.
- **Earnings per share** is defined as the share price at the end of the period in relation to net profit after income tax divided by the average number of shares outstanding before dilution.

INDUSTRY TERMS

- **Barrels of oil equivalents:** Unit of volume used for petroleum products. An indication used when oil, gas and NGL are to be summarised.
- **FPSO-vessel:** Floating, Production, Storage and Offloading vessel used in an oilfield.
- **FDPSO-vessel:** Floating, Drilling, Production, Storage and Offloading vessel used in an oilfield. Used on the Azurite field in Congo.
- **Injection well:** A well where gas or water is injected to give pressure support in a reservoir. By injecting gas, water or both into a reservoir, the degree of recovery can be increased by maintaining pressure and thereby forcing hydrocarbons into the production well.
- **Licence:** A licence is a permit granted to an oil company from the government of a country to look for and produce oil and gas. Oil and natural gas assets are usually owned by the country in which the oil or natural gas is discovered. The oil companies obtain permission from the respective country's government to explore for and extract oil and natural gas. These permits are also called concessions, permits, or production-sharing agreements, depending on the country in question. A licence usually consists of two parts: an exploration permit and a production licence.
- **Net Entitlement Share:** The proportion of revenue, production or reserves that accrue to the oil company after deduction for royalties and taxes.
- **Operator:** A company, which on behalf of one or more companies in a partnership, has obtained the right to explore for oil and gas in an area and develop a field for production in a commercial accumulation.
- **Production well:** A well used to extract petroleum from a reservoir.
- **Seismic data:** Seismic studies are conducted to describe geological structures in bedrock. At sea, sound signals are transmitted from the ocean surface, and the echoes are captured. Such studies can be used to locate the presence of hydrocarbons, among other things.
- **Working Interest (WI):** The proportion of revenue, production or reserves that accrue to the oil company before taxes, royalties and other curtailment.

Currency rates

	Closing date rate 31 March 2011	Average rate Jan-March 2011	Closing date rate 31 March 2010	Average rate Jan-March 2010	Closing day rate 31 Dec. 2010	Average rate Jan.-Dec. 2010
1 EUR in SEK	8.94	8.87	9.74	9.94	9.00	9.54
1 USD in SEK	6.30	6.48	7.26	7.19	6.80	7.20
1 TND in SEK	4.55	4.58	5.22	5.32	4.75	5.09
1 NOK in SEK	1.13	1.13	1.21	1.23	1.15	1.19
1 GBP in SEK	10.18	10.39	10.94	11.21	10.55	11.13
1 DKK in SEK	1.20	1.19	1.31	1.34	1.21	1.28

PA Resources at a glance

- An international oil and gas company with operations and assets in eight countries
- A total of 28 oil and gas licences, of which seven are in production, two are under development and 19 are in the exploration phase
- Operator of 13 licences; part-owner and partner in the other licences
- 46.0 million barrels 1P and 72.5 million barrels 2P in oil reserves
- One of the larger oil producers in Tunisia
- 135 employees in Tunisia, Sweden, the UK and the Republic of Congo
- PA Resources is domiciled and has its head offices in Stockholm
- PA Resources shares (PAR) are listed on NASDAQ OMX Stockholm (Mid Cap), where the Company's convertible bond (PAR KV1) is also listed

FUTURE REPORTING DATES

Annual General Meeting 2011	17 May 2011
Interim Report Q2 (January - June)	17 August 2011
Interim Report Q3 (January - September)	26 October 2011
Year-end Report (including Q4)	15 February 2012

WEBCAST CONFERENCE CALL

PA Resources' results for the first quarter of 2011 will be presented on 4 May at 10 a.m. (CET) via a webcast conference call. To participate, use the link at www.paresources.se or call: Sweden: +46 (0)8 505 598 53, UK: +44 (0)203 043 24 36, USA: +1 866 458 40 87

An on-demand webcast will be available on www.paresources.se after the presentation.

DISCLOSURE

The information in this interim report is such that PA Resources AB is required to disclose pursuant to the Securities Market Act and Financial Instruments Trading Act. Submitted for publication at 8:15 a.m. (CET) on 4 May 2011.

FINANCIAL INFORMATION

All financial information is published on www.paresources.se directly after release. It is also possible to subscribe for press releases and financial reports by e-mail. To do so, register on our website under the heading Investor Relations/Subscribe.

! This is a translation of the Swedish Interim Report. In the event of any differences between this translation and the Swedish original, ● the Swedish version shall prevail.

