

Extraordinary General Meeting 24 May, 2010

Bo Askvik, President and CEO



Introduction to PA Resources

- Swedish company established in 1994 – active in exploration and production of oil and gas
- Sales of SEK 2.1bn and EBITDA of SEK 1.3bn in 2009
- Well balanced portfolio of assets in the West Africa, North Africa and North Sea regions
- 131 employees in Tunisia, Sweden, the Republic of Congo (Brazzaville) and the UK



A helicopter is shown in flight over the ocean, viewed from the deck of an offshore vessel. The helicopter is dark-colored with a white tail. In the foreground, a person in an orange safety suit and yellow life vest is visible on the deck. The background shows the blue ocean and a clear sky.

II. FINANCIAL REVIEW

Group income statement

	Q1 2010	Q1 2009	Full Year 2009
Revenue	410,213	330,294	2,112,841
Operating expenses	-202,664	-170,885	-786,964
Depreciations and write-downs	-193,185	-176,099	-896,276
Operating profit	14,364	-16,690	429,601
<i>EBITDA</i>	<i>207,549</i>	<i>159,409</i>	<i>1,325,877</i>
Total financial items	-102,876	-32,225	-112,057
Result before tax	-88,512	-48,915	317,544
Income tax	-6,064	-14,502	-304,653
Net result for the period	-94,576	-63,417	12,891

Key ratios

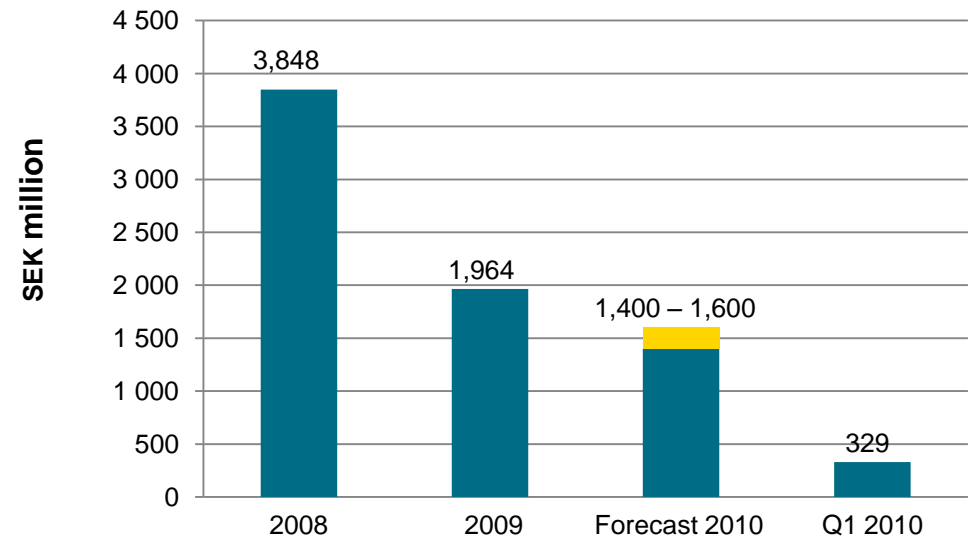
	Q1 2010	Q1 2009	Full Year 2009
Total assets	9,673.2	9,700.7	10,122.8
Shareholder equity per share (SEK) a.d.	26.07	31.96	27.65
Investments (full period)	328.7	336.3	1,964.6
Net interest-bearing debt	3,726.6	2,945.7	3,729.9
Net debt⁽¹⁾/Equity ratio	85.2%	63.2%	80.4%
Earnings per share a.d.	-0.56	-0.44	0.08

1) Interest bearing debt minus cash

Capital expenditure

- Capex in Q1 2010 of 328.7 MSEK is within the range of full year forecast of 1,400 -1,600 MSEK.
- Development capex on the Azurite field in the Republic of Congo and the Aseng field in Equatorial Guinea.
- Future focus on existing assets will be first priority.

Capital expenditure



10 largest shareholders

10 largest shareholders as per 23 April, 2010 and including thereafter known changes	Number of shares	Share of capital/votes
Länsförsäkringar funds	14,572,801	8.7%
Ulrik Jansson (through controlled companies)	8,512,512	5.1%
Avanza Pension	6,930,772	4.1%
Bertil Lindqvist	6,193,317	3.7%
Morgan Stanley & Co Intl Plc	4,959,519	3.0%
Handelsbanken funds	4,275,547	2.6%
Nordnet Pensionsförsäkring AB	4,267,573	2.5%
SIX SIS AG	3,036,549	1.8%
Andra AP-Fonden	2,921,540	1.7%
CBNY-DFA-INT SML CAP	2,912,460	1.7%
Total - 10 largest shareholders	58,582,590	34.9%
Total - other shareholders	109,171,392	65.1%
Total number of shares	167,753,982	100%

The number of shareholders the 23 April 2010 was 21,677

A photograph showing a helicopter in flight over the ocean, viewed from the deck of an offshore vessel. A person in a yellow safety suit is visible in the foreground on the left. The helicopter is a dark-colored model with a white tail. The background shows a clear blue sky and a calm sea.

III. THE NEW STRATEGIC AND OPERATIONAL PLAN

Development of PA Resources

	START-UP PHASE	PORTFOLIO EXPANSION PHASE	NEW FIVE-YEAR PLAN
Business activities	<ul style="list-style-type: none"> PA Resources is formed in 1994 and listed on the NGM in 1998 The company acquires its first oil and gas assets 	<ul style="list-style-type: none"> PA Resources expands its asset portfolio through further acquisitions of licences The company divests its Norwegian assets 	<ul style="list-style-type: none"> Development of existing assets to production Exploration within existing assets
Costs and financing	<ul style="list-style-type: none"> Acquisition costs and capex 	<ul style="list-style-type: none"> Acquisition costs and capex Financing through bonds and equity 	<ul style="list-style-type: none"> Mainly development capex and to some extent exploration capex Lower gearing – debt /equity ratio < 50%* <ul style="list-style-type: none"> » Equity financing » Long-term debt

*) Assuming full conversion of outstanding convertible debentures into equity

Five-year plan and funding

Accelerated five-year development plan

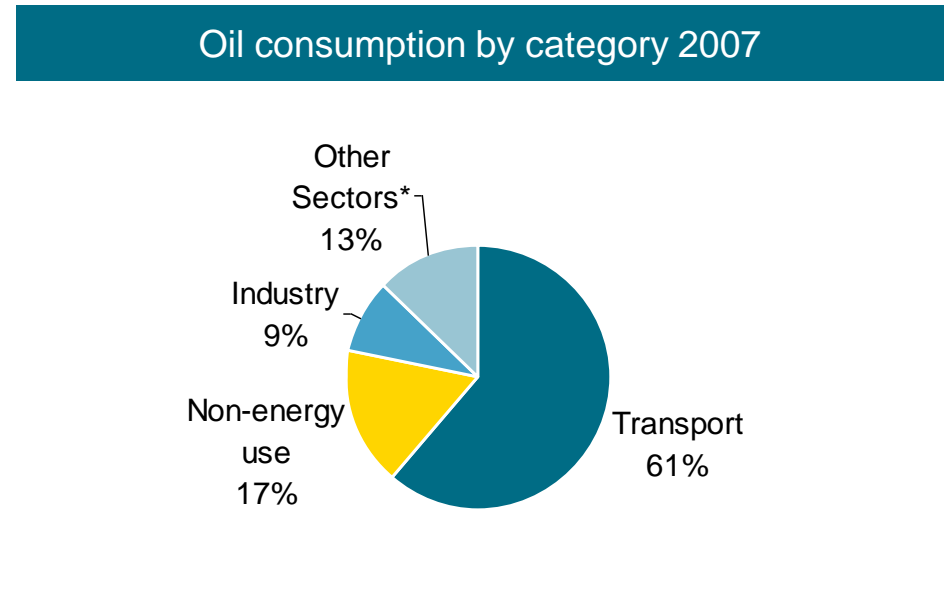
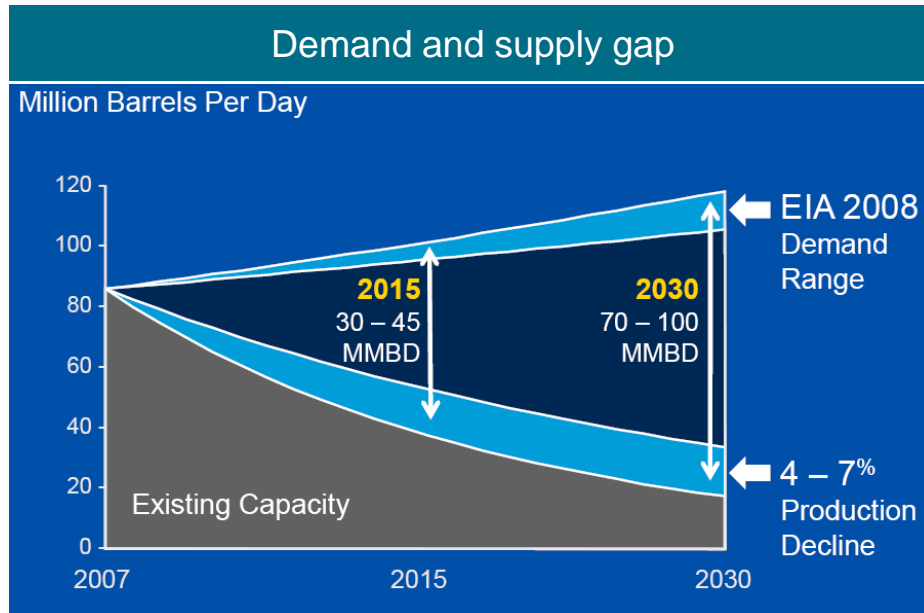
- Targeted outcome 2014
 - » Develop over 50 mmboe from non-developed reserves and resources into production
 - » Stable and diversified production of more than 20,000 boepd
 - » Over 500 mmboe in total reserves and resources

Funding of development plan

▪ Sources of funds (2010-2012)	USDm
Cash flow before investments*	+ 500
Rights issue	+ 250
Total	+ 750
▪ Uses of funds (2010-2012)	USDm
Development CAPEX	+ 600
Exploration CAPEX	+ 150
Total	+ 750
▪ Net change (2010-2012)	+0
▪ Sources of funds (2013- p.a.)	USDm
Cash flow before investments*	+250

*) Cash flow before investments defined as EBITDA less tax and interest. Assuming oil price of USD 80 per barrel in real terms

Favourable outlook for the oil industry



Source: Chevron

*) Includes agriculture, commercial & public services, residential and non-specified other sectors.

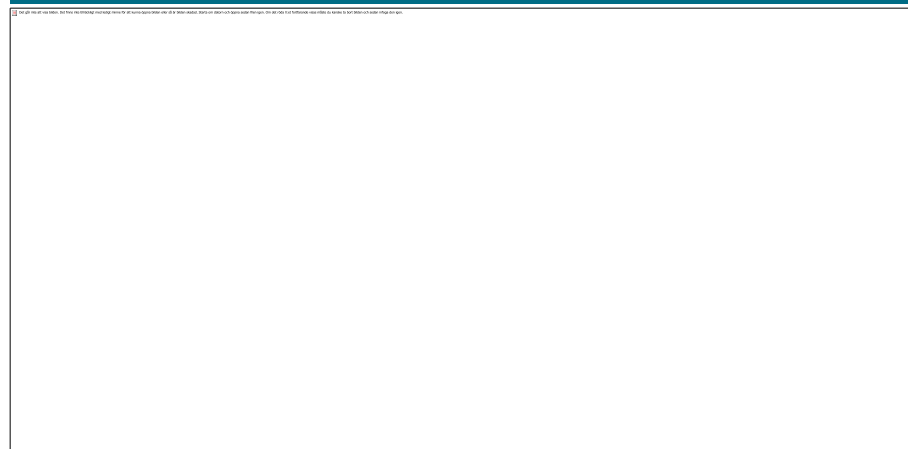
Source: IEA Key World Energy Statistics 2009

- Significant gap in production to be filled by fields not yet developed
 - » Required new capacity to be explored and developed before 2030 equal to total 2009 production
- Triggers in place for increased demand for oil following a sharp rebound in GDP development
 - » Significant portion of oil consumption is used for transportation
 - » Transportation it is very closely correlated with GDP growth

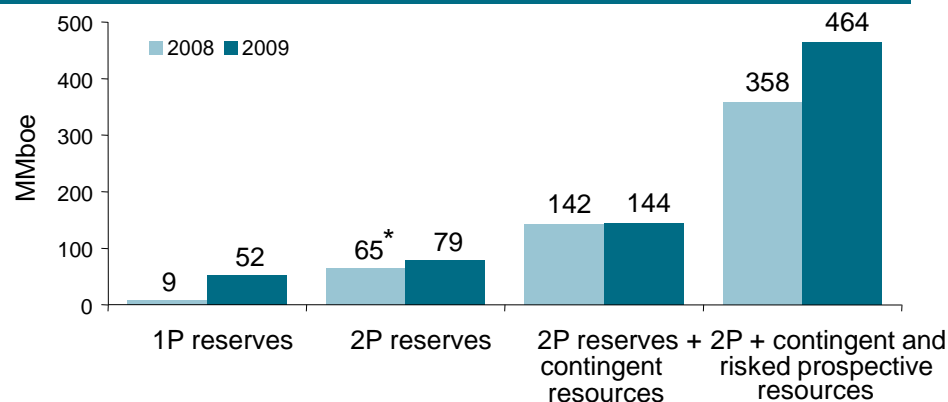
Strong asset mix combining production, undeveloped reserves and drillable exploration inventory

- All 2P reserves are 100% liquid (i.e. no gas)
- Exploration portfolio focused on high probability prospects
- Selective exploration, where appropriate seek to dilute interest to diversify exposure and/or gain access to other opportunities
- New production in Republic of Congo, development in Equatorial Guinea, discoveries and exploration activities expected to result in significant added reserves and resources

Composition of 2P reserves 2009

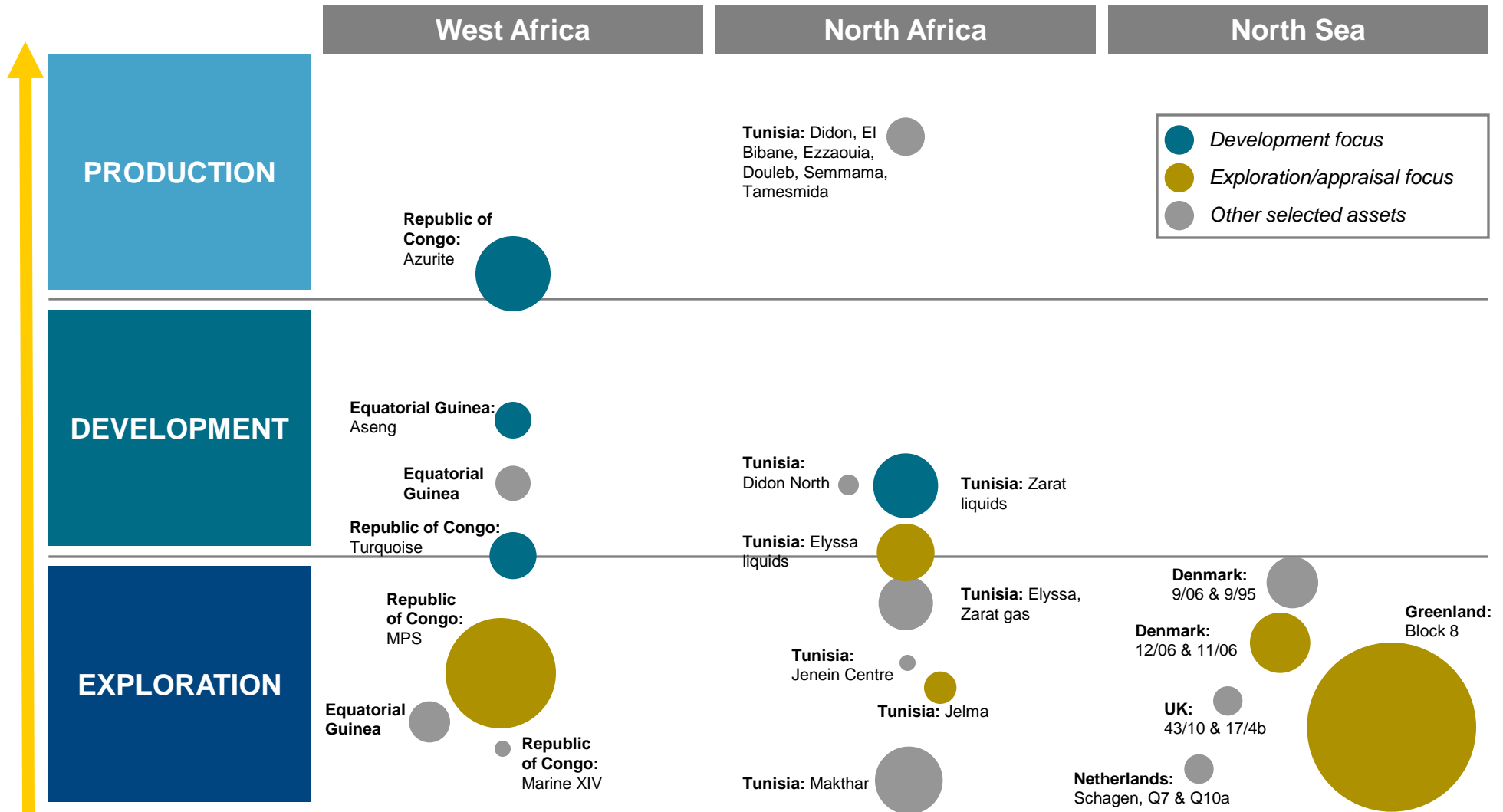


Reserves and resources



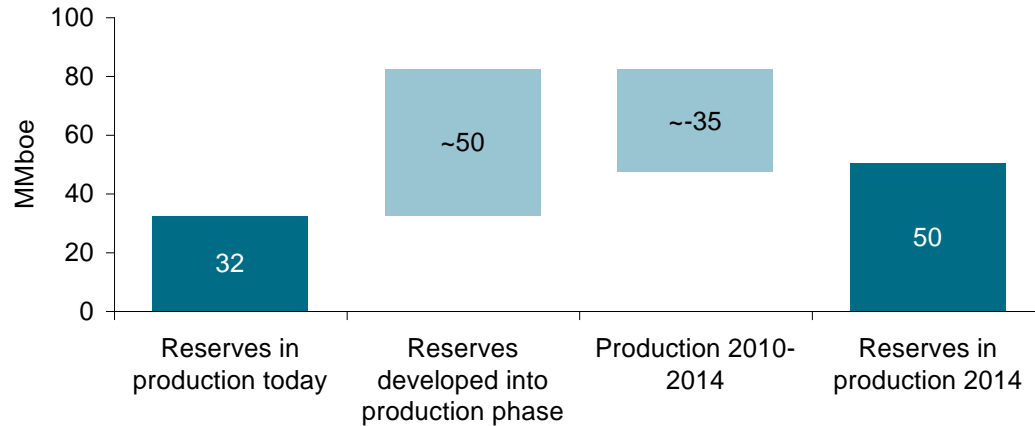
*) Excludes 2008 gas reserves re-classified as contingent resources in 2009 (2008 gas reserves included in contingent resources for comparability)

Strong asset mix combining production, undeveloped reserves and drillable exploration inventory (cont'd)



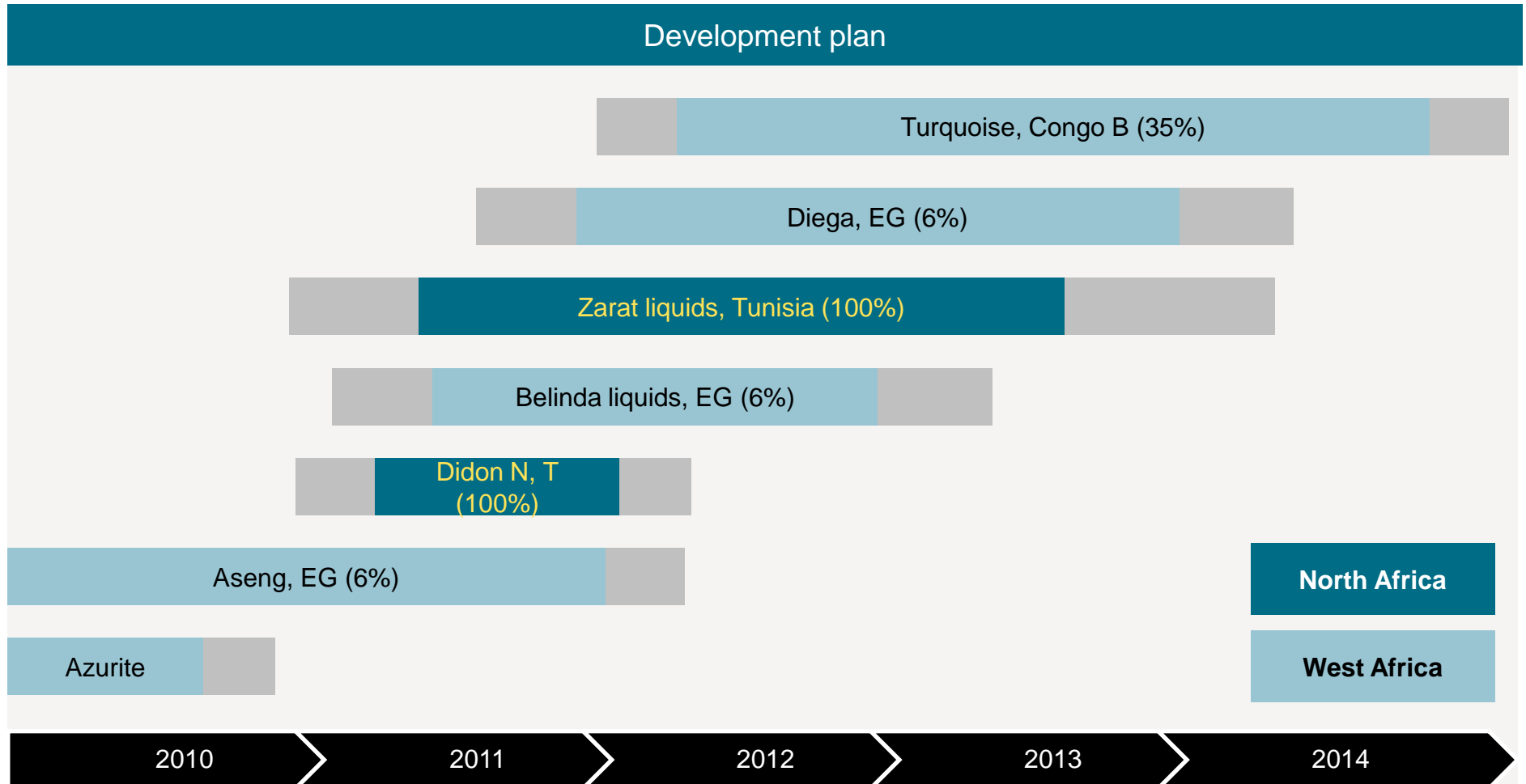
Accelerated development plan

Development of reserves 2010-2014



- Accelerated plan to develop more than 50 mmboe from non-developed reserves and resources into production phase by 2014
 - » Azurite, Zarat, Block I and Turquoise most important fields in 2014
- Development capex of USD 800 million 2010-2014, of which USD 600 million 2010-2012
- Payback of development capex in 2-3 years from production start – estimated life of field of 7-15 years
 - » In general, approximately 30-40% of a reserve is extracted when capex is paid back

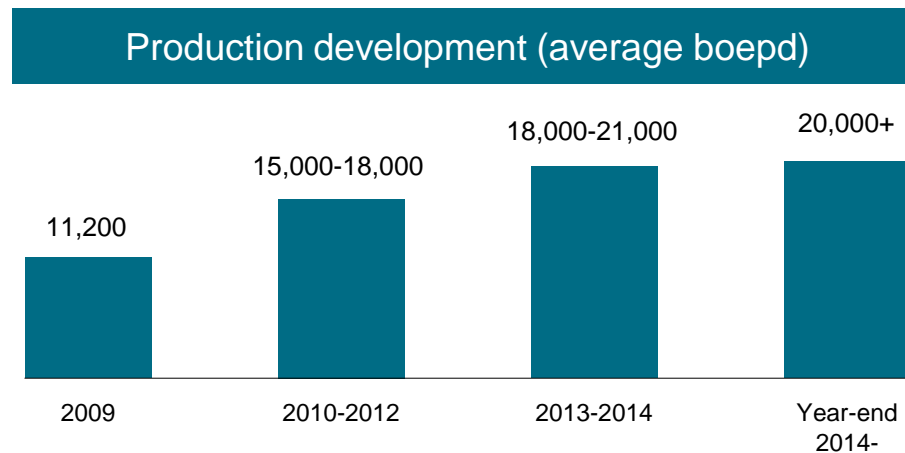
Accelerated development plan (cont'd)



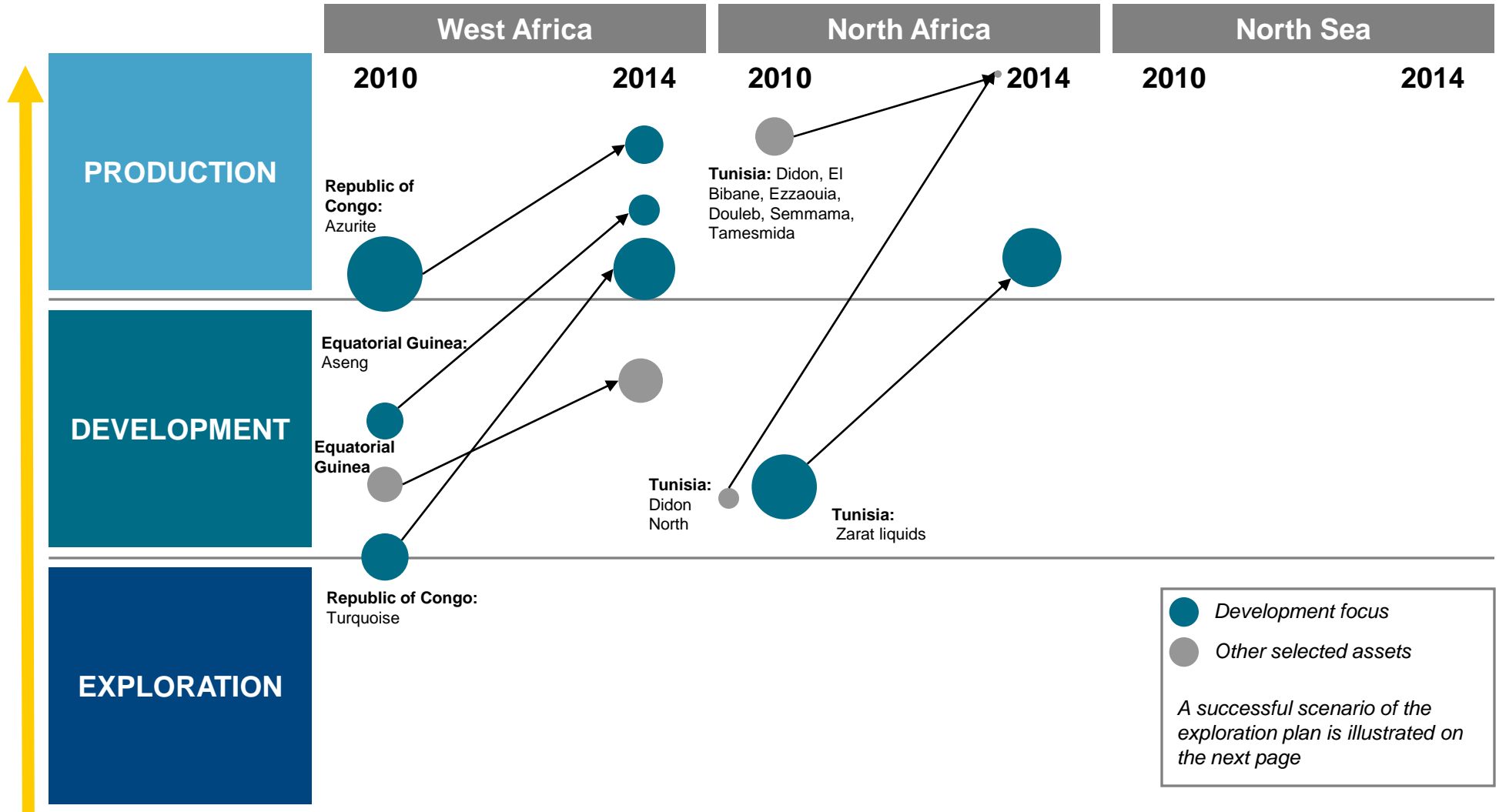
Note: Yellow font denotes fields where PA Resources is the operator and the state has the option to increase its interest up to 55%

Target sustainable production level of 20,000+ boepd at year-end 2014

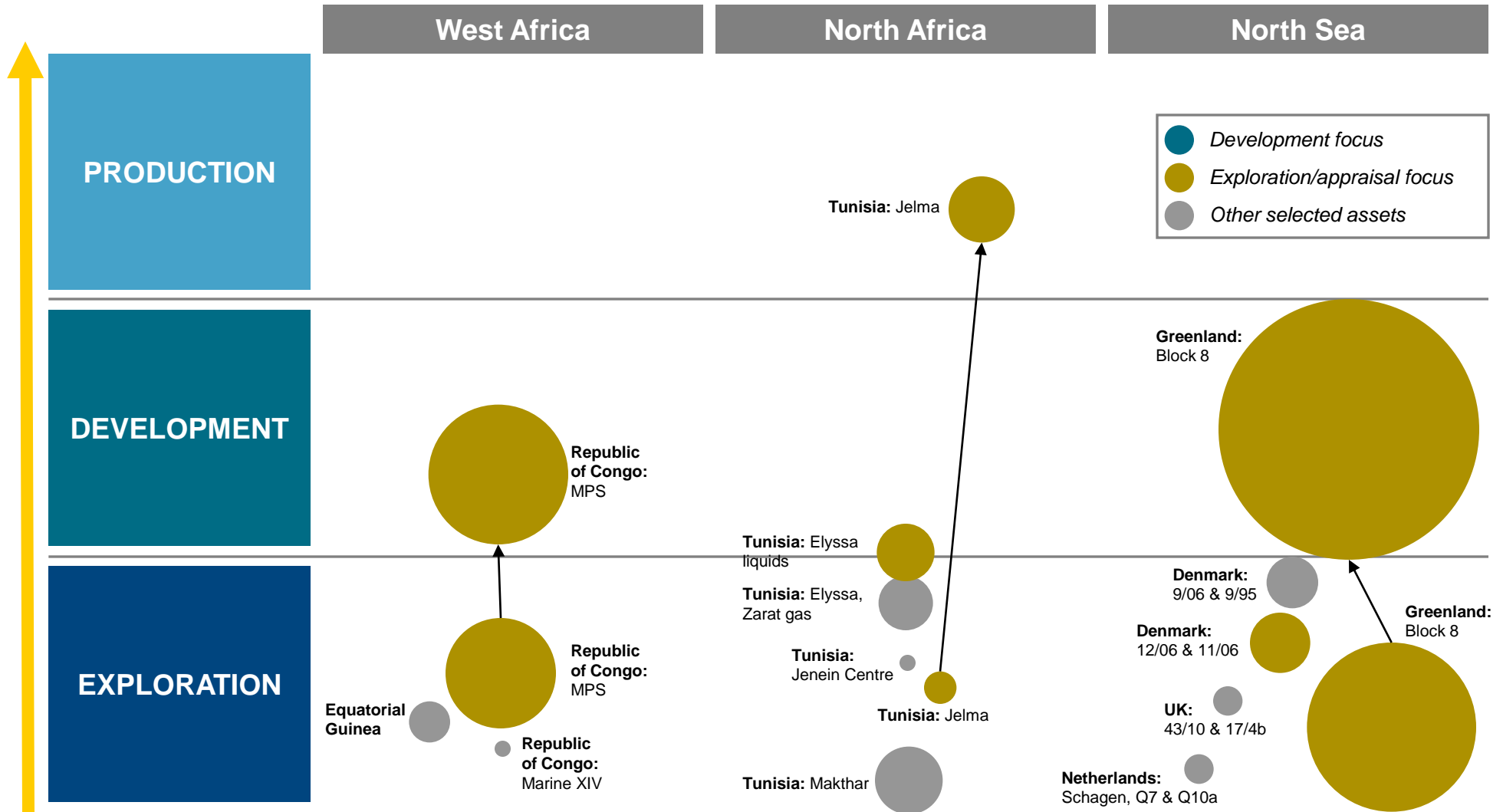
- Target production 2010-2012
 - » Azurite will replace Didon as the company's main producer
 - » Average production of 15,000-18,000 boepd
- Target production at year-end 2014
 - » Sustainable production of 20,000+ boepd
 - » Production from new fields includes
 - » Block I (Equatorial Guinea)
 - » Zarat (Tunisia)
 - » Turquoise (Congo)



Expected outcome of strategic plan – Development



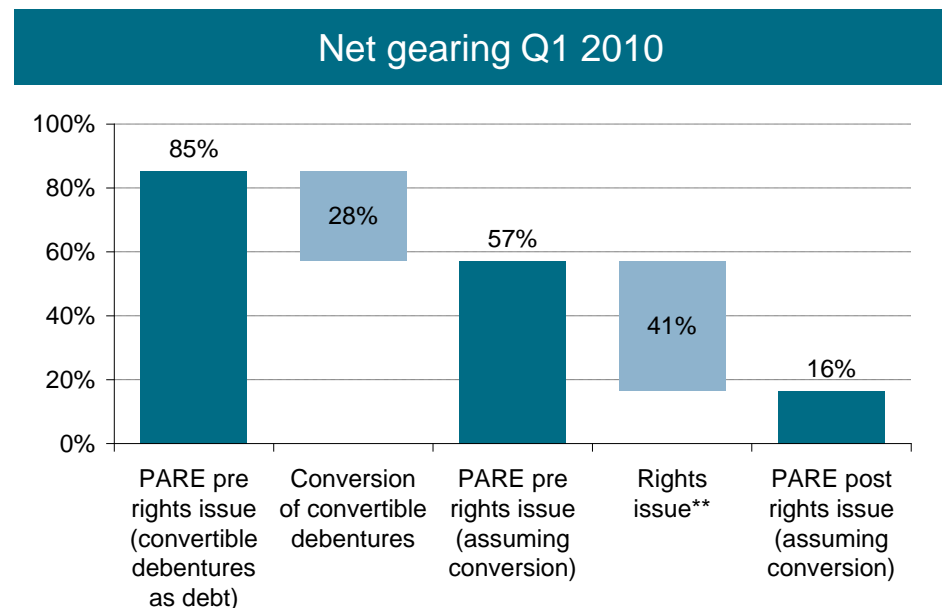
A successful scenario of the exploration plan



Note: Size of bubbles represents risk weighted size of assets

Strengthened balance sheet and new financial targets

- The Board of PA Resources has set a target for net gearing to be below 50%*
- New share issue of SEK 1.8 billion (USD 250 million) will provide the company with significant headroom to the new financial target
 - » Net gearing of 16%* post rights issue**
- The rights issue gives enhanced operating flexibility and reduced risk perception of the company
 - » Proceeds from the rights issue will allow the company to continue existing development projects and at the same time develop non-developed reserves and contingent resources into producing fields
- Debt going forward is expected to consist primarily of secured bank facilities and the existing convertible bond



*) Assuming full conversion of outstanding convertible debentures into equity

***) Proceeds from rights issue before transaction costs

Secured financing of SEK 3.6 billion – five-year bank financing and a fully committed and underwritten rights issue

5-year bank credit agreement of SEK 1.8 billion (USD 250 million) entered into with Standard Bank and Crédit Agricole

The Board of Directors proposes a fully committed and underwritten rights issue of SEK 1.8 billion

- Strengthens the company's financial position
 - » New financial target – Net debt/equity not to exceed 50%*
- Enables the implementation of the strategic and operational five-year plan
 - » Accelerated development of assets to prioritize production growth
 - » Continued selective exploration of the company's substantial prospect inventory

**) Assuming full conversion of convertible debentures into equity*

Terms of the rights issue

- Each five (5) shares held on the record date on May 28, 2010 entitle the shareholder to the subscription of 14 new shares.
- The subscription price is set to 3.75 per share which will raise proceeds of approximately SEK 1,761 million before transaction related costs.
- The subscription price corresponds to a discount of approximately 42.2 per cent to the theoretical ex-rights price based on PA Resources' closing share price on May 19, 2010.
- The rights issue is fully committed and underwritten.
- The rights issue is subject to approval by the Extraordinary General Meeting to be held on May 24, 2010, at 13.00 CET.

Indicative timetable

May 20, 2010:	Subscription price, the total increase of the share capital and number of shares that may be issued announced in a press release
May 24, 2010	Approval of the Extraordinary General Meeting of shareholders of the rights issue, resolved by the Board of Directors
May 26, 2010	First day of trading in the shares, excluding preferential rights to participate in the rights issue
May 27, 2010	Estimated date of publication of the prospectus
May 28, 2010	Record date for participation in the rights issue
June 2 – June 11, 2010	Trading in subscription rights
June 2 – June 16, 2010	Subscription period
June 18, 2010	Announcement of preliminary outcome of the rights issue

THANK YOU!

