

Q4 and full year results 2009

Ulrik Jansson, President & CEO and Bo Askvik, EVP & CFO
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Production & Earnings



Operations Review



Going Forward

Today's presenters



Ulrik Jansson
President & CEO



Bo Askvik
EVP & CFO

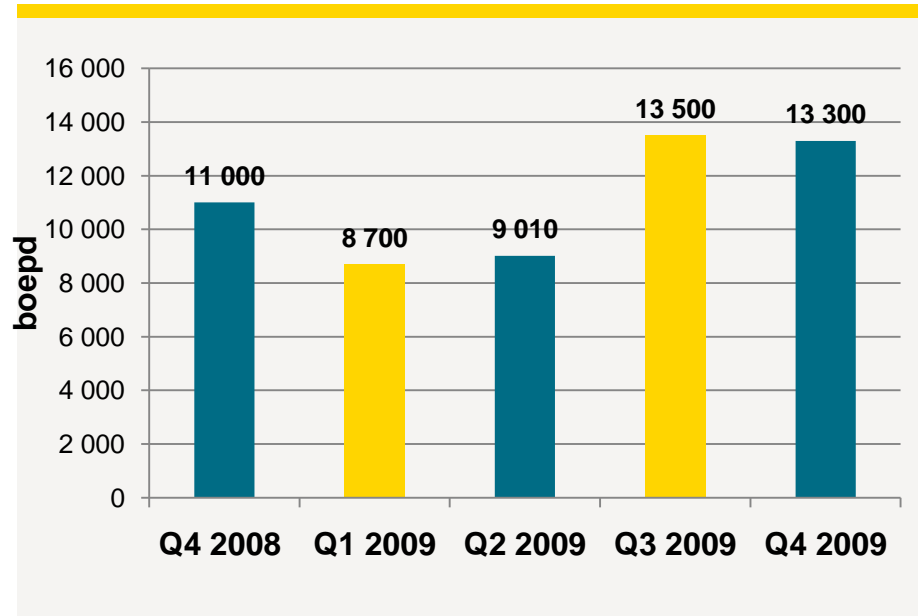
Production & Earnings

Bo Askvik
EVP & CFO



Production 2009

- The second production well at the Azurite field in the Republic of Congo started producing 12th February
- Production increased in 2009 compared to 2008 thanks to the Azurite field in the Republic of Congo.
- Azurite will replace Didon as the Group's main producer.
- Full year production 2009 was 4,074,500 boepd (4,039,900)



Summary: Production and sales

(BOE)	Q4 2009	Q4 2008	Full year 2009	Full year 2008
Average production per day	13 300	11 000	11 200	11 025
Total production of oil	1 227 000	1 013 500	4 074 500	4 039 900
Sales of oil	988 000	1 154 100	3 174 000	3 884 400
Average oil price (USD/bbl)	70	57	59	92

The average sales price has increased with **23%** compared with Q4 2008

Reserves and resources

- 1P increase to 51.8 (8.9) MMBOE
- Elyssa/Zarat fields: more oil and condensate – less gas
 - » 2P increase of oil and condensate by 24.2 MMBOE to 38.7 MMBOE on Elyssa and Zarat fields
 - » 2P decrease of gas by 19.8 MMBOE on Elyssa and Zarat fields
- 2P remaining gas 18.5 MMBOE on Elyssa/Zarat reclassified to contingent resources
- 2P decrease by 6.0 MMBOE from other revisions
- 2P decrease from production 4.1 MMBOE
- Contingent resources increase to 65.4 MMBOE (34.6) – mainly from Tunisian assets
- Risked prospective resources increase to 319.2 MMBOE from 216.2 – Denmark and Greenland assets included

Reserves and resources

	31-Dec-2009		31-Dec-2008	
	1P/P90	2P/P50	1P/P90	2P/P50
Developed assets	21.4	32.2	8.9	16.1
Assets under development	3.0	8.0	0	34.3
Non-developed assets	27.4	38.7	0	57.2
Total reserves	51.8	78.9	8.9	107.6
Contingent resources		65.4		34.6
Risked prospective resources		319.2		216.2

PA Resources net working interest

Source: RPS, McDaniel, field operators and PA Resources

Reserves and resources – Zarat & Elyssa now an oil development

(mmboe)	Zarat total	Zarat liquids	Zarat gas	Elyssa total	Elyssa liquids	Elyssa gas
2008	54.5	24.6	29.9	72.5	7.6	64.9
2009	66.8	43.9	22.9	70.1	42.1	28.0
Net change	+12.3	+19.3	-7.0	-2.4	+34.5	-36.9

Total Zarat & Elyssa	+10.0 mmbo	136.9 mmbo
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Liquids – oil & condensate	+53.8 mmbo	86.0 mmbo
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*Liquids increase from 25%
to now 63%*

Reserves and resources on 100% working interest basis

Financial highlights in Q4

- Revenues include Congo on a gross equity basis, including market valuation of oil inventory (net entitlement)
- Revenues Q4 2009 653.9
 - » Oil price & increased production +130.9
 - » Royalty & currency +67.0
 - » Net entitlement impact +85.1
 - » Revenue Q4 2008 370.9
- Q4 cost of sales net of royalty -151.9 MSEK (-52.2). Increase attributable to start-up costs and high share of fixed production cost at the Azurite field. The per-unit cost will decrease in pace with higher production.
- Write-down -79.8 (0) MSEK explained by relinquished UK licenses, no tax impact.
- Total investments 228.8 (801.6) MSEK

Group income statement

SEK 000's	Q4 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Revenue	653,917	370,879	2,112,841	2,419,863
Operating expenses	-219,090	-144,844	-576,018	-428,146
Royalty	-76,473	-23,769	-210,946	-219,894
EBITDA	358,354	202,266	1,325,877	1,771,823
Depreciations and write-downs	-279,217	-114,414	-896,276	-376,074
Operating profit	79,137	87,852	429,601	1,395,749
Total financial items	20,832	-284,590	-112,057	-572,661
Profit before tax	99,969	-196,738	317,544	823,088
Income tax	-121,990	-137,481	-304,653	-629,162
Result for the period from continuing operations	-22,021	-334,219	12,891	193,926
Discontinued operations				
Result for the period from discontinuing operations, net after tax	-	721,541	-	731,530
Net result for the period	-22,021	387,322	12,891	925,456

Key ratios

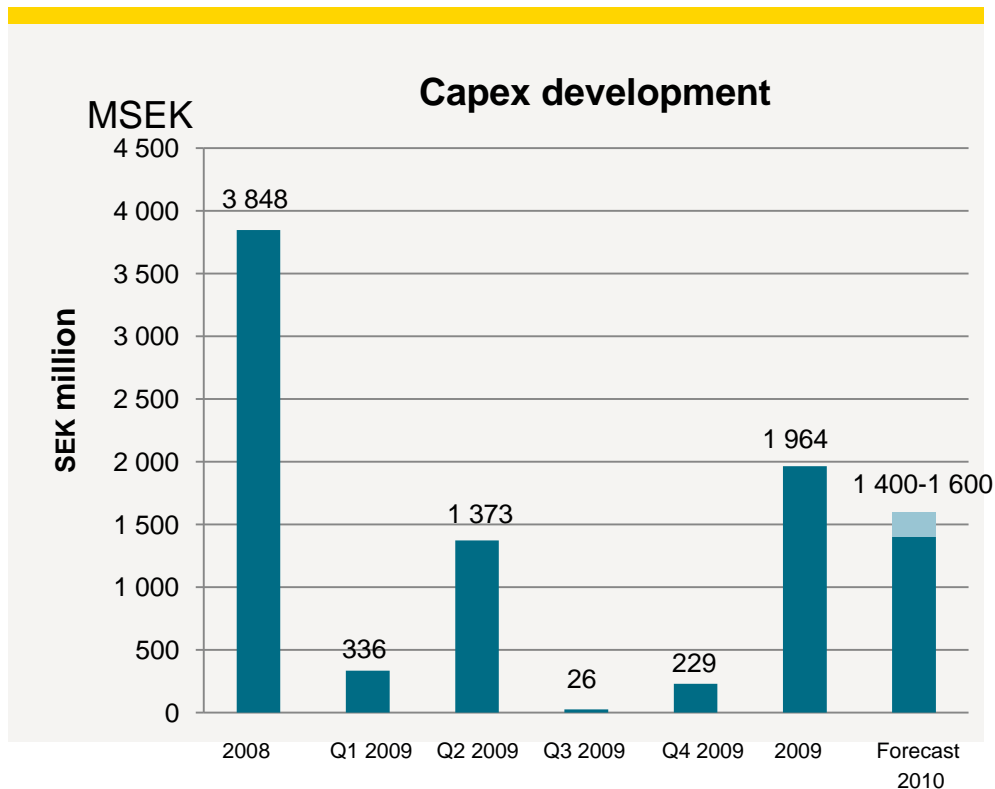
	31/12/2009	31/12/2008
Total assets	10,122.8	10,451.6
Total Equity	4,637.8	4,756.7
Investments	1,964.6	3,847.5
Net interest-bearing debt	3,729.9	3,556.6
Net debt⁽¹⁾/Equity ratio	80.4	74.8
Shareholder equity per share (SEK) a.d.	27.65	32.58
Earnings per share a.d.	0.08	6.34
Share price (SEK)	24.60	11.50

1) Interest bearing debt minus cash

Cash flow

SEK million	Jan. – Dec. 2009	Jan. – Dec. 2008
Total cash flow from operations before change in working capital	931.1	1,167.9
Cash flow from operating activities	142.7	2,284.2
Cash flow from investing activities	-966.2	-3,838.4
Cash flow from financing activities	938.5	1,281.8
Cash and cash equivalents at end of period	123.9	12.8

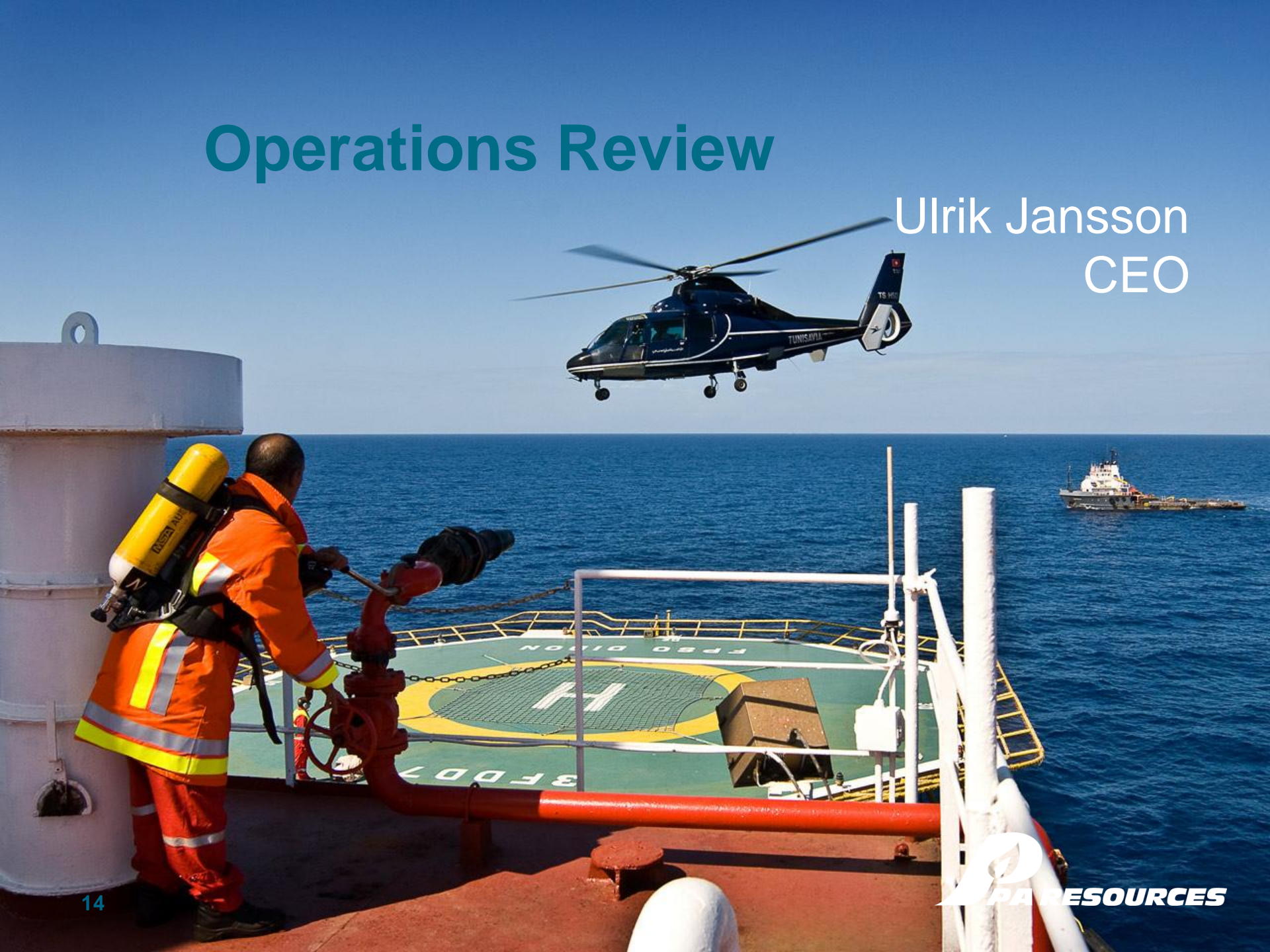
Full year capex according to estimate



- Full year capex 257 MUSD (1 964 MSEK), according to forecast
- Capex of SEK 229 million in Q4 2009 compared with SEK 802 million in Q4 2008
- Lower investments due to completion of majority of investments focused on Azurite production start
- Capex forecast for 2010 in the range of SEK 1 400- 1 600 million

Operations Review

Ulrik Jansson
CEO

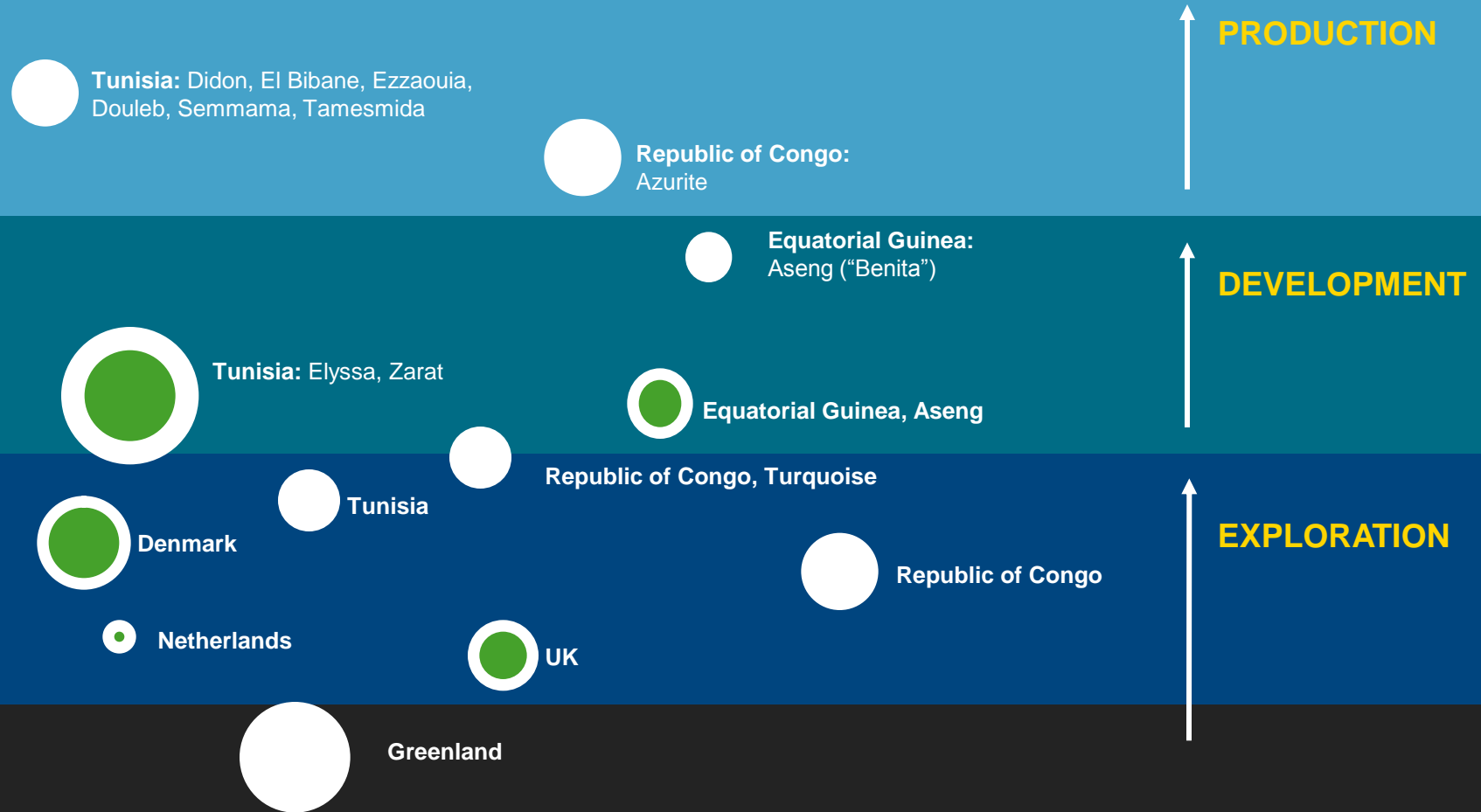
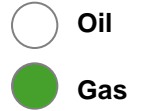


Important events in Q4

- Production from the second producing well at Azurite started 12th February
- Third production well drilled on the Azurite field, ready for completion in March
- The Azurite field will reach peak production during the second quarter 2010
- Azurite replacing Didon as the Group's main producing field
- North Sea portfolio upgraded, prospects for drilling in UK, DK and NL
- Screening of development activities for Elyssa and Zarat fields
- Tendering for Greenland seismic initiated



Balanced asset portfolio



Producing fields

Congo: Azurite field in production

- One producing well with good regularity during Q4
- Injector well started in December
- Start-up of the second production well 12th February
- Third producer drilled – awaiting completion
- Expected peak production of 40,000 boepd of which gross 14,000 to PA Resources estimated in the second quarter 2010
- Licence Group: Operator Murphy (50%), **PA Resources (35%)** and SNPC (15%)



Tunisia: Didon field

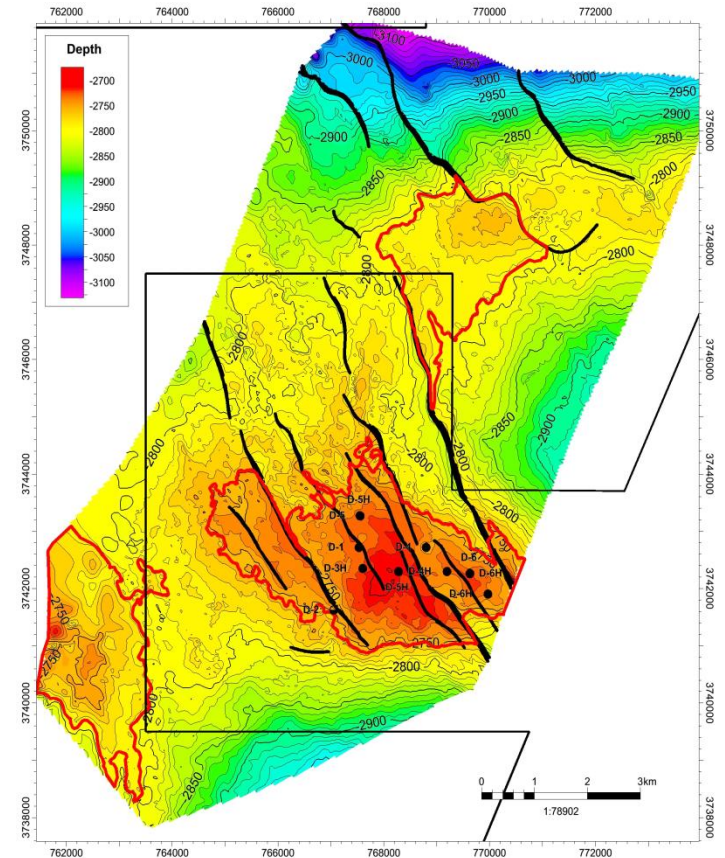
- Successful planned shut-down in October
- Certification of safety equipment on the Didon OSS-vessel
- Platform remotely controlled from the Didon OSS-vessel
- Cost savings thanks to improvements which means that the field can be operated using only one service vessel
- Licence Group:
Operator PA Resources (100%)



Development and exploration projects

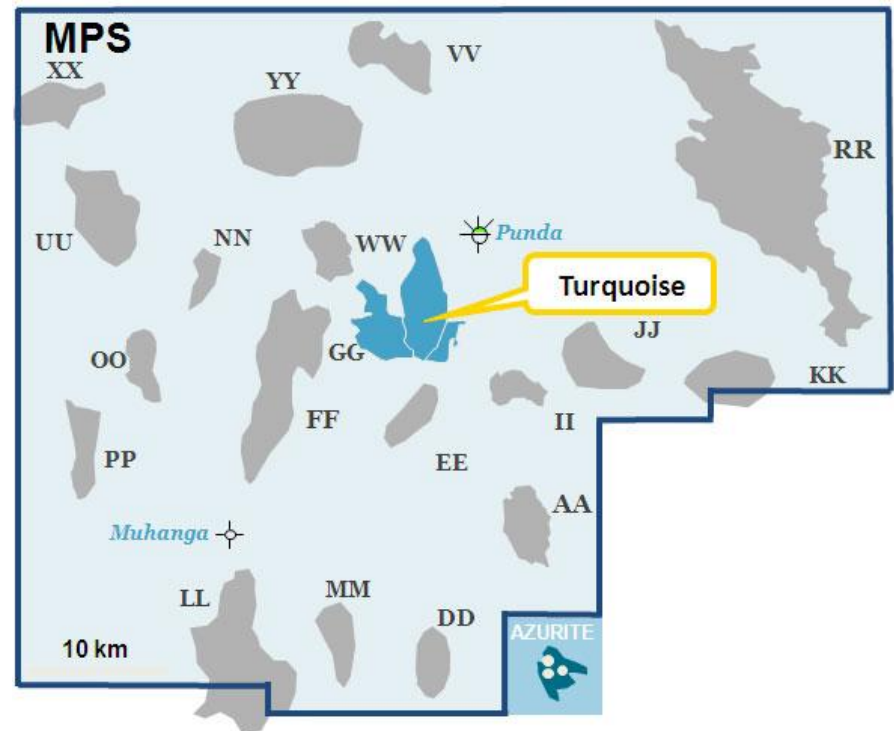
Tunisia: Didon North oil discovery

- Didon North prospect on Zarat permit situated 5 km northeast of the Didon field's production facilities.
- Estimated un-risked prospective resources of approx. 40 MMboe gross
- Oil discovery made in November 2008
- Well encountered 14 meters of oil pay in the El Gueria formation (same formation as Didon-field)
- Development is being further analyzed to assess possible tieback to the Didon field
- Licence Group:
Operator PA Resources (100%)



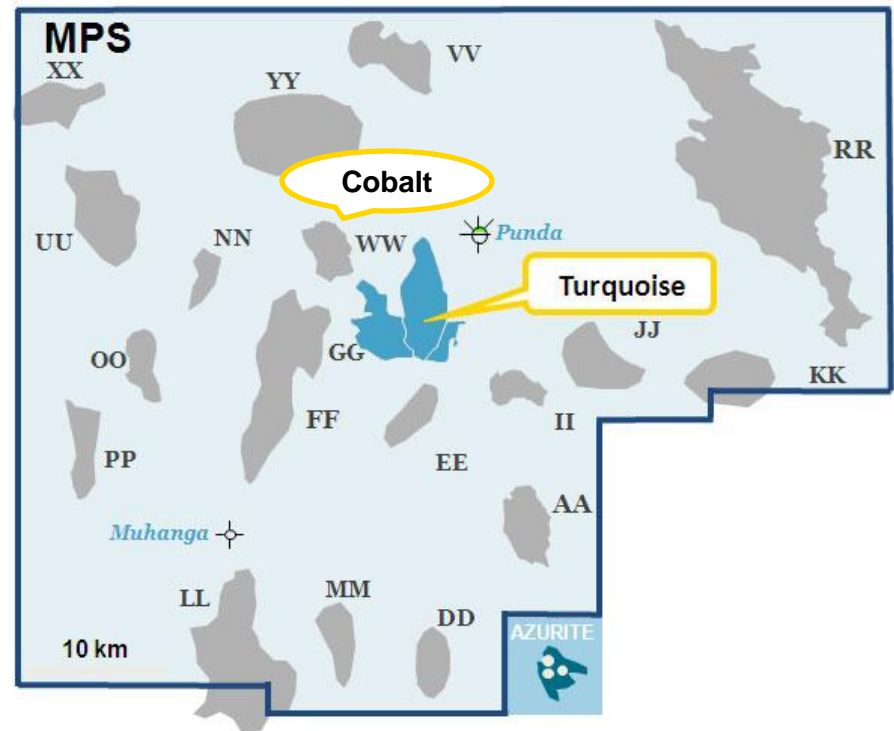
MPS Congo: Turquoise Oil discovery

- Turquoise Marine located approx. 28 km from Azurite field with structural timing identical to Azurite field
- Oil discovery encountered in excess of 41 meters net oil pay
- Current plan to drill two additional appraisal wells on Turquoise prospect during Q3 and Q4 2010
- Development scenarios based on possible tie-back into the Azurite FDP
- License Group: Operator Murphy (50%), **PA Resources (35%)** and SNPC (15%)



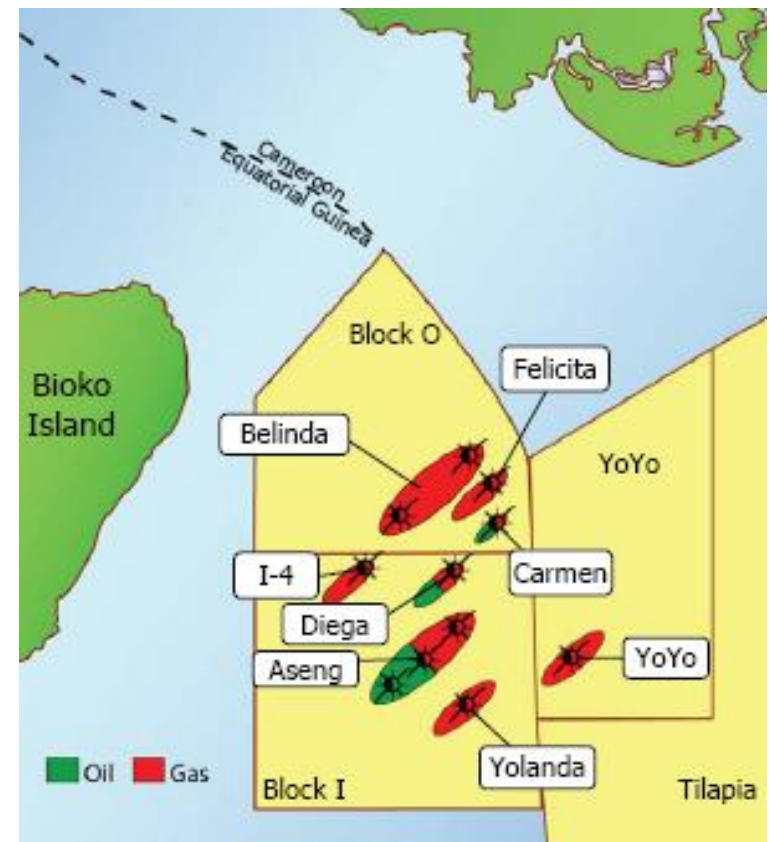
MPS Congo: Cobalt prospect

- Cobalt Marine-1 location is approx. 35 km from Azurite field, with structural timing identical to Azurite field
- Near 2009 Turquoise Oil discovery
- Formations consist of multi layered meandering river channel structures, potential similar to Azurite
- Current plan to drill Cobalt exploration well in 2010 (west of Turquoise)
- License Group: Operator Murphy (50%), **PA Resources (35%)** and SNPC (15%)



Block I: Overview of development project

- Aseng is the first development project and provides necessary infrastructure for other discoveries
- First oil in 2012 with 3,000 bopd net to PA Resources
- First injector well successfully drilled
- 10 production and injection wells will be drilled in 2010 - 2011
- Next development at Liquid-rich Belinda field with expected sanction in 2010 followed by Diega oil
- Licence Group: Operator Noble Energy (40%), Atlas Petroleum Int. (29%), Glencore (25%), **PA Resources (6%)**



Exploration and development in Tunisia

■ Elyssa/Zarat

Field development planning together with re-evaluation of reserves ongoing, with possible upside potential. Appraisal well planned to be drilled in 2010. Oil/gas ratio improved drastically to 60/40.

■ Makthar

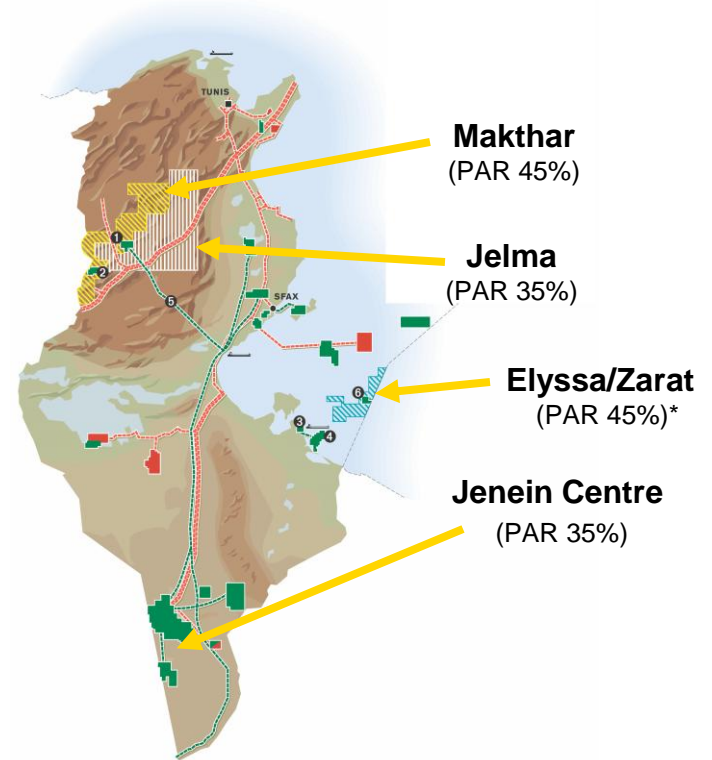
Licence renewed for another three years, 2D seismic study to be conducted in 2010, focus on Maiza gas prospect.

■ Jelma

Acquisition of 2D seismic in Q3 to be processed and evaluated, exploration drilling planned in Q3 2010.

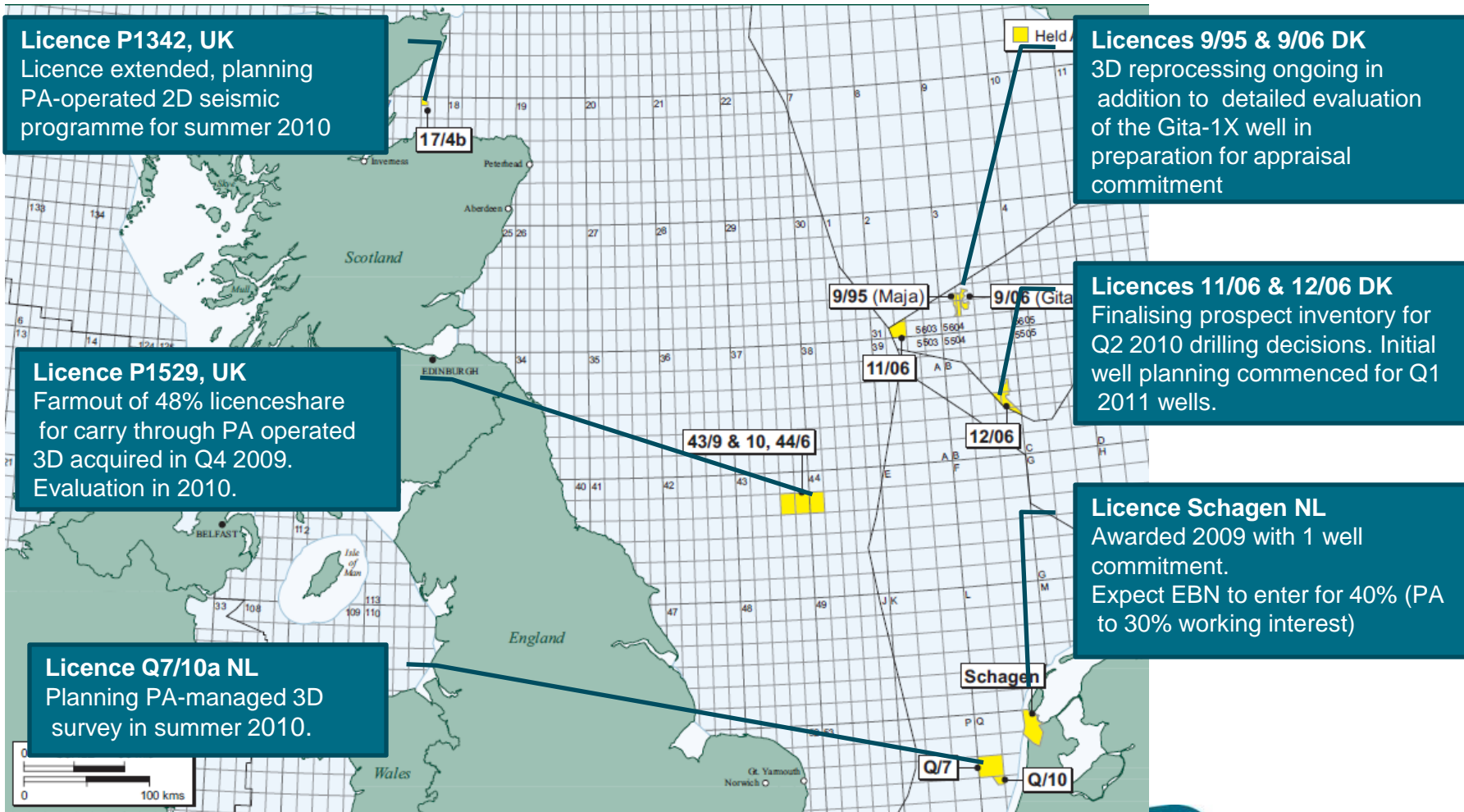
■ Jenein Centre

Current plan to drill exploration well onshore 1H 2010.

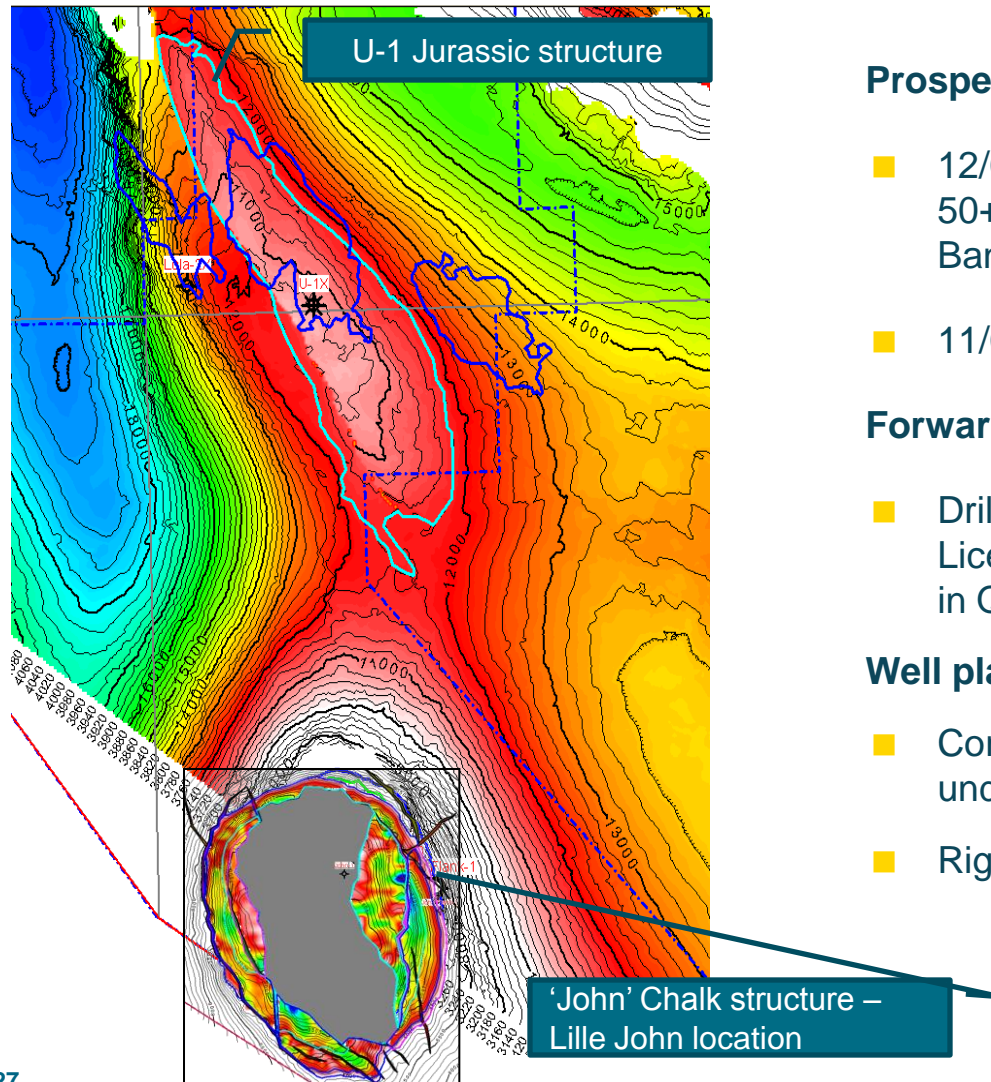


* Assuming Tunisian state oil company ETAP fully exercise their right to increase ownership to 55%

Exploration activities in North Sea region



Denmark Licenses 12/06 and 11/06



Prospectivity

- 12/06 John area preliminary assessment 20-50+ MMboe Chalk potential, analogous to Banff Field in UK, missed by prior wells
- 11/06 still being actively worked

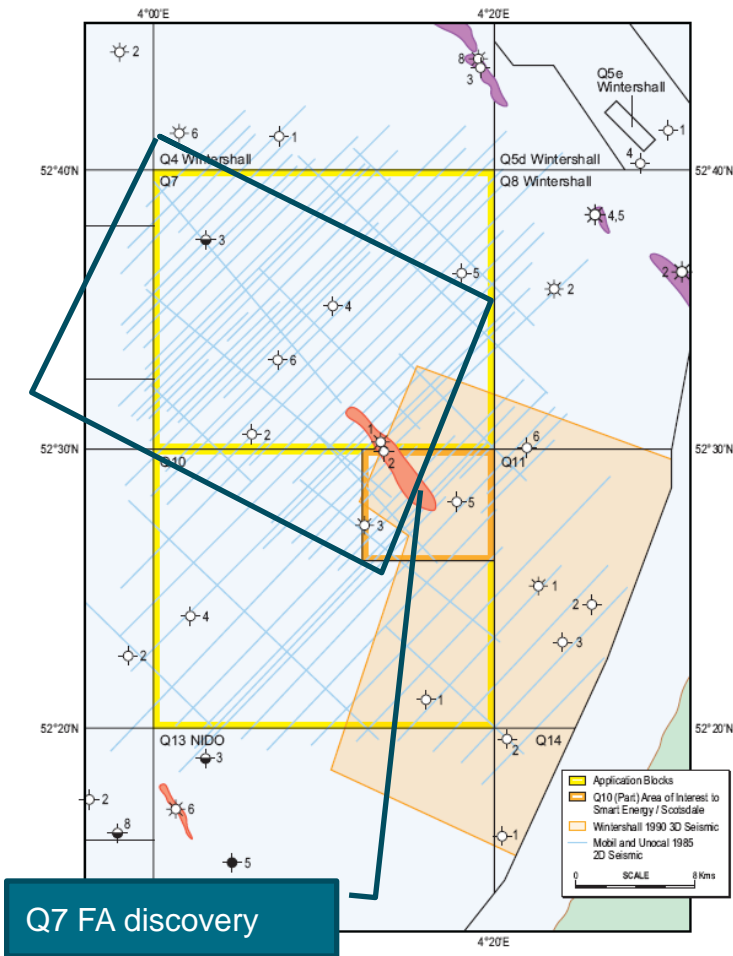
Forward plan

- Drilling of two exploration wells on License 12/06 and License 11/06 in Q1, 2011

Well planning status

- Core drilling team in place and planning under way
- Rig and major contract commitments in Q2

Netherlands Q7 and Q10a



Prospectivity

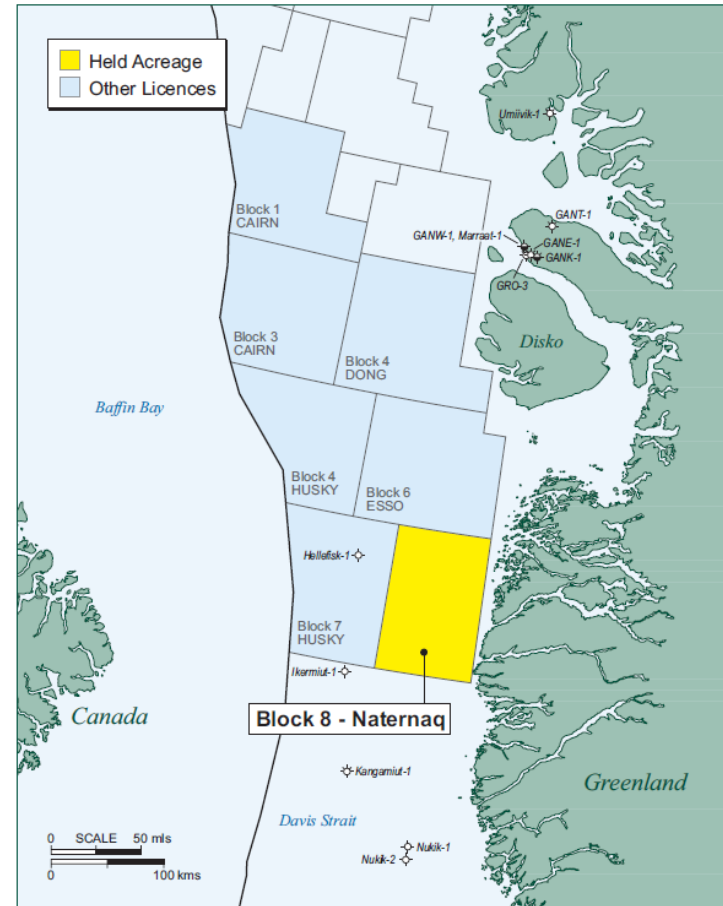
- Structural leads in the Vlieland Sst, including possible oil discovery in Q7-6 – never logged but recovered oil on limited DST
- Q7FA: Contingent resources: 15-60 bcf

Forward plan

- Undertake 3D survey in summer 2010, process and evaluate to determine future drilling strategy – appraisal and/or exploration
- PA Resources makes 3D survey in cooperation with operator

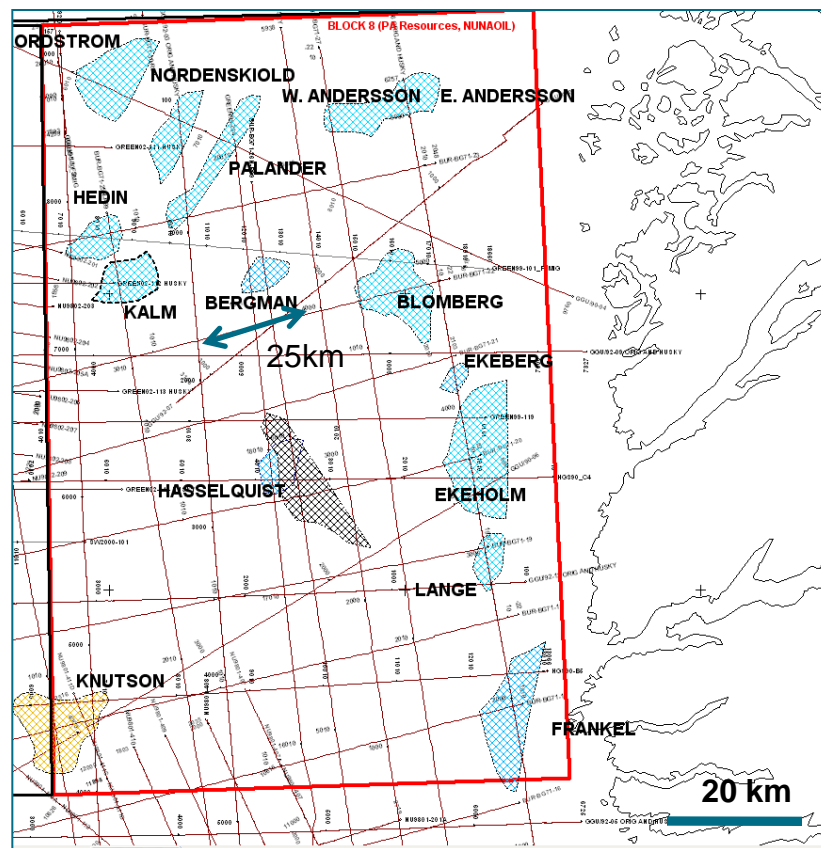
Greenland, Block 8 - Naternaq

- 11,071 km² (equivalent to 50 UK North Sea blocks)
- Application made to extend initial term until May 2012
- Acquisition of 4,000-6,000 km 2D seismic in the summer of 2010
- 100 meter water depth constrains maximum iceberg size and ice issues and permits jack-up drilling
- Multiple large leads identified and these will guide planned 2010 seismic acquisition



Block 8 - Naternaq prospectivity

- Preliminary mapping has allowed recognition of multiple large leads on 2D seismic data
- The largest lead identified, has recoverable prospective resources of 500 MMboe
- The leads are at subsurface depth of 1,000-2,500 meters and water depths typically below 50 meters
- Seismic tendered in December 2009, to be awarded in February 2010 for summer 2010 survey



Approximate UKCS block for comparison

Going forward



Outlook and focus in 2010

- Drilling of planned wells and injectors on Azurite field in Congo ramping up production
- Development project Aseng in Equatorial Guinea major investment in 2010
- Congo discoveries form good base for future growth with upside potential in Turquoise and Cobalt
- Strengthened liquid reserves on Elyssa and Zarat fields – base for development
- High activity level on Greenland during 2010
- Increasing M & A activity





THANK YOU!

