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# Fourth Quarter 2011

Bo Askvik, President & CEO and Nicolas Adlercreutz, CFO  
Stockholm, 15 February 2012



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# Financial highlights

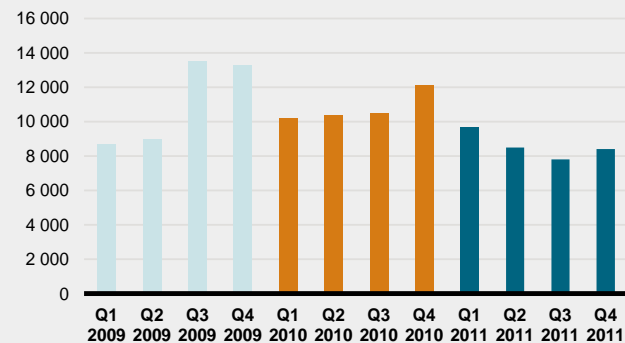
# Production in Q4 and full-year 2011

## Producing fields

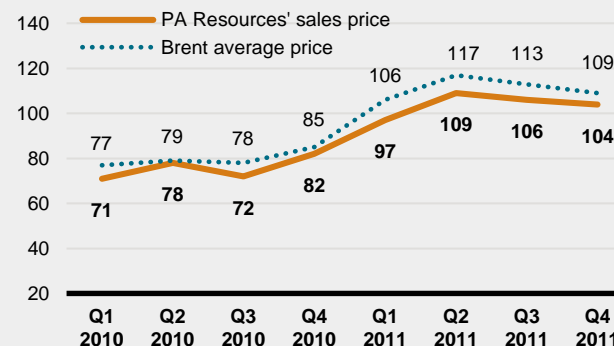
- » Three offshore fields; Azurite in Congo, Aseng in Equatorial Guinea and Didon in Tunisia
- » Three smaller onshore fields in Tunisia

	Full-year 2011	Q4 2011	Dec. 2011
West Africa	5,300	5,400	6,700
North Africa	3,300	3,000	2,800
<b>Group Total</b>	<b>8,600</b>	<b>8,400</b>	<b>9,500</b>

## Average production/bopd



## Average sales price USD/bbl



## Key results and ratios

	Q4 2011	Q3 2011	Full-year 2011	Full-year 2010
» Production (bopd)	8,400	7,800	8,600	10,700
» Oil price (USD/barrel)	104	106	103	76
» Revenue (MSEK)	535	494	2 154	2 227
» EBITDA (MSEK)	306	295	1 295	1 276
» EBITDA margin	57.2%	59.8%	60.1%	57.3%
» Profit before tax (MSEK) *	11	16	158	179
» Profit for the period (MSEK)*	-96	-114	-326	-316
» Earnings per share (SEK)	-2.91	-0.18	-3.27	-0.61

\* Excluding non-cash, one-off costs of SEK 2,035 million before and SEK 1,758 million after tax

## Key comments Q4 vs Q3

- » Aseng on stream from November, increased production and revenue. First lifting in December and cash flow from January 2012
- » Somewhat higher EBITDA but decreased EBITDA margin from 60% to 57% due to year end effects
- » Depreciation/produced barrel in USD decreased due to Aseng
- » Non-cash, one-off, costs amounted to SEK 2,035 million before tax and SEK 1,758 million after tax
  - Reduction (halved) 2P reserves on Azurite field resulted in write-down of SEK 1,436 million
  - Write-down of SEK 599 million related to Didon North production well and divestment of El Bibane and Ezzaouia fields in Tunisia
- » Financial net increased due to lower capitalisation of interest cost, mainly due to Aseng investment completion
- » Tax/EBITDA 35%, reduced due to Aseng

# Cash flow

MSEK	Q4 2011	Q3 2011	Full-year 2011	Full-year 2010
» Operating cash flow	-106	451	812	416
» of which income taxes paid	-7	-9	-45	-230
» CAPEX	-135	-515	-1 613	-1 585
» Financing activities	36	105	-408	2 321
<b>» Net cash flow</b>	<b>-204</b>	<b>42</b>	<b>-1 209</b>	<b>1 152</b>

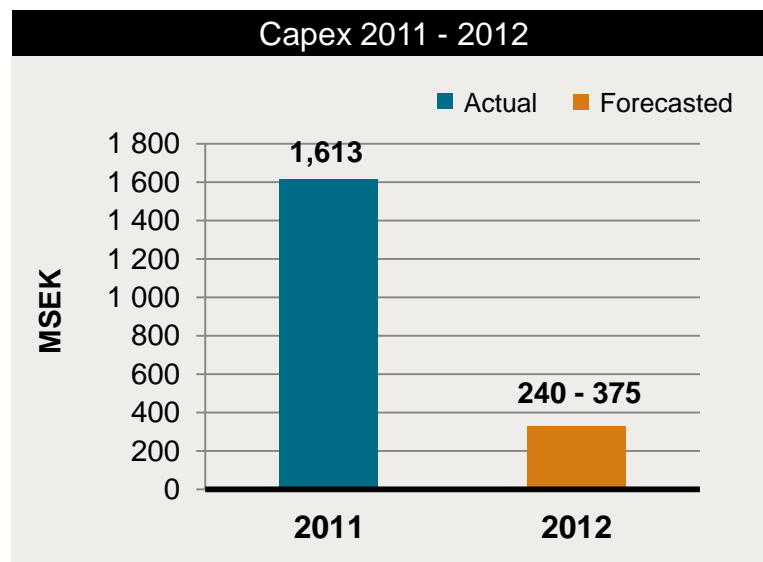
## Key comments

- » Operating cash flow in Q4 lower than Q3 due to reduction in capex related payables
- » Capex spending reduced Q4 vs Q3
  - Successful drilling campaign in Denmark finalised
  - Didon North finalised with lower than expected capex
- » Amortization of debt for the year of SEK 408 million
- » Azurite cash flow positive
- » Aseng not included in Q4 - first cash flow as from Jan 2012



# Significantly lower capex in 2012

- » Full-year 2011 capex of 1,613 MSEK
- » 2012 forecast significantly reduced, revised down to 240-375 MSEK
  - Minor development and maintenance capex
  - Few firm drilling commitments
  - Focus on development planning of 12/06 discoveries and the Zarat field
  - Continued analysis to identify satellite prospect for Azurite tie-back
  - Further analysis of identified prospects and leads in Greenland licence area

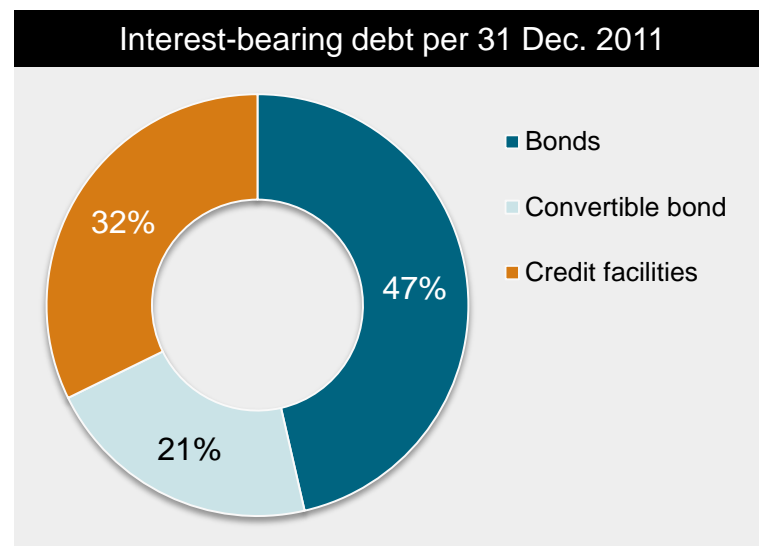


**Drilling program/Firm wells 2012-2013**

Tunisia: Zarat	Elyssa	Q4 2012/2013	Appraisal/1
Tunisia: Makthar		Q4 2012/2013	Exploration/1
EG: Block H	Aleta	Q4 2012/2013	Exploration/1

# Objective to further reduce debt

- » Available credit lines at year-end amounted to SEK 1,730 million of which approx. 85% utilised
- » RBL facility reduced from USD 250 million to 100 million, USD 70 million utilised
- » Other credit facilities of USD 150 million
- » Interest-bearing debt decreased to SEK 4,027 (4,395) million
- » Total amortizations of net SEK 408 million in 2011 and amortization continues in 2012 supported by positive cash flow
- » Refinancing of bond maturing in 2012 completed already in 2011



Covenants in Q4 2011

	Actual	Covenant
» Book Equity (MSEK)	3,270	>2,000
» Book Equity to Capital Employed	45%	>40%

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# Reserves and Operational update

## Q4 – highlights and challenges

- » Early production start at the Aseng field in November adds significant cash flow from January 2012
- » Disappointing production levels at Azurite resulted in 6 mmbbl reduction of 2P reserves
- » Exploration well on Marine XIV found non-commercial hydrocarbons
- » Disposal of two small producing fields in Tunisia - El Bibane and Ezzaouia
- » Sidetrack confirmed in Miocene on Lille John and both Danish discoveries on 12/06 adds considerable amount of contingent resources
- » Significant contribution to prospective resources from analysis of Greenland licence area



## Revised reserves and resources (MMboe)

	2P Reserves	Contingent Resources	Risked Prospective Resources
<b>2011</b>	<b>72.5</b>	<b>141</b>	<b>297</b>
	Production -3.1	Discoveries Denmark +32	Revision; Greenland, 12/06, MPS, Zarat, Onshore Tunisia +112
	Disposal Tunisia -0.5	Revision; Elyssa, Turquoise, Zarat -28	
	Revision; Azurite, Didon North -8.7		
<b>2012</b>	<b>60.2</b>	<b>145</b>	<b>409</b>
	Didon, Azurite, Aseng liquids, Alen, Zarat field liquid, DST (Tunisia)	Block I, MPS, 12/06, Marine XIV, Zarat Block, Netherlands	Block I, Block H, MPS, Marine XIV, Zarat Block, Jelma, Makthar, Jenein Centre, Gita/Maja, 12/06, Block 8, Netherlands, UK

- » 2011 discoveries on 12/06 in Denmark adds 32 mmboe to Contingent Resources
- » Seismic analysis of Greenland licence adds significant volumes to Risked Prospective Resources

# Reserves' development in 2011

## » 2P reserves impacted primarily by;

- Downwards revision of Azurite Reserves; respectively by 3.6 (1P) and 6.0 (2P) mmboe on a working interest based
- Disposal of El Bibane and Ezzaouia
- Reallocation of Didon North to Contingent Resources

## » 1P reserves impacted by;

- Increase of 1P volume for the Aseng Field (1.7 mmboe) and the Didon Field (0.4 mmboe) based on production performance
- Reduction for Azurite of 3.6 mmboe

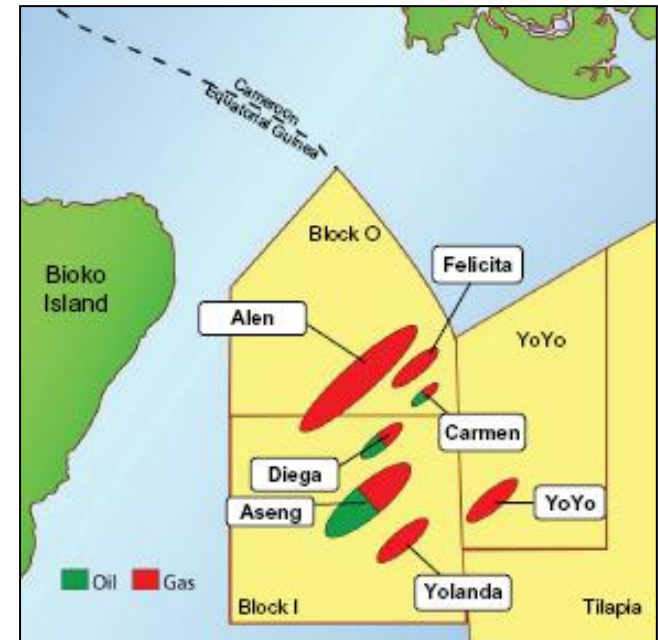
	Proven and probable reserves*			
	Working Interest		Net Entitlement	
	1P/P90	2P/P50	1P/P90	2P/P50
<b>End 2010:</b>	<b>46.0</b>	<b>72.5</b>	<b>31.3</b>	<b>49.8</b>
Production	-3.1	-3.1	-2.0	-2.0
Disposal	-0.2	-0.5	-0.1	-0.4
Revision	-3.5	-8.7	-3.3	-7.0
<b>End 2011:</b>	<b>39.1</b>	<b>60.2</b>	<b>25.9</b>	<b>40.4</b>

\* Reserves are classified accordingly to the SPE-PRMS 2007 guideline

# EG Block I: Aseng adds significant cash flow

## PA Resources 5.7%

- » Production generating cash flow from January 2012, 7 liftings since production start
- » Four out of five wells in production, commissioning of fifth well and re-injection of gas underway
- » Gross production of 55,000 bopd at year-end with target to reach 60,000 in 2012
- » Long production plateau expected
- » Capex of approx 10 USD per barrel, recover investment of 500 MSEK in first year of production
- » Continued development projects adds significant cost sharing synergies using Aseng infrastructure
  - Alen field, on plan and budget, first oil in Q4 2013
  - Followed by Diega field – first oil planned in 2015

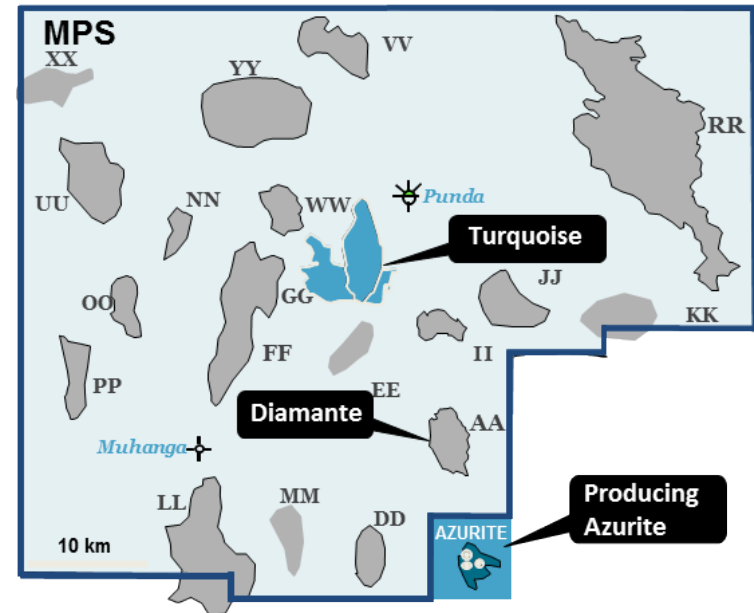


**Licence Group:** Operator Noble Energy (38%), Atlas Petroleum Int. (27.55%), Glencore (23.75%), PA Resources (5.7%), GEPetrol (5%)

# Congo: Tie-back potential in Mer Profonde Sud

## PA Resources 35%

- » Evaluation of re-processed 3D seismic and prospect mapping underway
- » PA Resources work aims to identify potential tie-back prospects to Azurite field's infrastructure
- » Mer Profonde Sud licence contains several promising prospects in two structures
  - Miocene - producing in Azurite field
  - Deeper Sendji - shallow water reservoir new target established by 2010 wells
- » Next exploration well expected in Q4 2012/ 1H 2013, operator contracted rig for drilling on adjacent MPN licence in summer 2012



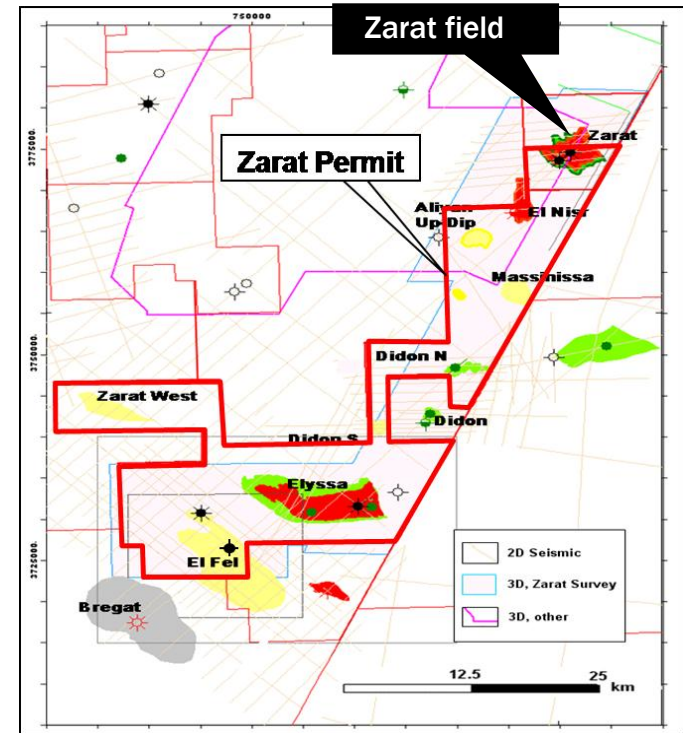
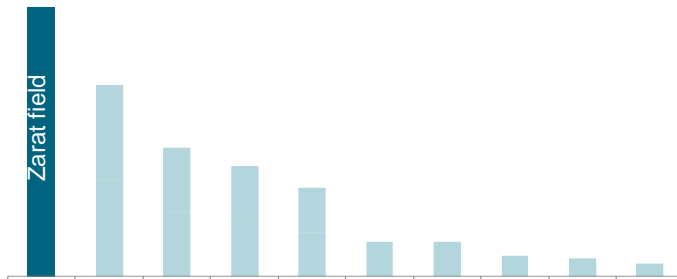
**Licence Group:** Operator Murphy (50%), PA Resources (35%) and SNPC (15%)

# Tunisia: Unitisation of Zarat field

## PA Resources 100%

- » Large oil, gas and condensate field located offshore Tunisia, third largest liquids field found in Tunisia
- » Focus on plan of development, PA Resources and Sonde Resources aim to unitise field in 2012
- » 43 mmboc in booked 2P reserves (100% liquids) and significant additional gas resource potential
- » Alternative development scenarios assessed in completed feasibility study
- » Total capex and opex of 20-30 USD/developed boe

Top 10 remaining liquids fields in Tunisia



**Licence Group:** Operator PA Resources 100%  
ETAP has a back-in right of up to 55%

# Denmark 12/06: Pre-drill perceptions

PA Resources 64%

## Pre-drill perceptions

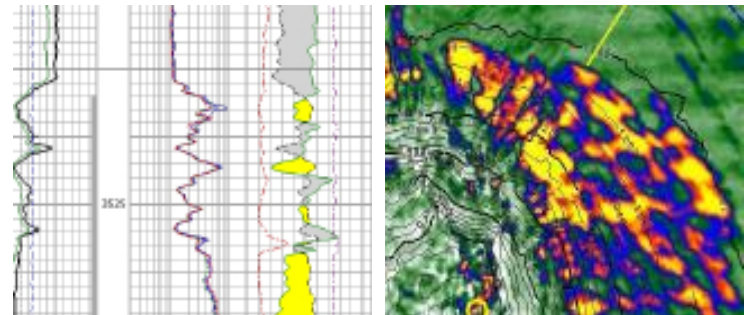
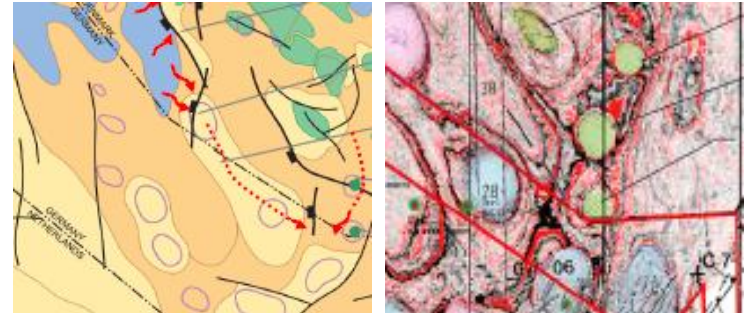
- » 1975 well with small gas column in Middle Jurassic
- » Industry perception of Chalk as only target in area, with high risk on oil charge

## Our perceptions

- » Structures drilled historically on 2D data – 3D acquired in past but no subsequent exploration drilling
- » Lies in Danish Central Graben – large fields nearby
- » Abundant adjacent facilities producing oil and gas

## What we did

- » Use of 3D to define Lille John as multi-target prospect (Miocene, Chalk, Middle Jurassic)
- » Evaluated historic well and recognised upside



Thorough geoscience analysis of 12/06 licence

# Denmark 12/06: Discoveries and remaining potential

## PA Resources 64%

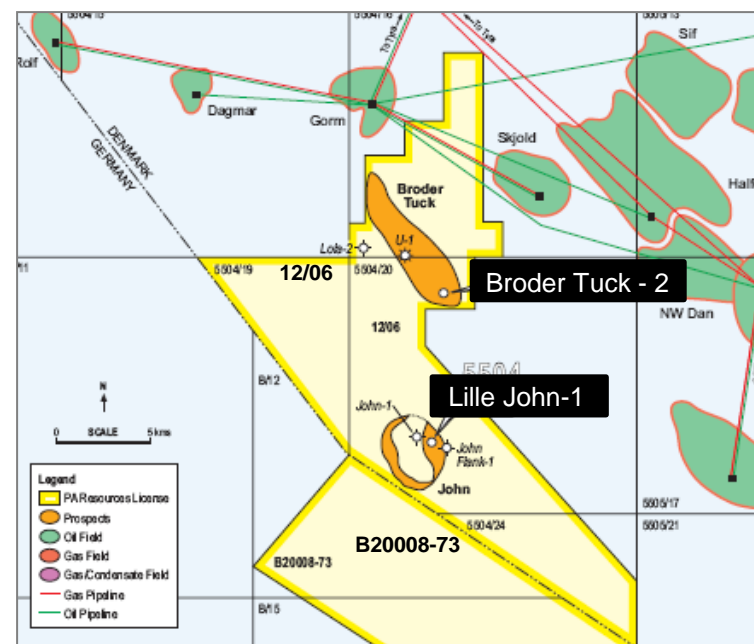
- » Broder Tuck and Lille John discoveries add 32 mmboe to contingent resources in yearly revision

### Post-drill - Broder Tuck:

- » 360m+ gas and condensate column proved by wells
- » High quality Middle Jurassic reservoir
- » Initial assessment of contingent resources c. 100-250 bcf plus liquids

### Post-drill - Lille John:

- » Wells established 35 API oil in Miocene sandstone at c. 900m – exceptionally light oil for shallow depth
- » Obvious seismic anomaly at Miocene
- » Recognition of shallow light oil re-focussed work on developing a Miocene prospect inventory
- » Likely to be remaining deeper potential – Chalk remains and well result upgrades Middle Jurassic
- » 2012 work programme to reprocess 3D to determine prospect inventory and Lille John appraisal location

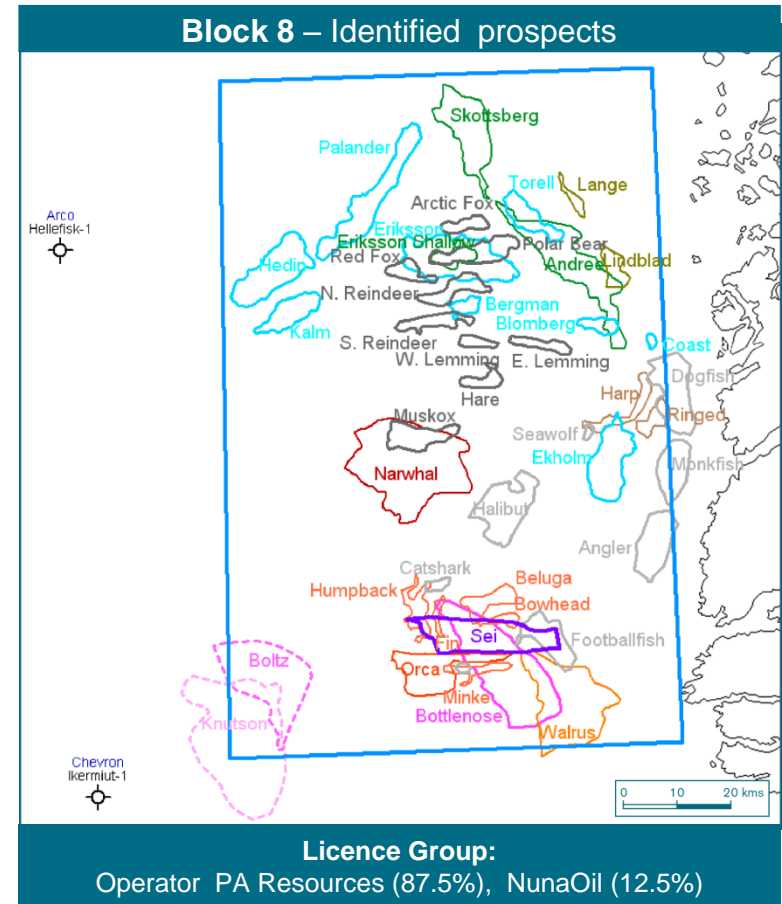


**Licence Group:** Operator PA Resources (64%), Danish North Sea Fund (20%), Spyker Energy (8%), Danoil (8%)

# Greenland Block 8: Sizeable prospects identified

PA Resources 87.5%

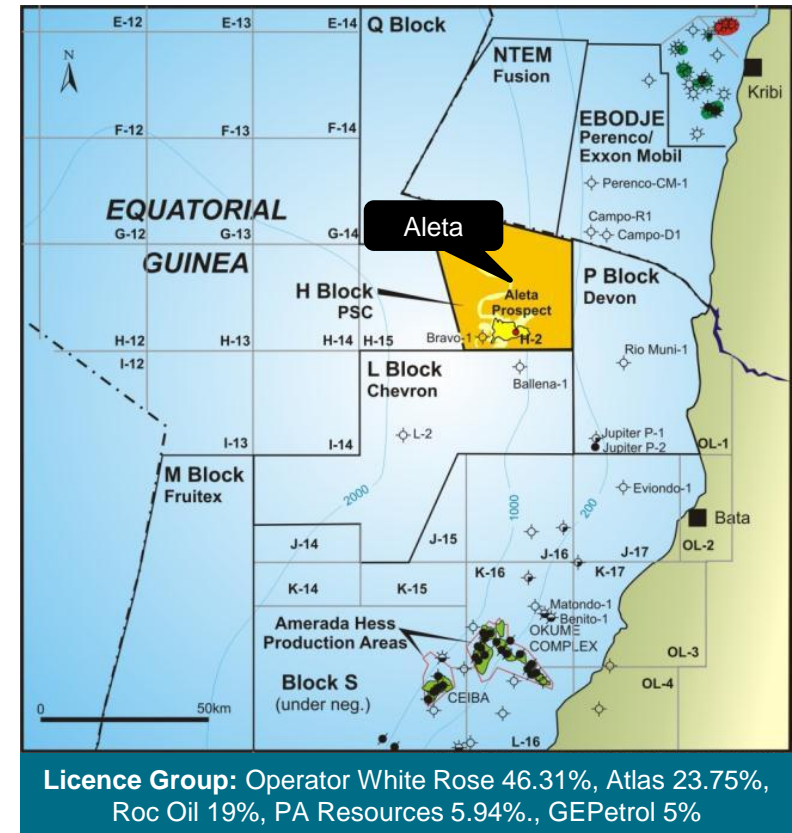
- » Large area located on the west coast, covers 11.100 km<sup>2</sup>
- » Water depth primarily <50m allowing jack-up rig, area with largest number of ice-free days
- » Interpretation of 6,000 km 2D seismic from 2010 completed, lead and prospect inventory mapped with new data
- » A number of high risk prospects identified, potentially sizeable with high risk (billion barrel scale)
- » Results from 2011 analysis adds risked prospective resources of 146 mmboc in yearly revision



# EG Block H: Exploration well in 2012/2013

PA Resources 6.25%

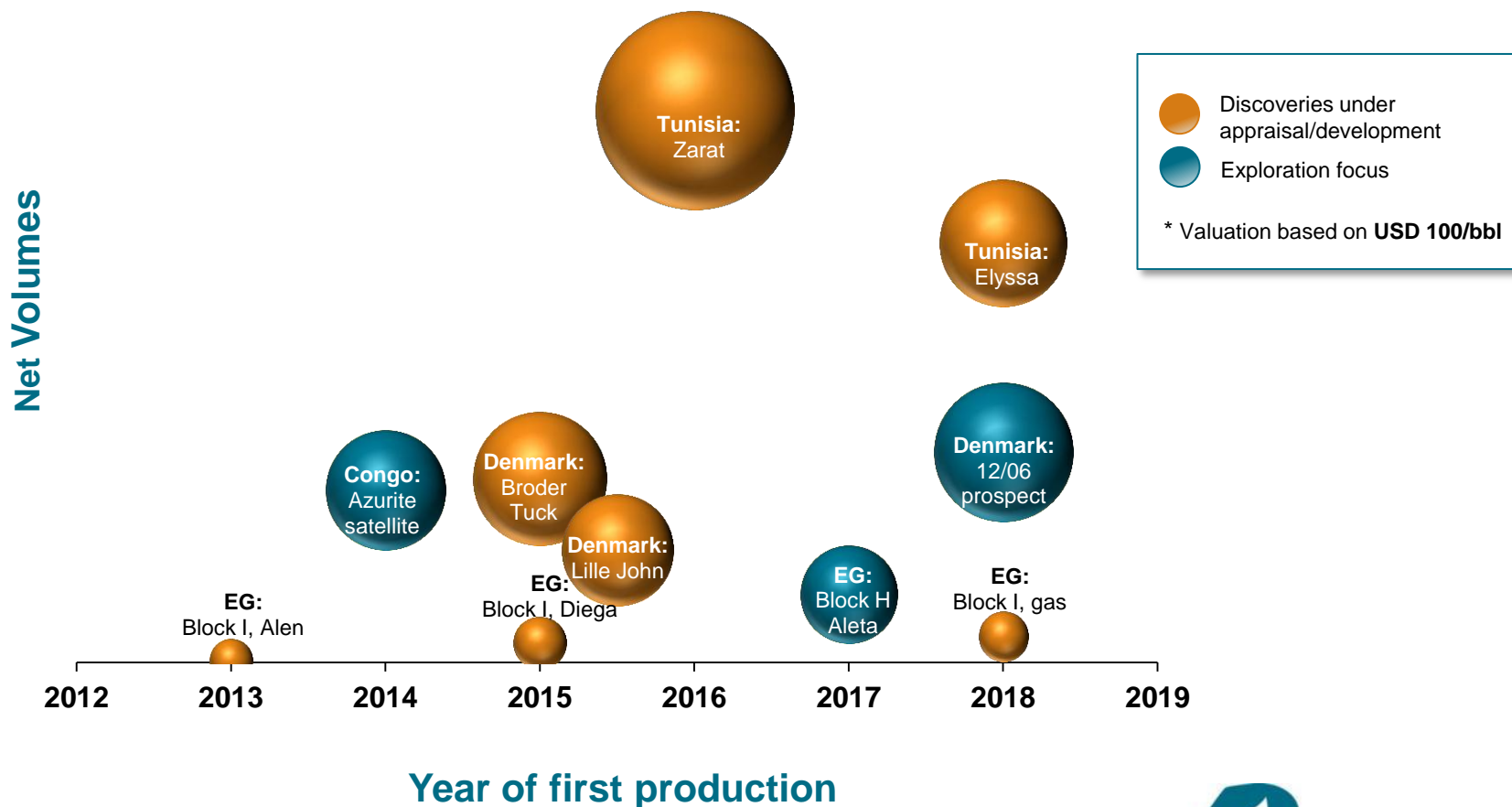
- » White Rose Energy farm-in to Block H in September 2011 acquiring operatorship
- » Firm plans to drill commitment well
- » Current period of production sharing contract extended to Feb 2013 to allow exploration drilling
- » Block H contains several prospects and leads up to several hundred mmo gross, unrisks
- » Operator re-evaluating subsurface to determine optimum prospect to drill in 2012/2013



\* Interests shown are subject to GE Petrol back-in

# Priority assets - interest share of today

Assets' bubble size represents relative NPV\* net to PA Resources



# Outlook and focus 2012

- » Aseng adds significant volume and cash flow
- » Positive cash flow and reduction of debt
- » Appraisal of recent discoveries in Denmark
  - Broder Tuck - Plans for evaluation of size and development
  - Lille John - Evaluate discovery and remaining exploration potential
- » Identify tie-back prospects to Azurite and exploration potential
- » High risk, high reward exploration on Greenland - prospect and lead inventory completed
- » Farm-out assets with high interest reducing investments and risk going forward
- » Unique portfolio of key infrastructure assets in Africa to allow continued commercialisation of adjacent discoveries and prospects



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# Thank you!

Q1 Report on 25 April 2012

