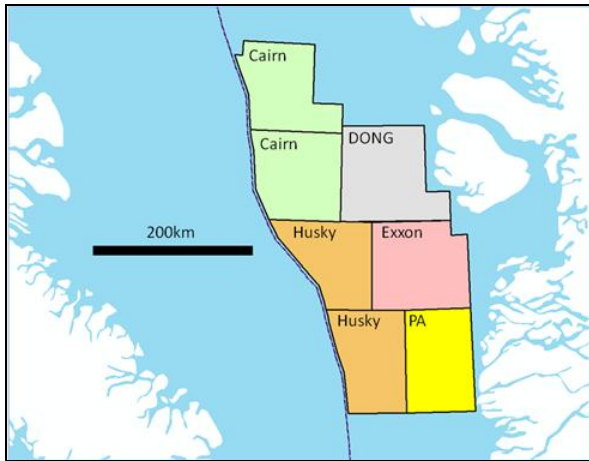


Background

Greenland's Bureau of Minerals and Petroleum (BMP) is the government agency responsible for regulating the development of the country's oil, gas and mineral resources. In 2008, PA Resources (PAR) and Nunaoil (Greenland's national oil company) were granted permission to explore Block 8 (11,071km²) in the shallow waters of Davis Strait (see yellow area below). As the 1st phase of its plan, PAR plans to survey 6,300 km of Block 8 in order to acquire information on the rock formations beneath the sea. With this data, it will be better prepared for any future exploration programme it may choose to pursue.

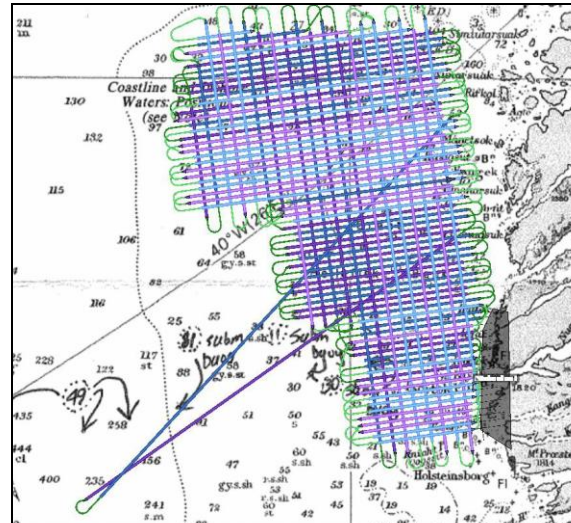


Licence holders in Baffin Bay

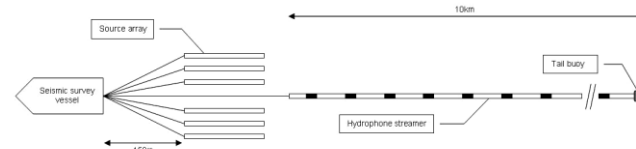
The Seismic Survey

Seismic exploration surveys are used to find oil and gas through better understanding of sub-surface rock layers. CGGVeritas, a company well-respected for its experience in this area, will undertake the survey for PAR. High energy sound waves will be generated beneath the sea surface and cables (typically 6-10kms long) with listening devices, will

be towed at a depth of approximately 9m. Sound waves after reflecting from various rock layers under the sea will be recorded to create a sub-surface image of the rocks. To avail the ice-free season, it is intended that the survey will begin in June and is expected to continue over 2-3 months.



Seismic Survey Area (Source, CGGVeritas)



Schematic of the Seismic Towed Equipment

Benefits of the Seismic Survey

The survey will provide much-needed information on the exploration potential of the area, but being a short duration specialist operation, will unfortunately not provide significant employment opportunities in Greenland. Exploration in the region is seen as a

key opportunity for Greenland's drive for development, given the potential economic and social benefits it could bring if successful. However, it should be understood that the timeframes are long and success not guaranteed; typically in an unknown area such as Block 8, if a well is eventually drilled, its chance of success might be perhaps 5 to 10%.



Seismic Survey Vessel M/V Princess (Source: CGGVeritas)

Environmental Protection

PAR commissioned an independent and extensive study called a Preliminary Environmental Impact Assessment (PEIA) which has concluded that the potential for significant impacts on the environment by this project are low. However, to further strengthen the environmental management of the project, PAR has prepared an Environmental Protection Plan (EPP) which gives guidance on how to minimise disturbance to sensitive entities such as marine mammals, fisheries, ecotourism and the marine environment generally. The EPP will be implemented under PAR's ISO14001 certified environmental management system. The EPP provides protection measures for the following aspects:

Marine Mammals: Qualified marine mammal and seabird observers will be on the survey vessel to ensure that sea mammals are protected (i.e., neither disturbed nor injured), in accordance with internationally established guidelines. These will include precautions such as ensuring no marine mammal (e.g., whales, dolphins, porpoises) is within 500m of the vessel when it commences operations.

Fisheries: A fisheries expert will be onboard the seismic vessel to act as a consulting observer for matters relating to fishing (e.g., provision of direct communications with local fishing vessels to ensure their safety). PAR will continue to actively engage with key representatives of the fishing community i.e., Greenland Hunting and Fishing Association (KNAPK).



Chase Guard Vessel F/F Meridian, Source: www.kvitbjorn.no

Safety Exclusion Zone: The EPP provides for guard vessels and a fast response boat to be on duty throughout the survey to ensure no fishing or other vessels inadvertently stray within the operational exclusion zone around the survey vessel.

Navigational Safety: In addition to on-going liaison with maritime stakeholders, PAR will ensure a notice to mariners is issued within the required timeframe.

Clean Seas: Although the risk of spillages is unlikely, the survey vessel will be resourced with trained and equipped personnel capable of responding to any such event immediately. All vessels will comply with Marpol 73/78 requirements which prevent the discharge of harmful substances (e.g. plastics, toxic wastes) at sea.

Stakeholder Liaison Programme

PAR is committed to minimising environmental impacts. It actively engages with representatives of local maritime organisations e.g. fishing, ecotourism, shipping etc. to ensure minimal disturbance to the local community. Through BMP, the seismic contractor will provide 3-days look ahead of its activities to KNAPK. The survey vessel will comply with Greenland vessel monitoring system and will report their position hourly to the Greenland Fisheries License Control (GFLC), Fisheries Monitoring Centre (FMC). This flyer explains the details of our plans to keep our stakeholders informed of activities both prior to and during the seismic survey. If any stakeholder has any concern or needs any information on our activities, please contact the BMP office in Nuuk, Greenland (<http://www.bmp.gl> or bmp@gh.gl) or PAR through the contact details below.

PA Resources

PA Resources AB is a Swedish oil and gas group which is focussed on exploration, development and production in North Africa, West Africa and the North Sea. For further information please visit our website: www.paresources.se/en or Contact Jon Lucas – Geotechnical and HSES Manager, PA Resources UK Limited, 4th Floor Waterfront, Winslow Road, London, W6 9SF, UK. Telephone (direct): +44 (0)20 3322 0140. Email: jlucas@paresources.uk.com



West Greenland

Natermaq Block 8

(Licence 2008/17)

Seismic Exploration Programme 2010



***Keeping our
Stakeholders Informed***