



Rights issue of convertibles

Extraordinary shareholders meeting

2 December 2008



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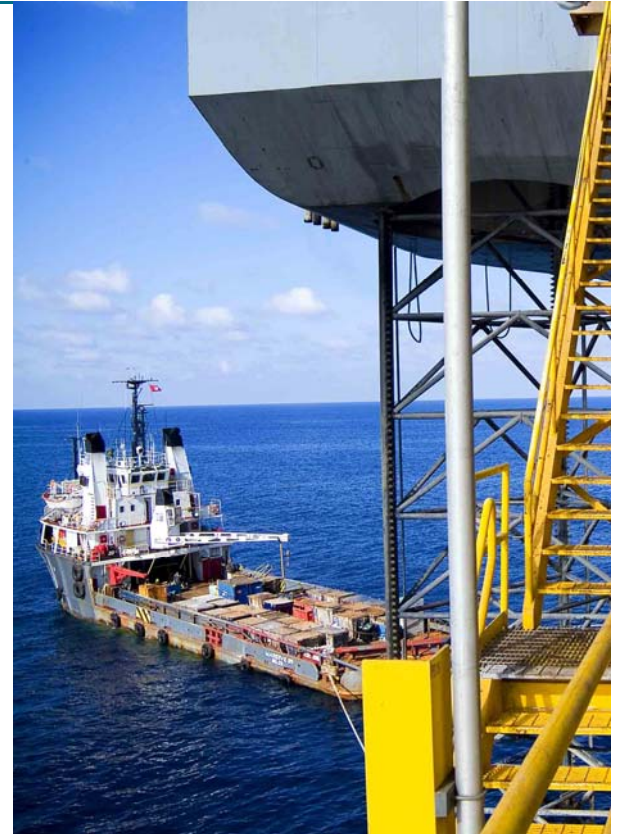
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Outline

- Overview of PA Resources
- Background and reasons
- Overview of the convertible
- Summary



Overview of PA Resources



Sale of Norwegian subsidiary

- Strategic review resulting in changed focus and decision to sell Norwegian subsidiary
- Agreement to divest all Norwegian assets signed with Bayerngas Norway AS, a subsidiary of German gas company Bayerngas GmbH
- Sales price amounts to approx USD 220 million in cash consideration (approx SEK 1,750 million)
- Transaction will considerably strengthen PA Resources' financial situation
- Agreement effective date 1 January 2009, subject to necessary approvals by Norwegian authorities



Recent events and achievements

- Successful exploration campaign in Block I in Equatorial Guinea completed with four discoveries
- Acquisition of 3 new licences - 1 onshore in Southern Tunisia and 2 offshore Denmark with first exploration well to be drilled during Q4 2008
- Congo Azurite field timeline reaffirmed by operator – production on track for Q2 2009
- Farm-out of interest in licence Marine XIV in Congo allowing fully carried exploration
- Oil discovery at Didon North in Tunisia

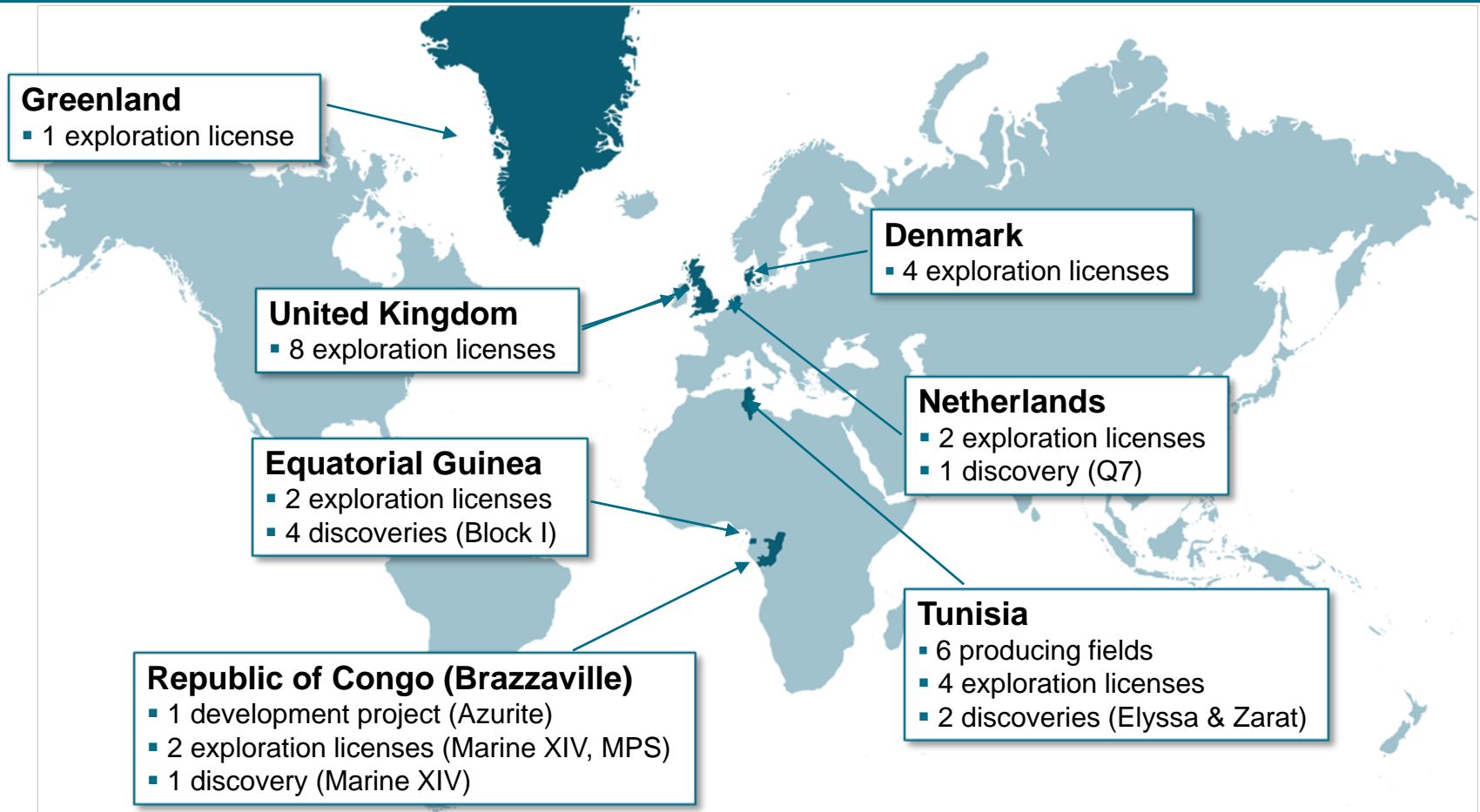


Focus on three geographical areas remains

- PA Resources will focus on development of production assets in North and West Africa combined with exploration activities
- PA Resources will maintain exploration operations in south North Sea with focus on the UK, Denmark and the Netherlands
- Strong geographical focus with three key areas



Assets and geographical presence



▪ The Group has 134 employees excluding Norway

Key objectives

Short-term

- Refinancing of maturing bond loan
- Finalising of a strategic review with attendant sales of certain assets
- Continued optimisation of existing production
- Securing the production launch in the Republic of Congo (Brazzaville)
- Conducting new prioritised exploration drilling

Long-term

- Successful production of oil and gas in North Africa, West Africa and North Sea
- Produce 50,000 barrels of oil/day in 2011
- Increase reserves to 300 million BOE

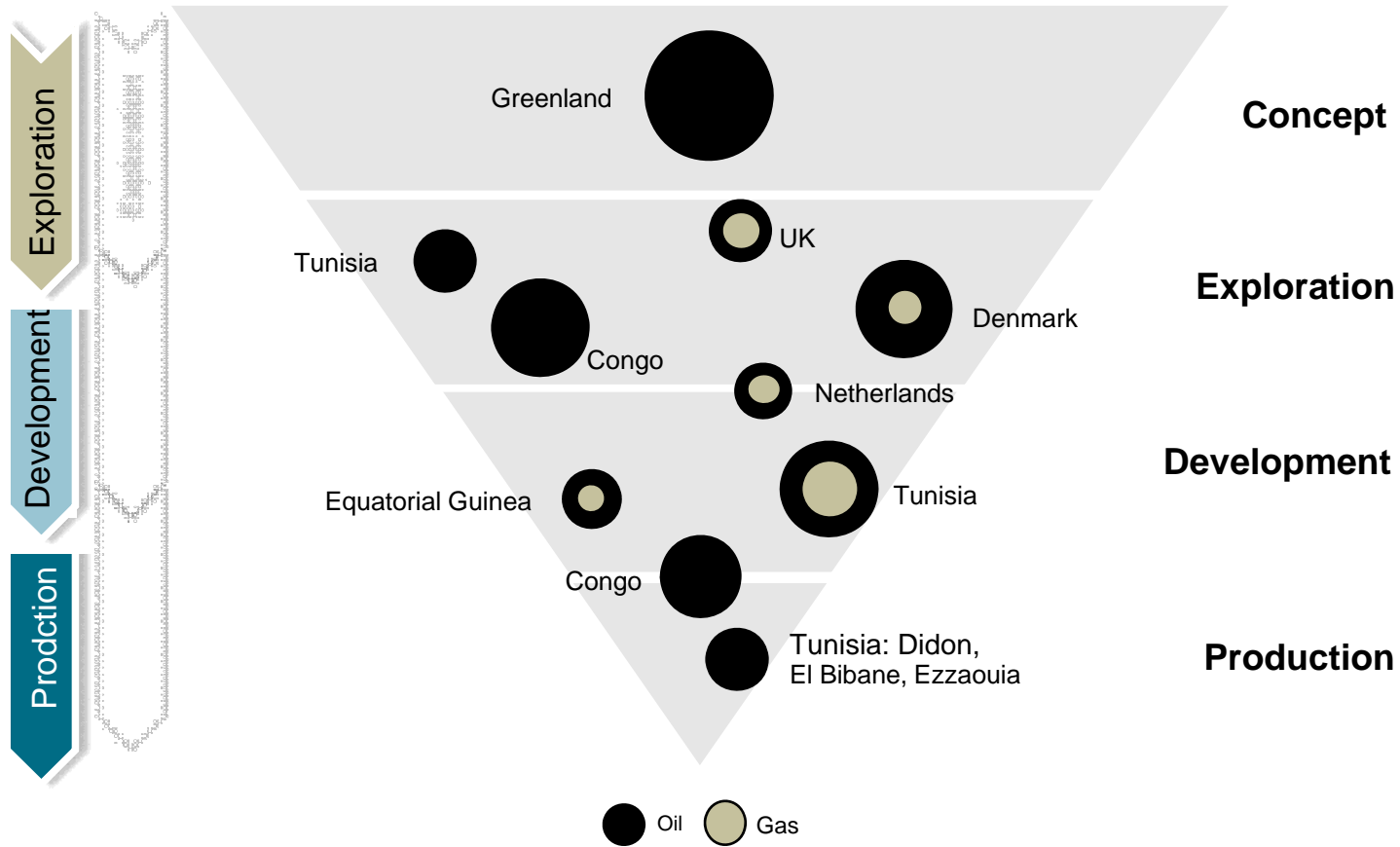


Investment highlights

1. Diversified asset portfolio
2. Reserves and resources – upside potential
3. Focus on increased production
4. Considerable cash flow from production
5. Experienced management team and flexible organisation
6. Strong prospect outlook



1. Diversified asset portfolio

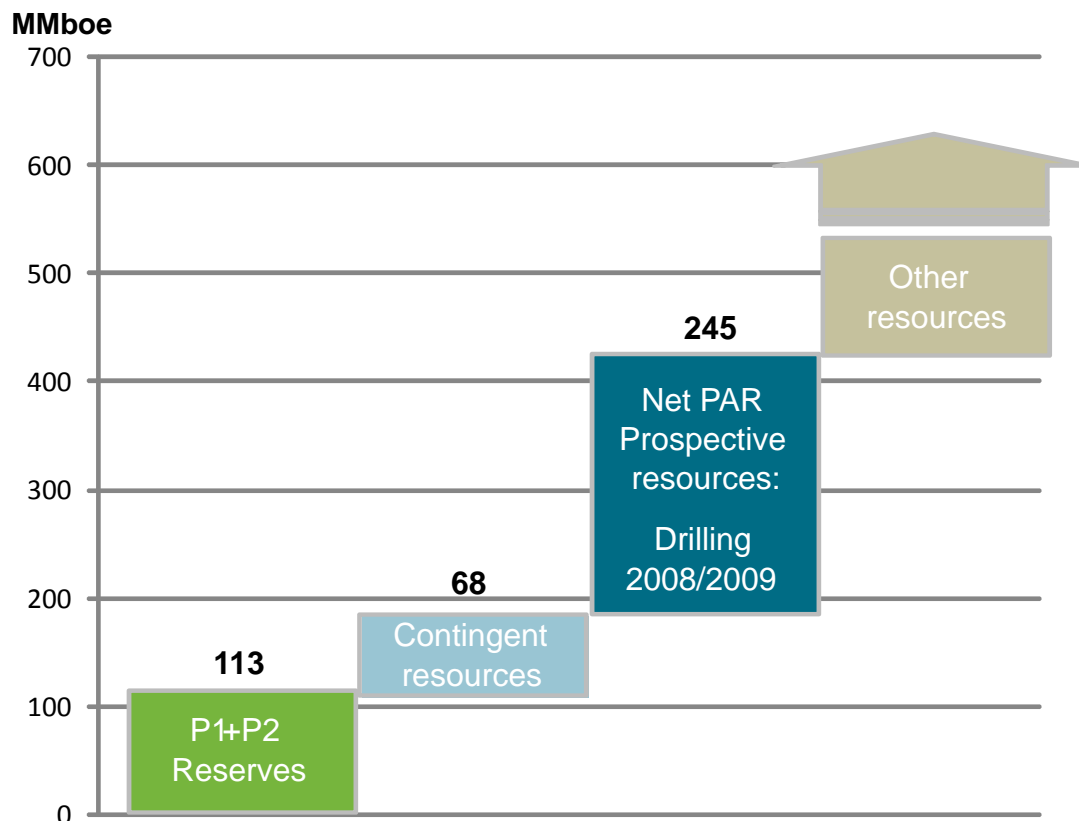


Diversified operations in different phases both offshore and onshore

Note: Excluding Norway



2. Reserves and resources – upside potential



Source: RPS, local operators and PA Resources
Note: Excluding Norway



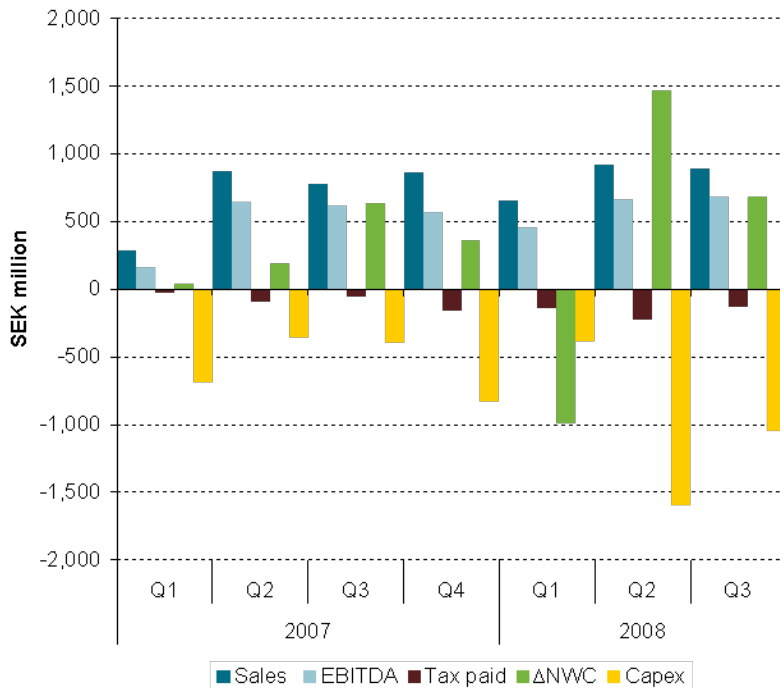
3. Focus on increased production



- Increase reserves and resources through exploration activities
- Transfer reserves into production through development of fields
- Apply for new licenses
- Acquire both production and exploration assets
- Partnership/Farm-in's and Farm out's

4. Considerable cash flow from production

Key cash flow items



- Strong cash flow from production
- Historically main investment focus on production investments
- High level discretionary capex
- Lower capex with focus on production going forward

5. Experienced management and flexible organisation

- High technical competence within the organisation
- Fast decision making processes and flexible organisation
- Scandinavian origin and track record of performance and transparency
- Skilled workforce with local experience in each region
- Regional organisation strengthened during 2008



6. Strong prospect outlook

Developments

- Congo – Azurite field
 - » Most significant production development
 - » Next field in production, around Q2 2009
- Tunisia – Didon and Didon North
 - » Recent oil discovery
 - » Possible subsea development to existing platform
- Tunisia – Elyssa and Zarat development
 - » Significant development asset
 - » Drilling of appraisal well planned in 2009

Explorations

- North Africa
 - » 4 exploration licences in Tunisia, of which 2 are in conjunction with the Didon field
- West Africa
 - » 2 exploration licences in Equatorial Guinea
 - » 2 exploration licences and 1 discovery in Congo
- North Sea
 - » 4 exploration licenses in Denmark
 - » 2 exploration licences and 1 discovery in the Netherlands
 - » 1 exploration licence in Greenland



6. Strong prospect outlook (cont'd)

Drilling and prospective resources 2008/2009



Country:	Un-risked: 100% oil eq. (million BOE)	Risked: Net PAR (million BOE)	Wells: Planned number wells to be drilled 2008/2009
Tunisia	399	50	6
West Africa	1,259	100	4
UK & Denmark	1,068	95	3
Total	2,726	245	13

Note: Excluding Norway

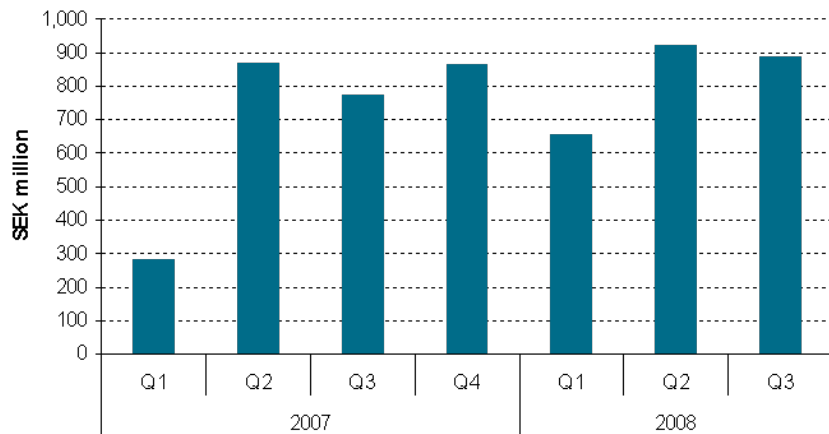


Financials

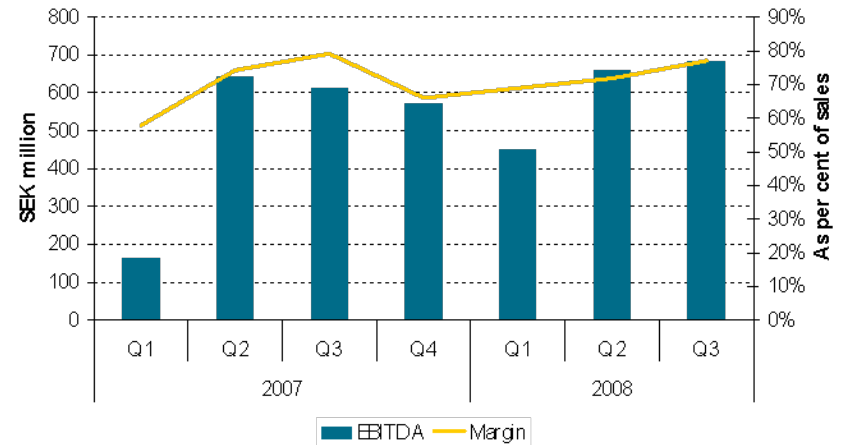


Sales and EBITDA development

Sales



EBITDA and EBITDA margin

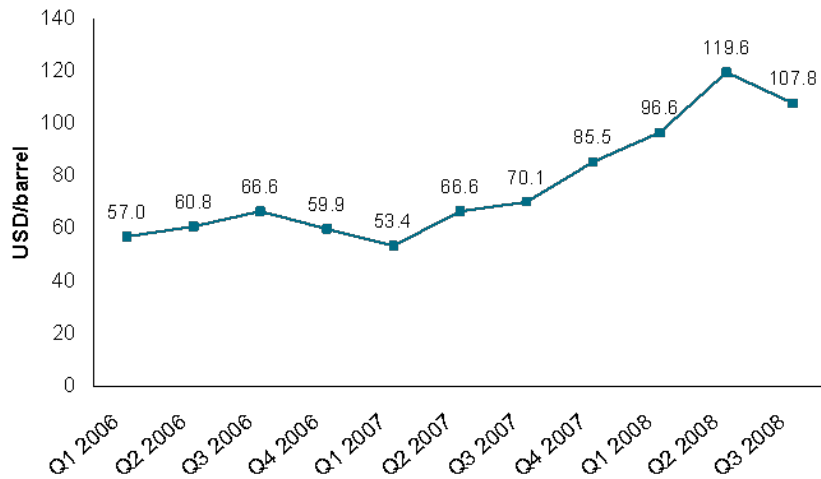


- PA Resources average sales price peaked in Q2 2008 after six consecutive months of increasing sales price
- The production increased during Q2 2007 when the Didon field reached full production
- High profitable operations with EBITDA margin above 70%

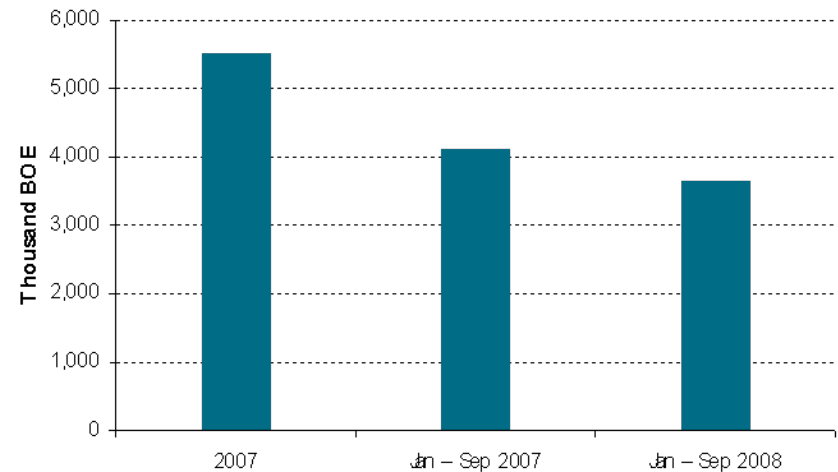


Oil price and production

PA Resources' average sales price



Production



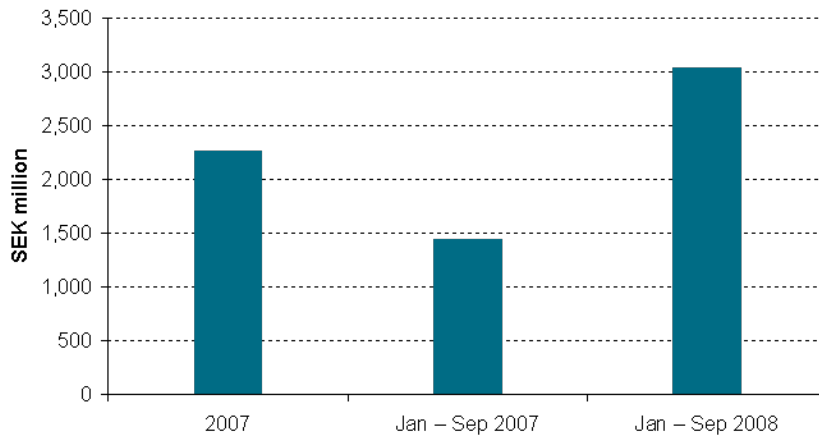
- Oil price fluctuations partly offset by currency USD/SEK
- Average production of 16,000 – 21,000 barrels per day during the remaining months of 2008
- PA Resources has hedge in place for 2,500 barrels per day at USD 50
- The Didon field in Tunisia reached full production during Q2 2007
- At the end of Q1 2008, production started on the Volve field in Norway and the El Bibane field in Tunisia

Source: PA Resources
Note: Financials include Norway

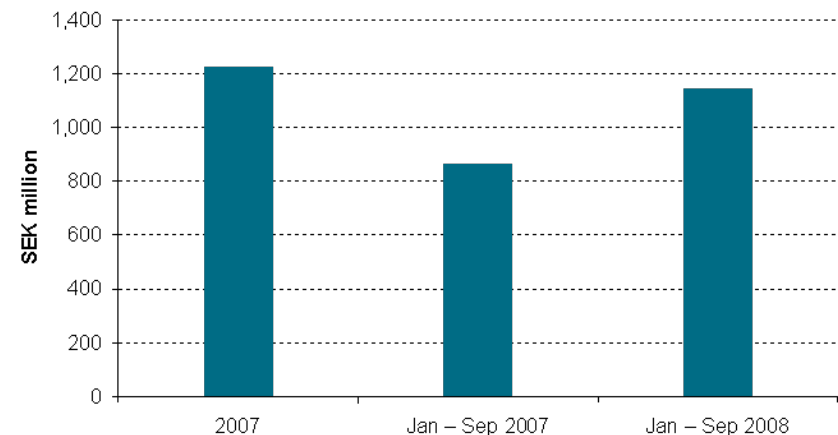


Cash flow and capex development

Capex



Operating cash flow

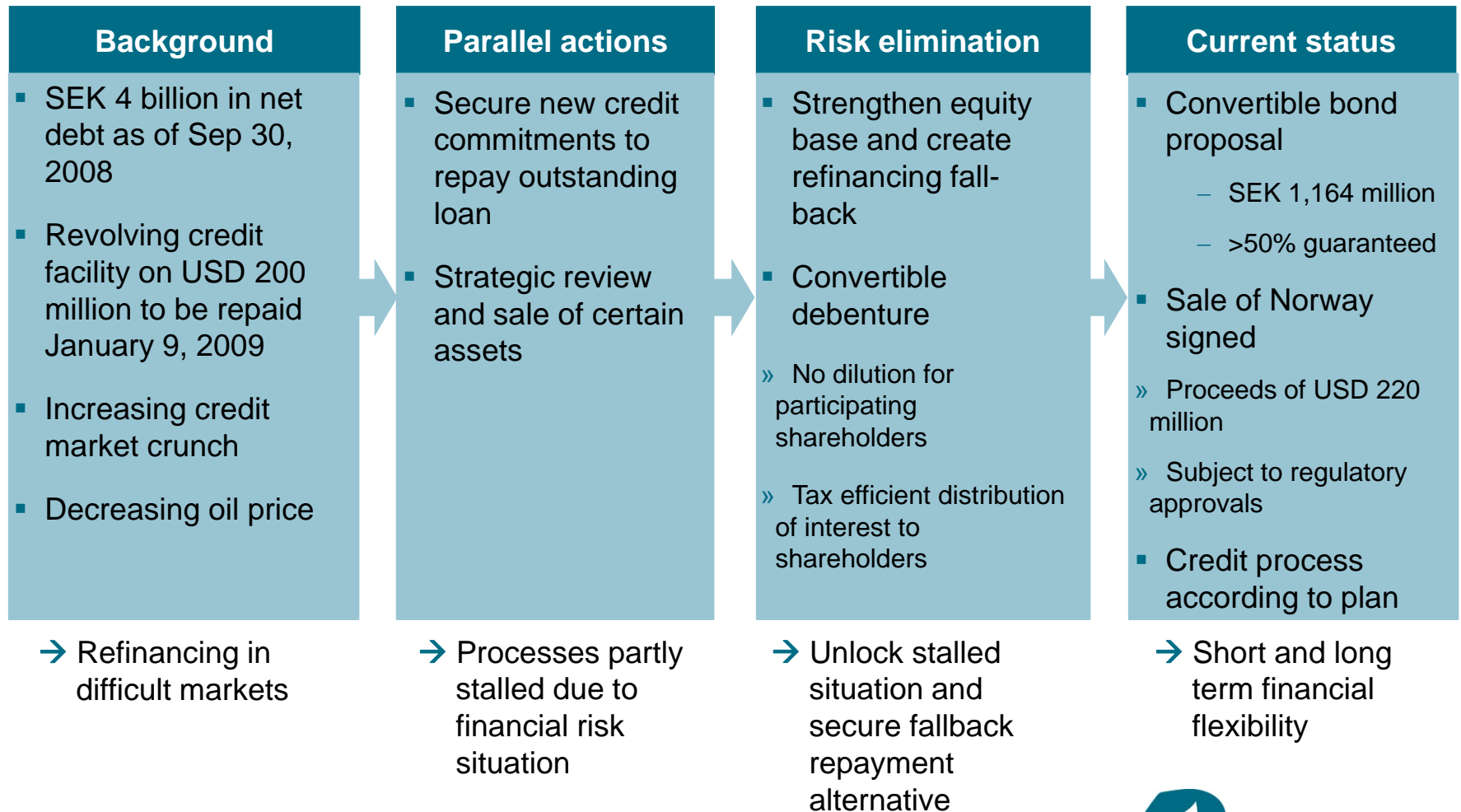


- Capex is expected to decrease significantly during 2009 and is secured through projected cash flow and financing
- Investments in the Azurite field in Congo, which is expected to be in production during Q2 2009, accounted for around 1/3 of total capex investments during Jan- Sep 2008



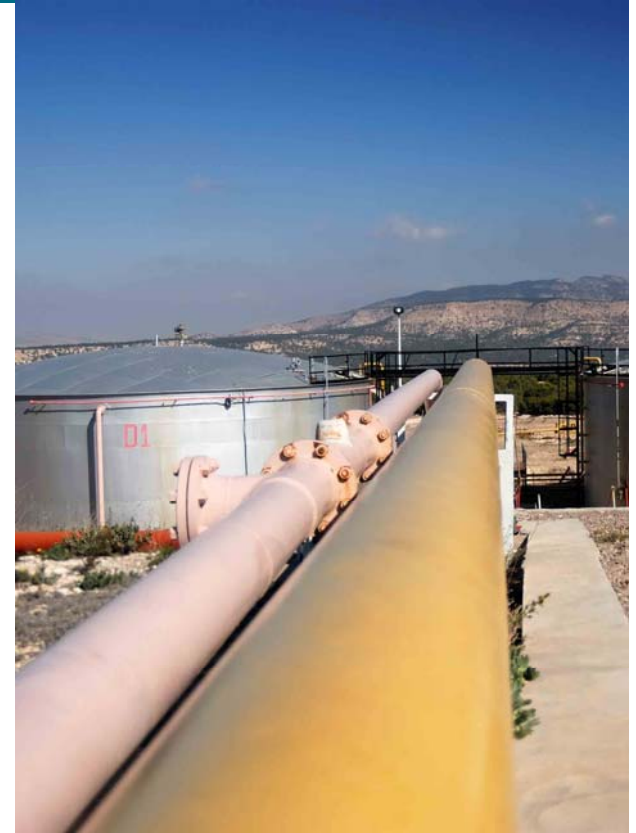
Background and reasons

Background and reasons



Allocation of proceeds

- Secure refinancing of USD 200 million bond loan maturing on Jan 9, 2009
- Reduce outstanding debt and strengthen the balance sheet
- Carry through planned investments with focus on producing assets and assets close to production (Azurite field in Congo)
- Acquisitions in line with overall strategy

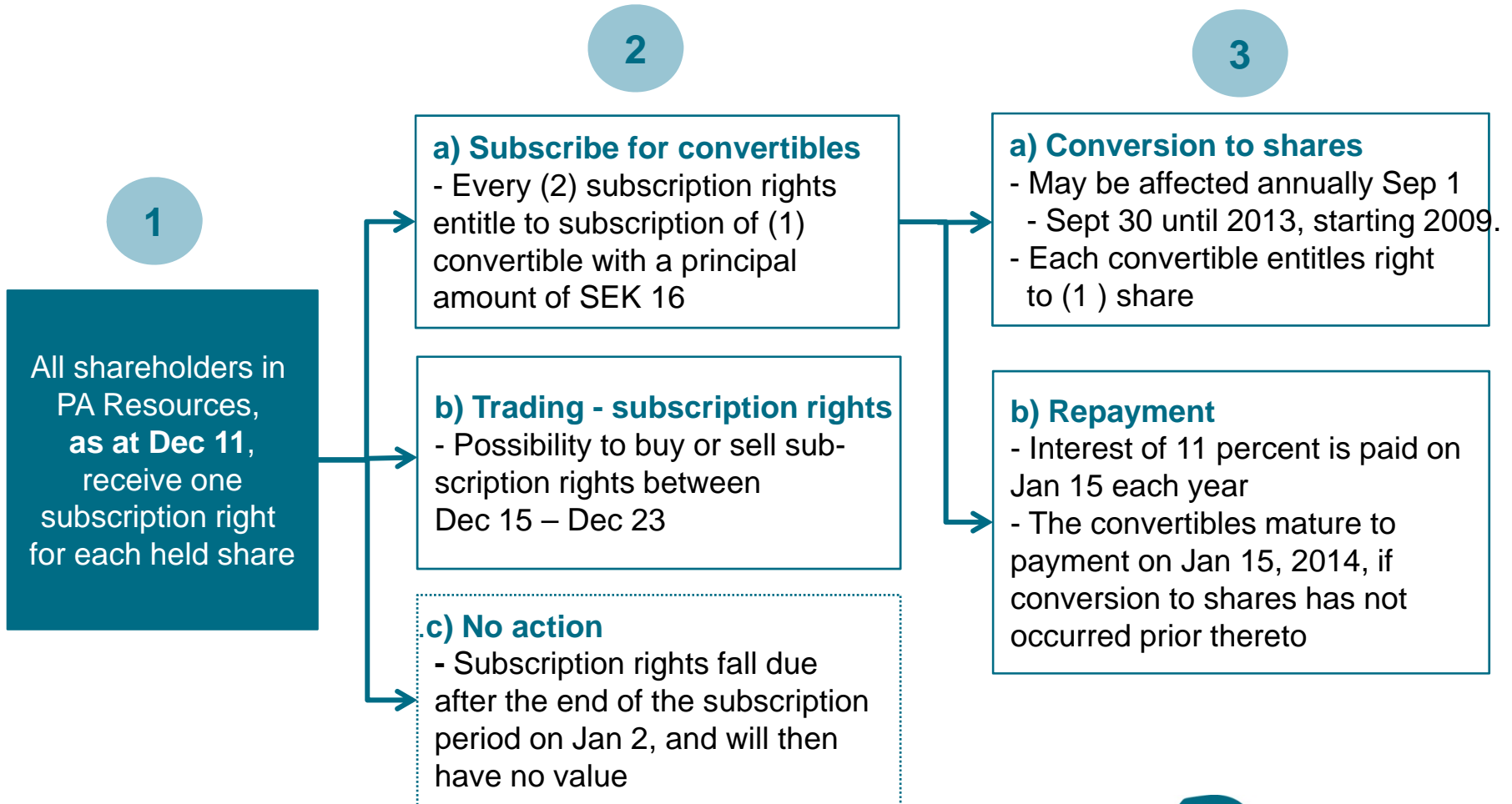


Overview of the convertible

Rights issue of convertible bonds

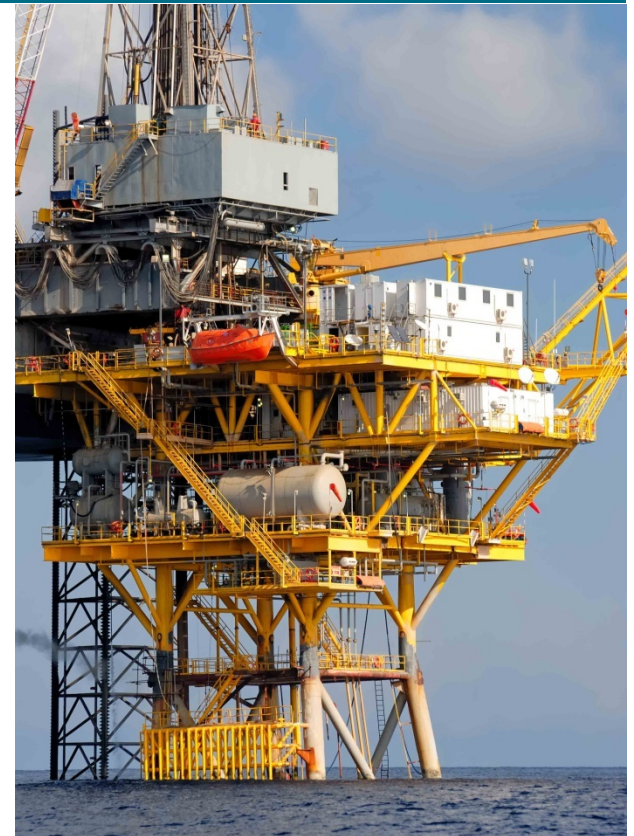
Loan size	<ul style="list-style-type: none">▪ Approximately SEK 1,164 million▪ More than 50% guaranteed
Duration	<ul style="list-style-type: none">▪ January 2009 – 15 January 2014 (last conversion date 30 September 2013)
Interest	<ul style="list-style-type: none">▪ 11 per cent annually
Interest payment	<ul style="list-style-type: none">▪ 15 January each year (first time in 2010)
Trading	<ul style="list-style-type: none">▪ Subscription rights traded between 15 December – 23 December 2008 (in Stockholm and Oslo)▪ Convertibles traded from mid-January 2009 (in Stockholm and Oslo)
Subscription period	<ul style="list-style-type: none">▪ 15 December 2008 – 2 January 2009
Terms	<ul style="list-style-type: none">▪ Convertible issue 2:1, with a nominal value and conversion price SEK 16

The process



Rights issue to all shareholders

- Rights issue to all shareholders
- Two options:
 - 1) Subscribe to convertibles
 - 2) Trade subscription rights
- More than half of the issue has been secured by existing shareholders and guarantees from other investors



Summary

Reasons for rights issue of convertibles

- Strengthens the company's capital base
- Increases flexibility regarding short-term and long term financing
- Secures the refinancing of the maturing USD 200 million bond loan together with ongoing bank debt negotiations and sales of assets



Key success factors for PA Resources

A company with:

- Diversified asset portfolio
- Reserves and resources – upside potential
- Focus on increased production
- Considerable cash flow from production
- Experienced management team and flexible organisation
- Strong prospect outlook
- Geographical focus





Thank you!

