Q2 PA Resources Interim Report
January–June 2009

Increasing production

Summary second quarter

- Total revenue for the Group amounted to SEK 432.1 million (739.2). Sales revenue was affected by lower oil prices, which at the same time were counteracted by a stronger USD than in the same period a year ago.
- Production increased during the quarter, when 819,900 barrels of oil were produced, compared with 783,000 barrels during the first quarter of 2009.
- Net profit for the period was SEK 73.6 million (246.3), which is an improvement over the first quarter of 2009, when the net loss was SEK -63.4 million.
- Earnings per share before dilution were SEK 0.50 (1.70), and earnings per share after dilution were SEK 0.50 (1.68).
- An additional production well at the Didon field in Tunisia came on stream at the end of June, entailing a further increase in production level.
- Three important milestones were passed after the end of the period. The Azurite field in the Republic of Congo was put in production, and additional wells will gradually come on stream during the year. In addition, an oil discovery was made at the Mer Profond Sud licence offshore the Republic of Congo, and the development of the Aseng field in Equatorial Guinea has been formally sanctioned.

Summary first half year

- Total revenue for the Group amounted to SEK 762.4 million (1,366.1) during the period. The decline is mainly due to lower oil prices, which at the same time were counteracted by a stronger USD compared with the same period a year ago.
- Net profit for the period was SEK 10.2 million (480.3).
- Earnings per share before dilution were SEK 0.07 (3.31), and earnings per share after dilution were SEK 0.07 (3.29).
- Total equity increased to SEK 4,941.1 million (3,735.9) during the period through completed new issues of convertible bonds and shares, which together raised SEK 1,372.1 million in liquid funds for the Group. The contributed amounts are included in cash flow from financing activities.
- The equity/assets ratio was 45% (42%).

Financial key ratios

	Q2 2009	Q2 2008	Jan.–June 2009	Jan.–June 2008	Full year 2008
Revenue (SEK million)	432.1	739.2	762.4	1,366.1	2,419.9
EBITDA* (SEK million)	309.2	565.4	468.6	1,011.1	1,771.8
Operating profit (SEK million)	119.9	483.5	103.2	850.7	1,395.7
Operating margin (%)	27.7	65.4	13.5	62.3	57.7
Net profit for the period (SEK million)	73.6	246.3	10.2	480.3	925.5
Earnings per share after dilution (SEK)	0.50	1.68	0.07	3.29	6.34

*Earnings before interest, tax, depreciation and amortisation.

> “During the first half of 2009 we achieved the goal of increasing our production, which will continue to increase during the rest of the year as additional wells are drilled and brought on stream at the Azurite field in the Republic of Congo. The field gives the Group vital production from yet another region and generates cash flow that is contributing to the further development of our assets.
>
> ***Ulrik Jansson***
> **President and CEO**

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PA RESOURCES

CEO's comments

Our focus during the second half of 2009 was on increasing the company's production. During the second quarter an additional production well was put in operation at the Didon field in Tunisia, and the goal of increasing production at that field has been achieved.

The Azurite field in the Republic of Congo has been producing since mid-August. This marks an important milestone for PA Resources and adds substantial production from yet another region. Production at the field will gradually increase during the rest of the year.

During the second quarter and after the end of the period, the values of PA Resources' assets have increased further. Exploration drilling was concluded at Gita-1X, where hydrocarbons were discovered, and the results remain under evaluation. The development of the Aseng field in Equatorial Guinea has been formally sanctioned, and it is expected that the field can begin producing oil in mid-2012. A new oil discovery was made at the Mer Profond Sud licence in the Republic of Congo, which is being further evaluated.

During the first half of 2009 we saw the price of oil rise approximately 60%, from USD 43 at the start of the year to nearly USD 70 at the end of June. This means that oil prices have recovered somewhat but are far from the levels reached during the first half of 2008. The stronger oil price combined with higher production has boosted PA Resources' revenue and earnings during the second quarter compared with the first quarter this year.

Many observers expect to see further rises in the price of oil in 2009 and 2010 as economic growth begins to gain momentum once again.

The company's equity has been strengthened. In mid-June we carried out a directed new issue as part of the ongoing refinancing work in an effort to develop the Group's assets.

Given the stronger price of oil and growing production, we believe the conditions for the second half of 2009 have improved.

Ulrik Jansson, President and CEO, PA Resources AB

Operational review

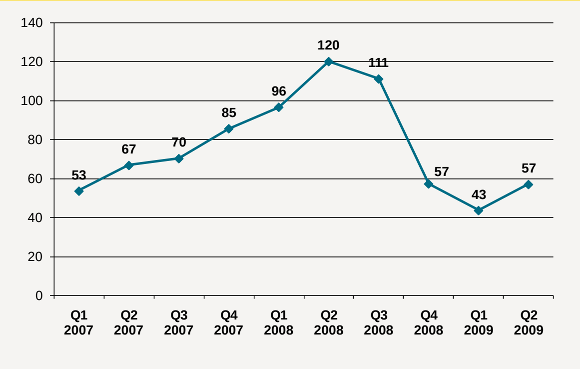
PA Resources AB's business concept is to acquire, develop, exploit and divest oil and gas assets and to conduct exploration to find new reserves. The Group has operations in Tunisia, the UK, Denmark, Greenland, the Netherlands, Equatorial Guinea and the Republic of Congo.

Production and sales

Comparison figures for 2008 are exclusive of the divested Norwegian operations.

Second quarter 2009 (1 April–30 June)
Total oil production during the second quarter was 819,900 barrels (922,700). Average production was 9,010 barrels per day (10,100). The production was derived from six oil fields in Tunisia.

PA Resources' average sales price (USD/barrel) per quarter, 2007-2009



A total of 638,000 barrels (756,800) of oil were sold during the quarter at an average price of USD 57 per barrel (120).

Total outstanding oil inventory is accounted for as if the inventory were to be sold in accordance with the Net Entitlement Method. For further information, see Note 3, Revenues. Oil inventory, excluding the part paid as royalties, grew by 132,591 barrels during the second quarter to 196,118 barrels at the end of the quarter. Sales and thus inventory vary from quarter to quarter since the point in time for so-called liftings depends on when the inventory was filled and customers collect the agreed upon volume.

First half of 2009 (1 January–30 June)
During the first half of 2009 a total of 1,602,900 barrels (1,953,700) of oil were produced. Average production was 8,800 barrels (10,700) per day. A total of 1,455,400 barrels (1,979,200) of oil were sold during the first half of the year at an average price of USD 50 per barrel (108).

Production forecast

Our previously communicated forecast, that average production is expected to amount to between 11,000 and 14,000 barrels of oil equivalents per day in 2009, is unchanged.

Drilling programme 2009–2011

The following drillings are planned for 2009–2011 at the licences in which PA Resources has ownership interests. The drilling programme is revised continuously based on the investment budget and prioritised commitments.

Licence	Prospect	Time	Activity/Well
Tunisia			
Jenein Centre		Q1 2010	Exploration
Jelma	2 wells	Q2 2010	Exploration
Zarat	Elyssa-4	Q2 2010	Appraisal
Republic of Congo			
Azurite	9 -10 wells	2009/10	Production/Injection
Mer Profond Sud	Turquoise	Q3 2009	Appraisal
Mer Profond Sud	Diamant	Ongoing	Exploration
Marine XIV	1-2 wells	2010	Exploration
Equatorial Guinea			
Block I	2 wells	2010	Exploration
Block H	Aleta-1	2010	Exploration
Denmark			
Block 11/06	Marianne	2011	Exploration
Block 12/06	Lisbet	2011	Exploration

North Africa Region Tunisia

PA Resources has conducted operations in Tunisia since 1998 and is one of the country's largest oil producers. The Group has interests in six production licences and four exploration licences.

Licence	Licence status	Interest PAR
Douleb	Production Onshore	70%
Semmama	Production Onshore	70%
Tamesmida	Production Onshore	95%
Ezzaouia	Production Onshore	13.6%
El Bibane	Production Offshore	23.9%
Didon	Production Offshore	100%
Jelma	Exploration Onshore	70%**
Jenein Centre	Exploration Onshore	35%
Makthar	Exploration Onshore	100%**
Zarat	Exploration Offshore	100%**

*** ETAP has the right to back in to 50% in the Jelma licence as well as into 55% in Makthar and Zarat.*

Important events during the quarter

Additional production well at the Didon field
Drilling of a new production well, Didon-10, at the Didon offshore field in Tunisia was concluded in mid-June. The well was drilled by the Ensco 85 jack-up rig in the El Gueria reservoir by making partial use of a previously drilled well, which resulted in cost-effective drilling.

Production commenced at the new Didon-10 well in mid-June, thereby increasing total production at the oil field.

Drilling of exploration well in Zarat
In mid-June drilling of the El Fell-2 exploration well was begun at the Zarat licence using the Ensco 85 rig. The well tested a major prospect five kilometres south of the Elyssa discovery and reached the planned depth of 2,000 metres. Hydrocarbons were encountered, but the reservoir proved to be too narrow and the flow was therefore inadequate for commercial production. As a result, the well has been plugged and abandoned.

Planned activities

Maintenance and development of Didon
A helicopter platform and additional hydro cyclones will be installed during the third quarter on the Oil Storage Service (OSS) vessel.

Drilling at the Jelma licence
At the Jelma licence a 2D seismic programme will be acquired during the third quarter. The new seismic data will be integrated and evaluated together with previously acquired data before any selection of prospects is made for drilling in 2010.

Seismic data at the Makthar licence
PA Resources has renewed the Makthar licence for another three years. The renewed permit involves an undertaking to collect 100 kilometres of 2D seismic data and to drill an exploration well. Acquisition of seismic data is planned for the end of the year.

Exploration well at the Jenein Centre licence
Drilling of the first onshore exploration well at the Jenein Centre licence in southern Tunisia has been brought forward to the first quarter of 2010.

West Africa Region Republic of Congo (Brazzaville) and Equatorial Guinea

PA Resources owns interests in three licences offshore the Republic of Congo (Brazzaville), of which one of the licences, the Azurite field, in now in production. PA Resources also owns interests in another two licences in the Gulf of Guinea offshore Equatorial Guinea, where the development of the Aseng field in Block I will be started.

Licence	Licence status	Interest PAR
Republic of Congo		
Azurite	Production Offshore	35%
Marine XIV	Exploration Offshore	12.5%
Mer Profond Sud	Exploration Offshore	35%
Equatorial Guinea		
Block I	Development Offshore	6%
Block H	Exploration Offshore	6.25%

Important events during the period

Production at the Azurite field in the Republic of Congo
During the quarter the first production well was completed at the Azurite field in the Republic of Congo, and production commenced after the end of the reporting period, in mid-August.

The field's maximum production capacity is estimated at 40,000 barrels per day, of which PA Resources' share is 14,000 barrels per day. This volume is expected to be reached by year-end 2009 at the earliest. The Azurite field is located at a depth of approximately 1,400 metres underwater and utilises the industry's first Floating, Drilling, Production Storage and Offloading (FDPSO) facility. For further information, see Note 13, *Events after the balance sheet date*.

Development of the Aseng field at Block I in Equatorial Guinea
The Plan of Development for the Aseng field (formerly Benita) was sanctioned after the end of the reporting period, in late July, by the Ministry of Mines, Industry and Energy (MMIE) in Equatorial Guinea. Production is expected to begin in mid-2012. PA Resources has a 6% interest in the field. For further information, see Note 13, *Events after the balance sheet date*.

Oil discovery at Mer Profond Sud, Republic of Congo
During the second quarter, drilling was begun of an exploration well at the Turquoise Marine-1 prospect at the Mer Profond Sud licence offshore the Republic of Congo. After the end of the reporting period, in mid-July, drilling was completed and an oil discovery was made. The well encountered in excess of 41 metres of net oil pay. The discovery is located approximately 28 kilometres from the Azurite field. PA Resources has 35% working interest in the licence. Work is under way on evaluating development of the field and on using existing infrastructure at the Azurite field. For further information, see Note 13, *Events after the balance sheet date*.

Exploration drilling at Mer Profond Sud, Republic of Congo
After the end of the reporting period, additional exploration drilling was carried out at Mer Profond Sud, at the Diamant Marine prospect, which is located nearby the Azurite field. The well encountered hydrocarbons, but of a non-commercial quantity. The drilling results are being evaluated along with other potential areas of the prospect. Work on terminating the drilling and plugging the well is under way.

Processing of seismic data at Marine XIV, Republic of Congo
Processing of data from the seismic programme covering 100 square kilometres that was acquired during the first quarter under the Marine XIV licence in the Republic of Congo is under way.

Planned activities

Continued development of the Azurite field, Republic of Congo
Production at the field will increase gradually as additional wells come on stream. A total of 9-10 wells are planned at the oil field, including three production wells and two water injectors in 2009.

Appraisal well at Mer Profond Sud, Republic of Congo
An appraisal well is planned for drilling at the Turquoise Marine prospect at the Mer Profond Sud during the third quarter of 2009 to evaluate a discovery made there in mid-July. The drilling will be performed by the deepwater rig Pride South Pacific.

Exploration drilling at Marine XIV, Republic of Congo
An exploration well is planned for the second quarter of 2010.

Exploration drilling in Block I, Equatorial Guinea
The plan is to drill an additional two exploration wells in Block I in 2010. The objective is to reach the deeper and proven oil-bearing Miocene structure that was encountered in the previously drilled Diega well.

North Sea Region UK, Denmark, Netherlands and Greenland

PA Resources owns interests in 13 exploration licences, of which five are located on the British continental shelf, four are offshore the Danish coast, three are offshore the Netherlands, and one is offshore western Greenland. The Group is the operator of all the licences except for the licences in the Netherlands and for Block 9/06 and Block 9/95 in Denmark.

Licence	Licence status	Interest PAR
United Kingdom		
P1342	Exploration Offshore	50%
P1318	Exploration Offshore	50%
P1319	Exploration Offshore	50%
P1336	Exploration Offshore	50%
P1529	Exploration Offshore	80%
Denmark		
Block 11/06	Exploration Offshore	64%
Block 12/06	Exploration Offshore	64%
Block 9/06	Exploration Offshore	26.8%
Block 9/95	Exploration Offshore	26.8%
Netherlands		
Block Q7	Exploration Offshore	30%
Block Q10a	Exploration Offshore	30%
Schagen	Exploration Offshore	50%
Greenland		
Block 2008/17	Exploration Offshore	87.5%

Important events during the quarter

Drilling of Gita-1X in Denmark completed
Drilling of the Gita-1X well at the Block 9/95 licence on the Danish continental shelf approximately 10 kilometres south of the Harald field was completed in mid-April. The drilling operation reached a total depth of 5,162 metres below mean sea level and encountered Middle Jurassic sandstone layers containing hydrocarbons. A detailed evaluation of the drilling results is in progress under the direction of the operator.

Change of licence shares in the UK
An extension has been granted for the P1529 licence. Following completion of an evaluation, PA Resources has found the area's potential to be of interest.

Change of licence shares in Denmark
In Block 11/06, operated by PA Resources, the planned drilling at the licence has been pushed back to the second quarter of 2011. A corresponding delay also applies for Block 12/06.

Planned activities

Evaluation of seismic data in the UK
In the UK, processing of the 3D data that was acquired last year for the P1318, P1319 and P1336 licences has been completed, and PA Resources is now evaluating the area.

Processing of seismic data at the Greenland licence
Preparations have begun for seismic surveys in 2010 at the company's Block 2008/17 licence in Greenland.

Financial position and performance Group

Second quarter 2009 (1 April–30 June)

Comparison figures for 2008 are exclusive of the divested Norwegian operation.

Group revenue amounted to SEK 432.1 million, compared with SEK 739.2 million for the same period in 2008. Of this revenue, SEK 75.7 million was attributable to reporting in accordance with the Net Entitlement Method and SEK 64.1 million to other items. The SEK 307.1 million decrease in revenue is mainly attributable to a halving in the price of oil, which was partly offset by a stronger USD compared with the same quarter a year ago. The decrease is also attributable to temporarily lower production, at the same time that the Group's production during the second quarter, totalling 819,900 barrels, was an increase from 783,000 barrels during the first quarter of the year.

EBITDA (earnings before interest, tax, depreciation and amortisation) amounted to SEK 309.2 million (565.4).

Operating profit was SEK 119.9 million (483.5), and the operating margin for the period was 28% (65%). The decrease is attributable to a higher level of depreciation and amortisation per produced barrel of oil, based on completed investments and revised reserves.

Net financial items for the Group during the second quarter amounted to SEK 31.7 million (-93.2). Net financial items were affected by non-cash translation effects on outstanding receivables and liabilities in USD.

Reported income tax for the quarter was SEK -78.0 million (-133.0).

Net profit for the period was SEK 73.6 million, compared with SEK 246.3 million for the same period in 2008.

Earnings per share before dilution were SEK 0.50 (1.70), and earnings per share after dilution were SEK 0.50 (1.68).

First half 2009 (1 January–30 June)

Comparison figures for 2008 are exclusive of the divested Norwegian operation.

Group revenue amounted to SEK 762.4 million, compared with SEK 1,366.1 million for the same period in 2008. Of this revenue, SEK 54.8 million was attributable to reporting in accordance with the Net Entitlement Method and SEK 113.5 million to other items. For an explanation for the SEK 603.7 million decrease in revenue, see the section for the second quarter above.

EBITDA (earnings before interest, tax, depreciation and amortisation) amounted to SEK 468.6 million (1,011.1).

Operating profit was SEK 103.2 million (850.7), and the operating margin for the period was 14% (62%). The decrease is attributable to a higher level of depreciation and amortisation per produced barrel of oil, based on completed investments and revised reserves.

Net financial items for the Group during the period amounted to SEK -0.5 million (-55.3). Net financial items were affected by non-cash translation effects on outstanding receivables and liabilities in USD.

Reported income tax for the period for continuing operations was SEK -92.5 million (-324.9).

Net profit for the period from continuing operations was SEK 10.2 million, compared with SEK 470.5 million for the same period in 2008.

Earnings per share before dilution were SEK 0.07 (3.31), and earnings per share after dilution were SEK 0.07 (3.29).

Return on equity was 0.2% (13.6%). Return on capital employed was 2.8% (15.0%).

Total accounts receivable and other receivables amounted to SEK 754.4 million as per the balance sheet date. The decrease in this item since the start of the year is attributable to the settlement of a receivable totalling SEK 999.4 million. The parent company had this receivable from the buyer Bayerngas Norge AS as a result of the divestment of the subsidiary PA Resources Norway AS.

Investments during the first half of the year

Investments in intangible assets amounted to SEK 413.3 million (716.2) during the first half of 2009 and pertained to investments in oil and gas assets. Of this total, SEK 309.8 million (438.2) consisted of investments in the West Africa segment.

The Group's investments in property, plant and equipment during the first half of the year amounted to SEK 1,296.4 million (1,281.5) and pertained to investments in oil and gas assets. Of this total, SEK 926.2 million (350.9) consisted of investments in the West Africa segment.

Liquidity and financing during the first half of the year

The Group's operating cash flow during the first half of the year was SEK 816.1 million (469.6). Net cash flow, after financing and investments, was SEK 228.3 million (-29.1).

Cash and cash equivalents amounted to SEK 240.8 million (253.3) at the end of the period. Available credit lines amounted to approximately SEK 770 million, of which approximately half is unutilised. Payment of SEK 999.0 million from the divestment of the Norwegian operation is included in cash flow from investing activities. Payment of SEK 1,089.3 million from the convertible bond issue and payment of SEK 282.8 million from the completed new issue are included in cash flow from financing activities.

Equity on the balance sheet date had increased to SEK 4,941.1 million (3,735.9), corresponding to an equity/assets ratio of 44.8% (41.9%).

Financial position and performance Parent company

Second quarter 2009 (1 April–30 June)

The parent company's net sales pertains primarily to intra-Group sales and amounted to SEK 4.8 million (1.5) during the quarter.

Net financial items during the second quarter amounted to SEK -54.4 million (-65.0). Net financial items were affected by non-cash negative translation effects on outstanding receivables and liabilities in USD.

The loss before income tax was SEK -71.1 million (-85.6).

First half 2009 (1 January–30 June)

The parent company's net sales during the period amounted to SEK 9.8 million (3.9). The loss before income tax was SEK -33.6 million (-69.1).

Total intangible assets amounted to SEK 206.1 million (0) as per the balance sheet date and pertain to acquired licence rights on the Danish continental shelf.

Total financial assets amounted to SEK 4,824.3 million (3,497.1) as per the balance sheet date. The increase continues to be attributable to the parent company's outstanding lending to the subsidiary PA Resources Congo SA, where investments for the expansion of the Azurite field and initiated exploration at the Mer Profond Sud licence have been financed by the parent company through external borrowing.

Total other receivables as per the balance sheet date amounted to SEK 3.0 million. The decrease in this balance sheet item since the start of the year is attributable to the settlement of a receivable of SEK 999.4 million. The parent company had this receivable from the buyer Bayerngas Norge AS as a result of the divestment of the subsidiary PA Resources Norway AS.

Cash and cash equivalents amounted to SEK 181.5 million (84.1) as per the balance sheet date, and shareholders' equity amounted to SEK 2,509.6 million (1,818.7). The increase in these balance sheet items is attributable to the convertible bond that was issued in January and to the new issue that was carried out in June.

Total non-current interest-bearing loans and liabilities amounted to SEK 1,659.6 million (877.2) as per the balance sheet date and pertain to outstanding loans in USD and NOK. Issuance of a convertible bond also contributed to the increase. See also Note 9, *Convertible bond*.

The total current portion of interest-bearing loans and liabilities amounted to SEK 585.1 million (1,235.9) as per the balance sheet date. The decrease is attributable to the outstanding bond issue of USD 200 million that was repaid in January 2009.

Key ratios – five-year overview

		30 June 2009	30 June 2008	31 Dec. 2008	31 Dec. 2007	31 Dec. 2006	31 Dec. 2005
Revenue	SEK 000s	762,437	1,366,106	2,419,863	2,793,831	856,675	395,319
EBITDA	SEK 000s	468,573	1,011,131	1,771,823	2,073,729	471,296	248,866
Operating profit	SEK 000s	103,168	850,703	1,395,749	1,833,485	359,267	239,094
Operating profit per share after dilution	SEK	0.70	5.83	9.56	12.53	2.60	2.14
Operating margin	%	14	62	58	66	42	60
Income after financial items per share after dilution	SEK	0.70	5.45	5.64	12.28	2.15	1.90
Earnings per share after dilution	SEK	0.07	3.29	6.34	6.47	1.67	1.05
Return on equity	%	0.2	13.6	22.9	33.6	12.8	15.0
Return on assets	%	2.2	12.7	16.9	34.2	12.4	18.7
Return on capital employed	%	2.8	15.0	20.6	39.8	14.4	21.9
Equity per share before dilution	SEK	31.57	25.74	32.69	22.92	15.92	10.11
Equity per share after dilution	SEK	31.51	25.00	32.58	22.24	15.50	10.11
Profit margin	%	13.5	58.2	34.0	64.3	34.7	53.7
Equity/assets ratio	%	44.8	41.9	45.5	49.5	46.9	38.0
Debt/equity ratio	%	61.1	93.5	74.8	64.6	54.5	68.8
Share price at end of period	SEK	28.00	77.50	11.50	51.00	72.25	39.00
Share price/Equity per share before dilution	Times	0.89	3.01	0.35	2.23	4.54	3.86
P/E margin per share	Times	403.11	5.85	1.80	7.81	43.18	37.12
Number of shares outstanding before dilution	Number	156,514,004	145,114,004	145,514,004	145,014,004	145,014,004	128,114,004
Number of shares outstanding after dilution*	Number	156,814,004	149,439,004	146,014,004	149,439,004	148,964,004	128,114,004
Average number of shares outstanding before dilution	Number	146,415,643	145,030,671	145,251,504	145,014,004	137,824,278	111,514,004
Average number of shares outstanding after dilution	Number	146,415,643	145,991,114	145,976,516	146,354,287	138,403,000	111,514,004

*Includes only share-related instruments that give rise to a dilutive effect.

Currency rates

	Closing day rate 30 June 2009	Average rate Jan.–June 2009	Closing day rate 30 June 2008	Average rate Jan.–June 2008
1 EUR in SEK	10.85	10.87	9.44	9.38
1 USD in SEK	7.69	8.17	5.98	6.14
1 TND in SEK	5.87	5.99	5.20	5.23
1 NOK in SEK	1.20	1.22	1.18	1.18
1 GBP in SEK	12.84	12.15	11.93	12.12

Shareholder structure

The 10 largest shareholders as per 30 June 2009	Number of shares	Share of capital/votes
Bertil Lindqvist	11,628,419	7.4%
Ulrik Jansson (including controlled companies)	8,512,512	5.4%
Morgan Stanley & Co Intl Plc	7,112,301	4.5%
Hunter Hall International (through controlled funds)	6,161,600	3.9%
Avanza Pension	5,127,027	3.3%
AFA Försäkring	3,780,817	2.4%
Nordnet Pensionsförsäkring AB	3,519,706	2.2%
SIX SIS AG	3,081,531	2.0%
CBNY-DFA-INT SML CAP V	1,659,116	1.1%
Första AP-Fonden	1,584,974	1.0%
Total – 10 largest shareholders	**52,168,003**	**33.3%**
Total – other shareholders	104,346,001	66.7%
Total number of shares	**156,514,004**	**100.0%**

Other

Risks and uncertainties

PA Resources financial, operating, business and social risks are described in the 2008 Annual Report, published on 31 March 2009, in the section *Risks and risk management.*

Risks in a near term include possible disruptions in production at our producing fields in connection with drilling, maintenance and installations. The risk for delays in drilling and the start of production at additional production wells at the Azurite field cannot be ruled out, even though the operator's assessment is that the project is on schedule.

The risks affecting the parent company continue to consist of financial risks. Anxiety in the financial markets pertaining to available financing entail a risk for delayed or postponed investments in licences in which the Group is the operator or licence partner. Increased investment costs for ongoing projects may be compensated by falling costs for suppliers.

Directed new issue completed

On 15 June 2009 PA Resources completed a directed new issue of 11,000,000 shares in PA Resources AB. The shares were subscribed at a price of SEK 26.50 per share and raised a total of SEK 291.5 million for the company before issue costs. The new issue was directed at institutional investors in Sweden and Norway, among others.

After the new issue, PA Resources AB's total share capital amounts to SEK 78,257,002, distributed among 156,514,004 shares.

Changes in the Board

On 13 May 2009 the Annual General Meeting voted in favour of re-election of Catharina Nystedt-Ringborg, Lars Olof Nilsson and Sven Rasmusson, and new election of Paul Waern and Hans Kristian Rød as board members. Sven Rasmusson was elected to serve as the new Chairman of the Board. For more information on resolutions made at the Annual General Meeting, please see the press releases *Nomination committee's proposal* and *Announcement from Annual General Meeting* at www.paresources.se.

Personnel

PA Resources has offices in Stockholm (Sweden), Tunis (Tunisia), London (the UK) and Pointe Noire (Republic of Congo). In addition, the Group has personnel stationed at the production facilities in Tunisia.

The total number of employees as per 30 June 2009 was 138 (125), of whom 126 (115) were in Tunisia, 8 (7) were in Sweden, 2 (2) were in the Republic of Congo, and 2 (1) were in the UK. Of the total number of employees in the Group, 116 (105) were men and 22 (20) women.

PA Resources shares

PA Resources AB's shares are primarily listed on the Oslo Stock Exchange in Norway (OB Match segment) and secondarily listed on the NASDAQ OMX Nordic Exchange in Stockholm (Mid Cap segment). The shares are listed under the abbreviation PAR. A round lot comprises 200 shares on both the Oslo Stock Exchange and the NASDAQ OMX Nordic Exchange in Stockholm.

Conversion of convertibles in September

The period 1–30 September 2009 is the first occasion for holders of convertible bonds in PA Resources to convert to shares. For more information on the conversion process, see www.paresources.se under the heading Investor Relations/Convertible.

Financial calendar 2009/10

- Interim report Jan.–Sept. 2009 (incl. Q3):
  28 October 2009
- Year-end report 2009 (incl. Q4):
  17 February 2010

Conference call 19 August 2009

PA Resources will be presenting its second quarter 2009 results on 19 August through a conference call at 10 a.m. (CET). To participate, please call one of the following numbers:
Sweden: +46 (0)8 505 598 53, UK: +44 (0)203 043 24 36, US: +1 866 458 40 87

Presentation material will be published on www.paresources.se, where it will also be possible to listen to the presentation afterwards. A brief web film that summarises the report will also be available from PA Resources' website in connection with the presentation.

Further information about PA Resources can be found at www.paresources.se. Queries concerning this report can be sent to ir@paresources.se, or directed to:

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or

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Financial statements Group

Group – Condensed income statement

SEK 000s	Notes	Q2 2009	Q2 2008	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Revenue	3, 4	432,143	739,154	762,437	1,366,106	2,419,863
Changes in inventory and work in progress		-85	3,097	144	-353	-233
Cost of sales		-73,147	-114,309	-185,043	-245,466	-411,641
Other external expenses		-32,265	-37,492	-66,260	-73,584	-174,698
Personnel expenses	10	-17,482	-25,053	-42,705	-35,572	-61,468
Depreciation, amortisation and write-downs	4	-189,306	-81,890	-365,405	-160,428	-376,074
Operating profit	4	**119,858**	**483,507**	**103,168**	**850,703**	**1,395,749**
Financial income	5	37,886	18,177	115,846	144,252	55,600
Financial expenses	5	-6,165	-111,399	-116,350	-199,584	-628,261
Total financial items		**31,721**	**-93,222**	**-504**	**-55,332**	**-572,661**
Profit before income tax	4	**151,579**	**390,285**	**102,664**	**795,371**	**823,088**
Income tax	6	-77,992	-133,036	-92,494	-324,878	-629,162
Profit for the period from continuing operations		**73,587**	**257,249**	**10,170**	**470,493**	**193,926**
Discontinued operations						
Profit/loss for the period from discontinued operations, net after tax	8	-	-10,952	-	9,855	731,530
Net profit for the period		**73,587**	**246,297**	**10,170**	**480,348**	**925,456**
Net profit for the period attributable to:						
Equity holders of the parent company		73,587	246,297	10,170	480,348	925,456
Earnings per share before dilution, continuing operations		0.50	1.78	0.07	3.24	1.33
Earnings per share before dilution, discontinued operations		-	-0.08	-	0.07	5.04
Earnings per share before dilution		**0.50**	**1.70**	**0.07**	**3.31**	**6.37**
Earnings per share after dilution, continuing operations		0.50	1.76	0.07	3.22	1.33
Earnings per share after dilution, discontinued operations		-	-0.08	-	0.07	5.01
Earnings per share after dilution		**0.50**	**1.68**	**0.07**	**3.29**	**6.34**

Earnings per share is attributable to equity holders of the parent company

Group – condensed statement of comprehensive income

SEK 000s	Notes	Q2 2009	Q2 2008	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Net profit for the period		**73,587**	**246,297**	**10,170**	**480,348**	**925,456**
Other comprehensive income						
Exchange differences during the period		-75,592	-30,422	-244,241	-76,841	483,027
Financial assets available-for-sale		166	-	477	-	-
Income tax relating to items in other comprehensive income		-44	-	-126	-	-
Total other comprehensive income		**-75,470**	**-30,422**	**-243,890**	**-76,841**	**483,027**
Total comprehensive income		**-1,883**	**215,875**	**-233,720**	**403,507**	**1,408,483**
Total comprehensive income attributable to:						
Equity holders of the parent company		-1,883	215,875	-233,720	403,507	1,408,483

Group – condensed statement of financial position

SEK 000s	Notes	30 June 2009	30 June 2008	31 Dec. 2008
ASSETS				
Intangible assets		1,565,164	1,412,153	1,156,199
Property, plant and equipment		8,455,185	5,738,480	7,827,680
Financial assets	7	4,450	133,479	57,367
Deferred tax assets		80	166,288	1,985
Total non-current assets		**10,024,879**	**7,450,400**	**9,043,231**
Inventory		6,026	5,762	5,882
Derivative financial instruments	7	-	-	25,857
Accounts receivable and other receivables		754,392	888,227	1,363,165
Current tax assets	6	998	323,293	645
Cash and cash equivalents		240,761	253,272	12,832
Total current assets		**1,002,177**	**1,470,554**	**1,408,381**
TOTAL ASSETS		**11,027,056**	**8,920,954**	**10,451,612**
EQUITY				
Equity attributable to equity holders of the parent company				
Share capital		78,257	72,557	72,757
Other capital contributions	9	2,223,196	1,796,945	1,811,525
Reserves		204,468	-111,510	448,358
Retained earnings and profit for the period	8	2,435,172	1,977,865	2,424,087
Total equity		**4,941,093**	**3,735,857**	**4,756,727**
LIABILITIES				
Interest-bearing loans and borrowings	9	2,372,504	2,023,786	1,936,650
Derivative financial instruments	7	12,116	-	101,233
Deferred tax liabilities	6	699,485	635,404	590,590
Provisions	10	346,192	42,886	340,297
Total non-current liabilities		**3,430,297**	**2,702,076**	**2,968,770**
Provisions	10	550	3,633	571
Current tax liabilities		43,581	151,358	83,517
Derivative financial instruments	7	7,594	16,901	-
Current interest-bearing loans and borrowings		884,896	1,721,162	1,632,810
Accounts payable and other liabilities		1,719,045	589,967	1,009,217
Total current liabilities		**2,655,666**	**2,483,021**	**2,726,115**
TOTAL EQUITY AND LIABILITIES		**11,027,056**	**8,920,954**	**10,451,612**
PLEDGED ASSETS	12	**1,768,125**	**2,567,491**	**3,354,223**
CONTINGENT LIABILITIES	12	**14,000**	**14,000**	**14,000**

Group – condensed statement of changes in equity

SEK 000s	Notes	Share capital	Other capital contribution	Reserves	Retained earnings and net profit/loss for the period	Total
		Attributable to equity holders of the parent company				
Balance at 1 January 2008		72,507	1,791,995	-34,669	1,493,558	3,323,391
Total comprehensive income				-76,841	480,348	403,507
Transactions with shareholders						
Share warrant programme - new issues of shares		50	4,950			
Share based payments	10				3,959	3,959
Closing balance at 30 June 2008		**72,557**	**1,796,945**	**-111,510**	**1,977,865**	**3,735,857**
Balance at 1 July 2008		72,557	1,796,945	-111,510	1,977,865	3,735,857
Total comprehensive income				559,868	445,108	1,004,976
Transactions with shareholders						
Share warrant programme - new issues of shares		200	14,580			14,780
Share based payments	10				1,114	1,114
Closing balance at 31 December 2008		**72,757**	**1,811,525**	**448,358**	**2,424,087**	**4,756,727**
Balance at 1 January 2009		72,757	1,811,525	448,358	2,424,087	4,756,727
Total comprehensive income				-243,890	10,170	-233,720
Transactions with shareholders						
New share issue		5,500	286,000			291,500
Issue expenses			-8,745			-8,745
Convertible bond	9		209,094			209,094
Deferred tax on convertible bond	9		-74,678			-74,678
Share based payments	10				915	915
Closing balance at 30 June 2009		**78,257**	**2,223,196**	**204,468**	**2,435,172**	**4,941,093**

The number of shares was 156,514,004 as per 30 June 2009. No dividend has been proposed for the 2008 financial year or previous financial years. Existing reserves pertain to the effects of translation of operations conducted in foreign currencies and changes in the revaluation reserve.

Group – condensed statement of cash flows

SEK 000s	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Cash flow from operations			
Income after financial items from continuing operations	102,664	795,371	823,088
Income after financial items from discontinued operations	0	62,265	83,216
Adjustments for non-cash items	393,405	184,828	906,434
Income tax paid	-80,359	-365,542	-194,825
Total cash flow from operating activities			
before changes in working capital	**415,710**	**676,922**	**1,617,913**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventory	-2,045	-1,343	7,619
Increase (-)/decrease (+) in receivables	-352,451	-391,970	-213,903
Increase (+)/decrease (-) in liabilities	754,908	185,994	872,569
Cash flow from operating activities	**816,122**	**469,603**	**2,284,198**
Cash flow from investing activities			
Disposal of subsidiaries	999,011	9,148	9,148
Investments in intangible assets	-413,287	-716,230	-1,146,013
Investments in property, plant and equipment	-1,296,428	-1,281,544	-2,701,488
Cash flow from investing activities	**-710,704**	**-1,988,626**	**-3,838,353**
Cash flow from financing activities			
Redemption stock option programme (excl soc sec contr)	-	5,000	19,780
New share issue	282,755	-	-
Loans raised	1,528,490	2,026,807	2,792,682
Amortisation of debt	-1,688,406	-541,852	-1,530,677
Cash flow from financing activities	**122,839**	**1,489,955**	**1,281,785**
Cash flow for the period	**228,257**	**-29,068**	**-272,370**
Cash and cash equivalents at the beginning of period	12,832	285,281	285,281
Exchange rate difference in cash and cash equivalents	-328	-2,941	-79
Cash and cash equivalents at end of period	**240,761**	**253,272**	**12,832**
Adjustments for non-cash items			
Depreciation, amortisation and write-downs	365,405	201,017	488,134
Accounting fair value of financial instruments	-81,523	11,885	135,798
Share based payments (incl soc sec contr)	1,081	17,889	-6,890
Oil sales attributable to Net Entitlement Method (net)	-48,474	42,938	191,471
Accrued interest (net)	64,307	43,944	63,269
Other items including exchange gains and losses (net)	92,609	-132,845	34,652
Total	**393,405**	**184,828**	**906,434**

Financial statements Parent company

Parent company – condensed income statement

SEK 000s	Notes	Q2 2009	Q2 2008	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Net sales		4,820	1,497	9,765	3,853	21,189
Other external expenses	11	-13,661	-5,404	-21,658	-9,400	-30,356
Personnel expenses		-7,815	-16,643	-18,525	-19,793	-19,900
Depreciation, amortisation and write-downs		-52	-57	-95	-96	-202
Operating loss		**-16,708**	**-20,607**	**-30,513**	**-25,436**	**-29,269**
Financial income and similar	5, 7	96,666	38,194	263,134	123,676	683,859
Financial expenses and similar	5, 7	-151,028	-103,145	-266,181	-167,336	-437,933
Total financial items		**-54,362**	**-64,951**	**-3,047**	**-43,660**	**245,926**
Profit/loss before income tax		**-71,070**	**-85,558**	**-33,560**	**-69,096**	**216,657**
Income tax	6	2,419	-	4,351	-	-
Profit/loss for the period		**-68,651**	**-85,558**	**-29,209**	**-69,096**	**216,657**

Parent company – condensed balance sheet

SEK 000s	Notes	30 June 2009	30 June 2008	31 Dec. 2008
ASSETS				
Intangible assets		206,058	-	110,003
Property, plant and equipment		484	523	452
Financial assets		4,824,315	3,497,124	4,315,119
Total non-current assets		**5,030,857**	**3,497,647**	**4,425,574**
Receivables Group companies		-	732,627	-
Current tax assets		767	380	540
Derivative financial instruments	7	-	-	25,857
Other receivables		2,960	2,304	1,001,263
Prepaid expenses and accrued income		229,530	17,027	238,108
Cash and cash equivalents		181,516	84,092	4,539
Total current assets		**414,773**	**836,430**	**1,270,307**
TOTAL ASSETS		**5,445,630**	**4,334,077**	**5,695,881**
SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital		78,257	72,557	72,757
Statutory reserve		985,063	985,063	985,063
Revaluation reserve		351	-	-
Total restricted equity		1,063,671	1,057,620	1,057,820
Non-restricted equity				
Share premium reserve	9	1,207,770	781,518	796,098
Profit/loss brought forward and profit/loss for the period		238,121	-20,450	266,415
Total non-restricted equity		1,445,891	761,068	1,062,513
Total shareholders' equity		**2,509,562**	**1,818,688**	**2,120,333**
LIABILITIES				
Provisions	10	216	13,934	50
Total provisions		**216**	**13,934**	**50**
Interest-bearing loans and borrowings	9	1,659,640	877,156	1,099,034
Derivative financial instruments	7	12,116	-	101,233
Deferred tax liability		70,453	-	-
Total non-current liabilities		**1,742,209**	**877,156**	**1,200,267**
Liabilities Group companies		478,119	305,132	839,471
Accounts payable		3,623	1,909	6,291
Other liabilities		406	293	390
Derivative financial instruments	7	7,594	16,901	-
Current interest-bearing loans and liabilities		585,143	1,235,932	1,434,443
Accrued expenses and prepaid income		118,758	64,132	94,636
Total current liabilities		**1,193,643**	**1,624,299**	**2,375,231**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,445,630**	**4,334,077**	**5,695,881**
PLEDGED ASSETS	12	**1,768,125**	**2,682,460**	**3,352,520**
CONTINGENT LIABILITIES	12	**14,000**	**14,000**	**14,000**

Notes to the financial statements

Note 1. Company information

PA Resources AB (publ.), corporate identity no. 556488-2180, registered in Stockholm, Sweden, has been listed on the NASDAQ OMX Nordic Exchange in Stockholm (Mid Cap segment) since 2006 and on the Oslo Stock Exchange in Oslo, Norway (OB Match segment) since 2001. The company's and its subsidiaries' operations are described in the section "*Operational review*".

Note 2. Accounting principles

The interim report for the quarter ended 30 June 2009 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the second quarter 2009 have, like the full year 2008, been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Swedish Annual Accounts Act. The parent company's accounts have been prepared in accordance with Annual Accounts Act and guideline RFR 2.2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board.

The accounting principles applied for the period are the same as those applied for the 2008 financial year and as described in the 2008 Annual Report, with the following exceptions (see below) due to new or revised standards, interpretations and changes adopted by the European Union (EU) that are to be applied from 1 January 2009. Only the new or revised standards that have had an impact on the Group are described below.

The interim report does not contain all the information and disclosures provided in the annual report; the interim report should therefore be read together with the annual report for 2008.

New or revised standards

IFRS 8 Operating Segments

Effective 1 January 2009, the Group has implemented IFRS 8 Operating Segments, which replaces IAS 14 Segment Reporting. The new standard requires that a company provide more detailed financial and explanatory disclosures about its reportable operating segments and that segment information is presented from management's perspective, which means that the information is presented in the way it is used in the internal reporting. Reportable segments are lines of businesses or aggregated lines of businesses that fulfil certain specific criteria. The starting point for identification of reportable segments is the internal reporting as it is reported and followed up by the Chief Operating Decision Maker (CODM). The Group has identified Group Management as the CODM. The Group has identified four reportable segments according to IFRS 8: North Africa, West Africa, North Sea and Other.

Implementation of this standard has not had any effect on the Group's total financial position compared with the figures presented in the 2008 Annual Report. Information on the Group's operating segments is provided in Note 4, *Segment reporting*, and comparative figures for previous periods have been adjusted.

Revised IAS 1 Presentation of Financial Statements

The revised standard breaks down changes in equity resulting from transactions with shareholders and other changes. The statement of changes in equity will only include details regarding shareholder transactions. In addition to this, the standard introduces the concept "Condensed statement of comprehensive income", which shows all items pertaining to revenue and expenses that have previously been reported in the "Group statement of changes in equity", either in an individual statement or in two interrelated statements. The Group has chosen to present the statement of comprehensive income in two statements, "Group – Condensed income statement" and "Group – Condensed statement of comprehensive income".

Note 3. Revenues

Total outstanding oil inventory in number of barrels as per the reporting date is accounted for as if the oil inventory would have been sold in accordance with the accounting principle Net Entitlement Method. The total effect during the period January–June 2009 was an increase in the Group's total revenue by SEK 54,854 thousand. The positive effect is due to higher outstanding oil inventory as per 30 June 2009, recalculated to revenues, compared with total outstanding oil inventory as per 31 December 2008, recalculated to revenues. Total positive effect in revenues corresponds only to an unrealised distribution effect between the interim periods. The amount has been eliminated and does not affect the Group's cash flow from operating activities.

Note 4. Segment reporting

IFRS 8 Operating Segments, which replaces IAS 14 Segment Reporting, has been applied from 1 January 2009 within the Group. This standard requires that disclosures are made from management's perspective, which refers to the reporting Chief Operating Decision Maker (CODM) and means that the reporting shall correspond to how it is presented internally. Group management has been identified as the CODM for the PA Resources Group. The Group is organised in and is managed from geographical regions that correspond to the operating segments for which information is given and is followed up internally at the operational level. Operating segments per geographical region include all reporting local entities within each respective region.

The same accounting principles and calculation methods have been used in the reporting of operating segments in this interim report as in the 2008 Annual Report.

The Group has, compared with the previous primary segments, identified four reportable operating segments in accordance with IFRS 8: North Africa, West Africa, North Sea and Other. A summary of operating segments per geographical region and the local reporting entities included within each respective reportable operating segment is as follows:

North Africa: Hydrocarbures Tunisie Corp., Hydrocarbures Tunisie El Bibane Ltd, PA Resources Tunisia
West Africa: PA Energy Congo Ltd, PA Resources Congo SA, Osborne Resources Ltd
North Sea: PA Resources UK Ltd
Other: PA Resources AB, Microdrill AB

The difference in segment classification presented according to IFRS 8 compared with the segment classification presented in the 2008 Annual Report is that, as from 1 January 2009, the PA Resources Group shows reportable operating segments for geographical regions instead of geographically per country. The reportable operating segments are accounted for according to the same accounting principles as the Group. The reportable operating segments' revenues, expenses, assets and liabilities include items directly attributable to and items that have been able to be allocated to a specific operating segment in a reasonable and reliable way.

External revenues for all operating business segments except for "Other" pertain to sales of oil and services related to exploration and production of oil and gas. Internal revenues for all operating segments pertain to further invoiced expenses related to services provided for geology, seismology, exploration and production of oil and gas. Market conditions in accordance with arm's length are applied when transactions between operating segments are made.

Group management (the CODM) follows up the profit or loss measure "profit/loss before income tax". Financial revenue and expenses are reported gross for the tables below but net in the income statement.

In December 2008 the wholly owned subsidiary PA Resources Norway AS was divested. The subsidiary was deconsolidated as per 31 December 2008 and is classified as a discontinued operation in the comparative figures in this interim report. For further information see Note 8 *Discontinued operations and available-for-sale assets and liabilities*.

	Interim period January-June 2009					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Income statement						
Revenue, external	726,066	9,396	-	254	26,721	**762,437**
Revenue, internal	-	-	-	9,511	-9,511	**0**
Depreciation, amortisation and write-downs	-361,641	-144	-3,525	-95		**-365,405**
Operating profit/loss	**150,514**	**5,066**	**-9,650**	**-30,513**	**-12,249**	**103,168**
Financial income	246,448	188	20,674	631,064	-561,770	**336,604**
Financial expenses	-277,349	-13,329	-7,949	-634,111	595,630	**-337,108**
Profit/loss before income tax	**119,613**	**-8,075**	**3,075**	**-33,560**	**21,611**	**102,664**
Income tax revenues						**4,433**
Income tax expenses						**-96,927**
Net profit for the period						
from continuing operations						**10,170**

	Interim period January-June 2008						
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Norway (Discontinued operation)**	**Group & eliminations**	**Total**
Income statement							
Revenue, external	1,356,892	-	-	103	210,237	-201,126	**1,366,106**
Revenue, internal	-	-	-	3,750	5,135	-8,885	**0**
Depreciation, amortisation and write-downs	-159,789	-58	-485	-96	-40,589	40,589	**-160,428**
Operating profit/loss	**908,908**	**-9,892**	**-8,022**	**-27,095**	**65,560**	**-78,756**	**850,703**
Financial income	106,058	170	-	308,642	66,722	-234,101	**247,491**
Financial expenses	-140,033	-32,148	-848	-352,885	-73,318	296,409	**-302,823**
Profit/loss before income tax	**874,933**	**-41,870**	**-8,870**	**-71,338**	**58,964**	**-16,448**	**795,371**
Income tax revenues							**22,983**
Income tax expenses							**-347,861**
Net profit for the period							
from continuing operations							**470,493**

SEK 000s	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
	30 June 2009					
Balance sheet						
Assets						
Non-current assets	5,953,610	3,640,516	429,024	1,729		**10,024,879**
Current assets, external	465,694	104,849	16,782	414,852		**1,002,177**
Current assets, internal	1,164,893	-	-	2,606,384	-3,771,277	**0**
Liabilities						
Non-current liabilities	1,632,795	55,077	-	1,742,425		**3,430,297**
Current liabilities, external	602,144	1,323,676	14,316	715,530		**2,655,666**
Current liabilities, internal	702,523	2,448,727	141,908	478,119	-3,771,277	**0**
Investments in property, plant and equipment (gross amounts)	369,987	926,204	110	127		**1,296,428**
Investments in intangible assets (gross amounts)	-	309,755	103,532	-		**413,287**

SEK 000s	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
	31 December 2008					
Balance sheet						
Assets						
Non-current assets	6,254,521	2,471,400	316,090	1,220		**9,043,231**
Current assets, external	182,917	146,421	14,472	1,064,571		**1,408,381**
Current assets, internal	1,322,750	-	-	2,097,620	-3,420,370	**0**
Liabilities						
Non-current liabilities	1,869,736	-	-	1,099,034		**2,968,770**
Current liabilities, external	698,350	467,675	24,369	1,535,721		**2,726,115**
Current liabilities, internal	497,844	1,971,726	111,329	839,471	-3,420,370	**0**
Investments in property, plant and equipment (gross amounts)	1,435,839	1,125,639	5,422	489	134,099	**2,701,488**
Investments in intangible assets (gross amounts)	1,040	531,991	193,606	-	419,376	**1,146,013**

Assets that are included in the statements refer to all assets. The column "Group and eliminations" includes, in addition to Group transactions between the operating segments, the elimination of discontinued operations and reclassification of exchange differences pertaining to operations.

The Group's customers consist primarily of a few major international oil and trading companies. Information on external revenues pertaining to the region where the operating segments are registered and outside the region is shown below. Revenues from individual external customers, where the revenues amount to 10% or more compared to total Group external revenue, are also shown in the table.

	Interim period January-June 2009				
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Total Group**
Revenues from external customers within the region	183,210	9,396	-	254	192,860
Revenues from external customers outside the region	542,857	-	-	-	542,857
Total revenues, external	**726,066**	**9,396**	**-**	**254**	**735,716**
Revenues from external customers exceeding					
10% of total Group revenue					
Customer 1	**488,693**	**-**	**-**	**-**	**488,693**
Customer 2	**96,101**	-	-	-	**96,101**
Percentage of revenues from external customers					
exceeding 10% of total Group revenue					
Customer 1	**64%**	**-**	**-**	**-**	**64%**
Customer 2	**13%**	-	-	-	**13%**

Customer 1 and 2 refers to Tunisia.

Note 5. Financial income and expenses during the period

Exchange gains and losses, excluding the Norwegian subsidiary, are reported net in the income statement for the Group and parent company.

	Group		
SEK 000s	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Interest income	34,180	27,738	45,057
Exchange gains	-	105,971	-
Other financial items	81,666	10,543	10,543
Total financial income (net)	**115,846**	**144,252**	**55,600**

SEK 000s	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Interest expense	-66,145	-153,958	-336,532
Exchange losses	-11,010	-	-172,292
Other financial items	-39,195	-45,626	-119,437
Total financial expenses (net)	**-116,350**	**-199,584**	**-628,261**

Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	95,888	23,250	91,749
Exchange gains arising from borrowings (gross)	124,870	185,960	245,889
Exchange losses arising from bank equivalents (gross)	-25,117	-82,406	-95,430
Exchange losses arising from borrowings (gross)	-206,651	-20,833	-414,500
Total exchange gains (+) / losses (-) (net)	**-11,010**	**105,971**	**-172,292**

	Parent company		
SEK 000s	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Interest income	181,611	103,922	270,326
Exchange gains	-	19,735	59,126
Other financial items	81,523	19	354,407
Total financial income (net)	**263,134**	**123,676**	**683,859**

SEK 000s	Jan.-June 2009	Jan.-June 2008	Jan.-Dec. 2008
Interest expense	-191,449	-119,127	-326,796
Exchange losses	-38,995	-	-
Other financial items	-35,737	-48,209	-111,137
Total financial expenses (net)	**-266,181**	**-167,336**	**-437,933**

Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	86,804	17,903	70,239
Exchange gains arising from borrowings (gross)	281,126	186,798	944,581
Exchange losses arising from bank equivalents (gross)	-21,004	-75,209	-85,152
Exchange losses arising from borrowings (gross)	-385,921	-109,757	-870,542
Total exchange gains (+) / losses (-) (net)	**-38,995**	**19,735**	**59,126**

Note 6. Income tax

Reported tax for continuing operations for the period January–June 2009 amounted to SEK -92.5 million net and pertains mainly to deferred tax attributable to interests in oilfields in Tunisia. The deferred tax liabilities are calculated according to the liability method and are based on applicable local tax rules and tax rates as per the balance sheet date. The parent company's accounts include a deferred tax asset of SEK 4,351 thousand attributable to deferred tax on convertible bonds.

Note 7. Reporting of financial instruments

Most of the assets owned by the PA Resources Group consist of international oil and gas discoveries that are valued in USD and generate revenue in USD. The Group conducts various hedging activities on the interest-bearing liability to match the corresponding foreign exchange risk associated with the assets. Through this, the Group has entered into currency and interest rate swap agreements to match the currency exposure of the Group's listed bond issues. A combination of the bond issues with the currency and interest rate swap agreements provides risk exposure that corresponds to USD-denominated loans. The currency and interest rate swap agreements are carried at market value as per 30 June 2009, resulting in an unrealised gain of SEK 81.5 million. These agreements are reported in non-current and current liabilities on the balance sheet.

On 22 May 2007 PA Resources signed an oil hedge contract with Merrill Lynch Commodities Trading Limited with the purpose to hedge part of the Group's sales of oil against a falling oil price in USD and thereby lower the Group's risk. The contract had duration of 24 months with a maturity date of 31 May 2009, and is by that means dissolved as per 30 June 2009. No accounting of contract in the parent company's balance sheet has thereby been made as per 30 June 2009. The total effect of the oil hedge contract resulted in a cost of SEK 15.0 million for the period January–June 2009.

Note 8. Discontinued operations and available-for-sale assets and liabilities

In December 2008 the wholly owned subsidiary PA Resources Norway AS was divested, and the company was deconsolidated from the PA Resources Group as per 31 December 2008. In connection with the deconsolidation, the subsidiary, which was previously classified as a separate segment, has been classified as a discontinued operation. Comparative figures for previous periods have been recalculated, and the subsidiary's revenues and expenses, excluding Group transactions, for the period January–June 2008 are shown below.

Revenue and expenses attributable to discontinued operation

SEK 000s	Jan.-June 2009	Jan.-June 2008
Revenue	-	210,237
Expenses	-	-149,812
Operating profit	**-**	**60,425**
Financial items (net)	-	1,840*
Profit before income tax	**-**	**62,265**
Income tax for the period (net)	-	-52,410
Net profit for the period from discontinued operation	**-**	**9,855**

*Financial items (net) after eliminations of Group transactions, financing from parent company etc.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, profit for the period for the divested subsidiary is reported in the consolidated income statement under "Net profit/loss for the period from discontinued operations, net after tax". This means that revenue and expenses pertaining to the divested subsidiary are excluded from all items reported in the income statement for the current period and for earlier periods.

The divested subsidiary is excluded from the Group's condensed statements of financial position as per 30 June 2009 and 31 December 2008, but is included in the condensed statements of financial position as per 30 June 2008.

Note 9. Convertible bond

In January 2009 PA Resources completed the final calculation of the new issue of convertibles with preferential rights for the company's shareholders. A total of 72,757,002 convertibles, corresponding to a nominal amount of SEK 1,164,112,032, were subscribed for the issue. The new issue generated SEK 1,089.3 million for PA Resources after deduction of transaction costs and guarantee provisions. In the event that all of the convertibles are converted to shares, the number of the shares in the company would increase to 218,271,006, corresponding to a dilution of approximately 33%. The convertibles are traded on the NASDAQ OMX Nordic Stock Exchange in Stockholm and on the Oslo Stock Exchange in Norway.

The convertibles carry interest at an annual rate of 11% from 15 January 2009. Interest is paid to holders on 15 January each year, starting on 15 January 2010 and the last time on 15 January 2014. The convertibles fall due for payment of the nominal amount on 15 January 2014 unless conversion or repayment has occurred prior to this date. Conversion to shares may be requested during the period 1 – 30 September each year. The conversion price is SEK 16 per share.

The convertible debenture is defined as a Compound Financial Instrument, which entails a split classification between financial liability and equity. PA Resources has calculated the present value of the convertibles' future cash flows as per the issue date, which has led to an initial allocation between equity and non-current liabilities of SEK 209.1 million and SEK 880.2 million, respectively, after deduction of transaction costs.

Note 10. Provisions

Accounting for share warrants:
Outstanding share warrants resulted in a cost of SEK 1,082 thousand for the period January–June 2009. Total social security contributions calculated on outstanding share warrants amounted to SEK 216 thousand as per 30 June 2009, which have been reported on the balance sheet as provisions among non-current liabilities.

The total number of shares outstanding before full exercise of share warrants amounted to 156,514,004 at end of the reporting period. The total number of shares outstanding after full exercise of share warrants (300,000) would amount to 156,814,004.

Asset Retirement Obligation (ARO):
For parts of oilfields where the Group has an obligation to contribute to asset retirement costs for environmental restoration, dismantling, cleaning and similar actions around the drilling areas both onshore and offshore, a provision corresponding to future calculated obligations is recorded. An obligation arises either at the time when an oilfield is acquired or when the Group starts to utilise these and an asset is recorded as part of the Group’s total oil and gas assets.

The Asset Retirement Obligation is accounted for as a provision based on the present value of costs that are judged to be required to fulfil the obligation, using the estimated cash flows. The discount rate used takes into account the time value of money and the risk specifically associated with the liability, assessed by the market. The Group's expected provision amounted to SEK 346.0 million as per 30 June 2009. PA Resources uses the Full Cost Method, which entails that the corresponding amount for the provision is capitalised as an asset and amortised. Total assets pertaining to Asset Retirement Obligation costs amounted to SEK 267.0 million as per 30 June 2009. Future changes in provisions due to the time value of money are accounted for as a financial expense, and estimate changes are capitalised or reversed against the corresponding assets.

Note 11. Transactions with related parties

During the period January–June 2009, no significant transactions took place between the parent company and related parties within the Group, apart from remuneration to the Chairman of the Board and board members in the form of customary directors' fees decided on by the Annual General Meeting.

Note 12. Pledged assets and contingent liabilities

As per 30 June 2009, total pledged assets, both in the Group and the parent company, amounted to SEK 1,768 million, and total contingent liabilities amounted to SEK 14 million.

Compared with 31 March 2009, total pledged assets have increased by SEK 89 million for the Group and by SEK 111 million for the parent company. The increase for both the Group and parent company during the quarter pertains to the fact that new security in the form of shares in oilfields in the Republic of Congo, and security in the form of a pledge of shares in the subsidiary PA Energy Congo Ltd, has been pledged. In addition, assets pledged to Norsk Tillitsmann ASA in the form of shares in oilfields in Tunisia have been adjusted for currency movements, and as per the balance sheet date, no pledged assets exist pertaining to oil inventory for payment of royalties in kind.

Total contingent liabilities within the Group and parent company are unchanged compared with 31 March 2009. Total pledged assets and contingent liabilities for both the Group and parent company as per 30 June 2009 compared with 31 December 2008 and 30 June 2008 are shown in the table on the next page.

	Group			Parent company		
Pledged assets - SEK 000s	**30/6/2009**	**30/6/2008**	**31/12/2008**	**30/6/2009**	**30/6/2008**	**31/12/2008**
Pledged assets are broken down as follows						
Security in the form of shares in oilfields in the Republic of Congo	230,625	-	-	-	-	-
Security in the form of pledged shares in PA Energy Congo BVI Ltd	-	-	-	230,625	-	-
Security in the form of shares in oilfields in the Republic of Congo and Equatorial Guinea	-	964,863	1,434,715	-	-	-
Security in the form of pledged shares in PA Energy Congo BVI Ltd and Osborne Resources Ltd	-	-	-	-	1,096,775	1,434,715
Security in the form of shares in oilfields in Tunisia	1,537,500	1,195,460	1,553,320	-	-	-
Security in the form of pledged shares in Didon Tunisia Pty Ltd	-	-	-	1,537,500	1,195,460	1,553,320
Security in the form of shares in oilfields in Norway	-	390,225	364,485	-	-	-
Guarantee commitment for subsidiaries' loan obligations	-	-	-	-	390,225	364,485
Oil inventory attributable to payment of royalties in kind	-	16,943	1,703	-	-	-
Total pledged assets	**1,768,125**	**2,567,491**	**3,354,223**	**1,768,125**	**2,682,460**	**3,352,520**

	Group			Parent company		
Contingent liabilities - SEK 000s	**30/6/2009**	**30/6/2008**	**31/12/2008**	**30/6/2009**	**30/6/2008**	**31/12/2008**
Contingent liabilities are broken down as follows:						
Contingent liabilities attributable to the acquisition of PA Energy Congo BVI Ltd	14,000	14,000	14,000	14,000	14,000	14,000
Total contingent liabilities	**14,000**	**14,000**	**14,000**	**14,000**	**14,000**	**14,000**

Note 13. Events after the balance sheet date

Start of production at the Azurite field in the Republic of Congo
In mid-August, production began at the Azurite field in the Mer Profond Sud (MPS) block offshore the Republic of Congo. Production from the field will gradually increase during the year as additional wells are put in operation. The production start is an important milestone for PA Resources and adds significant production from yet another region. PA Resources has a 35 percent working interest in the field.

Sanctioning of development of Aseng field in Equatorial Guinea
At the end of July the Plan of Development for the Aseng oilfield (formerly known as Benita) in Block I offshore Equatorial Guinea was sanctioned by the operator, PA Resources and other partners, and the Ministry of Mines, Industry and Energy of the Republic of Equatorial Guinea. Production at the field is expected to commence in mid-2012 at a total volume of approximately 50,000 barrels of oil per day, of which 3,000 barrels per day net to PA Resources. PA Resources has a 6 percent working interest in the field.

Discovery of oil in the Republic of Congo
In mid-July an oil discovery was made at the Turquoise Marine project at the Mer Profond Sud licence offshore the Republic of Congo. The well was drilled in 1,610 metres of water to a total measured depth of 3,675 metres and encountered an excess of 41 metres of net oil pay. The Turquoise Marine discovery is located approximately 28 kilometres from the Azurite field, and PA Resources has a 35 percent interest as a licence partner. Murphy Oil Corporation serves as operator, with a 50 percent working interest.

New licence awarded in the Netherlands
In early July PA Resources was awarded an additional onshore exploration licence in the Netherlands, called Schagen. PA Resources holds a 50% interest in the licence, and the operator is Smart Energy Solutions B.V. (SES). The licence, which has a four-year duration and is effective from 19 June 2009, has existing 3D seismic survey coverage and entails a commitment to drill a single exploration well.

Assurance and board signature

The undersigned herewith certify that the half-year interim report gives a true and fair review of the parent company's and Group's operations, position and result of operations, and describes significant risks and uncertainties that the parent company and Group face.

PA Resources AB (publ)
Stockholm, 19 August 2009

Sven Rasmusson
Chairman of the Board

Lars Olof Nilsson
Director

Catharina Nystedt-Ringborg
Director

Paul Waern
Director

Hans Kristian Rød
Director

We have reviewed the interim report for PA Resources AB for the period 1 January 2009 to 30 June 2009. It is the Board of Directors and the President who are responsible for the presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope compared to an audit conducted according to the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 19 August 2009

Ernst & Young AB

Jaan Kubja
Authorised Public Accountant