PA Resources Interim Report
January – March 2010

Improved operating cash flow

Summary first quarter

- Total revenue for the Group amounted to SEK 410.2 (330.3).
- The result before tax for the period was -88.5 million (-48.9).
- Earnings per share amounted to SEK -0.56 (-0.44).
- Total capital expenditures have been in line with our full-year forecast of SEK 1,400–1,600 million and amounted to SEK 328.7 (336.3) million.
- Cash flow from operating activities has strengthened and amounted to SEK 329.4 million (-85.7) during the first quarter.
- After the end of the period, Bo Askvik, Executive Vice President and CFO, was appointed as the new President and CEO of PA Resources, with effect from the Annual General Meeting on 18 May 2010. At the same time PA Resources announced that a new strategy will be implemented. Details about the strategy will be published not later than in connection with the Annual General Meeting.

Financial Key ratios	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Revenue (SEK million)	410.2	330.3	2,112.8
EBITDA* (SEK million)	207.5	159.4	1,325.9
EBITDA margin (%)	50.6%	48.3%	62.8%
Operating profit (SEK million)	14.4	-16.7	429.6
Operating margin (%)	3.5%	-5.1%	20.3%
Profit/loss before tax (SEK million)	-88.5	-48.9	317.5
Earnings per share after dilution (SEK)	-0.56	-0.44	0.08

**Earnings before interest, tax, depreciation and amortisation.*

> During the quarter, our operating cash flow strengthened, and we have paid down one bond loan and invested in operations. Unfortunately, production was lower than expected, due to technical problems at the Azurite field, which has caused a delay in the peak production at the field. Together with the operator, we are working to solve the problems that caused the delay.

Ulrik Jansson

President and CEO

PA RESOURCES

CEO's comments

PA Resources' first quarter 2010 was a disappointment for us, but of course also for our shareholders and analysts. Although revenues increased compared with the corresponding period a year ago, we had hoped above all for higher production numbers. We did not reach the anticipated volumes – mainly due to technical problems that arose with the second well at the Azurite field in the Republic of Congo. The third production well is currently being completed and is estimated to start producing sometime around the end of April/start of May 2010. The drilling programme at the Aseng field in Equatorial Guinea is proceeding according to plan.

PA Resources has a history punctuated by many successful products and acquisitions, and has a wealth of exciting and interesting assets in its portfolio. To maximise shareholder value from the company's existing asset base, a new strategic direction with greater operational focus is needed. Toward this end, PA Resources is currently working on a new strategy under which the company will mainly focus on the expansion of several fields for production, but also on conducting exploration in order to increase our reserves. PA Resources will continue to concentrate its operations in the three regions of West Africa, North Africa and the North Sea.

PA Resources is thus entering a new phase of development in its 15-year history.

I have been President and CEO of PA Resources since 1996. It has been an exciting journey with many ups and downs, but on the whole I feel greatly satisfied in the way PA Resources has developed during my tenure. With the company's new phase of development, it is now time to move on and hand over the rudder to a new leader who will implement the new strategy.

Bo Askvik, currently Executive Vice President and CFO of PA Resources, has been named as the new CEO and will take office in connection with the Annual General Meeting on 18 May 2010. Together with a new CFO, who is planned to be recruited shortly, and a planned strengthening of the Management Group, Bo will continue to further develop the company.

I am firmly convinced that PA Resources will continue its positive development in the future. As a major shareholder in the company, I welcome this development and wish Bo Askvik the best moving forward.

Ulrik Jansson, President and CEO

Operational overview

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 Republic of Congo, Equatorial Guinea, the UK, Denmark, the Netherlands and Greenland.

Production and sales

First quarter 2010 (1 January–31 March)
Total oil production during the first quarter was 886,000 barrels (783,000) of oil. Average production was 10,200 barrels per day (8,700).

PA Resources average sales price (USD/barrel)/ per quarter, 2007 - Q1 2010

A total of 739,000 barrels (817,400) of oil were sold during the quarter at an average price of USD 71 per barrel (43), negatively affected of sales at the local Tunisian market, which is at a discount according to license terms. Oil was produced at seven oilfields in two regions: North Africa and West Africa. The production during the first quarter of 2010 comprised of 5,750 barrels per day at the six Tunisian oilfields, and 4,450 barrels per day at the Azurite field in the Republic of Congo.

The Group's total outstanding inventory as per the balance sheet date is stated at fair value and is reported as if the inventory had been sold, in accordance with the Net Entitlement Method accounting principle. For more information, see Note 3, *Revenue*. The inventory of oil, excluding royalty inventory, decreased during the first quarter by 200,371 barrels and amounted at the end of the quarter to 443,360 barrels, adjusted for paid royalty and other taxes.

Production forecast

PA Resources' production will increase slightly during the latter part of 2010 as more wells are put in production at the Azurite field in the Republic of Congo. This increase will be countered somewhat by a continued natural decline at the Didon field in Tunisia. Production from the Group's other fields is expected to be largely unchanged. Production is expected to increase to approximately 20,000 barrels per day once the Azurite field has been fully developed in 2010.

Drilling programme 2010–2011

The drilling programme in 2010-2011 comprises 13 exploration and appraisal wells. PA Resources estimates that the wells contain oil resources amounting to approximately 650 million barrels of oil equivalents, of which 140 million barrels net for PA Resources

Licence	Prospect	Time	Well/number
Tunisia			
Jenein Centre		2010	Exploration /1
Jelma		2010	Exploration /2
Zarat	Elyssa	2011	Appraisal/1
Republic of Congo			
Azurite		2010	Production/Injection /9
MPS	Turquoise/ Cobalt	2010/11	Appraisal/2 Exploration /1
Marine XIV		2010	Exploration /1
Equatorial Guinea			
Block I	Aseng/ Belinda	2010/11	Production/Injection /10
Block I	Sofia	2010	Exploration /2
Block H	Aleta	2010	Exploration /1
Denmark			
Block 12/06		2011	Exploration /1
Block 11/06		2011	Exploration /1

The drilling programme is revised continuously based on the investment budget and prioritised commitments.

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	PAR's share
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	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 55% in Makthar and Zarat by paying its share of incurred and future costs.*

Important events during the quarter

Production and maintenance at the Didon field
During the quarter, the Didon field mainly produced from three of the five wells, since two production wells were closed for parts of the period in order to increase pressure in the reservoir. The field will continue to be operated with intermittent closures for pressure compensation. Preparations have been made to install a new triplex pump, which will contribute to slightly higher production. The platform is now controlled at a distance from the storage vessel. Production at the Didon field will decrease due to natural decline. Continued work was performed during the first quarter of 2010 on installation of measurement equipment for oil export and other technical equipment on the storage vessel.

Production at Ezzaouia and El Bibane
The Ezzaouia field has had lower production than expected, and the El Bibane field was closed for parts of the quarter. The operator of these fields, Candax Ecumed, is now taking measures to increase production at the fields.

Seismic survey at the Makthar licence
A 2D seismic survey was acquired during the first quarter of 2010.

Planned activities

Exploration drillings at Jenein Centre and Jelma
In 2010, onshore exploration drillings are planned at the Jenein Centre and Jelma licences onshore Tunisia.

Continued work with the Zarat licence
On 15 March a 3D seismic survey began at the Zarat licence and it is expected to be completed in mid-June. The survey is being performed by the company CGG Veritas and the vessel *MV Princess*. The same vessel will be used this summer on Block 8 offshore Greenland. Upon completion of the survey, an appraisal well will be drilled at the Elyssa field. Active work is being conducted on evaluation and planning ahead of the development of the Zarat and Elyssa discoveries.

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, is in production. PA Resources also owns interests in two licences in the Gulf of Guinea offshore Equatorial Guinea, where development of the Aseng field in Block I is under way.

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

Important events during the quarter

Production at the Azurite field in the Republic of Congo
The Azurite field offshore the Republic of Congo has been in production since mid-August 2009. To date, the first well to come on stream has produced 3.1 million barrels of oil. In connection with completion of the second production well, technical problems were encountered, which resulted in lower production than anticipated. The operator, Murphy, is considering corrective measures which can be done after the completion of production well three and injection well two . Production well three is currently being completed and is scheduled to begin operating sometime around the end of April/start of May.

The initial problems that have arisen do not affect the Azurite field's ultimate production capacity or total exploitable reserves. The technical problems at the second production well at the field have given rise to delays. As a result, the targeted production level, entailing 14,000 barrels per day net for PA Resources, is now instead expected to be reached during the third quarter of 2010. In the meantime, evaluation of the oil discovery at Turquoise will continue, and the development scenario is based on the assumption that the existing infrastructure at the Azurite field will be used.

Drilling started at the Aseng field in Equatorial Guinea
Development of the Aseng field at Block I is in progress, under the direction of the operator, Noble Energy. Drilling of the first injection well at the field was begun in January. Initially the Pride South Pacific drilling rig is used, which was transported from Cape Town – where it completed its five-year certification – and arrived at the Aseng field in early January 2010. The FPSO vessel that will produce the oil at the Aseng field is now being built in Kuala Lumpur, Malaysia. This vessel will also be used for production of oil and condensate from the nearby Belinda and Diega fields. The FPSO vessel is dimensioned to produce a total of 80,000 barrels of oil per day and reinject 170 million cubic feet of gas per day.

Planned activities

Additional production wells at the Azurite field, Republic of Congo
Now that production well number three has come on stream, the second injection well will be drilled and completed. In addition, a further three production wells and two injection wells will be drilled and completed in 2010.

Drillings at the Aseng field in 2010 and 2011
A total of five production wells, three injection wells and two gas injection wells will be drilled in Block I at the Aseng field in Equatorial Guinea in 2010 and 2011. By summer an additional drilling rig will arrive at the field to assist in this work. Start of production is planned for mid-2012.

Exploration for larger reserves
In the Republic of Congo, two appraisal wells are planned for drilling in 2010 at the Turquoise discovery in the Mer Profond Sud licence, which will form the basis for a decision on development. In addition, an exploration well at the Cobalt discovery nearby, which is of interest, will be drilled in the same licence.

North Sea Region UK, Denmark, Netherlands and Greenland

PA Resources owns interests in 10 exploration licences, of which two are located offshore Britain, four on the Danish continental shelf, three in the Netherlands, and one offshore western Greenland. The Group is qualified as approved operator in all of these countries.

Licence	Licence status	PAR's share
United Kingdom		
P1342	Exploration Offshore	100%
P1529	Exploration Offshore	32%
Denmark		
11/06	Exploration Offshore	64%
12/06	Exploration Offshore	64%
9/06	Exploration Offshore	26.8%
9/95	Exploration Offshore	26.8%
Netherlands		
Block Q7	Exploration Offshore	30%
Block Q10a	Exploration Offshore	30%
Schagen	Exploration Onshore	30%
Greenland		
Block 2008/17	Exploration Offshore	87.5%

Important events during the quarter

Agreement signed for seismic survey in Greenland
In March 2010 PA Resources signed an agreement with CGG Veritas SA for the acquisition of a 2D seismic survey over Block 8 offshore western Greenland. The acquisition covers up to 6,300 kilometres of 2D seismic data in a two times four kilometres wide area and the survey will begin in June 2010. PA Resources is operator and has an 87.5% ownership interest in the licence and is co-operating with the national oil company NunaOil AS. The survey is expected to take approximately eight to ten weeks and will be performed under the direction of the subsidiary PA Resources UK Limited, which is environmentally certified according to ISO 14001:2004.

Planned activities

Seismic surveys in the UK and the Netherlands
Plans are far advanced for seismic surveys in the UK license P1342 and licences Block Q7 and Q10a in the Netherlands.

Drilling in Denmark
Decisions on exploration drilling in the Danish licences 11/06 and 12/06 will be made during the second quarter of 2010, and two wells will be drilled during the first quarter of 2011.

Financial position and performance Group

First quarter 2010 (1 January–31 March)

Group revenue amounted to SEK 410.2 million (330.3). The increase in revenue is mainly attributable to higher oil prices.

The Group's average sales price for the period was USD 71/barrel (43), negatively affected by the sale to the Tunisian market which takes place under conditions of the license, at a discount. Fair valuation of oil inventory according to the Net Entitlement Method had a negative impact on the Group's revenues in the amount of SEK -96.6 million (-20.9).

Costs for raw materials and consumables amounted to SEK -166.6 million (-111.9), of which SEK -59.4 million (-31.4) consisted of royalties. The increase is attributable to production costs incurred at the Azurite field in the Republic of Congo when the field began operating in August 2009. The higher royalty cost is attributable to a higher share of royalties in the Republic of Congo compared with Tunisia.

EBITDA (earnings before interest, tax, depreciation and amortisation) amounted to SEK 207.5 million (159.4) million.

Depreciation, amortisation and impairment losses amounted to SEK -193.2 million (-176.1). The increase in depreciation and amortisation compared with the same a year ago is mainly attributable the Azurite field.

Operating profit was SEK 14.4 million (-16.7), and the operating margin for the period was 4% (-5%).

Net financial items for the Group amounted to SEK -102.9 million (-32.2) during the first quarter and was adversely affected by revaluation effects in financial instruments of SEK -28.7 million (+34.2).

The result before tax was SEK -88.5 million, compared with -48.9 million for the same period in 2009.

Reported income tax for the quarter amounted to SEK -6.1 (-14.5), of which paid tax was SEK -3.3 million (-49.7).

Earnings per share before and after dilution were SEK -0.56 (-0.44).

Return on equity was -2.1 (-1.6) %. Return on capital employed was 0.7% (0.8%).

Capital expenditures during the quarter

Capital expenditures in intangible non-current assets amounted to SEK 32.5 million (34.3) during the quarter and pertained to investments in oil and gas assets. Of this amount, SEK 21.0 million (10.7) consisted of investments in the West Africa segment.

The Group's capital expenditures in property, plant and equipment during the quarter amounted to SEK 296.1 million (302.1) and pertained to investments in oil and gas assets. Of this, SEK 265.3 million (144.6) consisted of investments in the West Africa segment.

The capex outcome for the quarter, totalling SEK 328.7 million, is in line with the company's forecast of SEK 1,400–1,600 million for the full year.

Liquidity and financing

The Group's operating cash flow during the first quarter strengthened to SEK 329.4 million (-85.7). During the full year 2009 operating cash flow was SEK 142.7 million. Accounts payable and other liabilities decreased to SEK 322.3 million (889.4).

Net cash flow, after financing and capital expenditures, was SEK -75.7 million (78.6). Of this total, SEK -76.5 million, net, was used to amortise interest-bearing loans and liabilities.

Total interest-bearing liabilities including convertibles amounted to SEK 3.772.4 (3,036.4) as per the balance sheet date. During the first quarter the company redeemed outstanding bonds maturing in March, with a nominal amount of approximately SEK 142.0 million. Available lines of credit amounted to approximately SEK 1,415 million, of which approximately 75 percent was utilised. Cash and cash equivalents at the end of the period amounted to SEK 45.8 million (90.7).

Shareholders 'equity on the balance sheet date totalled SEK 4,373.0 million (4,659.8). The decline is explained by negative currency translation effects as a result of weakened Tunisian dinar and the result for the period. The equity/assets ratio was 45.2% (48.0%). The Group's debt/equity ratio was 85.2% (63.2%) as per the balance sheet date. The debt/equity ratio has increased by 4.8% since the start of the year, from 80.4% to 85.2%, which is essentially attributable to translation differences with a negative effect on shareholders' equity, and not to an increase in liabilities.

Financial position and performance Parent company

First quarter 2010 (1 January–31 March)

The parent company's revenue pertains mainly to intra-Group sales and amounted to SEK 5.4 million (4.9) during the period.

Net financial items amounted to SEK -18.7 million (51.3) during the first quarter.

The result before tax was -21.3 million (37.5).

Cash and cash equivalents amounted to SEK 32.0 million (34.4) as per the balance sheet date. Shareholders' equity amounted to SEK 2,481.6 million (2,294.9).

Interest-bearing loans and liabilities amounted to SEK 1,506.0 million (1,709.1) as per the balance sheet date and are attributable to outstanding loans in USD and NOK, and to convertible bonds. The short-term portion of interest-bearing loans and liabilities amounted to SEK 1,499.0 million (366.5) as per the balance sheet date.

Key ratios – five-year overview

		31 March 2010	31 March 2009	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007	31 Dec. 2006
Revenue	SEK 000s	410,213	330,294	2,112,841	2,419,863	2,793,831	856,675
EBITDA	SEK 000s	207,549	159,409	1,325,877	1,771,823	2,073,729	471,296
Operating profit	SEK 000s	14,364	-16,690	429,601	1,395,749	1,833,485	359,267
Operating profit per share after dilution	SEK	0.09	-0.11	2.78	9.56	12.53	2.60
Operating margin	%	4%	-5%	20%	58%	66%	42%
Income after financial items per share after dilution	SEK	-0.53	-0.34	2.05	5.64	12.28	2.15
Earnings per share after dilution	SEK	-0.56	-0.44	0.08	6.34	6.47	1.67
Return on equity	%	-2.1%	-1.6%	0.3%	22.9%	33.6%	12.8%
Return on assets	%	0.5%	0.7%	6.8%	16.9%	34.2%	12.4%
Return on capital employed	%	0.7%	0.8%	8.3%	20.6%	39.8%	14.4%
Equity per share before dilution	SEK	26.07	32.13	27.65	32.69	22.92	15.92
Equity per share after dilution	SEK	26.07	31.96	27.65	32.58	22.24	15.50
Profit margin	%	-21.6%	-14.8%	15.0%	34.0%	64.3%	34.7%
Equity/assets ratio	%	45.2%	48.0%	45.8%	45.5%	49.5%	46.9%
Debt/equity ratio	%	85.2%	63.2%	80.4%	74.8%	64.6%	54.5%
Share price at end of period	SEK	24.90	14.80	24.60	11.50	51.00	72.25
Share price/Equity per share before dilution	Times	0.96	0.46	0.89	0.35	2.23	4.54
P/E margin per share	Times	-44.17	-33.96	295.30	1.80	7.81	43.18
Number of shares outstanding before dilution*	Number	167,753,982	145,014,004	167,753,982	145,514,004	145,014,004	145,014,004
Number of shares outstanding after dilution*	Number	167,753,982	145,814,004	167,753,982	146,014,004	149,439,004	148,964,004
Average number of shares outstanding before dilution*	Number	167,753,982	145,514,004	154,745,346	145,251,504	145,014,004	137,824,278
Average number of shares outstanding after dilution*	Number	167,753,982	145,514,004	154,745,346	145,976,516	146,354,287	138,403,000

**Total number of shares outstanding after dilution include only share related instruments that give rise to a dilutive effect.*

Currency rates

	Closing day rate 31 March 2010	Average rate Jan.–March 2010	Closing day rate 31 March 2009	Average rate Jan.–March 2009
1 EUR in SEK	9.74	9.94	10.98	10.94
1 USD in SEK	7.26	7.19	8.29	8.40
1 TND in SEK	5.22	5.32	5.98	6.06
1 NOK in SEK	1.21	1.23	1.23	1.22
1 GBP in SEK	10.94	11.21	11.82	12.04
1 DKK in SEK	1.31	1.34	1.47	1.47

Ownership structure

The 10 largest shareholders as per 31 March 2010	Number of shares	Share of capital/votes
Länsförsäkringar funds	11,826,676	7.1%
Ulrik Jansson (through controlled companies)	8,512,512	5.1%
Bertil Lindqvist	8,400,000	5.0%
Hunter Hall International (through controlled funds)	6,389,480	3.8%
Avanza Pension	6,357,245	3.8%
Morgan Stanley & Co Intl Plc	4,959,519	3.0%
Nordnet Pensionsförsäkring AB	4,170,750	2..5%
SIX SIS AG	3,642,506	2.2%
Handelsbanken fonder	3,745,497	2.2%
CBNY-DFA-INT SML CAP	2,912,460	1.7%
Total - 10 largest shareholders	**46,177,509**	**27.5%**
Total - other shareholders	121,576,473	72.5%
Total number of shares	**167,753,982**	**100%**

Other

Risks and uncertainties

PA Resources' financial, operating, business and social risks are described in the company's 2009 Annual Report, published on 31 March 2010, in the section *Risks and risk management*.

Risks in the near term include possible disruptions in production at our producing fields, especially in connection with drilling, maintenance and installations as well as delays in development projects.

The risks affecting the parent company continue to consist of financial risks associated with available financing. These entail a risk for delayed or postponed investments in licences in which the Group is the operator or licence partner.

Personnel

PA Resources has offices in Stockholm (Sweden), Tunis (Tunisia), London (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 31 March 2010 was 134 (141), of whom 116 (128) were in Tunisia, 9 (9) in Sweden, 1 (2) in the Republic of Congo, and 8 (3) in the UK. Of the total number of employees in the Group, 109 (117) were men and 25 (24) were women.

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

Financial calendar 2010/2011

- Annual General Meeting 2010
  18 May 2010
- Interim report Q2 2010 (Jan.–June)
  18 August 2010
- Interim report Q3 2010 (Jan.–Sept.)
  27 October 2010
- Year-end report 2010 (Jan.–Dec.)
  16 February 2011

Webcast conference call, 28 April 2010

On 28 April, PA Resources will be presenting its results for the first quarter of 2001, at 10 a.m. (CET), via a webcast conference call. To participate live, visit www.paresources.se (homepage), or call:
Sweden: +46 (0)8 505 598 53
UK: +44 (0)203 043 24 36
US: +1 866 458 40 87

The conference call and presentation material can also be viewed afterwards at the same website: www.paresources.se.

This report has not been reviewed by the company's auditors.

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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Financial statements Group

Group – condensed income statement

SEK 000s	Notes	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Revenue	3, 5	410,213	330,294	2,112,841
Changes in inventory and work in progress		-472	229	-336
Cost of sales	4	-166,611	-111,896	-550,943
Other external expenses		-17,977	-33,995	-140,556
Personnel expenses	10	-17,604	-25,223	-95,129
Depreciation, amortisation and impairment losses	5	-193,185	-176,099	-896,276
Operating profit	5	**14,364**	**-16,690**	**429,601**
Financial income	6	37,842	77,960	269,975
Financial expenses	6	-140,718	-110,185	-382,032
Total financial items		**-102,876**	**-32,225**	**-112,057**
Profit before tax	5	**-88,512**	**-48,915**	**317,544**
Income tax	7	-6,064	-14,502	-304,653
Profit for the period		**-94,576**	**-63,417**	**12,891**
Net result for the period		**-94,576**	**-63,417**	**12,891**
Net result for the period attributable to:				
Owners of the parent		-94,576	-63,417	12,891
Earnings per share before dilution		-0.56	-0.44	0.08
Earnings per share before dilution		**-0.56**	**-0.44**	**0.08**
Earnings per share after dilution		-0.56	-0.44	0.08
Earnings per share after dilution		**-0.56**	**-0.44**	**0.08**

Earnings per share is attributable to owners of the parent.

Group – condensed statement of comprehensive income

SEK 000s	Notes	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Net result for the period		**-94,576**	**-63,417**	**12,891**
Other comprehensive income				
Exchange differences during the period		-170,184	-168,649	-690,860
Financial assets available-for-sale		-437	311	1,088
Income tax relating to financial assets available-for-sale		116	-82	-287
Total other comprehensive income		**-170,505**	**-168,420**	**-690,059**
Total comprehensive income		**-265,081**	**-231,837**	**-677,168**
Total comprehensive income attributable to:				
Owners of the parent		-265,081	-231,837	-677,168

Group – condensed statement of financial position

SEK 000s	Notes	31 March 2010	31 March 2009	31 Dec. 2009
ASSETS				
Intangible assets		1,632,089	1,242,646	1,756,094
Property, plant and equipment		7,308,386	7,873,391	7,362,724
Financial assets		2,867	56,369	4,533
Deferred tax assets		-	24	18,808
Total non-current assets		**8,943,342**	**9,172,430**	**9,142,159**
Inventory		5,074	6,111	5,546
Derivative financial instruments	8	-	6,959	26,004
Accounts receivable and other receivables		675,325	423,864	821,376
Current tax assets	7	3,630	579	3,806
Cash and cash equivalents		45,835	90,777	123,874
Total current assets		**729,864**	**528,290**	**980,606**
TOTAL ASSETS		**9,673,206**	**9,700,720**	**10,122,765**
EQUITY				
Equity attributable to owners of the parent				
Share capital		83,877	72,757	83,877
Other capital contributions	9	2,357,593	1,945,941	2,357,593
Reserves		-412,206	279,938	-241,701
Retained earnings and profit for the period		2,343,701	2,361,178	2,438,055
Total equity		**4,372,965**	**4,659,814**	**4,637,824**
LIABILITIES				
Interest-bearing loans and borrowings	9	2,008,691	2,516,898	2,674,506
Derivative financial instruments	8	-	36,917	10,819
Deferred tax liabilities	7	520,436	662,041	570,252
Provisions	10	358,514	343,602	367,956
Total non-current liabilities		**2,887,641**	**3,559,458**	**3,623,533**
Provisions		-	561	2,897
Current tax liabilities		296,662	41,828	291,644
Derivative financial instruments	8	29,916	30,083	-
Current interest-bearing loans and borrowings		1,763,716	519,551	1,179,237
Accounts payable and other liabilities		322,306	889,425	387,630
Total current liabilities		**2,412,600**	**1,481,448**	**1,861,408**
TOTAL EQUITY AND LIABILITIES		**9,673,206**	**9,700,720**	**10,122,765**
PLEDGED ASSETS	12	**2,364,633**	**1,679,453**	**2,358,194**
CONTINGENT LIABILITIES	12	**14,000**	**14,000**	**14,000**

Group – condensed statement of changes in equity

		Equity attributable to owners of the parent				
SEK 000s	**Notes**	**Share capital**	**Other capital contribution**	**Reserves**	**Retained earnings and profit/loss for the period**	**Total**
Balance at 1 January 2009		72,757	1,811,525	448,358	2,424,087	4,756,727
Total comprehensive income				-168,420	-63,417	-231,837
Transactions with shareholders						
Convertible bond	9		209,094			209,094
Deferred tax on convertible bond	9		-74,678			-74,678
Share based payments	10				508	508
Closing balance at 31 March 2009		**72,757**	**1,945,941**	**279,938**	**2,361,178**	**4,659,814**
Balance at 1 April 2009		72,757	1,945,941	279,938	2,361,178	4,659,814
Total comprehensive income				-521,639	76,308	-445,331
Transactions with shareholders						
New share issue		5,500	286,000			291,500
Issue expenses			-8,745			-8,745
Redemption convertible shares registered	9	5,620	134,397			140,017
Share based payments	10				569	569
Closing balance at 31 Dec. 2009		**83,877**	**2,357,593**	**-241,701**	**2,438,055**	**4,637,824**
Balance at 1 January 2010		83,877	2,357,593	-241,701	2,438,055	4,637,824
Total comprehensive income				-170,505	-94,576	-265,081
Transactions with shareholders						
Share based payments	10				222	222
Closing balance at 31 March 2010		**83,877**	**2,357,593**	**-412,206**	**2,343,701**	**4,372,965**

The number of shares was 167,753,982 as per 31 March 2010. No dividend has been proposed for the 2009 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-March 2010	Jan-March 2009	Jan.-Dec. 2009
Cash flow from operations			
Income after financial items	-88,512	-48,915	317,544
Adjustments for non-cash items	423,268	280,997	766,790
Income tax paid	-3,338	-49,649	-153,215
Total cash flow from operating activities			
before changes in working capital	**331,418**	**182,433**	**931,119**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventory	-2,348	-1,013	-6,817
Increase (-)/decrease (+) in receivables	11,604	74,290	-386,900
Increase (+)/decrease (-) in liabilities	-11,234	-341,443	-394,749
Cash flow from operating activities	**329,440**	**-85,733**	**142,653**
Cash flow from investing activities			
Disposal of subsidiaries	-	999,011	999,011
Acquisition of subsidiaries	-	-	-700
Investments in intangible assets	-32,540	-34,272	-803,721
Investments in property, plant and equipment	-296,114	-302,052	-1,160,830
Cash flow from investing activities	**-328,654**	**662,687**	**-966,240**
Cash flow from financing activities			
New share issue	-	-	282,755
Loans raised	172,499	1,178,848	2,936,215
Amortisation of debt	-248,997	-1,677,200	-2,280,426
Cash flow from financing activities	**-76,498**	**-498,352**	**938,544**
Cash flow for the period	**-75,712**	**78,602**	**114,957**
Cash and cash equivalents at the beginning of period	123,874	12,832	12,832
Exchange rate difference in cash and cash equivalents	-2,327	-657	-3,915
Cash and cash equivalents at end of period	**45,835**	**90,777**	**123,874**
Adjustments for non-cash items			
Depreciation, amortisation and impairment losses	193,185	176,099	896,276
Accounting fair value of financial instruments	28,664	-34,233	-130,105
Oil sales attributable to Net Entitlement Method (net)	79,737	-5,908	-117,148
Other items including exchange gains and losses (net)	121,682	145,039	117,767
Total	**423,268**	**280,997**	**766,790**

Financial statements Parent company

Parent company – condensed income statement

SEK 000s	Notes	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Net sales		5,442	4,945	20,035
Other external expenses	11	-3,420	-7,997	-37,384
Personnel expenses		-4,651	-10,710	-28,733
Depreciation, amortisation and impairment losses		-47	-43	-194
Operating profit/loss		**-2,676**	**-13,805**	**-46,276**
Financial income and similar	6, 8	126,653	166,468	558,223
Financial expenses and similar	6, 8	-145,326	-115,153	-710,486
Total financial items		**-18,673**	**51,315**	**-152,263**
Profit/loss before tax		**-21,349**	**37,510**	**-198,539**
Income tax	7	2,348	1,932	19,600
Result for the period		**-19,001**	**39,442**	**-178,939**

Parent company – condensed balance sheet

SEK 000s	Notes	31 March 2010	31 March 2009	31 Dec. 2009
ASSETS				
Intangible assets		-	130,611	-
Tangible fixed assets		338	490	385
Financial assets		7,137,490	4,682,355	6,894,212
Total non-current assets		**7,137,828**	**4,813,456**	**6,894,597**
Current tax assets		1,252	499	1,304
Derivative financial instruments	8	-	6,959	26,004
Other receivables		3,723	4,038	4,265
Prepaid expenses and accrued income		1,927	225,847	28,154
Cash and cash equivalents		32,032	34,436	50,279
Total current assets		**38,934**	**271,779**	**110,006**
TOTAL ASSETS		**7,176,762**	**5,085,235**	**7,004,603**
SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital		83,877	72,757	83,877
Statutory reserve		985,063	985,063	985,063
Revaluation reserve		480	229	801
Total restricted equity		1,069,420	1,058,049	1,069,741
Non-restricted equity				
Share premium reserve	9	1,342,166	930,515	1,342,166
Profit/loss brought forward and profit/loss for the period		70,004	306,365	88,800
Total non-restricted equity		1,412,170	1,236,880	1,430,966
Total shareholders' equity		**2,481,590**	**2,294,929**	**2,500,707**
LIABILITIES				
Provisions	10	-	62	56
Total provisions		**-**	**62**	**56**
Liabilities Group companies		1,544,890	-	1,213,106
Interest-bearing loans and borrowings	9	1,506,037	1,709,148	2,052,581
Derivative financial instruments	8	-	36,917	10,819
Deferred tax liability		52,902	72,746	55,365
Total non-current liabilities		**3,103,829**	**1,818,811**	**3,331,871**
Liabilities Group companies		-	442,537	-
Accounts payable		3,814	53,965	4,787
Other liabilities		346	327	353
Derivative financial instruments	8	29,916	30,083	-
Current interest-bearing loans and liabilities		1,499,041	366,538	1,032,163
Accrued expenses and prepaid income		58,226	77,983	134,666
Total current liabilities		**1,591,343**	**971,433**	**1,171,969**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,176,762**	**5,085,235**	**7,004,603**
PLEDGED ASSETS	12	**2,358,688**	**1,657,000**	**2,344,063**
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 policies

The interim report for the period ended 31 March 2010 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the first quarter of 2010 have, like the full year 2009, 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, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR).

The same accounting policies have been applied for the period as those applied for the 2009 financial year and as described in the 2009 Annual Report.

The interim report does not contain all the information and disclosures provided in the annual report; the interim report should therefore be read in the same context as the 2009 Annual Report.

Note 3. Revenue

Total outstanding oil inventory in number of barrels as per the reporting date is accounted for as if the oil inventory had been sold in accordance with the Net Entitlement Method accounting principle. The total effect during the period January–March 2010 was a decrease in the Group's total revenue by SEK -96.6 million. The negative effect is due to a lower outstanding crude oil inventory as per 31 March 2010, recalculated to revenue, compared with total outstanding crude oil inventory as per 31 December 2009, recalculated to revenue. The negative effect on revenue corresponds only to an unrealised distribution effect between the periods. The amount has been eliminated and does not affect the Group's cash flow from operating activities.

Note 4. Raw materials and consumables

SEK 000s	Jan-March 2010	Jan-March 2009
Operation and production costs	107,215	80,545
Royalties	59,396	31,351
Total raw materials and consumables	**166,611**	**111,896**

The parent company has no costs for raw materials and consumables.

Note 5. Segment reporting

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 policies and calculation methods have been used in the reporting of operating segments in this interim report as in the 2009 Annual Report.

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, PA Resources Denmark ApS, PA Resources Arctic ApS, PA Resources Greenland ApS, PA Resources Nuna ApS
Other: PA Resources AB, Microdrill AB

The reportable operating segments are accounted for according to the same accounting principles as the Group. The reportable operating segments' revenue, 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 reported revenue for all operating segments except for "Other" pertain to sales of oil and services related to exploration and production of oil and gas. Internally reported revenue for all operating segments pertains 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 are made between operating segments.

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

	Interim period January-March 2010					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Income statement						
Revenue, external	278,345	131,819	-	49		**410,213**
Revenue, internal	-	-	-	5,393	-5,393	**0**
Depreciation, amortisation and impairment losses	-170,482	-22,510	-146	-47		**-193,185**
Operating profit/loss	**20,950**	**1,662**	**-179**	**-2,676**	**-5,393**	**14,364**
Financial income	129,783	7,875	-	181,393	-254,439	**64,612**
Financial expenses	-116,225	-360	-24,620	-200,066	173,783	**-167,488**
Profit/loss before tax	**34,508**	**9,177**	**-24,799**	**-21,349**	**-86,049**	**-88,512**
Income tax revenues						**91,799**
Income tax expenses						**-97,863**
Net result for the period						**-94,576**

	Interim period January-March 2009					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Income statement						
Revenue, external	312,321	4,866	-	100	13,007	**330,294**
Revenue, internal	-	-	-	4,845	-4,845	**0**
Depreciation, amortisation and impairment losses	-175,272	-73	-711	-43		**-176,099**
Operating profit/loss	**6,586**	**3,093**	**-4,361**	**-13,805**	**-8,203**	**-16,690**
Financial income	128,376	84	-	355,462	-225,961	**257,961**
Financial expenses	-177,787	-61,634	-5,589	-304,147	258,971	**-290,186**
Profit/loss before tax	**-42,825**	**-58,457**	**-9,950**	**37,510**	**24,807**	**-48,915**
Income tax revenues						**1,954**
Income tax expenses						**-16,456**
Net result for the period						**-63,417**

SEK 000s	31 March 2010					
	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
Balance sheet						
Assets						
Non-current assets	6,607,043	3,810,612	341,825	4,920,441	-6,736,579	**8,943,342**
Current assets, external	244,063	437,279	9,514	39,008		**729,864**
Current assets, internal	-	-	-	-		**0**
Liabilities						
Non-current liabilities	1,943,275	4,113,161	404,771	3,163,013	-6,736,579	**2,887,641**
Current liabilities, external	648,138	163,193	9,918	1,591,351		**2,412,600**
Current liabilities, internal	-	-	-	-		**0**
Investments in property, plant and equipment (gross amounts)	-	21,005	11,535	-		**32,540**
Investments in intangible assets (gross amounts)	30,782	265,276	56	-		**296,114**

SEK 000s	31 March 2009					
	North Africa	West Africa	North Sea	Other	Group & eliminations	Total
Balance sheet						
Assets						
Non-current assets	6,045,830	2,781,596	343,517	1,487		**9,172,430**
Current assets, external	281,829	-44,691	19,294	271,858		**528,290**
Current assets, internal	1,164,198	-	-	2,464,672	-3,628,870	**0**
Liabilities						
Non-current liabilities	1,707,685	32,900	-	1,818,873		**3,559,458**
Current liabilities, external	410,274	525,862	16,410	528,902		**1,481,448**
Current liabilities, internal	738,261	2,305,717	142,355	442,537	-3,628,870	**0**
Investments in property, plant and equipment (gross amounts)	157,320	144,651	-	81		**302,052**
Investments in intangible assets (gross amounts)	-	10,665	23,607	-		**34,272**

Assets that are included in the statements refer to all assets. The column "Group & eliminations" includes, in addition to Group transactions between the operating segments, 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 revenue pertaining to the region where the operating segments are registered and outside the region is shown below. Revenue from individual external customers, where the revenue amounts to 10% or more compared with total external revenue for the Group, is also shown in the table.

	Interim period January-March 2010				
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Total Group**
Revenues from external customers within the region	80,007	131,819	-	49	211,875
Revenues from external customers outside the region	198,338	-	-	-	198,338
Total revenues, external	278,345	131,819	-	49	**410,213**
Revenues from external customers exceeding 10% of total Group revenue					
Customer 1	74,876	-	-	-	**74,876**
Customer 2	39,779	-	-	-	**39,779**
Customer 3	198,338	-	-	-	**198,338**
Customer 4	-	131,819			
% share of revenue from external customers exceeding 10% of total Group revenue:					
Customer 1	18%	-	-	-	**18%**
Customer 2	10%	-	-	-	**10%**
Customer 3	48%	-	-	-	**48%**
Customer 4	-	32%			**32%**

Customers 1, 2 and 3 refer to Tunisia. Customer 4 refers to the Republic of Congo.

Note 6. Financial income and expenses during the period

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

SEK 000s	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Interest income	16,456	18,132	82,857
Exchange gains	-	25,595	46,049
Other financial items	21,386	34,233	141,069
Total financial income (net)	**37,842**	**77,960**	**269,975**

SEK 000s	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Interest expense	-67,874	-91,589	-152,547
Exchange losses	-19,119	-	-
Other financial items	-53,725	-18,596	-229,485
Total financial expenses (net)	**-140,718**	**-110,185**	**-382,032**
Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	9,523	89,296	109,848
Exchange gains arising from borrowings (gross)	17,247	116,300	238,938
Exchange losses arising from bank equivalents (gross)	-7,356	-3,568	-56,717
Exchange losses arising from borrowings (gross)	-38,533	-176,433	-246,020
Total exchange gains (+) / losses (-) (net)	**-19,119**	**25,595**	**46,049**

Parent company - SEK 000s	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Interest income	82,056	91,653	417,299
Exchange gains	23,211	40,582	-
Other financial items	21,386	34,233	140,924
Total financial income (net)	**126,653**	**166,468**	**558,223**

SEK 000s	Jan-March 2010	Jan-March 2009	Jan.-Dec. 2009
Interest expense	-100,651	-97,856	-370,909
Exchange losses	-	-	-136,760
Other financial items	-44,675	-17,297	-202,817
Total financial expenses (net)	**-145,326**	**-115,153**	**-710,486**
Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	4,531	80,066	97,062
Exchange gains arising from borrowings (gross)	73,420	149,510	580,100
Exchange losses arising from bank equivalents (gross)	-6,851	-2,936	-46,422
Exchange losses arising from borrowings (gross)	-47,889	-186,058	-767,500
Total exchange gains (+) / losses (-) (net)	**23,211**	**40,582**	**-136,760**

Note 7. Income tax

Reported tax for the period January–March 2010 amounted to SEK -6.1 million net and pertains mainly to income tax charges and deferred tax attributable to interests in oilfields in Tunisia and the Republic of Congo. The reported tax leads to a theoretical tax charge despite a negative result before tax, however, the actual tax rates in the operating companies are unchanged. In addition, the high theoretical tax rate is attributable to unrecognised tax-loss carryforwards in both the parent company and other Group companies, as these are judged to be unrealisable. The parent company's accounts include a deferred tax asset of SEK 2.3 million attributable to deferred tax on convertible bonds.

Note 8. Reporting of financial instruments

PA Resources' oil and gas assets 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 31 March 2010, resulting in an unrealised net loss of SEK -28.7 million.

Note 9. Convertible bond

The parent company issued, after final settlement on 14 January 2009, a total of 72,757,002 convertibles, corresponding to a nominal amount of SEK 1,164.1 million. The convertibles carry interest at an annual nominal 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 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.

A total of 11,239,978 convertibles corresponding to a nominal value of SEK 179.8 million have been converted to stock, which increased shareholders' equity by SEK 140.0 million, of which the share capital by SEK 5.6 million. This has also decreased the nominal liability amount by SEK 179.8 million.

Note 10. Provisions

Accounting for share warrants:
Outstanding share warrants resulted in a cost of SEK 148 thousand for the period January–March 2010. Total social security costs calculated on outstanding share warrants amounted to SEK 0 thousand as per 31 March 2010, which have been reported on the balance sheet as provisions among non-current liabilities.

The number of shares outstanding at the end of the period and before full exercise of granted share warrants is 167,753,982.

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 358.5 million as per 31 March 2010. 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 220.1 million as per 31 March 2010. 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. Related party transactions

During the period January–March 2010, 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

Not 12. Pledged assets and contingent liabilities

As per 31 March 2010, total pledged assets amounted to SEK 2,365 million in the Group and SEK 2,359 million in the parent company. Total contingent liabilities amounted to SEK 14 million for both the Group and the parent company. Compared with 31 December 2009, total pledged assets increased by SEK 7 million net for the Group. The change is attributable to a decrease in security for oil inventory attributable to payments in kind for royalties, totalling SEK 8 million. The corresponding increase consists entirely of adjustments for currency movements for pledged security for oil fields in the Republic of Congo and Tunisia. For the parent company, total pledged assets increased by SEK 15 million. The increase during the quarter is solely attributable to adjustments for currency movements for guarantee commitments issued for intra-Group loans and pledged security in the form of pledged shares in Didon Tunisia Pty Ltd.

Total contingent liabilities for the Group and parent company are unchanged compared with 31 December 2009. Total pledged assets and contingent liabilities for both the Group and parent company as per 31 March 2010 compared with 31 March 2009 and 31 December 2009 are shown in the following table.

	Group			Parent company		
Pledged assets - SEK 000s	**31 March 2010**	**31 March 2009**	**31 Dec. 2009**	**31 March 2010**	**31 March 2009**	**31 Dec. 2009**
Pledged assets are broken down as follows:						
Security in the form of shares in oilfields in the Republic of Congo	907,188	-	901,563	-	-	-
Guarantee commitment for Group loan obligations	-	-	-	907,188	-	901,563
Security in the form of pledged shares in PA Energy Congo Ltd	-	-	-	-	-	-
Security in the form of shares in oilfields in Tunisia	1,451,500	1,657,000	1,442,500	-	-	-
Security in the form of pledged shares in Didon Tunisia Pty Ltd	-	-	-	1,451,500	1,657,000	1,442,500
Oil inventory attributable to payment of royalties in kind	5,946	22,453	14,131	-	-	-
Total pledged assets	**2,364,633**	**1,679,453**	**2,358,194**	**2,358,688**	**1,657,000**	**2,344,063**

	Group			Parent company		
Contingent liabilities - SEK 000s	**31 March 2010**	**31 March 2009**	**31 Dec. 2009**	**31 March 2010**	**31 March 2009**	**31 Dec. 2009**
Contingent liabilities are broken down as follows:						
Contingent liabilities attributable to the acquisition of PA Energy Congo 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 end of the period

The state-owned company EBN became a part-owner and partner with a 40% paying interest in the Schagen licence in the Netherlands as per 2 April 2010. The operator, Smart Energy, has retained a 30% interest and PA Resources a 30% interest. EBN is a state-owned company that will participate in future activities at the licence.

On the 19 April 2010, The Board of Directors of PA Resources AB announced that a new strategic focus will be established. PA Resources will focus more on development of existing assets and oil reserves during the coming years, rather than to acquire additional license assets. As part of this, the Board and the Company's President and CEO Ulrik Jansson have agreed to increase the operational focus also in the Executive Management Team. Ulrik Jansson will therefore leave his position as President and CEO at the Annual General Meeting on May 18, 2010 and the Board has appointed the company's Vice President Bo Askvik to new President and CEO with effect from the same date.