

PA Resources to recognise SEK 1,750 – 1,850 million of one-off costs

The oil and gas group PA Resources will recognise non-cash, one-off costs in the form of impairment and write-downs of approximately SEK 1,750 – 1,850 million net after taxes in the financial result for the fourth quarter 2011.

PA Resources' ongoing annual update of oil and gas reserves as well as impairment tests have indicated a need to impair the book value of assets in the Republic of Congo. The impairment is primarily due to a reduction of reserves at the Azurite field, resulting in an impairment of SEK 1,450-1,550 million. In addition, a write down of the production well at the Didon North in Tunisia will be done as well as the remaining book value of the two divested Tunisian fields El Bibane and Ezzaouia.

Total write down and impairment losses are estimated at present to be between SEK 2,050 – 2,150 million. Net, after taxes, the costs amount to between SEK 1,750 – 1,850 million. These costs are non-cash items and the final determination of amount will be reported in the Year-end Report for 2011.

- As previously reported, oil production at Azurite Field did not reach expected levels in 2011 and as a result a corresponding, substantial reduction in reserves now leads to this impairment. Group cash flow is unaffected and is expected to be positive in 2012 thanks to production volumes from the Aseng Field in Equatorial Guinea in combination with significantly lower annual investments. Work continues in the Mer Profonde Sud licence to identify potential prospects which could form tie backs to the Azurite production vessel in the future, says Bo Askvik, President and CEO at PA Resources.

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PA Resources AB (publ)

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PA Resources AB (publ) is an international oil and gas group which conducts exploration, development and production of oil and gas assets. The Group operates in Tunisia, Republic of Congo (Brazzaville), Equatorial Guinea, United Kingdom, Denmark, Greenland, Netherlands and Germany. PA Resources is producing oil in North Africa and West Africa. The parent company is located in Stockholm, Sweden.

PA Resources' net sales amounted to SEK 2,227 million during 2010. The company is listed on the NASDAQ OMX in Stockholm, Sweden (segment Mid Cap). For additional information, see www.paresources.se

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