INTERIM REPORT JANUARY - SEPTEMBER 2008

PA RESOURCES AB (PUBL)
Corporate identity number 556488-2180

Strong operating profit gives operating margin of 62%

Summary third quarter 2008

- Group revenue referring to sales of crude oil during the third quarter increased to SEK 888.5 (775.0) million.
- Profit for the period amounted to SEK 57.8 (331.4) million, including non cash flow impacting currency effects amounting to SEK -294.5 (86.4) million on the group's loans principally in USD.
- Earnings per share before dilution amounted to SEK 0.40 (2.29) and earnings per share after dilution became SEK 0.40 (2.26).
- Average production of oil was 15,200 (17,250) barrels per day. A total of 1,071,000 (1,467,000) barrels of oil was sold to an average price of 107.81 (70.13) USD per barrel.
- Agreements have been signed during the quarter concerning the acquisitions of three exploration licences – two licences offshore Denmark and one onshore licence in southern Tunisia.
- The successful drillings in Equatorial Guinea has continued during the quarter.
- Standard Bank Plc has after the balance sheet day been mandated by PA Resources to arrange the refinancing of a bond loan maturing in January 2009.

Summary nine months period 2008

- Group revenue referring to sales of crude oil during January to September 2008 increased to SEK 2,467.2 (2,038.4) million.
- Profit for the period amounted to SEK 538.1 (685.6) million, including non cash flow impacting currency effects amounting to SEK -133.1 (89.0) million on the groups loans principally in USD.
- Earnings per share before dilution amounted to SEK 3.71 (4.73) and earnings per share after dilution became SEK 3.69 (4.68).
- Average production amounted to 13,358 (15,102) barrels of oil equivalents per day. A total of 3,343,010 (3,454,000) barrels of oil was sold to an average price of 107.07 (66.98) USD per barrel.
- Cash flow from operating activities amounted to SEK 1,147.4 (866.9) million.

Financial Key ratios	Q3, 2008	Q3, 2007	Jan - Sept 2008	Jan - Sept 2007	Full year 2007
Group revenue (MSEK)	888.5	775.0	2,467.2	2,038.4	2,793.8
EBITDA* (MSEK)	684.2	613.1	1,798.7	1,421.8	1,993.8
Operating profit (MSEK)	550.6	422.2	1,464.1	1,121.2	1,540.0
Operating margin (percent)	62.0%	54.5%	59.0%	55.0%	55.0%
Profit before tax (MSEK)	267.4	455.8	1,125.0	1,060.4	1,527.8
Profit for the period (MSEK)	57.8	331.4	538.1	685.6	947.1
Profit margin (percent)	30.1%	58.8%	45.6%	52.0%	54.7%
Earnings per share after dilution (SEK)	0.40	2.26	3.69	4.68	6.47
Average production per day (BOE)	15,200	17,250	13,358	15,102	15,093
Operating profit per produced barrel of oil (SEK)	393	266	400	272	280

** Earnings before interests. taxes and depreciations*

The Interim Report has been prepared in Swedish and translated in-house to English. In the event of any discrepancies between the Swedish and English version, the former shall have precedence.

COMMENTS FROM THE CEO

The oil market has been influenced by the continued recession and the turbulence on the global capital market during the third quarter. PA Resources has focused on developing our production assets and increasing our reserves. The Group has a portfolio of valuable assets and we are on our way of adding new production thanks to the coming production start in the Republic of Congo.

New production wells on stream

New wells have been put into production during the third quarter on our producing fields Didon, El Bibane and Ezzaouia in Tunisia and Volve in Norway. The Volve field has already achieved maximum production capacity with two producing wells. A third well will be put on stream during next year.

Work as been ongoing on the production facilities in Tunisia and Norway during the quarter and we anticipate increased production levels once these are completed. We also look forward to the production start on the Azurite field in the Republic of Congo during the second quarter 2009, which means that we then will have production in all of our three prioritized geographical areas; North Africa, West Africa and North Sea.

Discoveries and continued exploration

New discoveries of hydrocarbons have been made in the North Sea and West Africa. In Equatorial Guinea the very successful drilling campaign on Block I has been completed, with four discoveries in total which all have been production tested with good result. Additional exploration wells are being drilled during the fourth quarter in Tunisia, Norway and Denmark. A settlement of the dispute in Block H in Equatorial Guinea also enables new exploration activities.

New acquisitions and sales of assets

PA Resources has entered into an agreement to farm-out shares in the exploration licence Marine XIV in the Republic of Congo. The work on the licence is hereby speeded up at the same time as we fulfil our commitments but with no cost for the Group. PA Resources has also signed agreements regarding acquisitions of three exciting exploration licenses - two offshore Denmark and one onshore southern Tunisia. These acquisitions are completely in line with our strategy to increase our assets in the North Sea, North Africa and West Africa. All three acquisitions are conditional upon approvals from the parties concerned.

Earnings trend

The operating profit is in line with the second quarter this year. The US dollar has been strengthened during the quarter at the same time as the oil price has dropped. The lower oil price has been partly compensated by the strong US dollar.

Our result for the period during the quarter has been negatively affected by the net financial expenses due to the revaluation of loans in US dollar, which has been significantly strengthened.

Focus on investments in production

The current global financial crunch implies that we carefully review our investment obligations. We will prioritize investments in our production assets on the Azurite field, Volve field and producing fields in Tunisia. We also see that the cost level for our suppliers' services and equipment might decline as a possible effect of generally reduced investments in the oil sector.

Refinancing of bond loan

PA Resources has mandated Standard Bank Plc as Mandatory Lead Arranger, for the refinancing of the bond loan maturing in January 2009.

Ahead of us, we see a continued intensive work in developing our production and are convinced that we are well prepared for the future.

Ulrik Jansson
President and CEO
PA Resources AB

BUSINESS REVIEW

PA Resources AB is the parent company within the Group whose business consists of exploration and production of oil and gas. The Group operates in Tunisia, Norway, Greenland, the United Kingdom, Denmark, the Netherlands, Equatorial Guinea and the Republic of Congo (Brazzaville).

Q3, 2008 (1 July – 30 Sept)

Total production during the third quarter was 1,402,000 (1,587,000) barrels of oil equivalents. Average production amounted to 15,200 (17,250) barrels per day. The production has been negatively affected by installations, production tests and shut-in due to removal of rig. For more information, see the chapter about Tunisia. The Volve-field has delivered a record high production from two wells during the period but has also had a scheduled maintenance shutdown and has therefore not been in production the entire period.

A total of 1,071,000 (1,467,000) barrels of oil was sold during the quarter to an average price of 107.81 (70.13) USD per barrel.

The oil inventory, excluding the part paid as royalty, increased during the third quarter by 164,614 barrels and amounted to 484,233 barrels at the end of the period.

Sales vary between the quarters since the point of time for the so called “liftings” is due to when a storage tank has been filled and the customer collects the agreed volume.

Nine months period 2008 (1 Jan – 30 Sept)

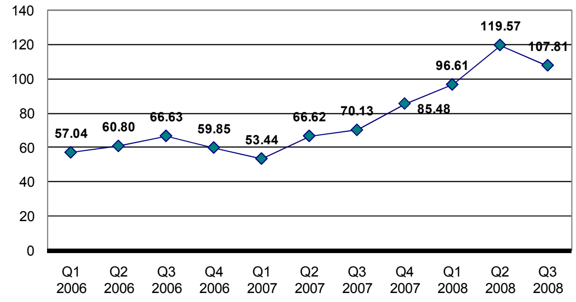
Total production during the first nine months 2008 amounted to 3,660,000 (4,122,900) barrels of oil equivalents. Average production amounted to 13,358 (15,102) barrels of oil equivalents per day.

A total of 3,343,010 (3,454,000) barrels of oil was sold during the first nine months to an average price of 107.07 (66.98) USD per barrel.

No gas was produced or sold during the period.

Production of oil comes from seven different oil fields in two geographical areas; Tunisia and Norway.

PA Resources' average sales price (USD/barrel) per quarter, years 2006 - 2008



Operations during third quarter 2008

Tunisia

PA Resources has been operating in Tunisia since 1998 and holds interest in six production and four exploration licences.

Licence	Licence status	Interest PAR
Douleb&Semmama	Production Onshore	70%
Tamesmida	Production Onshore	95%
Ezzaouia	Production Onshore	13%
El Bibane	Production Offshore	25%
Didon	Production Offshore	100%
Jelma	Exploration Onshore	35%
Jenein Centre	Exploration Onshore	35%*
Makthar	Exploration Onshore	45%
Zarat	Exploration Offshore	45%

**The acquisition is conditional upon third party approvals.*

Important events during the quarter

Drillings and production on Didon field
The drillings of all planned wells at the Didon field have been finalised. The wells Didon-4, Didon-5, Didon-6 and Didon-7 are in production. The drilling of the pilot well Didon-9 was completed in August and showed that there is no need for a production well in the Western compartment. The oil in the Western compartment has been displaced into the Central compartment and is being produced by the existing wells. Analysis is conducted to evaluate if another production well should be drilled in the central compartment by using the upper part of the Didon-9.

The production during the third quarter has been affected by the drillings at the field, the remove of the rig and extensive testing program on the two wells Didon-5 and Didon-7, resulting in periods of reduced or no production.

Farm-in to Jenein Centre
In August, the Group farmed-in to a 35 percent working interest in the onshore exploration permit Jenein Centre in southern Tunisia under an agreement with the operator, the Canadian oil and gas company Storm Ventures International Inc. According to the agreement, PA Resources will pay 70 percent of the cost for the acquired 3D seismic and 70 percent of the cost for the first well. The farm-in is subject to normal regulatory approvals by the Tunisian authorities.

The permit covers an area of approximately 243 km² situated within the Ghadames Basin in Southern Tunisia. Several oil and gas discoveries have been made in the area resulting in a number of producing fields. The work commitment consists of shooting 3D seismic and drilling of one exploration well. So far, 250 km² of seismic has been shot and processed. It shows a number of prospects with expected un-risked prospective resources ranging from 5 to 30 million barrels of oil in total.

Production on Ezzaouia field
At the end of July, the operator completed the drilling of the production well Ezzaouia-17 and the well has been producing normal flows since August. During the drilling, the well encountered the same oil bearing Jurassic zones, as in the already producing parts of the Ezzaouia field. A net pay of approximately 20 metres was identified. Temporary production equipment has been mobilized by the operator while awaiting the permanent production line which is not completed yet.

The drilling of another production well Ezzaouia-18 commenced in the end of August. The result is expected during the fourth quarter.

Production on El Bibane field
Production from the well EBB-3, the third and final production well drilled at the field, started in July. Production tests that the operator conducted on the three wells show that further work is required during the autumn to optimize the production from the wells EBB-4 and EBB-3.

Production tests and evaluation of Makthar licence
After the finalisation of two production tests of the exploration well Serraguia-1, the well has been temporary plugged. The test results are being further analysed. The application for a one year extension of the licence, stretching to July 2009, has been obtained allowing further evaluation of the potential of the permit. In addition, an evaluation of Oued Bahloul, a previous gas discovery in the permit, is being conducted.

Zarat exploration licence
An application of a third renewal of the licence, stretching to July 2010, was approved during the third quarter.

Planned activities

Development of the production platform at Didon field
The Didon platform is under reconstruction in order to be remotely controlled from the nearby FPSO. The work will be completed during the fourth quarter, thus optimizing the production.

Drillings at the Zarat exploration licence
After the end of the period, the drilling of the exploration well Didon North has commenced which enables an evaluation of a separate structure north of the Didon-field. The result from the drillings is expected in the end of 2008. See Note 11, *Events after the balance sheet date*. The plan is also to drill additional high potential prospects within the exploration licence during 2009.

Jelma exploration licence
An application for a two year extension of the licence has been submitted and the plan is to drill two

exploration wells with start during the third quarter 2009. A drilling rig has been contracted for these activities.

Norway/Greenland

PA Resources owns shares in 12 licences on the Norwegian continental shelf of which one of the licences includes the Volve field where oil is produced since February 2008. The Group also has a share in an exploration licence offshore western Greenland.

Licence	Licence status	Interest PAR
Norway:		
PL 046 - Volve	Production Offshore	10%
PL 274 - Oselvar & Ipswich	Exploration Offshore	30%
PL 274CS	Exploration Offshore	30%
PL 001B	Exploration Offshore	15%
PL 028B	Exploration Offshore	15%
PL 242	Exploration Offshore	15%
PL 305	Exploration Offshore	10%
PL 305B	Exploration Offshore	10%
PL 332	Exploration Offshore	10%
PL 341	Exploration Offshore	10%
PL 414	Exploration Offshore	20%
PL 418	Exploration Offshore	20%
Greenland:		
Block 2008/17- Naternaq	Exploration Offshore	87.5%

Important events during the quarter

Production on Volve field
The production from Volve has continued to gradually increase during the third quarter. The second oil producer and a second water injection well have been put on stream. The production has reached the maximal production capacity with only two producing wells during the quarter, which points at a possible upside when the third producer is taken into operation during 2009. However, due to a planned maintenance shutdown of the gas export receiving platform during approximately three weeks, the production on the field was subsequently reduced during the quarter.

Discovery on Ipswich prospect
The drilling of the Ipswich well, including a sidetrack well, was completed in August and the preliminary well result was confirmed. Both wells have proven an oil column of at least 60 meters with reservoir properties comparable to the Oselvar discovery. The drilling was carried out in 72 meters water depth at a location some seven kilometres south of the Oselvar discovery. A large amount of data including core data and fluid samples have been collected and are being evaluated to determine if this discovery is commercial.

Development of Oselvar field
The operator has recommended a subsea development of the field with three horizontal production wells connected and tied into the Ula field, a producing field approximately 20 kilometres northeast of Oselvar. The licence partners will give their possible approval to the proposed development concept during the fourth quarter. A plan for development and operation is estimated to be submitted during the first quarter of 2009.

Exploration activities on Greenland
Negotiations on the Joint operations agreement and co-operation agreements for licence 2008/17 Naternaq has been completed with the partner Nunaoil during the quarter. The agreements are now subject to the Greenlandic authorities' approval. A work program and budget for 2009, including the acquisition of a large seismic program of approximately 4,000 kilometres of 2D seismic data, have been prepared and will be presented for Nunaoil during the fourth quarter.

Planned activities

Continued drilling on the Volve field
After the end of the period, the drilling of an exploration well has commenced on the Volve South prospect located in the licences PL046BS/PL046B. The result from the drilling is expected by year end. See Note 11, *Events after the balance sheet day*. The plan is also to drill a third production well in the southern/south western part of the Volve main field. The plan is to drill two additional exploration wells in 2009.

New Licence rounds in Norway
The areas open for the 2008 APA round was announced in May. PA Resources has chosen to enter into the AMI (Area of Mutual Interest) in the Southern North Sea, and the plan is to submit licence applications through this co-operation. The deadline for this round is due in October 2008.

The 20th licence round in Norway comprises of 79 new blocks or parts of blocks. Work to mature blocks in the Barents Sea and in the Norwegian Sea is ongoing and possible applications will be submitted in November 2008.

Equatorial Guinea

PA Resources AB owns shares in two exploration areas in the Gulf of Guinea offshore Equatorial Guinea in West Africa.

License	License status	Interest PAR
Block I	Exploration Offshore	6%
Block H	Exploration Offshore	3%

Important events during the quarter

New discovery of oil and gas in Block I
The drilling at the Diega prospect was completed by the operator during the quarter and an oil and gas-condensate discovery was made. The Diega well was tested with oil flow rates of 2,700 barrels per day and 2.7 million cubic feet of natural gas (equivalent to 3,165 barrels of oil equivalents) per day. This sixth well on the Block I marks the end of a very successful exploration drilling campaign for the partners in the licence. In total, four new discoveries have been made and all of them have been production tested with good result.

The Benita field has been appraised by two wells and significant oil and gas-condensate resources were hereby proven. The licence partners have initiated a work process allowing a rapid development of the oil resources at the Benita field.

Settlement of dispute regarding Block H
The partnership in Block H has reached an agreement during the quarter to settle the dispute with the operator Pioneer. Pioneer will withdraw from the joint venture by paying a total of USD 5.5 million (SEK 37.2 million) to the remaining partners, of which USD 275,000 (SEK 1.9 million) attributable to PA Resources. Pioneer's 50 percent interest in the Production Sharing Contract and the Joint Ventures Agreement is being signed over to the remaining partners which means that PA Resources will hold a 6.25 percent interest compared to 3.125 percent before the settlement. Pioneer will also assign to the licence group an option to use the Aban Abraham drilling rig to drill the proposed exploration well Aleta-1 during the second half of 2009.

Planned activities

Plan for Development and Operations of Block I
The partnership has initiated a work process that will result in a formal Plan for Development and Operation by the end of 2008. The plan is that government approval will be sought during the first quarter of 2009 and that the development of the Benita oil discovery will commence when approval is received. During the rest of 2008, the results from the drilling campaign will be further evaluated and a new drilling campaign on other identified prospects within the licence will be prepared.

The Republic of Congo (Brazzaville)

PA Resources owns shares in three licences offshore the Republic of Congo (Brazzaville) of which one of the licences, the Azurite field, is under development.

Licence	Licence status	Interest PAR
Marine XIV	Exploration Offshore	12.5%*
Mer Profond Sud	Exploration Offshore	35%
Azurite	Development Offshore	35%

**The acquisition is conditional upon third party approvals.*

Important events during the quarter

Development of Azurite field
The Azurite field development is progressing according to current plan. Production start is expected during the second quarter of 2009, with an expected peak production of 40,000 barrels of oil per day (gross), of which 14,000 barrels of oil per day net to PA Resources. The drilling of a production well will commence during the first quarter 2009.

Farm out of interest in Marine XIV
In September, the Group entered into an agreement to farm-out a total of 72.5 percent of its 85 percent interest in the exploration licence Marine XIV. 29.4 percent working interest has been sold to SOCO Exploration and Production Congo (SOCO EPC), which is the new operator of the licence, 21.55 percent has been sold to a subsidiary of Lundin Petroleum and 21.55 percent has been sold to Raffia Oil SARL. PA Resources retains a 12.5 percent interest and the national oil company, Societe Nationale de Petroles du Congo, retains its 15 percent.

The farm-in participants will pay their respective shares of PA Resources' past costs. In addition they will pay 100 percent of the cost for the 3D seismic programme to be acquired during the first exploration period, as well as 100 percent of the costs for the first well to be drilled, to a maximum cost of USD 30 million in total. Additional costs will be paid in the case that the farm-in participants decide to continue their participation after the first drilling period. All other costs will be carried by the participants according to their paying interest.

Planned activities

Drilling on the Mer Profond Sud licence
Two exploration wells is planned to be drilled at the exploration licence Mer Profond Sud during the second half of 2009. The license partners have secured a deep-sea rig for the drillings.

United Kingdom/Denmark/Netherlands

PA Resources owns shares in 14 licences, whereof four are located offshore Denmark, two offshore the Netherlands and the others on the British Continental Shelf. The Group is operator for all licences except for P 1550 in the East Irish Sea, Block Q7 and Q10a in the Netherlands and Block 9/06 and 9/95 in Denmark.

Licence	Licence status	Interest PAR
United Kingdom:		
P 1342	Exploration Offshore	50%
P 1318	Exploration Offshore	50%
P 1319	Exploration Offshore	50%
P 1336	Exploration Offshore	50%
P 1527	Exploration Offshore	40%
P 1528	Exploration Offshore	40%
P 1529	Exploration Offshore	40%
P 1550	Exploration Offshore	40%
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 10a	Exploration Offshore	30%

**The acquisition is conditional upon third party approvals.*

Important events during the quarter

Acquisition of two Danish exploration licences
In August, PA Resources entered into an agreement with Shell Denmark to acquire a 26.8 percent participating interest in Licence 9/06 (Gita) and License 9/95 (Maja) on the Danish Continental Shelf. The two licences are located just south of the Harald field and contain prospective reservoirs. The agreement with Shell is conditional upon third party approvals.

3D seismic acquisition for three licences in the UK
A seismic survey for the licences P 1318, P 1319 and P 1336 in the United Kingdom has commenced during the quarter.

Swap of licence shares in the Netherlands
After the periods ending, the group has been assigned a 30 percent licence share in the new licence Block Q10a offshore Netherlands, at the same time as 20 percent of its licence shares in the adjoining Block Q7 has been transferred to a state-owned company in the Netherlands. For more information see Note 11, *Events after the balance sheet day*.

Planned activities

Drilling on the exploration licence Gita in Denmark
An exploration well is scheduled to be drilled with the Ensco 101 jack-up rig on the Gita prospect in License 9/06, one of the two licences acquired from Shell during the quarter. The drilling is planned to start in the fourth quarter 2008. The well will target two plays within the Jurassic with gross estimate prospective resources in the range of 200 to 1,100 million barrels of oil equivalents, of which net P50 unrisked prospective resources of 132 million for PA Resources.

Drilling preparations at 11/06 and 12/06 in Denmark
Site surveys on chosen drilling locations are currently being conducted in preparation for the drilling of two exploration wells in the licences 11/06 and 12/06. The drillings are scheduled to commence during the second half of 2009.

Drilling program 2008/2009

The following drillings on licences where PA Resources owns shares are planned for during the rest of 2008 and 2009. The drilling program is updated continuously.

Country/ Licence	Prospect/ Well	Time	Activity
Tunisia:			
Ezzaouia	Ezzaouia-18	Ongoing	Drilling production well
Zarat	Didon North	Ongoing	Drilling exploration well
Zarat	Elyssa-4	Q1/2, 2009	Drilling appraisal well
Zarat		Q1, 2009	Drilling exploration well
Jelma	Ksar Baroud	Q3, 2009	Drilling exploration well
Jelma	Maahakbar	Q3, 2009	Drilling exploration well
Norway:			
PL 046B	Volve South F-15s	Ongoing	Drilling exploration well
PL 046B	Volve F15 producer	Q4 2008	Drilling production well
PL 046B	Volve West F-1s	Q2, 2009	Drilling exploration well
PL 046B	Theta South	Q3, 2009	Drilling exploration well
PL 001B	Draupne	Q1, 2009	Drilling appraisal well
Equatorial Guinea:			
Block H		Q3, 2009	Drilling exploration well
Republic of Congo:			
Azurite		Q1, 2009	Drilling production well
MPS		Q3, 2009	Drilling exploration well
MPS		Q4, 2009	Drilling exploration well
Marine XIV		2009	Drilling exploration well
Denmark:			
9/06	Gita	Q4, 2008	Drilling exploration well
11/06	Marianne	Q4, 2009	Drilling exploration well
12/06	Lisbet	Q4, 2009	Drilling exploration well

Production forecast

PA Resources' forecast is that the average production during the rest of the 2008 will amount to between 16,000 and 21,000 barrels of oil equivalents per day. The average production during October is expected to amount to between 14,000 and 15,000 barrels of oil equivalents per day.

During 2011, the company estimates that production levels will reach about 50,000 barrels of oil per day. This forecast includes the currently producing fields in Tunisia and Norway as well as the Azurite field in the Republic of Congo. The forecast does not include the discoveries in Equatorial Guinea or possible new discoveries in other fields.

Earlier announced production forecast
(in the Interim Report January – June 2008):

PA Resources' forecast for the second half of 2008 is that the production will be significantly higher after the completion and production start up of the new production wells on Didon, El Bibane and Ezzaouia. The average production during the rest of the year will amount to between 16,000 and 21,000 barrels of oil per day. The production is expected to be on the upper edge of the interval mentioned at the end of the year. The forecast takes into consideration the established delays on the Volve field in Norway as well as the Didon field and the El Bibane field in Tunisia.

During 2011, the company estimates that production levels will reach about 50,000 barrels of oil per day. This forecast includes the currently producing fields as well as the El Bibane field in Tunisia and the Azurite field and Marine XIV in the Republic of Congo. The forecast does not include the discoveries in Equatorial Guinea or possible new discoveries in other fields.

THE GROUP

Financial position and performance

Q3, 2008 (July 1 – Sept 30)
The Group's revenue increased by SEK 113.5 million to SEK 888.5 million, to be compared with SEK 775.0 million prior year. The Group's revenue refers to production and sales of oil in Tunisia and Norway. The principal reason for the increase is mainly related to the higher oil prices which have compensated the lower production during the quarter compared with the corresponding period prior year.

EBITDA (earnings before interests, taxes, and depreciations) amounted to SEK 684.2 (613.1) million.

Operating profit amounted to SEK 550.6 (422.2) million and the operating profit margin were 62 (54) percent. The increased operating profit and margin is due to increased revenue related to a higher average oil price per barrel, lower personnel expenses and significant lower depreciations and write-downs. Depreciations and write-downs amounted to SEK 0.8 (-124.0) million.

The Group´s total financial items amounted, during the third quarter, to SEK -283.2 (33.6) million, whereof net interest expenses amounted to SEK -82.7 (-42) million. Remaining amount refers principally to non cash flow impacting exchange losses due to revaluation of USD loans.

The Group's profit for the period amounted to SEK 57.8 million compared to SEK 331.4 million during the corresponding period 2007. The result is charged with higher exchange losses referring to borrowings together with a higher income tax. The increased income tax is due a higher tax rate assignable to result from sales on the Norwegian shelf.

Income tax recorded during the quarter amounted to SEK 209.6 (124.4) million, which includes a tax burden in the subsidiary PA Resources Norway AS amounting to net SEK 42.8 (0) million. For more information, see Note 6 *Income tax.*

Earnings per share before dilution was SEK 0.40 (2.29) and earnings per share after dilution was SEK 0.40 (2.26). The dilution effect is referred to the Group's share warrant program from October 2005.

Nine months period 2008 (Jan 1 – Sept 30)
The Group's revenue increased by SEK 428.8 million to SEK 2,467.2 million, to be compared with SEK 2,038.4 million prior year. The principal reason for the increase is mainly related to the higher oil prices. The Group's revenue refers to production and sales of oil in Tunisia and Norway.

EBITDA (earnings before interests, taxes, and depreciations) amounted to SEK 1,798.7 (1,421.8) million.

Operating profit amounted to SEK 1,464.1 (1,121.2) million and the operating profit margin were 59 (55) percent. Profit after financial items increased to SEK 1,125.0 (1,060.4) million.

The Group's profit for the period decreased by SEK 147.5 million to SEK 538.1 million compared to SEK 685.6 million during the corresponding period 2007, mainly because of negative exchange losses.

Income tax recorded during the period amounted to SEK 586.9 (374.7) million, which includes a tax burden in the subsidiary PA Resources Norway AS amounting to net SEK 95.2 million. This gives a tax rate of 52.2 (35.3) percent which to a large extent is assignable to the Group's result from sales on the Norwegian shelf, where production started in February 2008. For more information, see Note 6 *Income tax.*

Earnings per share before dilution was SEK 3.71 (4.73) and earnings per share after dilution was SEK 3.69 (4.68).

Return on equity amounted to 14.7 (25.9) percent. Return on capital employed amounted to 22.7 (26.5) percent.

Investments during the nine month period
The Group's investments in tangible fixed assets amounted to SEK 2,129.5 (1,360.0) million during the period relating to investments in oil and gas assets. Here of is SEK 685.5 (0) million related to investments in the Azurite field in the Republic of Congo.

Investments in intangible fixed assets amounted to SEK 916.4 (81.0) million during the period and referred to investments in oil and gas assets. Here of the investments in the Azurite field in the Republic of Congo consist of SEK 486.7 (0) million.

Liquidity and financing nine month period
The Group's operating cash flow was positive and amounted to SEK 1,147.4 (866.9) million for the period. Net cash flow after financing and investments was SEK -109.5 (-221.8) million.

Cash and cash equivalents amounted to SEK 168.8 (442.6) million at the end of the period. Shareholders' equity increased to SEK 4,009.8 (2,994.3) million on the balance sheet date resulting in a financial strength of 39.7 (51.0) percent.

The Parent company

Q3, 2008 (July 1 – Sept 30)
The Parent company's revenue mostly refers to sales within the Group and amounted to SEK 5.1 (3.9) million during the period. Profit before tax amounted to SEK -30.9 (15.6) million and has principally been affected by a negative development within the financial items.

Nine months period 2008 (Jan 1 – Sept 30)
The Parent company's revenue amounted to SEK 9.0 (29.8) million during the period. Profit before tax amounted to SEK -100.0 (-78.9) million. Cash and cash equivalents amounted to SEK 60.3 (29.9) million and the shareholders' equity amounted to SEK 1,803.2 (1,789.0) million.

Risks and uncertainties

A description of PA Resources' financial, operating, business and social risks can be found in the Annual report 2007 published on April 8th 2008, in the chapter *Risks and risk management*.

Additional risks in the near future are possible disruptions in production on our producing fields in connection with tests, maintenance, and installations.

The risks that are principally related to the Parent company are the financial risks. The turbulence on the global financial market, mostly with regards to available financing, might lead to postponed investments in licences where the Group is operator or licence partner. This might also lead to that future acquisition chances can't be realized.

Share warrants and share capital increase

As a consequence of exercises of allocated employee stock options, the share capital of PA Resources has increased with SEK 200,000 from SEK 72,557,002 to SEK 72,757,002 during the quarter. The increase in capital corresponds to an increase of 400,000 shares. The total number of shares and voting rights in the company amounts herewith to 145,514,004.

In total there are 3,425,000 outstanding stock options, which can be exercised for the subscription of shares until October 31, 2008. After this date, stock options not exercised will fall due. In addition, there are 500,000 outstanding stock options that can be exercised for subscription of shares during the period December 1 – December 1, 2010. More information of the Employee Stock Option Program is available in PA Resources' Annual Report 2007, note 8, page 75.

Personnel

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

Total number of employees as per September 30, 2008, was 155 (133) persons, of which 8 (6) in Sweden, 21 (15) in Norway, 123 (111) in Tunisia, 2 (1) in the Republic of Congo and 1 (0) in the United Kingdom. Of the total number of employees in the Group, 127 (109) were men and 28 (24) were women. Average number of employees in the Group during the third quarter of 2008 was 150 (126) persons.

The PA Resources share

PA Resources AB's share is primary listed on the Oslo Stock Exchange in Norway (segment OB Match) and secondary listed on the OMX Nordic Exchange in Stockholm (segment Large Cap). The share's abbreviation is PAR. A board lot covers 200 shares on both the Oslo Stock Exchange and the OMX Nordic Exchange.

Dates for coming financial reports

- *Year-End Report 2008 (incl. Q4):* February 11, 2009
- *Annual Report 2008 (pdf version) Week 14, 2009*
- *Interim Report Jan – March 2009 (Q1)):* April 29, 2009
- *Annual General Meeting 2009* May 13, 2009
- *Interim Report Jan– June 2009 (incl. Q2):* August 19, 2009
- *Interim Report Jan– Sep 2009 (incl. Q3):* October 28, 2009
- *Year-End Report 2009 (incl. Q4):* February 17, 2010

Quarterly presentation on October 29th, 2008

PA Resources will present the third quarter results on Wednesday October 29 at 09.30 (CET) at Berns Salonger, room Kilsalen (entrance through Hotel Berns, Näckströmsgatan), Berzeli Park in Stockholm.

You can also follow the presentation live or watch an on-demand version afterwards at the company's website www.paresources.se.

This Interim report has been prepared in Swedish and translated in-house to English. In the event of any discrepancies between the Swedish and English version, the former shall have precedence.

This interim report has not been subject to particular review by the company's auditors.

PA Resources AB (publ)

Stockholm, October 29, 2008

Ulrik Jansson
President and CEO

For more information about PA Resources, visit the Group's website www.paresources.se or send an e-mail to ir@paresources.se. If you have any questions regarding this report, please contact:

Ulrik Jansson
President and CEO
PA Resources AB
Telephone: +46 8 21 83 82 (switchboard)
Mobile: +46 70 751 41 84

or

Bo Askvik
CFO
PA Resources AB
Telephone: +46 8 21 83 82 (switchboard)
Mobile: +46 708 19 59 18

FINANCIAL REPORTS

Group – Income Statement

TSEK	Notes	Q3 2008	Q3 2007	Jan - Sept 2008	Jan - Sept 2007	Jan - Dec 2007
Revenue	3, 4	888,499	774,963	2,467,220	2,038,386	2,793,831
Changes in inventory and work in progress		270	-375	-83	-524	-8,995
Cost of sales		-163,190	-107,105	-467,375	-405,491	-515,537
Other external expenses		-33,779	-32,540	-129,693	-120,615	-159,627
Personnel expenses	8	-7,628	-21,865	-71,374	-89,920	-115,912
Depreciations and write-downs	4	-133,553	-190,927	-334,570	-300,638	-453,800
Operating profit	4	**550,619**	**422,151**	**1,464,125**	**1,121,198**	**1,539,960**
Financial revenue	5	-115,190	80,411	59,810	105,857	245,432
Financial expenses	5	-168,050	-46,794	-398,920	-166,702	-257,587
Total financial items		**-283,240**	**33,617**	**-339,110**	**-60,845**	**-12,155**
Profit before tax	4	**267,379**	**455,768**	**1,125,015**	**1,060,353**	**1,527,805**
Income tax	6	-209,593	-124,365	-586,881	-374,705	-580,702
Profit for the period		**57,786**	**331,403**	**538,134**	**685,648**	**947,103**
Profit for the period attributable to:						
Equity holders of the Parent Company		246,297	331,403	538,134	685,648	947,103
Earnings per share before dilution		0.40	2.29	3.71	4.73	6.53
Earnings per share after dilution		0.40	2.26	3.69	4.68	6.47

Earnings per share is attributable to shareholders of the Parent Company.

Group – Balance Sheet Summary

TSEK	Notes	Sept 30 2008	Sept 30 2007	Dec 31 2007
ASSETS				
Intangible fixed assets		1,671,333	422,976	713,946
Tangible fixed assets		6,717,673	4,361,048	4,728,234
Financial assets	7	90,437	1,870	137,041
Tax receivables		191,986	-	-
Total non-current assets		**8,671,429**	**4,785,894**	**5,579,221**
Inventory		6,032	14,586	6,115
Accounts receivables and other receivables		1,261,174	389,755	507,504
Tax receivables	6	648	225,041	321,425
Cash and cash equivalents		168,792	442,608	285,281
Total current assets		**1,436,646**	**1,071,990**	**1,120,325**
Assets available-for-sale		-	16,958	16,867
TOTAL ASSETS		**10,108,075**	**5,874,842**	**6,716,413**
EQUITY				
Equity attributable to equity holders of the Parent company				
Share capital		72,757	72,507	72,507
Other capital contribution		1,811,525	1,791,995	1,791,995
Reserves		89,254	-85,077	-34,669
Retained earnings and profit for the period	8	2,036,256	1,214,921	1,493,558
Total equity		**4,009,792**	**2,994,346**	**3,323,391**
LIABILITIES				
Interest-bearing loans and borrowings		2,264,316	2,036,254	1,976,627
Derivative financial instruments	7	-	16,335	23,295
Deferred tax liability	6	478,792	150,640	383,136
Provisions	8	19,014	22,087	22,837
Total non-current liabilities		**2,762,122**	**2,225,316**	**2,405,895**
Provisions		3,826	24,587	3,752
Derivative financial instruments	7	11,927	-	-
Tax liabilities		103,423	286,805	227,035
Current interest-bearing loans and liabilities		2,094,281	9,101	454,713
Accounts payables and other liabilities		1,122,704	333,350	295,986
Total current liabilities		**3,336,161**	**653,843**	**981,486**
Liabilities referred to assets available-for-sale		-	1,337	5,641
TOTAL EQUITY AND LIABILITIES		**10,108,075**	**5,874,842**	**6,716,413**
PLEDGED ASSETS	10	**3,095,038**	**1,704,417**	**1,752,315**
CONTINGENT LIABILITIES	10	**14,000**	**14,000**	**14,000**

Group – Changes in equity

		Attributable to equity holders of the parent company				
TSEK	Notes	Share capital	Other capital contribution	Reserves	Retained earnings and Net result	Total
Balance at 1 January 2007		70,007	1,784,960	-33,907	488,017	2,309,077
Accounting fair value of financial instruments					8,075	8,075
Exchange differences				-51,170		-51,170
Total income and expenses recognised directly in equity				-51,170	8,075	-43,095
Net result for the period					685,648	685,648
Total income and expenses for the financial period January - Sept 2007				-51,170	693,723	642,553
New share issue		2,500	-2,500			0
Issue expenses			-961			-961
Exchange difference referred to new share issue			10,496			10,496
Share based payments	8				33,181	33,181
Closing balance at 30 Sept 2007		**72,507**	**1,791,995**	**-85,077**	**1,214,921**	**2,994,346**
Balance at 1 Oct 2007		72,507	1,791,995	-85,077	1,214,921	2,994,346
Accounting fair value of financial instruments					12,048	12,048
Exchange differences				50,408		50,408
Total income and expenses recognised directly in equity				50,408	12,048	62,456
Net result for the period					261,455	261,455
Total income and expenses for the financial period July - December 2007				50,408	273,503	323,911
Share based payments	8				5,134	5,134
Closing balance at 31 December 2007		**72,507**	**1,791,995**	**-34,669**	**1,493,558**	**3,323,391**
Balance at 1 January 2008		72,507	1,791,995	-34,669	1,493,558	3,323,391
Exchange differences				123,923		123,923
Total income and expenses recognised directly in equity				123,923		123,923
Net result for the period					538,134	538,134
Total income and expenses for the financial period January - Sept 2008				123,923	538,134	662,057
Share warrant program - new issue of shares		250	19,530			19,780
Share based payments	8				4,564	4,564
Closing balance at 30 Sept 2008		**72,757**	**1,811,525**	**89,254**	**2,036,256**	**4,009,792**

Total shares amounted to 145,514,004 at 30 Sept 2008. No dividend has been proposed for the financial year 2007 or earlier years. The item for existing reserves refers to effects due to revaluation of businesses in foreign currencies.

Group – Cash Flow Statement

TSEK	Jan - Sept 2008	Jan - Sept 2007	Jan - Dec 2007
Cash flow from operations			
Income after financial items	1,125,015	1,060,353	1,527,805
Adjustments for items not included in cash flow	510,679	2,452	154,462
Income tax paid	-494,479	-177,854	-334,427
Total cash flow from operations before change in working capital	**1,141,215**	**884,951**	**1,347,840**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories	4,332	-1,565	8,177
Increase (-)/Decrease (+) in assets	-541,346	376,672	366,287
Increase (+)/Decrease (-) in liabilities	543,201	-393,146	-495,372
Cash flow from operating activities	**1,147,402**	**866,912**	**1,226,932**
Cash flow from investing activities			
Disposal of subsidiaries	9,148	-	-
Investments in intangible fixed assets	-916,351	-80,998	-376,396
Investments in tangible fixed assets	-2,129,529	-1,359,536	-1,848,111
Investments in financial assets	-	-1,159	-45,197
Cash flow from investing activities	**-3,036,732**	**-1,441,693**	**-2,269,704**
Cash flow from financing activities			
Redemption stock option programme (excl soc sec contr)	19,780	3,297	-4,400
Loans raised	2,776,428	715,841	1,148,614
Amortization of liabilities	-1,016,414	-359,596	-494,517
Cash flow from financing activities	**1,779,794**	**352,948**	**649,697**
Cash flow for the period	**-109,536**	**-221,833**	**-393,075**
Liquid assets at the beginning of period	285,281	669,555	669,555
Exchange rate difference in liquid assets	-6,953	-5,114	8,801
Liquid assets at the end of period	**168,792**	**442,608**	**285,281**
Adjustments for items not included in cash flow			
Depreciations and write-downs	334,570	300,638	453,800
Exchange gains	-240,514	-410,393	-319,530
Exchange losses	293,502	187,951	240,950
Accounting fair value of financial instruments	58,017	16,335	-60,037
Share based payments (incl soc sec contr)	-6,601	39,187	36,400
Oil sale referred to Net Entitlement Method (net)	19,028	-134,772	-206,268
Accrued interest (net)	58,661	2,054	7,675
Other items (net)	-5,984	1,452	1,472
Total	**510,679**	**2,452**	**154,462**

Parent company – Income Statement

TSEK	Notes	Q3 2008	Q3 2007	Jan - Sept 2008	Jan - Sept 2007	Jan-Dec 2007
Net sales		5,102	3,947	8,955	29,809	41,791
Other external expenses	9	-8,235	-4,175	-17,635	-15,562	-24,026
Personnel expenses		5,529	-5,036	-14,264	-33,134	-35,161
Depreciations and write-downs		-52	-48	-148	-88	-114
Operating profit		**2,344**	**-5,312**	**-23,092**	**-18,975**	**-17,510**
Financial revenues and similar revenues	5, 7	54,568	58,797	178,244	81,133	197,962
Financial expenses and similar expenses	5	-87,827	-37,846	-255,163	-141,052	-174,607
Total financial items		**-33,259**	**20,951**	**-76,919**	**-59,919**	**23,355**
Profit before tax		**-30,915**	**15,639**	**-100,011**	**-78,894**	**5,845**
Income tax		-	-	-	-	-
Profit/loss for the period		**-30,915**	**15,639**	**-100,011**	**-78,894**	**5,845**

Parent company – Balance Sheet Summary

TSEK	Notes	June 30 2008	Sept 30 2007	Dec 31 2007
ASSETS				
Intangible fixed assets		844	-	-
Tangible fixed assets		490	167	146
Financial assets		2,485,310	2,276,822	2,703,522
Total non-current assets		**2,486,644**	**2,276,989**	**2,703,668**
Receivables Group companies		2,429,145	490,667	404,957
Tax receivables		460	344	114
Other receivables		3,742	1,000	2,026
Prepaid expenses and accrued income		198,460	31,484	26,743
Cash and cash equivalents		60,278	29,908	46,905
Total current assets		**2,692,085**	**553,403**	**480,745**
TOTAL ASSETS		**5,178,729**	**2,830,392**	**3,184,413**
SHAREHOLDERS EQUITY				
Restricted equity				
Share capital		72,757	72,507	72,507
Statutory reserve		985,063	985,063	985,063
Total restricted equity		1,057,820	1,057,570	1,057,570
Non-restricted equity				
Share premium reserve		796,099	776,568	776,568
Profit/loss brought forward and profit/loss for the period		-50,760	-45,186	44,686
Total non-restricted equity		745,339	731,382	821,254
Total shareholders equity		**1,803,159**	**1,788,952**	**1,878,824**
LIABILITIES				
Bond loans		1,019,080	955,508	938,125
Derivative financial instruments	7	-	15,281	23,295
Provisions		848	11,155	6,580
Total non-current liabilities		**1,019,928**	**981,944**	**968,000**
Liabilities Group companies		907,915	-	300,574
Derivative financial instruments	7	11,927	-	-
Account payables		3,152	790	999
Other liabilities		319	15,603	1,199
Current interest-bearing loans and liabilities		1,334,140	-	-
Accrued expenses and prepaid income		98,189	43,103	34,817
Total current liabilities		**2,355,642**	**59,496**	**337,589**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**5,178,729**	**2,830,392**	**3,184,413**
PLEDGED ASSETS	10	**3,077,163**	**1,703,647**	**1,690,940**
CONTINGENT LIABILITIES	10	**14,000**	**14,000**	**14,000**

Currency rates

	Closing day rate (average)	Average rate	Closing day rate (average)	Average rate
	Sept 30 2008	**Jan - Sept 2008**	**Sept 30 2007**	**Jan -Sept 2007**
1 EUR in SEK	9.71	9.41	9.19	9.24
1 USD in SEK	6.75	6.19	6.44	6.88
1 TND in SEK	5.48	5.25	5.21	5.37
1 NOK in SEK	1.18	1.18	1.20	1.15
1 GBP in SEK	12.27	12.06	13.20	13.66

Key ratios and shares data

		Sept 30 2008	Sept 30 2007	Dec 31 2007	Dec 31 2006	Dec 31 2005
Revenue	TSEK	2,467,220	2,038,386	2,793,831	856,675	395,319
EBITDA	TSEK	1,798,695	1,421,836	1,993,760	471,296	248,866
Operating profit	TSEK	1,464,125	1,121,198	1,539,960	359,267	239,094
Operating profit per produced barrel of oil	SEK	400.03	271.94	279.54	181.60	267.70
Operating profit per share after dilution	SEK	10.03	7.66	10.52	2.60	2.14
Operating margin	Percent	59%	55%	55%	42%	60%
Income after financial items per share after dilution	SEK	7.71	7.24	10.44	2.15	1.90
Earnings per share after dilution	SEK	3.69	4.68	6.47	1.67	1.05
Return on equity	Percent	14.7%	25.9%	33.6%	12.8%	15.0%
Return on assets	Percent	19.1%	22.7%	30.7%	12.4%	18.7%
Return on capital employed	Percent	22.7%	26.5%	35.7%	14.4%	21.9%
Shareholders equity per share before dilution	SEK	27.56	20.65	22.92	15.92	10.11
Shareholders equity per share after dilution	SEK	26.83	20.01	22.24	15.50	10.11
Profit margin	Percent	45.6%	52.0%	54.7%	34.7%	53.7%
Equity/Assets ratio	Percent	39.7%	51.0%	49.5%	46.9%	38.0%
Debt/Equity ratio	Percent	104.5%	53.5%	64.6%	54.5%	68.8%
Share price at year end of period	SEK	34.80	67.50	51.00	72.25	39.00
Share price/Shareholders equity per share before dilution	Times	1.26	3.27	2.23	4.54	3.86
Price earnings per share	Times	2.35	3.57	7.81	43.18	37.12
Number of outstanding shares before dilution	Number	145,514,004	145,014,004	145,014,004	145,014,004	128,114,004
Number of outstanding shares after dilution	Number	149,439,004	149,639,004	149,439,004	148,964,004	128,114,004
Average number of outstanding shares before dilution	Number	145,186,226	145,014,004	145,014,004	137,824,278	111,514,004
Average number of outstanding shares after dilution	Number	145,929,755	146,377,594	146,354,287	138,403,000	111,514,004

PA Resources possesses no own shares at the end of reporting period. Price earnings per share for interim periods calculated based on whole year basis. Return on capital employed is calculated as operating profit plus financial revenue in percentage of average capital employe (total assets minus non interest-bearing liabilities including deferred tax liability). Debt/Equity ratio is calculated as Group interest-bearing liabilities minus cash and cash equivalents in percentage of adjusted equity. Information about other key ratio definitions can be obtained in latest annual report for the financial year 2007.

Shareholder structure – the 10 principle shareholders

The 10 largest shareholders as at September 30, 2008	Number of shares	Share of capital/votes
Bertil Lindqvist	13 680 000	9.4%
Hunter Hall International (through controlled funds)	8 847 600	6.1%
Ulrik Jansson (through controlled companies)	8 512 512	5.8%
AFA Försäkring	5 707 517	3.9%
Folketrygdfondet	4 890 000	3.4%
Morgan Stanley & Co	4 375 514	3.0%
Andra AP-fonden	3 375 175	2.3%
Nordnet Pensionsförsäkring	2 157 450	1,5%
JP Morgan Bank	2 086 047	1.4%
Avanza Pension	2 012 099	1.4%
Total - 10 principle shareholders	**55 643 914**	**38.2%**
Total - other shareholders	89 870 090	61.8%
Total number of shares	**145 514 004**	**100.0%**

NOTES TO THE FINANCIAL REPORTS FOR THE GROUP AND PARENT COMPANY

1. Corporate information

PA Resources AB (publ), corporate identity no. 556488-2180, registered in Stockholm, Sweden, is listed on the OMX Nordic Stock Exchange in Stockholm (segment Large Cap) since 2006 and on the Oslo Stock Exchange in Olso, Norway (segment OB Match) since 2001. The company's businesses including subsidiaries are described under the section “Operational review”.

2. Accounting principles

The interim report for the quarter ended September 30th, 2008 has been prepared according to IAS 34 and Annual Accounts Act. The accounting principles applied during the period are unchanged compared to financial year 2007. The interim report does not contain all the information and disclosures available in the annual report and the interim report should be read together with the annual report for 2007.

The accounting of exchange differences referred to operations has been changed. These exchange differences have been included within the net financial revenues and expenses earlier but as from first quarter 2008 they are now included within the operating profit and loss. Comparative figures for corresponding periods have been recalculated.

3. Revenues

Total outstanding oil inventory in number of barrels as per 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 before income tax during January – September 2008 became a decrease of Group total revenue amounted to SEK 19,028 thousand. The negative effect is due to lower outstanding oil inventory as per September 30 2008, recalculated to revenues, compared to total outstanding oil inventory as per December 31 2007, recalculated to revenues. Total negative effect in revenues amounted to SEK -19,028 thousand only corresponds to an unrealized distribution effect between the interim periods and the amount has been reversed and affect not the Group cash flow from operating activities.

4. Segment reporting

The primary classification to the segment reporting for the Group is based on geographical areas which are the same entities that information is reported internally to the management and the Board. The elements which the Group's classification are based on motivates that all segments should be classified as primary segments and secondary segments are missing. At the segment reporting of geographical areas, entities with similar risks and possibilities are reported as one common segment. Within the segment results, assets and liabilities items directly assignable to and items which have been able to be allocated to a specific segment in a reasonable and reliable way are included. Group sales referred to each segment respectively includes general and third party costs which are further invoiced without any overhead charge and also costs referred to work performed between the entities which are invoiced based on the employees' local salaries and with an overhead charge of five percent.

Interim period				January - Sept 2008				
TSEK	**Tunisia**	**Norway**	**Sweden**	**Eq. Guinea**	**Rep. Congo**	**Great Britain**	**Eliminations**	**Total**
Revenue, external	2,048,868	418,236	116	-	-	-		**2,467,220**
Revenue, internal	-	8,969	8,839	-	-	-	-17,808	**0**
Operating profit	1,356,375	156,228	-33,590	-117	-3,956	-10,815		**1,464,125**
Profit before tax	1,334,490	-13,330	-111,093	-8,539	-61,056	-15,457		**1,125,015**
Depreciations and write-downs	-261,671	-72,910	-148	-	-94	253		**-334,570**

Interim period				January - Sept 2007				
TSEK	**Tunisia**	**Norway**	**Sweden**	**Eq. Guinea**	**Rep. Congo**	**Great Britain**	**Eliminations**	**Total**
Revenue, external	2,038,339	-	47	-	-	-		**2,038,386**
Revenue, internal	-	18,380	32,401	-	-	-	-50,781	**0**
Operating profit	1,374,095	-189,651	-53,244	-39	-9,963	-		**1,121,198**
Profit before tax	1,373,614	-190,399	-113,094	-39	-9,729	-		**1,060,353**
Depreciations and write-downs	-176,084	-124,466	-88	-	-	-		**-300,638**

				Sept 30 2008				
TSEK	**Tunisia**	**Norway**	**Sweden**	**Eq. Guinea**	**Rep. Congo**	**Great Britain**	**Eliminations**	**Total**
Fixed assets	5,306,578	1,534,987	18,796	147,679	1,489,426	173,963		**8,671,429**
Current assets, external	382,027	196,448	263,019	-	574,179	20,973		**1,436,646**
Current assets, internal	918,280	65,876	2,429,145	-	-	-	-3,413,301	**0**
Non-current liabilities	1,336,970	405,224	1,019,928	-	-	-		**2,762,122**
Current liabilities, external	720,864	541,461	1,447,727	-	607,589	18,520		**3,336,161**
Current liabilities, internal	87,585	787,016	907,915	147,552	1,413,882	69,351	-3,413,301	**0**
Investments tangible assets (gross amounts)	1,186,320	72,283	605	69,136	752,633	48,552		**2,129,529**
Investments intangible assets (gross amounts)	-	387,056	844	-	528,451	-		**916,351**

				Sept 30 2007				
TSEK	**Tunisia**	**Norway**	**Sweden**	**Eq. Guinea**	**Rep. Congo**	**Great Britain**	**Eliminations**	**Total**
Fixed assets	3,810,659	802,996	212	54,969	117,058	-		**4,785,894**
Current assets, external	730,552	260,757	79,779	-	902	-		**1,071,990**
Current assets, internal	89,583	20,065	578,852	-	-	-	-688,500	**0**
Non-current liabilities	766,185	477,187	981,944	-	-	-		**2,225,316**
Current liabilities, external	343,418	228,505	81,761	-	159	-		**653,843**
Current liabilities, internal	217,530	405,861	11,611	40,845	12,653	-	-688,500	**0**
Investments tangible assets (gross amounts)	715,008	619,843	43	24,246	396	-		**1,359,536**
Investments intangible assets (gross amounts)	-	80,998	-	-	-	-		**80,998**

5. Financial revenue and financial expenses during the interim period

Exchange gains and losses are accounted for at net within the income statement for the Group and Parent company.

	Group			Parent Company		
TSEK	Sept 30 2008	Sept 30 2007	Dec 31 2007	Sept 30 2008	Sept 30 2007	Dec 31 2007
Interest income	49,897	36,105	79,276	178,225	30,791	83,269
Exchange gains	-	69,752	76,088	-	50,342	81,386
Other financial items	9,913	-	90,068	19	-	33,307
Total financial income (net)	**59,810**	**105,857**	**245,432**	**178,244**	**81,133**	**197,962**

TSEK	Sept 30 2008	Sept 30 2007	Dec 31 2007	Sept 30 2008	Sept 30 2007	Dec 31 2007
Interest expense	-281,311	-163,732	-253,630	-185,597	-107,883	-140,619
Exchange losses	-42,385	-	-	-24,953	-	-
Other financial items	-75,224	-2,970	-3,957	-44,613	-33,169	-33,988
Total financial expenses (net)	**-398,920**	**-166,702**	**-257,587**	**-255,163**	**-141,052**	**-174,607**
Exchange gains / losses are broken down as follows;						
Exchange gains referred to bank equivalents (gross)	66,714	22,600	25,350	40,803	18,173	19,724
Exchange gains referred to borrowings (gross)	191,075	215,497	239,265	482,611	157,184	191,556
Exchange losses referred to bank equivalents (gross)	-88,942	-39,816	-43,851	-76,742	-28,290	-28,997
Exchange losses referred to borrowings (gross)	-211,232	-128,529	-144,676	-471,625	-96,725	-100,897
Total exchange gains / losses (net)	**-42,385**	**69,752**	**76,088**	**-24,953**	**50,342**	**81,386**

6. Income tax

As from 2005 and forward oil companies operating in Norway, which are not in tax position, will get a 78 percent refund of total costs referred to exploration from the Norwegian Government. However, this refund is limited to the taxable losses for the same year. As per September 30th 2008 total income tax revenue amounted to SEK 190.5 million for the first nine months 2008 referred to exploration expenses and recorded in the accounts for the subsidiary PA Resources Norway AS. This income tax revenue is expected to be refunded from the Norwegian Government. As per September 30th 2008 a deferred income tax amounted to SEK 285.7 million is recorded in PA Resources Norway AS and refers to the subsidiary's interests in oilfields on the Norwegian continental shelf and outstanding loan obligations recorded in balance sheet which are connected to the interests. The income tax is calculated according to the liability method and is based on applicable local tax rules and tax rates as per reporting date.

7. Accounting for financial instruments

The assets owned by PA Resources Group predominantly consist of international oil and gas discoveries which are valued in USD and generates income in USD. The Group consequently seeks to reduce its foreign exchange risks by various measures of which currency hedge of the interest bearing debt is one of the most important measures. As such, the Group has entered into two currency and interest swap agreements which should match in exposure the Group's two NOK denominated bond loans amounting in total of NOK 630 million. A combining of the bond loans with the currency and interest swap contracts these two loans will carry a joint exposure that corresponds to two USD denominated loans. The currency and interest swap agreements are evaluated at market value as per September 30th 2008 which generated an unrealized loss amounted to SEK 53.2 million which has decreased total financial assets.

On May 22nd, 2007, PA Resources signed an oil hedge contract with Merrill Lynch Commodities Trading Limited with the purpose to secure part of the Group sale of oil against decreasing oil price in US Dollar and by that means reduce the Group risk. The contract includes a total oil quantity of 2,500 barrels of oil per day secured to a minimum oil price of 50 US Dollar per barrel and the contract has duration of 24 months with a maturity date of May 31st, 2009. The oil hedge contract is valuated at market value as per September 30th 2008 and is recorded in the Parent company as a short-term liability amounted to SEK 11.9 million. The total effect of the oil hedge contract resulted in a revenue amounted to SEK 2.5 million during January – September 2008.

8. Provisions

Accounting for share warrants:

The Group's share warrant programme resulted in a revenue amounted to SEK 6.6 million during January - September 2008 due to the negative share movements in market prices during 2008. Total social security contributions calculated on allocated share warrants amounted to SEK 0.8 million as per September 30th 2008 which are recorded as provisions within the balance sheet item for non-current liabilities in the balance sheet. Total accumulated cost amounted to SEK 89.4 million has been recorded against shareholders equity as per September 30th 2008.

Total number of outstanding shares before full utilization of share warrants amounted to 145,514,004 at the end of the interim period. Total number of outstanding shares after full utilization of share warrants (3,925,000) would amount to 149,439,004.

9. Transactions with related parties

No significant transactions have been entered into between the Parent company and related parties during January – September 2008.

10. Pledged assets and contingent liabilities

As per September 30th 2008 total pledged assets amounted to SEK 3,095 million and total contingent liabilities amounted to SEK 14 million within the Group. For the Parent company solely total pledged assets amounted to SEK 3,077 million and total contingent liabilities amounted to SEK 14 million as per September 30th 2008.

Total pledged assets have increased by SEK 528 million within the Group compared to June 30th 2008. No new guarantees have been provided during third quarter, the increase only refers to existed guarantee of shares in oilfield in Tunisia and Norway against Norsk Tillitsmann ASA have been currency translated.

As for the Parent company, total pledged assets have increased by SEK 395 million during third quarter compared to second quarter 2008 and the explanation for the increase refers to the corresponding currency translation as for the Group.

Total contingent liabilities within the Group and the Parent company are unchanged compared to June 30th 2008.

Total pledged assets and contingent liabilities for both the Group and the Parent company as per September 30th 2008 compared to September 30th 2007 and December 31st 2007 are shown below.

	Group			Parent Company		
Pledged assets - TSEK	**Sept 30 2008**	**Sept 30 2007**	**Dec 31 2007**	**Sept 30 2008**	**Sept 30 2007**	**Dec 31 2007**
The pledged assets are divided as follows:						
Standby letter of credit against ABC Bank	-	19,334	19,210	-	19,334	19,210
Guarantee of shares in oilfield in the Republic of Congo and Equatorial Guinea against Norsk Tillitsmann ASA	1,338,319	-	-	-	-	-
Guarantee of shares in PA Energy Congo BVI Ltd and Osborne Resources Ltd against Norsk Tillitsmann ASA	-	-	-	1,338,319	-	-
Guarantee of shares in oilfield in Tunisia against Norsk Tillitsmann ASA	1,350,500	1,288,940	1,280,680	-	-	-
Guarantee of pledged shares in Didon Tunisia Pty Ltd against Norsk Tillitsmann ASA	-	-	-	1,350,500	1,288,940	1,280,680
Guarantee of shares in oilfields in Norway against Norsk Tillitsmann ASA	388,344	395,373	391,050	-	-	-
Guarantee commitment of subsidiaries loan obligations	-	-	-	388,344	395,373	391,050
Oil inventory referred to payment of royalty in kind	17,875	770	7,477	-	-	-
Guarantee in clearing account for taxes and charges referred to PA Resources Norway AS	-	-	53,897	-	-	-
Total pledged assets	**3,095,038**	**1,704,417**	**1,752,315**	**3,077,163**	**1,703,647**	**1,690,940**

	Group			Parent Company		
Contingent liabilities - TSEK	**Sept 30 2008**	**Sept 30 2007**	**Dec 31 2007**	**Sept 30 2008**	**Sept 30 2007**	**Dec 31 2007**
The contingent liabilities are divided as follows:						
Contingent liabilities referred to 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 11. Events after the balance sheet date

Spud of exploration well on Didon North in Tunisia

In the beginning of October, PA Resources commenced the drilling of an exploration well on the Didon North prospect located on the Zarat permit offshore Tunisia. The Didon North prospect is located approximately five kilometres north of the Didon field. This is the first well that is being drilled on the permit by the drilling rig Ensco 85 to a planned depth of 3,115 meters. Results from the drilling are expected by year end.

Spud of exploration well on Volve South

In the beginning of October, the drilling of an exploration well on the Volve South prospect in the licences PL046BS/PL046B in Norway commenced from the combined drilling and production platform Mærsk Inspirer located at the Volve field. The exploration well will be drilled as a deviated well, and the plan is to re-use the top hole section of the well for a new production well scheduled to be put in operation on the Volve field in next year. The planned total depth of the well is approximately 3,100 metres. Results from the drillings are expected by year end.

Swap of licence shares in the Netherlands

Energie Beheer Nederland has exercised its right to obtain 40 percent of the exploration licence Block Q7, thus reducing PA Resource's as well as its partner Smart Energy Solution's respective shares in the licence from 50 percent to 30 percent. The licence shares in Block Q7 are now held by the operator Smart Energy Solutions (30 %), PA Resources (30 %) and Energie Beheer Nederland (40 %). At the same time, the Group has been assigned a 30 percent licence share in the licence Block Q10a offshore Netherlands. The Interests in Block Q10a are now held by the operator Smart Energy Solutions (30 %), PA Resources (30 %), and the State-owned oil and gas company Energie Beheer Nederland (40 %). The transfers of licence shares did not involve any payments.