



Settlement of dispute regarding Block H in Equatorial Guinea

PA Resources' subsidiary Osborne Resources Limited has entered into an agreement to settle the dispute regarding Block H in Equatorial Guinea.

The dispute aroused in June 2007 between the operator Pioneer Natural Resources Equatorial Guinea Limited ("Pioneer"), and its partners in Block H offshore Equatorial Guinea, including PA Resources' wholly-owned subsidiary Osborne Resources Limited ("PA Resources"), Roc Oil Equatorial Guinea Company ("Roc Oil") and Atlas Petroleum International Limited ("Atlas"). The essence of the dispute was a disagreement about how and when a second exploration well should be drilled in Block H and the costs for this. Arbitration was claimed and the drilling of the well was postponed.

PA Resources, Roc Oil and Atlas have now entered into an agreement to settle the dispute with Pioneer. The dispute relates to the 2004 farm-in, whereby Pioneer acquired its interests in the Block H Production Sharing Contract and Joint Venture from Roc Oil, Atlas and PA Resources.

Key terms of the dispute settlement are as follows:

1. Payment by Pioneer to Roc Oil, Atlas and PA Resources of 5.5 million US dollars (equivalent to SEK 37.2 million), of which 275 000 US dollars (SEK 1.9 million) attributable to PA Resources.
2. Assignment by Pioneer of its 50 percent interest in the Production Sharing Contract and under the Joint Ventures Agreement to PA Resources, Roc Oil and Atlas. As a result, PA Resources will hold a 6.25 percent interest in Block H compared to 3.125 percent before the settlement.
3. Pioneer Natural Resources USA Inc. will assign to Roc Oil and the partners an option to use the Aban Abraham drilling rig to drill the proposed Aleta-1 well. The rig is currently expected to be available in the second half of 2009.

Settlement of the dispute is subject to relevant Government approvals for assignment of the Pioneer interest and satisfaction of conditions in the rig contract relating to assignment of the rig.

"PA Resources views this as a good outcome for all parties. We will get our equity back, and a larger interest in the license Block H, but most important, it will be possible to drill the Aleta-1 exploration well. The Aleta prospect is considered to have a major reserve potential in the primary target reservoir, with a series of follow-on prospects and leads" says Mr Ulrik Jansson, President and CEO at PA Resources.

Participating Interests in the Block H Joint Venture are:

	Pre-Settlement	Post-Settlement
ROC EG (Technical Manager)	18.750%	37.50%
Atlas (Operator)	28.125%	56.25%
PA Resources / Osborne	3.125%	6.25%
Pioneer	50.000%	-

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PA Resources AB (publ) is an international oil and gas group with the business strategy to acquire, develop and exploit oil and gas reserves, as well as explore new findings. The Group operates in Tunisia, Norway, Greenland, Great Britain, Denmark, Netherlands, Equatorial Guinea and the Republic of Congo (Brazzaville). PA Resources is today one of the largest oil producers in Tunisia. The parent company is located in Stockholm, Sweden.

PA Resources AB's net sales amounted to SEK 2,794 Million during 2007. The company is primary listed on the Oslo Stock Exchange in Norway (segment OB Match) and secondary listed on the OMX Nordic Exchange in Stockholm, Sweden (segment Large Cap). For additional information, please visit www.paresources.se.