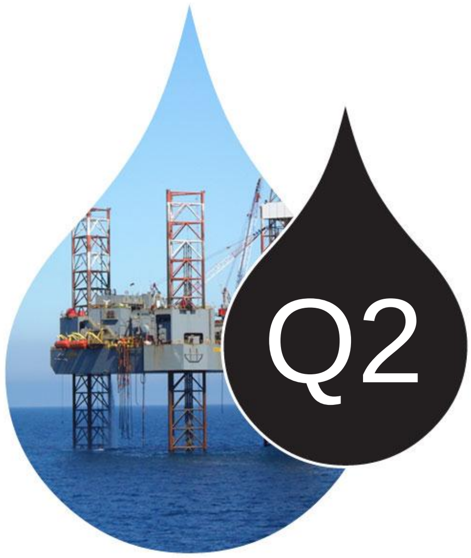
Interim Report

1 January – 30 June 2012



SUMMARY

- Group revenue amounted to SEK 542 million (542) for the second quarter.
- EBITDA for the quarter was SEK 302 million (335).
- Profit before tax for the second quarter was SEK -23 million (-13), excluding a one-off impairment charge of SEK 92 million.
- Operating cash flow for the first half of the year was SEK 600 million (466).
- During the second quarter, SEK 570 million in interest-bearing debt was amortised.
- A decision has been made by the licence group for the Azurite field to drill a sidetrack, and preparatory work has begun with the start of drilling planned for the fourth quarter.
- A process has been initiated early in the third quarter to farm out interest in the Zarat permit in Tunisia.

FINANCIAL KEY RATIOS

	Q2 2012	Q2 2011	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Revenue (SEK million)	542	542	1,192	1,125	2,154
EBITDA (SEK million)	302	335	697	694	1,295
EBITDA margin	55.7%	61.9%	58.5%	61.7%	60.1%
Operating profit (SEK million) *	148	146	363	285	508
Operating margin *	27.4%	26.8%	30.4%	25.4%	23.6%
Profit before tax (SEK million) *	-23	-13	45	131	158
Earnings per share after dilution (SEK)	-0.33	-0.26	-0.38	-0.18	-3.27

* The figures for the half-year period as well as for the second quarter of 2012 are exclusive of non-cash, one-off costs of SEK 92 million before tax, and the figures for the full year 2011 are exclusive of non-cash, one-off costs of SEK 2,035 million before tax and SEK 1,758 million after tax.

PA RESOURCES

CEO'S COMMENTS

As expected, production at the Aseng field in Equatorial Guinea increased during the second quarter to an average level of 63,000 barrels per day, giving approximately 3,600 barrels per day to PA Resources. Since the start of production in November last year, the field has already produced 14 million barrels. Given the very high quality of the reservoir, the operator's plan is to further boost production to between 65,000 and 70,000 barrels per day during the third quarter.

During the second quarter, PA Resources' average production was 8,000 barrels per day, and in July production reached 8,200 barrels. A comprehensive analysis has now been completed of the Azurite field, and the licence group has decided to drill a new sidetrack. Preparatory work has begun, and the well is expected to be on stream at the start of next year.

The three small onshore fields in Tunisia that were temporarily shut down are now all once again in production.

During the quarter, the price of oil fell as a result of a weaker global economy combined with record-high production in Saudi Arabia. Fears of a deepening European debt crisis and concerns about growth in China were additional underlying factors. In recent weeks the price of oil returned to a level above USD 110 per barrel.

The company's investments have remained at a very low level. Work with analysis, appraisal and development planning for the Danish discoveries on 12/06 and on the Zarat field in Tunisia continues. Apart from the Azurite sidetrack, no drilling commitments have been decided on for the second half of the year. Continued low investments are therefore expected during the period.

The lifting that took place at the start of the second quarter from the Azurite field enabled the company to pay down SEK 570 million in debt during the second quarter.

We have initiated a process to find a partner to whom we can farm out interest in the Zarat permit, our largest asset in Tunisia.

Bo Askvik, President and CEO, PA Resources AB

IMPORTANT EVENTS DURING THE QUARTER

- As expected, production at the Aseng field in Equatorial Guinea increased during the second quarter to an average level of 63,000 barrels per day, giving 3,600 barrels per day net to PA Resources.
- Three, small onshore fields in Tunisia that had been temporarily shut down due to social instability in the regions are now all in production again.
- The Danish licence 12/06, which includes the Broder Tuck and Lille John discoveries from the drilling campaign in 2011, was extended for two years.
- The Danish licence 9/95 ("Maja") was relinquished, as the risk and cost of the well that had been planned were considered too high. This resulted in an impairment charge of SEK 92 million.

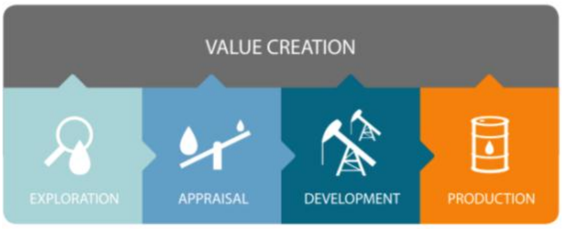
PA RESOURCES IN BRIEF

Business concept

PA Resources' business consists of the acquisition, development, extraction and divestment of oil and gas reserves, and exploration for new reserves. Production of oil generates important cash flow that enables the investments required to increase the Group's reserves and thus shareholder value. Geographically, PA Resources focuses on three regions: North Africa, West Africa, and the North Sea including Greenland.

Business model

PA Resources conducts exploration activities to increase its oil and gas resources. By appraising and thereafter developing profitable discoveries for production, resources are converted to reserves. Cash flow from producing fields balances the prioritised investments, thereby enabling the Company to further build its asset portfolio and generate long-term growth in value.



Strategic focus

Ongoing activities and investments are focused on appraising and developing the discoveries that are judged to have the greatest value for PA Resources. Focus is also on exploration of licences with high potential and using existing infrastructure nearby to enable cost-efficient development.

OPERATIONAL OVERVIEW

Q2 2012 (1 APRIL – 30 JUNE)

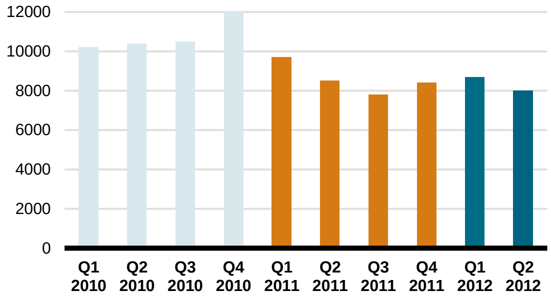
Production and sales

PA Resources' total oil production amounted to 725,600 barrels (774,700) during the second quarter. Average production was 8,000 barrels per day (8,500). Two fields in the West Africa region produced 5,700 barrels per day (5,000), and four oilfields in the North Africa region produced 2,300 barrels per day (3,500). In July, production reached 8,200 barrels per day.

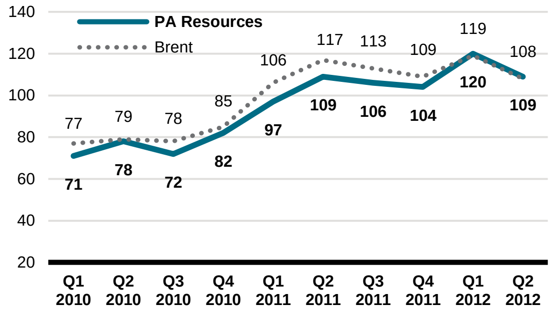
Production is based on working interest, which is PA Resources' share of total gross production before reductions for royalty and other taxes.

A total of 1,029,500 barrels (477,000) of oil were sold during the quarter, excluding royalties, of which 520,000 were from the Azurite field in the Republic of Congo. The average sales price was USD 109 per barrel (109).

Average production per quarter (barrels per day)



Average sales price per quarter (USD per barrel)



Production reports
PA Resources publishes monthly production reports in order to provide current information on the actual production and changes, see www.paresources.se

Drilling programme

PA Resources has a few firm drilling commitments during the coming two years. Preparations have begun for drilling of a sidetrack at the Azurite field in the Republic of Congo in the fourth quarter.

Licence	Field/Prospect	Time	Well/number
Tunisia			
Zarat	Elyssa	2013	Appraisal/1
Makthar		2014	Exploration/1
Rep. Congo			
MPS	Azurite	Q3/Q4 2012	Sidetrack/1
Equatorial Guinea			
Block H	Aleta	Q4 2012/ 2013	Exploration/1
Block I	Diega	2013	Appraisal/1
Denmark			
	Lille John	2013/2014	Appraisal/1

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

Capital expenditures in 2012

Capital expenditures during the second quarter totalled SEK 21 million, of which most pertained to investments in development of the Aseng and Alen fields in the West Africa region.

PA Resources expects to have a continued low level of investment during the year, and the previously issued forecast of SEK 240-375 million for the full year stands.

FIRST HALF 2012 (1 JANUARY – 30 JUNE)

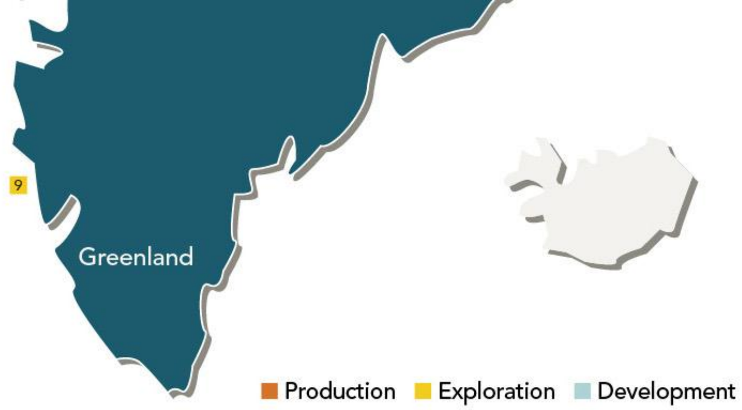
Production and sales

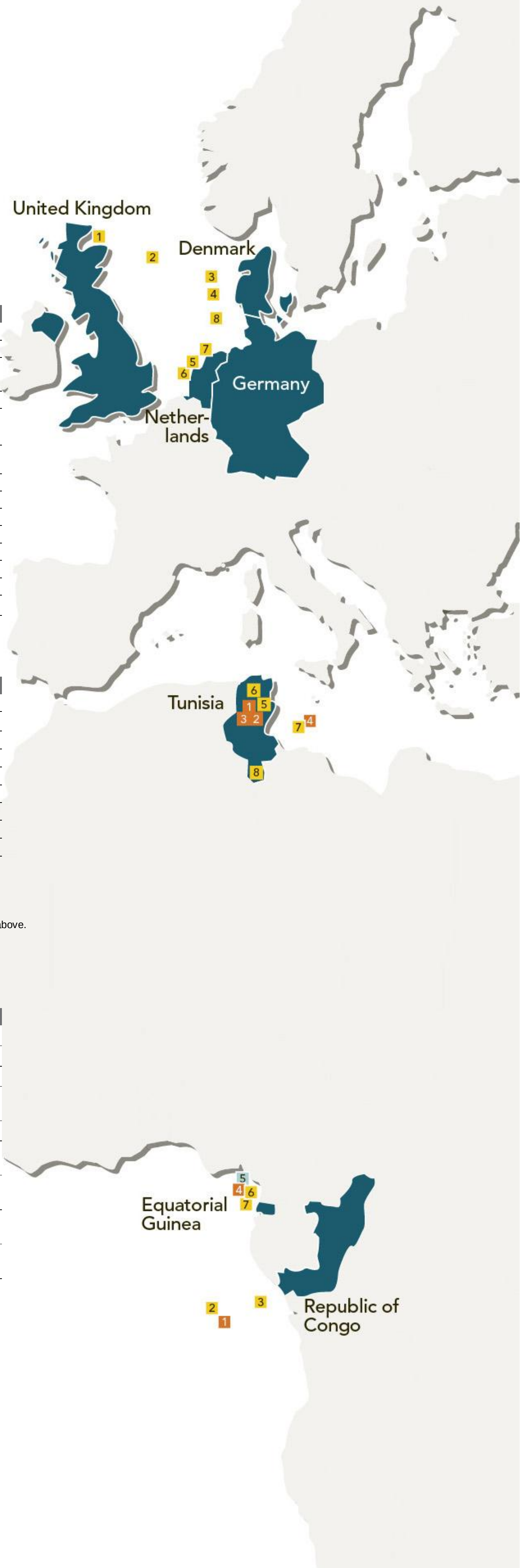
Oil production during the first half of the year amounted to 1,517,800 barrels (1,648,100) and average production was 8,300 barrels per day (9,100). A total of 1,575,800 barrels of oil were sold (1,179,000), excluding royalties, at an average price of USD 113 per barrel (101).

Oil inventory including royalty and other taxes decreased by 301,805 barrels during the period and amounted to 1,156 barrels at the end of the period.

Total oil inventory as per the balance sheet date is stated at fair value and is reported as if the inventory had been sold.

Sales vary from quarter to quarter and depend on when inventory has been filled up and customers collect the agreed volume.





North Sea Region and Greenland

	Concession/licence	Operator	Partners
	United Kingdom		
1	P1342	PA Resources (100%)	
2	Block 22/18c	PA Resources (33.34%)	Valiant Exploration Limited (33.33%), First Oil Expro Limited (33.33%)
	Denmark		
3	Block 9/06 (Gita)	Maersk Olie og Gas (31.2%)	PA Resources (26.8%), Danish North Sea Fund (20%), Noreco (12%), Danoil (10%)
4	Block 12/06	PA Resources (64%)	Danish North Sea Fund (20%), Spyker Energy (8%), Danoil (8%)
	Netherlands		
5	Block Q7	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
6	Block Q10a	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
7	Schagen	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
	Germany		
8	B20008-73	PA Resources (100%)	
	Greenland		
9	Licence 2008/17	PA Resources (87.5%)	NunaOil (12.5%)

North Africa Region

	Concession/licence	Operator	Partners
	Tunisia		
1	Douleb	PA Resources (70%)*	Serept (30%)
2	Semmama	PA Resources (70%)*	Serept (30%)
3	Tamesmida	PA Resources (95%)*	Serept (5%)
4	Didon	PA Resources (100%)	
5	Jelma***	PA Resources (70%)	Topic (30%)
6	Makthar***	PA Resources (100%)	
7	Zarat***	PA Resources (100%)	
8	Jenein Centre****	Chinook Energy (65%)	PA Resources (35%)

* Operatorship outsourced to Serept.
** Operatorship outsourced to Maretap, a joint venture owned 50% by ETAP and 50% by Candax-Ecumed. Maretap has no interest in the licence.
*** ETAP has the right to take a 50% interest in the Jelma licence and 55% in the Makthar and Zarat licences once discoveries have been made on the respective licences and a development plan has been submitted. Until such time, ownership is shared as shown above.
**** ETAP is the sole licence holder, but has signed a production-sharing agreement with PA Resources and Chinook Energy.

West Africa Region

	Concession/licence	Operator	Partners
	Republic of Congo (Brazzaville)		
1	Azurite*	Murphy (50%)	PA Resources (35%), SNPC (15%)
2	Mer Profonde Sud*	Murphy (50%)	PA Resources (35%), SNPC (15%)
3	Marine XIV*	SOCO (29.4%)	Lundin Petroleum (21.55%), Raffia Oil (21.55%), SNPC (15%), PA Resources (12.5%)
	Equatorial Guinea		
4	Aseng**	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore (23.75%), PA Resources (5.7%), GEPetrol (5%)
5	Alen***	Noble Energy (44.65%)	GEPetrol (28.75%), Glencore (24.94%), Atlas Petroleum (1.38%), PA Resources (0.29%),
6	Block I**	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore Exploration (23.75%), PA Resources (5.7%), GEPetrol (5%)
7	Block H**	White Rose Energy (46.31%)	Atlas Petroleum (23.75), Roc Oil (19%), PA Resources (5.94%), GEPetrol (5%)

* Participating interests are reported inclusive of the rights to participating interests of the state-owned company SNPC.
** Participating interests are reported from and including 2011 inclusive of the rights to participating interests of the state-owned company GEPetrol.
*** 95% of the Alen field is located in Block O and 5% in Block I. PA Resources has a 5.7% working interest in Block I, which provides 0.285% of the field in total.

WEST AFRICA REGION

The region contains the two producing fields Azurite in the Republic of Congo (Brazzaville) and Aseng in Equatorial Guinea. In Equatorial Guinea, development of the Alen field is also under way. PA Resources owns interests in two production licences, one development licence and four exploration licences in total.

- ***Production and maintenance at the Azurite field***
  Maintenance work on the Azurite field in the Republic of Congo was successfully performed at the end of May during a planned one-week shutdown. By early June production had returned to its previous levels. Following a full evaluation of remedial options to replace or reinstate the failed production well that was previously reported on, the joint venture has agreed to drill a sidetrack from FDPSO Azurite. Preparatory activities have commenced, and drilling operations are expected to start early in the fourth quarter and take several months.

- ***Production at the Aseng field***
  Production at the Aseng field in Equatorial Guinea continued to exceed expectations. The strong reservoir performance has allowed the operator to gradually increase production above the initial production level, which was in excess of 50,000 barrels per day. Since the production start in November 2011 the field has already produced nearly 14 million barrels of oil, and production averaged 63,000 barrels per day during the second quarter. Further increases in production levels to between 65,000 and 70,000 barrels per day are expected through the third quarter (3,700 – 4,000 barrels per day net to PA Resources).

- ***Alen development***
  The Alen field development in Block I in Equatorial Guinea continued to make good progress during the second quarter, and the project remains on schedule for first production in 2013. Fabrication of the wellhead module, central processing platform topsides and jacket are well advanced, whilst installation of the wellhead jacket is complete.

- ***Block I exploration and appraisal***
  The operator has secured the Atwood Hunter rig for a drilling programme which is likely to include drilling in Block I. Work is under way to firm up an exploration/appraisal drilling campaign in late 2012/first half of 2013. Possible drilling targets include an exploration/appraisal well in Block I on a trend proven by the 2011 Carla discovery in the adjacent Block O and/or an appraisal well in Block I on the Diega accumulation.

- ***Block H exploration***
  The operator of Block H in Equatorial Guinea is continuing its efforts to locate an available rig to drill the Aleta prospect.

NORTH AFRICA REGION

PA Resources has been operating in Tunisia since 1998, with substantial oil production. The Group has interests in four producing fields, of which Didon is the largest, as well as in four exploration licences. PA Resources is the operator of seven of the licences.

- ***Production at Didon***
  The Didon field in Tunisia continued to produce mainly from two wells and one well intermittently during the second quarter. Actions are being taken on a continuous basis to slow the field's natural decline.

- ***Production at Douleb, Semmama and Tamesmida***
  The three small onshore fields have been shut down due to social instability in the area. Following negotiations with local authorities conducted by the fields' operator Serept, to whom PA Resources has outsourced the operatorship, Douleb and Semmama were back in production in mid-June and Tamesmida in the beginning of July.

- ***Farm-out process initiated for Zarat permit***
  Preparatory work prior a farm-out of an ownership interest in the Zarat permit in Tunisia was conducted during the second quarter and early in the third quarter the process was initiated.

  Negotiations on allocation of reserves and development planning of the Zarat field continued during the second quarter. PA Resources submitted an updated plan of development for the field to the authorities in April.

- ***Seismic analysis of Makthar***
  A detailed analysis and modelling of 2D seismic data on the Makthar licence was finalised during the quarter. The validity of the permit has been extended to 2014. New seismic data will be acquired over the most promising leads and prospects with the aim to mature a valid prospect for drilling the commitment well in 2014.

- ***Evaluation of Jelma***
  The evaluation of the Jelma permit potential was finalised during the second quarter, and PA Resources has submitted an application for a first renewal period.

- ***Divestment of Ezzaouia and El Bibane approved***
  In early January PA Resources signed an agreement to divest its working interests in the Ezzaouia and El Bibane oil producing fields in Tunisia. The two fields contributed approximately 100 barrels of oil per day of working interest production net to PA Resources at the end of 2011. The transaction was approved by the Tunisian authorities in May 2012.

NORTH SEA REGION AND GREENLAND

PA Resources conducts exploration activities in the UK, Denmark, the Netherlands, Germany and offshore western Greenland. No production comes from this region.
PA Resources is the operator of five out of a total of nine licences, including the Danish licence 12/06, where two discoveries were made in 2011.

- ***Danish licence 12/06 extended***
  The PA Resources-operated licence 12/06, which contains the Broder Tuck gas/condensate discovery and the Lille John oil discovery from the successful drilling campaign in 2011, has been extended until May 2014. Planning of a well appraising the Lille John shallow oil discovery has commenced with the contracting of the drilling management. Further analysis of data from the 2011 drilling programme and technical and commercial studies on the two discoveries will continue through 2012. Efforts to locate an available rig are ongoing.

- ***Danish licence 9/06 ("Gita") extended***
  The licence 9/06 ("Gita") has been extended by two years. In 2009 the Gita 1X-well encountered indications of hydrocarbons in the Middle Jurassic HPHT (high pressure high temperature) secondary target but with low permeability. Subsequent detailed studies have not been able to reduce the risk associated with the presence of producible hydrocarbons.
  PA Resources will maintain its 26.8% interest in the Gita licence, where there is currently no well commitment, but demands a decision regarding drilling by October 2013. Additional subsurface studies will be carried out to further evaluate the prospectivity at Upper Jurassic and shallower Cretaceous and Tertiary levels prior to such a decision.

- ***Danish licence 9/95 ("Maja") relinquished***
  The licence 9/95 ("Maja") was also extended for two years with a commitment to drill a deep HPHT exploration well to a complex Upper Jurassic gas target. PA Resources regards this gas exploration as high cost, high risk, and consequently not in line with the company's focus. As a result, subject to the Danish Energy Agency's approval, PA Resources has elected to withdraw from this licence. The withdrawal resulted in an impairment charge of approximately SEK 90 million against the results for the second quarter. PA Resources will incur no further costs from Maja as a consequence of the relinquishment.

- ***Greenlandic licence Block 8***
  PA Resources has received initial approval for a licence extension on Block 8 offshore western Greenland, and the necessary documentation is being completed to formalise the extension.

- ***Netherlands Q7/Q10a and Schagen***
  On the three blocks Q7/Q10a and Schagen in the Netherlands an extension until 2014 has been granted by the Ministry of Economic Affair. In addition, there has been a change of control of the parent company of the operator, Smart Energy Solutions BV, which has been acquired by Tulip Oil Holdings BV, a company which is financially backed by Barclays Natural Resources Investments.

FINANCIAL OVERVIEW

Q2 2012 (1 APRIL – 30 JUNE)

Revenue, expenses and EBITDA

Group revenue during the second quarter amounted to SEK 542 million (542). Revenue was unchanged as a result of counteracting effects of lower production and a stronger US dollar compared with the corresponding period a year ago. The sales price during the quarter averaged USD 109 per barrel, which is the same as the corresponding period a year ago. Costs for raw materials and consumables including royalties increased to SEK 195 million (170).

Production costs at the respective producing fields are fixed for the most part and amounted to SEK 136 million (96), while the royalty cost was SEK 59 million (73). Total production costs compared with the second quarter a year ago increased mainly as a result of the addition of the Aseng field in the West Africa region, which came on stream during the fourth quarter of 2011. The royalty percentages were unchanged. Currency effects led to higher costs for raw materials and consumables.

EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) amounted to SEK 302 million (335), and the EBITDA margin was 56% (62%).

Depreciation, amortisation, impairment and operating profit

Depreciation and amortisation during the quarter decreased to SEK 154 million (190) on account of the Aseng field, which has a lower level of depreciation and amortisation per produced barrel than other producing fields. Lower production from the Azurite field and in the North Africa region also contributed to lower costs for depreciation and amortisation than in the corresponding period a year ago, but these were partly counteracted by currency effects.

Impairment charges for the quarter amounted to SEK 92 million (0) and pertain to a one-off write-down of licence 9/95 ("Maja") in Denmark.

Operating profit amounted to SEK 148 million (146) excluding one-off costs and to SEK 56 million (146) including one-off costs. The operating margin for the quarter excluding one-off costs was 27% (27%).

Net financial items, tax and profit for the period

Net financial items for the Group amounted to SEK -172 million (-158) during the quarter. Currency and revaluation effects impacted net financial items by SEK -18 million (-42). With the completion of the Aseng field in Equatorial Guinea, capitalisation of interest expenses has decreased, which had a negative impact on net financial items for the period. In addition, net financial items were negatively affected by non-cash costs attributable to the dissolution of credit facilities.

Profit before tax excluding one-off costs amounted to SEK -23 million (-13). Reported tax for the quarter totalled SEK -95 million (-153), and paid tax during the quarter totalled SEK 2 million (26).

Earnings per share before and after dilution were SEK -0.33 (-0.26). Adjusted for one-off costs of SEK 92 million (0) for the quarter, earnings per share were SEK -0.18 (-0.26) SEK.

FIRST HALF 2012 (1 JANUARY – 30 JUNE)

Revenue, expenses and EBITDA

Group revenue during the period amounted to SEK 1,192 million (1,125). Revenue increased mainly as a result of a higher sales price and currency effects of a stronger US dollar. The increase was partly offset by lower production. Costs for raw materials and consumables including royalties increased to SEK 404 million (363).

Production costs at the respective producing fields are fixed for the most part and amounted to SEK 269 million (216), while the royalty cost was SEK 135 million (147). Total production costs compared with the first half a year ago increased mainly as a result of the addition of the Aseng field in the West Africa region, which came on stream during the fourth quarter of 2011. The royalty percentages were unchanged. Currency effects led to higher costs for raw materials and consumables.

EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) amounted to SEK 697 million (694), and the EBITDA margin was 59% (62%).

Depreciation, amortisation, impairment and operating profit

Depreciation and amortisation during the period decreased to SEK 335 million (409) on account of the Aseng field, which has a lower level of depreciation and amortisation per produced barrel than other producing fields. Lower production from the Azurite field and in the North Africa region also contributed to lower costs for depreciation and amortisation than in the corresponding period a year ago, but these were partly counteracted by currency effects.

Impairment charges for the period amounted to SEK 92 million (0) and pertain to a one-off write-down of licence 9/95 ("Maja") in Denmark.

Operating profit amounted to SEK 363 million (285) excluding one-off costs and to SEK 271 million (285) including one-off costs. The operating margin for the period excluding one-off costs was 30% (25%).

Net financial items, tax and profit for the period

Net financial items for the Group amounted to SEK -318 million (-155) during the period. Currency and revaluation effects impacted net financial items by SEK -18 million (36). With the completion of the Aseng field in Equatorial Guinea, capitalisation of interest expenses has decreased, which had a negative impact on net financial items for the period. In addition, net financial items were negatively affected by non-cash costs attributable to the dissolution of credit facilities.

Profit before tax excluding one-off costs amounted to SEK 45 million (131). Reported tax for the period totalled SEK -194 million (-246), and paid tax during the period totalled SEK 5 million (29).

Earnings per share before and after dilution were SEK -0.38 (-0.18). Adjusted for one-off costs of SEK 92 million

(0) during the period, earnings per share were SEK -0.23 (-0.18) SEK.

Cash flow and financial position

The Group's operating cash flow for the period amounted to SEK 600 million (466).

Capital expenditures in intangible non-current assets during the period amounted to SEK 18 million (328) and pertained to investments in the development of oil and gas assets.

The Group's capital expenditures in property, plant and equipment during the period amounted to SEK 34 million (635) and pertained to investments in producing oil and gas assets. Total capital expenditures for the period amounted to SEK 53 million (963), of these expenditures, SEK 35 million (627) pertained to the West Africa region. The forecast for the full year is unchanged at SEK 240-375 million.

During the period, a total of SEK 583 million in interest-bearing debt was amortised, and net cash flow after financing and capital expenditures was SEK -36 million (-1,047). The reserve-based credit facility with the Azurite field as security was repaid in its entirety during the second quarter. The field's poor performance had resulted in higher costs and less favourable conditions for the facility.

As per 30 June 2012, the Group had net borrowings of SEK 3,503 million. Available lines of credit amounted to approximately SEK 1.1 billion, of which approximately 73% was utilised.

Cash and cash equivalents at the end of the period amounted to SEK 8 million (201). At the end of June, for payment in July, a lifting was carried out of 197,000 barrels, corresponding to approximately USD 19 million, at the Didon field in Tunisia.

Shareholders' equity decreased by SEK 205 million during the period to SEK 3,064 million, compared with SEK 3,270 million at the start of the year.

The debt/equity ratio at the end of the period was 114.3%, compared with 121.8% at the start of the year.

Parent company

The parent company's revenue pertains mainly to intra-Group sales and amounted to SEK 8 million (6) during the quarter and SEK 15 million (13) for the period. Net financial items amounted to SEK 1,993 million (-89) for the quarter and SEK 1,714 million (-313) for the period, and were favourably affected by dividends of SEK 1,895 million from subsidiaries.

Profit after tax totalled SEK 1,988 million (-94) for the quarter and SEK 1,707 million (-320) for the period.

As per the end of the period the parent company had intangible assets worth SEK 91 million (0). The increase is attributable to internal Group restructuring.

Shareholders' equity amounted to SEK 4,113 million at the end of the period, compared with SEK 2,399 million at the start of the year. The increase is mainly attributable to dividends received from subsidiaries during the second quarter

OTHER INFORMATION

Risks and uncertainties

PA Resources' financial, operational and socio-political risks are described in the Company's 2011 Annual Report, published on 30 March 2012, in the section *Risks and risk management*.

Risks in the near term include possible disruptions in production at producing fields. Other risks concern drilling, maintenance and installations, and delays in development projects. The current political situation in North Africa is difficult to assess and may have an impact on the Company's operations.

New regional director for North Africa

The former managing director of PA Resources Tunisia and regional director for North Africa, Mohamed Messaoudi, retired in early July. He has been succeeded by Paul Elstone, who has 35 years of experience in the oil industry, with leading operational positions in both the UK and internationally. He also has a broad base of expertise in leading complex development projects.

Largest shareholders

As per 30 June 2012	Number of shares	Capital/votes
AVANZA PENSION	54,232,730	8.5%
NORDNET PENSIONSFÖRSÄKRING AB	20,929,396	3.3%
CBNY-DFA-INT SML CAP V	15,454,377	2.4%
Länsförsäkringar fondförvaltning AB	11,444,273	1.8%
AB TRACTION	10,544,856	1.7%
ROBUR FÖRSÄKRING	10,474,971	1.6%
SEB S.A., W8IMY	9,281,846	1.5%
VOB & T HOLDING AB	7,800,000	1.2%
JP MORGAN BANK	6,969,740	1.1%
JPM CHASE NA	6,524,045	1.0%
Total – 10 largest shareholders	153,656,234	24.1%
Total – other shareholders	483,820,659	75.9%
Total number of shares	637,476,893	100%

Queries concerning this report can be sent to ir@paresources.se or directed to:

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Further information about PA Resources can be found at www.paresources.se.

Group – income statement

SEK 000s	Notes	Q2 2012	Q2 2011	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Revenue	3, 5	542,073	542,189	1,191,873	1,125,371	2,153,808
Cost of sales	4	-195,248	-169,582	-404,187	-362,517	-707,401
Other external expenses		-27,783	-20,775	-57,381	-37,779	-85,057
Personnel expenses		-17,087	-16,341	-33,039	-30,830	-66,100
Depreciation, amortisation and impairment losses *	5	-245,529	-189,963	-426,372	-408,823	-2,821,859
Operating profit	5	**56,426**	**145,528**	**270,894**	**285,422**	**-1,526,609**
Financial income	6	1,510	4,597	2,910	45,373	63,695
Financial expenses	6	-173,094	-162,917	-321,080	-200,243	-414,042
Total financial items		**-171,584**	**-158,320**	**-318,170**	**-154,870**	**-350,347**
Profit before tax		**-115,158**	**-12,792**	**-47,276**	**130,552**	**-1,876,956**
Income tax	7	-94,605	-153,332	-193,711	-246,321	-206,940
Profit for the period *		**-209,763**	**-166,124**	**-240,987**	**-115,769**	**-2,083,896**
Profit for the period attributable to:						
Owners of the parent		-209,763	-166,124	-240,987	-115,769	-2,083,896
Earnings per share before dilution		**-0.33**	**-0.26**	**-0.38**	**-0.18**	**-3.27**
Earnings per share after dilution		**-0.33**	**-0.26**	**-0.38**	**-0.18**	**-3.27**

Earnings per share are attributable to owners of the parent.
* Figures for the half-year period 2012 include one-off costs of SEK 91,831 thousand before tax. In addition, figures for the full year 2011 include one-off costs of SEK 2,034,666 thousand before tax and SEK 1,758,077 thousand after tax.

Group – statement of comprehensive income

SEK 000s	Notes	Q2 2012	Q2 2011	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Profit for the period		**-209,763**	**-166,124**	**-240,987**	**-115,769**	**-2,083,896**
Other comprehensive income						
Exchange differences during the period		280,262	12,216	35,804	-506,298	103,794
Exchange difference effect from liquidation		0	0	0	0	-328
Available-for-sale financial assets		0	-21	0	-22	-22
Income tax relating to available-for-sale financial assets		0	2	0	2	2
Total other comprehensive income		**280,262**	**12,197**	**35,804**	**-506,318**	**103,446**
Total comprehensive income		**70,499**	**-153,927**	**-205,183**	**-622,087**	**-1,980,450**
Total comprehensive income attributable to:						
Owners of the parent		70,499	-153,927	-205,183	-622,087	-1,980,450

Group – statement of financial position

SEK 000s	Notes	30 June 2012	30 June 2011	31 Dec. 2011
ASSETS				
Intangible assets		2,211,863	1,935,787	2,296,485
Property, plant and equipment		5,395,827	6,940,974	5,612,306
Financial assets		1,303	1,350	1,482
Total non-current assets		**7,608,993**	**8,878,111**	**7,910,273**
Inventory		60,489	4,927	59,313
Accounts receivable and other receivables		618,559	813,547	840,722
Current tax assets	7	3,762	3,665	7,069
Cash and cash equivalents		8,128	201,097	44,465
Total current assets		**690,938**	**1,023,236**	**951,569**
Assets held for sale	13	0	0	29,923
TOTAL ASSETS		**8,299,931**	**9,901,347**	**8,891,765**
EQUITY				
Equity attributable to owners of the parent				
Share capital		318,738	318,738	318,738
Other capital contributions	9	3,764,144	3,764,137	3,764,144
Reserves		-815,661	-1,461,229	-851,465
Retained earnings and profit for the period		-202,857	2,006,257	38,130
Total equity		**3,064,364**	**4,627,903**	**3,269,547**
LIABILITIES				
Interest-bearing loans and borrowings	9	3,169,708	3,269,369	3,170,186
Deferred tax liabilities	7	311,352	396,565	289,024
Provisions	10	601,920	415,920	571,458
Total non-current liabilities		**4,082,980**	**4,081,854**	**4,030,668**
Provisions		8,565	0	8,447
Current tax liabilities		175,403	159,189	89,644
Current interest-bearing loans and borrowings		341,872	478,727	856,369
Accounts payable and other liabilities		626,747	553,674	634,355
Total current liabilities		**1,152,587**	**1,191,590**	**1,588,815**
Liabilities referred to assets held for sale	13	0	0	2,735
TOTAL EQUITY AND LIABILITIES		**8,299,931**	**9,901,347**	**8,891,765**
PLEDGED ASSETS	15	**779,614**	**769,200**	**1,347,736**
CONTINGENT LIABILITIES	15	**14,000**	**14,000**	**14,000**

Group – 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 for the period**	**Total**
Balance at 1 January 2011		318,738	3,764,137	-954,911	2,122,026	5,249,990
Total comprehensive income				-506,318	-115,769	-622,087
Closing balance at 30 June 2011		**318,738**	**3,764,137**	**-1,461,229**	**2,006,257**	**4,627,903**
Balance at 1 July 2011		318,738	3,764,137	-1,461,229	2,006,257	4,627,903
Total comprehensive income				609,764	-1,968,127	-1,358,363
Transactions with shareholders						
Redemption convertible shares	9	0	7			7
Closing balance at 31 December 2011		**318,738**	**3,764,144**	**-851,465**	**38,130**	**3,269,547**
Balance at 1 January 2012		318,738	3,764,144	-851,465	38,130	3,269,547
Total comprehensive income				35,804	-240,987	-205,183
Closing balance at 30 June 2012		**318,738**	**3,764,144**	**-815,661**	**-202,857**	**3,064,364**

The number of shares outstanding was 637,476,893 as per 30 June 2012. No dividend was decided on for the 2011 financial year or previous financial years. Reserves pertain to effects from translation of operations in foreign currency.

Group – statement of cash flows

SEK 000s	Notes	Jan. - June 2012	Jan. - June 2011	Jan.-Dec. 2011
Cash flow from operating activities				
Income after financial items		-47,276	130,552	-1,876,956
Adjustments for non-cash items		769,705	270,548	2,723,783
Income tax paid		-5,134	-29,045	-45,227
Total cash flow from operating activities				
before changes in working capital		**717,295**	**372,055**	**801,600**
Cash flow from changes in working capital				
Change in inventory		-820	-259	-50,851
Change in receivables		165,294	-41,560	-198,709
Change in liabilities		-282,018	135,947	259,526
Cash flow from operating activities		**599,751**	**466,183**	**811,566**
Cash flow from investing activities				
Investments in intangible assets	5	-18,466	-327,923	-558,675
Investments in property, plant and equipment	5	-34,470	-635,350	-1,053,939
Cash flow from investing activities		**-52,936**	**-963,273**	**-1,612,614**
Cash flow from financing activities				
Loans raised		129,027	1,615,761	2,131,298
Amortisation of debt		-712,052	-2,165,682	-2,539,515
Cash flow from financing activities		**-583,025**	**-549,921**	**-408,217**
Cash flow for the period		**-36,210**	**-1,047,011**	**-1,209,265**
Cash and cash equivalents at the beginning of period		44,465	1,260,393	1,260,393
Exchange rate difference in cash and cash equivalents		-127	-12,285	-6,663
Cash and cash equivalents at end of period		**8,128**	**201,097**	**44,465**
Adjustments for non-cash items				
Depreciation, amortisation and impairment losses		426,372	408,823	2,821,859
Accounting fair value of financial instruments		0	-9,523	-9,523
Valuation Oil Sales		119,379	-266,695	-322,994
Other items including accrued interest and exchange differences (net)		223,954	137,943	234,441
Total		**769,705**	**270,548**	**2,723,783**

Parent company – income statement

SEK 000s	Notes	Q2 2012	Q2 2011	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Revenue		7,851	5,500	15,194	12,718	26,300
Other external expenses	11	-6,853	-5,120	-11,994	-9,631	-19,842
Personnel expenses		-5,182	-5,320	-10,632	-9,632	-19,038
Depreciation, amortisation and impairment losses		-25	-47	-55	-94	-144
Operating profit		**-4,209**	**-4,987**	**-7,487**	**-6,639**	**-12,724**
Result from participations in Group companies	14	1,895,341	0	1,895,341	0	-1,461,753
Financial income and similar	6, 8	215,093	85,833	60,743	193,322	479,516
Financial expenses and similar	6, 8	-117,401	-174,840	-241,925	-506,762	-469,111
Total financial items		**1,993,033**	**-89,007**	**1,714,159**	**-313,440**	**-1,451,348**
Profit before tax		**1,988,824**	**-93,994**	**1,706,672**	**-320,079**	**-1,464,072**
Income tax	7	3,554	2,956	6,948	5,779	12,116
Profit for the period		**1,992,378**	**-91,038**	**1,713,620**	**-314,300**	**-1,451,956**

Parent company – statement of comprehensive income

SEK 000s	Notes	Q2 2012	Q2 2011	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Profit for the period		**1,992,378**	**-91,038**	**1,713,620**	**-314,300**	**-1,451,956**
Other comprehensive income						
Available-for-sale financial assets		0	-21	0	-22	-22
Income tax relating to available-for-sale financial assets		0	2	0	2	2
Total other comprehensive income		**0**	**-19**	**0**	**-20**	**-20**
Total comprehensive income		**1,992,378**	**-91,057**	**1,713,620**	**-314,320**	**-1,451,976**

Parent company – balance sheet

SEK 000s	Notes	30 June 2012	31 June 2011	31 Dec. 2011
ASSETS				
Intangible assets	5	90,501	0	88,082
Tangible non-current assets		47	152	102
Financial assets	12	8,461,046	8,784,715	8,064,820
Total non-current assets		**8,551,594**	**8,784,867**	**8,153,004**
Current tax assets		1,520	1,520	984
Other receivables		1,815	2,069	1,552
Prepaid expenses and accrued income		24,676	11,620	8,074
Cash and cash equivalents		5,895	103,216	21,286
Total current assets		**33,906**	**118,425**	**31,896**
TOTAL ASSETS		**8,585,500**	**8,903,292**	**8,184,900**
SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital		318,738	318,738	318,738
Statutory reserve		985,063	985,063	985,063
Revaluation reserve		0	0	0
Total restricted equity		1,303,801	1,303,801	1,303,801
Non-restricted equity				
Share premium reserve	9	2,748,716	2,748,709	2,748,716
Profit/loss brought forward and profit for the period		60,078	-515,887	-1,653,542
Total non-restricted equity		2,808,794	2,232,822	1,095,174
Total shareholders' equity		**4,112,595**	**3,536,623**	**2,398,975**
LIABILITIES				
Liabilities Group companies		1,274,656	2,241,165	2,637,681
Interest-bearing loans and borrowings	9	2,964,293	2,680,336	2,789,399
Deferred tax liability		25,933	39,218	32,881
Total non-current liabilities		**4,264,882**	**4,960,719**	**5,459,961**
Accounts payable		3,818	2,977	3,221
Other liabilities		409	398	391
Current interest-bearing loans and liabilities		66,150	252,360	173,085
Accrued expenses and prepaid income		137,646	150,215	149,267
Total current liabilities		**208,023**	**405,950**	**325,964**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**8,585,500**	**8,903,292**	**8,184,900**
PLEDGED ASSETS	15	**758,989**	**711,024**	**1,347,210**
CONTINGENT LIABILITIES	15	**14,000**	**14,000**	**14,000**

Key ratios

FIVE-YEAR OVERVIEW

		31 June2012***	31 June 2011	31 Dec.2011***	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007
Revenue	SEK 000s	1,191,873	1,125,371	2,153,808	2,226,732	2,112,841	2,419,863	2,793,831
EBITDA	SEK 000s	697,266	694,245	1,295,250	1,275,676	1,325,877	1,771,823	2,073,729
Operating profit	SEK 000s	270,894	285,422	-1,526,609	490,424	429,601	1,395,749	1,833,485
Operating profit excluding one-off costs	SEK 000s	362,725	285,422	508,057	490,424	429,601	1,395,749	1,833,485
Operating profit per share after dilution**	SEK	0.42	0.45	-2.39	0.94	1.35	4.64	6.08
Operating margin		23%	25%	-71%	22%	20%	58%	66%
Operating margin excluding one-off costs		30%	25%	24%	22%	20%	58%	66%
Income after financial items per share after dilution**	SEK	-0.07	0.20	-2.94	0.34	1.00	2.74	5.96
Earnings per share after dilution**	SEK	-0.38	-0.18	-3.27	-0.61	0.04	3.08	3.14
Return on equity		neg	neg	neg	neg	0.3%	23.9%	33.6%
Return on assets		neg	6.0%	neg	5.1%	5.0%	16.3%	32.3%
Return on capital employed		neg	6.9%	neg	5.9%	6.3%	19.5%	41.3%
Equity per share before dilution**	SEK	4.81	7.26	5.13	8.24	13.41	15.86	11.12
Equity per share after dilution**	SEK	4.81	7.26	5.13	8.24	13.41	15.80	10.79
Profit margin		-4.0%	11.6%	-87.1%	8.1%	15.0%	34.0%	64.3%
Equity/assets ratio		36.9%	46.7%	36.8%	48.2%	44.6%	45.5%	49.5%
Debt/equity ratio		114.3%	76.6%	121.8%	59.7%	80.4%	74.8%	64.6%
Debt/equity ratio, full conversion		66.3%	49.0%	75.6%	38.3%	54.6%	n/a	n/a
Share price at end of period*	SEK	1.11	4.00	2.12	7.50	11.93	5.58	24.74
Share price/Equity per share before dilution*	Times	0.23	0.55	0.41	0.91	0.89	0.35	2.23
P/E margin per share*	Times	-2.94	-22.03	-0.65	-12.36	295.22	1.81	7.81
Number of shares outstanding before dilution**	Number	637,476,893	637,475,843	637,476,893	637,475,843	345,814,769	299,968,388	298,937,668
Number of shares outstanding after dilution**	Number	637,476,893	637,475,843	637,476,893	637,475,843	345,814,769	300,999,108	308,059,540
Average number of shares outstanding before dilution**	Number	637,476,893	637,475,843	637,476,105	521,614,740	318,998,246	299,427,260	298,937,668
Average number of shares outstanding after dilution**	Number	637,476,893	637,475,843	637,476,105	521,614,740	318,998,246	300,921,829	301,700,581

QUARTERLY OVERVIEW

		Q2 2012***	Q1 2012	Q4 2011***	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Revenue	SEK 000s	542,073	649,800	534,717	493,720	542,189	583,182	697,662	529,954
Operating profit	SEK 000s	56,426	214,468	-1,913,273	101,242	145,528	139,894	218,679	94,335
Operating profit exclud-ing one-off costs	SEK 000s	148,257	214,468	121,393	101,242	145,528	139,894	218,679	94,335
Operating margin		10.4%	33.0%	-357.8%	20.5%	26.8%	24.0%	31.3%	17.8%
Operating margin excluding one-off costs		27.4%	33.0%	22.7%	20.5%	26.8%	24.0%	31.3%	17.8%
Earnings per share after dilution**	SEK	-0.33	-0.05	-2.91	-0.18	-0.26	0.08	-0.23	0.22
Return on equity		neg	neg	neg	neg	neg	4.0%	neg	9.8%
Return on assets		2.8%	9.9%	neg	4.1%	6.2%	5.7%	8.5%	4.0%
Return on capital employed		3.4%	12.1%	neg	4.9%	7.2%	6.5%	9.7%	4.5%
Equity per share before dilution**	SEK	4.81	4.70	5.13	8.06	7.26	7.50	8.24	8.36
Equity per share after dilution**	SEK	4.81	4.70	5.13	8.06	7.26	7.50	8.24	8.36
Profit margin		-21.2%	10.4%	-378.5%	3.3%	-2.4%	24.6%	13.1%	59.5%
Equity/assets ratio		36.9%	35.2%	36.8%	46.7%	46.7%	50.7%	48.2%	52.7%
Debt/equity ratio		114.3%	127.0%	121.8%	72.2%	76.6%	67.7%	59.7%	52.2%
Debt/equity ratio, full conversion		66.3%	75.8%	75.6%	47.8%	49.6%	43.1%	38.3%	32.2%

* In connection with the completed rights issue in 2010, the share price at the end of the period was adjusted retroactively, which has affected the ratios Share price/Equity per share before dilution and P/ E multiple per share.
** The number of shares outstanding after dilution includes only shares that give rise to a dilutive effect. The rights issue carried out in 2010 gave rise to retroactive adjustments.
*** Figures for the half-year period as well as second quarter of 2012 include one-off costs of SEK 91,831 thousand before tax. In addition, figures for the full year 2011 include one-off costs of SEK 2,034,666 thousand before tax and SEK 1,758,077 thousand after tax.

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. The Company's and its subsidiaries' operations are described in the sections *PA Resources in brief* and *Operational overview*.

NOTE 2. Accounting policies

The interim report for the period ended 30 June 2012 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January–June 2012 have, like the full year 2011, 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 2011 financial year and as described in the 2011 Annual Report. The interim report does not contain all of the information and disclosures provided in the annual report; the interim report should therefore be read in the same context as the 2011 Annual Report.

NOTE 3. Revenue

Total outstanding oil inventory in number of barrels is carried at fair value as per the balance sheet date and is reported as if the inventory had been sold. In addition, PA Resources' entire working interest is reported within revenue. Adjustment has been made in cash flow for non-cash items.

NOTE 4. Raw materials and consumables

SEK 000s	Q2 2012	Q2 2011	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Operation and production costs	-136,066	-96,398	-269,086	-215,530	-430,583
Royalties	-59,182	-73,184	-135,101	-146,987	-276,818
Total cost of sales	**-195,248**	**-169,582**	**-404,187**	**-362,517**	**-707,401**

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

NOTE 5. Segment reporting

The Group is organised and followed up according to geographic regions, which correspond to the operating segments for which information is provided. Operating segments per geographic region correspond to the reporting for local units within the respective regions, except for working interests in PA Resources AB, which are reported in the North Sea segment.

During the fourth quarter of 2011 PA Resources changed its internal follow-up of financial items, which are reported in the tables below. The presentation of the items in the segment differs from the presentation in the 2011 interim reports, whereby the respective comparative periods have been recalculated. The reporting is not affected by changed accounting policies.

Following is a compilation of operating segments per geographic region and the local reporting entities that are included within the respective reportable operating segments:

North Africa: Hydrocarbures Tunisie Corp, Hydrocarbures Tunisie El Bibane Ltd, PA Resources Tunisia
West Africa: PA Energy Congo Ltd, Osborne Resources Ltd
North Sea: PA Resources UK Ltd, PA Resources Denmark ApS and PA Resources AB's working interests in Greenland
Other/joint-Group: PA Resources AB, Microdrill AB and joint-Group

The operating segments are accounted for according to the same accounting policies as for the Group. The operating segments' revenue, expenses, assets and liabilities include items directly attributable to and items that can be allocated to a specific operating segment in a reasonable and reliable manner. During the fourth quarter 2011, the Group centralised its handling of financial assets and liabilities. As a result of this, financial items and financial assets and liabilities are reported as joint-Group items.

Externally reported revenue for all operating segments except for "Other" pertains to sales of oil and services related to exploration and production of oil and gas. Group management (the CODM) follows up the profit/loss measure "Operating profit". The column "Other/Group" includes – in addition to the companies listed above – also eliminations of Group transactions in "Total expenses" and "Joint-Group transactions".

January-June 2012

Income statement (SEK 000s)	North Africa	West Africa	North Sea	Other/Group	Total
Revenue	345,554	844,238	2,051	30	**1,191,873**
Total expenses	-123,001	-362,928	-9,783	1,105	**-494,607**
Impairment losses	0	0	-91,831	0	**-91,831**
Depreciation and amortisation	-173,355	-161,131	0	-55	**-334,541**
Operating profit	**49,198**	**320,179**	**-99,563**	**1,080**	**270,894**
Total financial items					-318,170
Profit before tax					**-47,276**
Income tax					-193,711
Profit for the period					**-240,987**

January-June 2011

Income statement (SEK 000s)	North Africa	West Africa	North Sea	Other/Group	Total
Revenue	434,677	687,104	3,565	25	**1,125,371**
Total expenses	-143,570	-275,331	-5,654	-6,571	**-431,126**
Impairment losses	0	0	-278	0	**-278**
Depreciation and amortisation	-209,558	-197,997	-896	-94	**-408,545**
Operating profit	**81,549**	**213,776**	**-3,263**	**-6,640**	**285,422**
Total financial items					-154,870
Profit before tax					**130,552**
Income tax					-246,321
Profit for the period					**-115,769**

30 June 2012

Balance sheet (SEK 000s)	North Africa	West Africa	North Sea	Other/Group	Total
Non-current assets	3,700,147	3,222,296	686,503	47	**7,608,993**
Current assets	129,044	509,414	13,478	39,002	**690,938**
Total assets	**3,829,191**	**3,731,710**	**699,981**	**39,049**	**8,299,931**
Equity					**3,064,364**
Non-current liabilities	693,722	203,617	0	3,185,641	**4,082,980**
Current liabilities	389,981	246,636	29,692	486,278	**1,152,587**
Total equity and liabilities	**1,083,703**	**450,253**	**29,692**	**3,671,919**	**8,299,931**
Investments in intangible assets	-	7,255	11,211	-	**18,466**
Investments in property, plant and equipment	6,489	27,981	-	-	**34,470**

30 June 2011					
Balance sheet (SEK 000s)	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Total**
Non-current assets	4,036,468	4,312,654	528,837	152	**8,878,111**
Current assets	247,577	599,916	56,122	119,621	**1,023,236**
Total assets	**4,284,045**	**4,912,570**	**584,959**	**119,773**	**9,901,347**
Equity					**4,627,903**
Non-current liabilities	747,167	32,900	0	3,301,787	**4,081,854**
Current liabilities	340,348	142,388	76,531	632,323	**1,191,590**
Total equity and liabilities	**1,087,515**	**175,288**	**76,531**	**3,934,110**	**9,901,347**
Investments in intangible assets	-	197,009	130,914	-	**327,923**
Investments in property, plant and equipment	205,623	429,696	31	-	**635,350**

The Group's customers consist of a small number of 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 provided below. The table also shows revenue from individual external customers where the revenue amounts to 10% or more compared with total external revenue for the Group.

January-June 2012					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Total Group**
Revenue from external customers within the region	17,117	27	2,051	30	19,225
Revenue from external customers outside the region	328,437	844,211	-	-	1,172,648
Total revenue, external	345,554	844,238	2,051	30	**1,191,873**
Revenue from external customers exceeding 10% of total Group revenue					
Customer 1	328,015	373,303	-	-	**701,318**
Customer 2	-	399,116	-	-	**399,116**
% share of revenue from external customers exceeding 10% of total Group revenue:					
Customer 1	28%	31%	-	-	**59%**
Customer 2	-	33%	-	-	**33%**

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.

Group - SEK 000s	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Interest income	2,910	9,449	19,043
Exchange gains	0	7,849	16,688
Other financial items	0	28,075	27,964
Total financial income (net)	**2,910**	**45,373**	**63,695**

SEK 000s	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Interest expense	-203,033	-143,289	-291,077
Exchange losses	-13,020	0	0
Other financial items	-105,027	-56,954	-122,965
Total financial expenses (net)	**-321,080**	**-200,243**	**-414,042**

Exchange gains/losses are broken down as follows:

Exchange gains arising from bank equivalents (gross)	4,688	13,235	24,595
Exchange gains arising from borrowings (gross)	69,598	62,127	95,634
Exchange losses arising from bank equivalents (gross)	-5,574	-18,176	-24,226
Exchange losses arising from borrowings (gross)	-81,732	-49,337	-79,315
Total exchange gains (+) / losses (-) (net)	**-13,020**	**7,849**	**16,688**

Parent company - SEK 000s	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Interest income	51,610	165,247	278,387
Exchange gains	7,909	0	173,054
Other financial items	1,224	28,075	28,075
Total financial income (net)	**60,743**	**193,322**	**479,516**

SEK 000s	Jan.-June 2012	Jan.-June 2011	Jan.-Dec. 2011
Interest expense	-208,014	-212,035	-408,653
Exchange losses	0	-261,968	0
Other financial items	-33,911	-32,759	-60,458
Total financial expenses (net)	**-241,925**	**-506,762**	**-469,111**

Exchange gains/losses are broken down as follows:

Exchange gains arising from bank equivalents (gross)	4,120	11,941	20,677
Exchange gains arising from borrowings (gross)	982,052	654,587	1,976,718
Exchange losses arising from bank equivalents (gross)	-5,477	-16,183	-18,360
Exchange losses arising from borrowings (gross)	-972,786	-912,313	-1,805,981
Total exchange gains (+) / losses (-) (net)	**7,909**	**-261,968**	**173,054**

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 in 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. In cases where the Group has currency and interest rate swap agreements, these are carried at fair value, which results in unrealised net gains/losses.

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 done during the period 1 – 30 September of each year. The convertible bond 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 deducting transaction costs. The conversion price for PA Resources' outstanding convertible bonds has been recalculated from SEK 16 to SEK 8.52 per share due to the rights issue that was completed in June 2010.

A total of 11,246,242 convertibles, corresponding to a nominal amount of SEK 179.9 million, have been converted to shares. This has increased shareholders' equity by SEK 140.1 million, of which the share capital by SEK 5.6 million. It has also reduced the nominal loan amount by SEK 179.9 million.

NOTE 10. Provisions

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 an oilfield is acquired or when the Group starts to utilise these.

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. As per 30 June 2012, the Group's calculated provisions for restoration costs amounted to SEK 555,9 million. PA Resources uses the Full Cost Method, which entails that the corresponding amount for the provision is capitalised as an asset and is amortised. Total assets attributable to restoration costs amounted to SEK 218,0 million as per 30 June 2012. Future changes in provisions due to the time value of money are accounted for as a financial expense, and estimated changes are capitalised or reversed against the corresponding assets.

NOTE 11. Related party transactions

No remuneration other than customary directors' fees that have been approved by the Annual General Meeting have been paid out during the period.

NOTE 12. Financial assets, parent company

The parent company's financial assets include shares in subsidiaries totalling SEK 2,190.8 million (2,217.4) and receivables from Group companies totalling SEK 6,270.2 (6,567.3).

NOTE 13. Assets held for sale

PA Resources has signed an agreement, effective 1 January 2012, on the divestment of its ownership interests in two small producing oilfields, Ezzaouia and El Bibane, for USD 4.0 million. The transaction was completed during the second quarter of 2012, and the interests along with associated adjustments are no longer reported on the balance sheet as assets (and related liabilities) held for sale.

NOTE 14. Parent company's result from interests in Group companies

During the second quarter of 2012 the parent company received dividends from subsidiaries totalling SEK 1,895.3 million. In connection with the divestment of the El Bibane producing oilfield during the fourth quarter of 2011, the parent company wrote down the value of the shares in the subsidiary Hydrocarbures Tunisie El Bibane Ltd, by SEK 26.0 million. In addition, in 2011 the parent company wrote down an intra-Group receivable in the amount of SEK 1,435.7 million in connection with the Group's impairment of its working interest in the West Africa region.

NOTE 15. Pledged assets and contingent liabilities

As per 30 June 2012, total pledged assets amounted to SEK 779.6 million for the Group and SEK 759.0 million for the parent company. Total contingent liabilities amounted to SEK 14.0 million for the both the Group and parent company. Compared with at 31 March 2011, total pledged assets decreased by SEK 504.7 million, net, for the Group and SEK 514.8 million for the parent company. This is mainly attributable to a decrease in pledged assets in the West Africa region. Total contingent liabilities for the Group and parent company were unchanged compared with at 31 March 2012. Total pledged assets and contingent liabilities for the Group and parent company as per 30 June 2012 compared with 30 June 2011 and 31 December 2011 are shown in the table below.

	Group			Parent company		
Pledged assets - SEK 000s	**30 June 2012**	**30 June 2011**	**31 Dec. 2011**	**30 June 2012**	**30 June 2011**	**31 Dec. 2011**
Pledged assets are broken down as follows:						
Security in the form of assets in Region West Africa	758,989	671,909	1,304,285	-	-	-
Guarantee commitment for Group loan obligations	-	-	-	758,989	671,909	1,304,285
Security in the form of assets in Region North Africa	-	39,115	42,925	-	-	-
Security in the form of pledged shares	-	-	-	-	39,115	42,925
Oil inventory attributable to payment of royalties in kind	20,625	9,906	526	-	-	-
Cash deposit currency exchange	-	48,270	-	-	-	-
Total pledged assets	**779,614**	**769,200**	**1,347,736**	**758,989**	**711,024**	**1,347,210**

	Group			Parent company		
Contingent liabilities - SEK 000s	**30 June 2012**	**30 June 2011**	**31 Dec. 2011**	**30 June 2012**	**30 June 2011**	**31 Dec. 2011**
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**

BOARD’S ASSURANCE

The Board of Directors and President and CEO certify that the interim report gives a true and fair presentation of the parent company's and Group's operations, position and result and describes significant risks and uncertainties facing the parent company and the companies included in the Group.

PA Resources AB (publ.)
Stockholm, 15 August 2012

Hans Kristian Rød Chairman of the Board	**Bo Askvik** President & CEO	**Per Jakobsson** Director
Lars Olof Nilsson Director	**Catharina Nystedt-Ringborg** Director	**Paul Waern** Director

REVIEW REPORT

PA Resources AB, ID No. 556488-2180

This is a translation of the Swedish original

Introduction
We have reviewed the condensed interim report for PA Resources AB as at 30 June 2012 and for the six-month period then ended. The Board of Directors and President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the Swedish Standard on Review Engagements, SÖG 2410 *Review of Interim Reports Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 15 August 2012
Ernst & Young AB

Björn Ohlsson
Authorized Public Accountant

Definitions

FINANCIAL DEFINITIONS

- **EBITDA** is defined as operating profit excluding total depreciation and amortisation including impairment.
- **Operating profit** is defined as operating revenue less operating expenses (including depreciation, amortisation and impairment).
- **Operating margin** is defined as operating profit after depreciation and amortisation as a percentage of total revenue.
- **Earnings per share before/after dilution** is defined as profit for the period in relation to the average number of shares outstanding before/after dilution.
- **Return on equity** is defined as the average, moving 12-month profit after tax as a percentage of average adjusted equity.
- **Return on total capital** is defined as the average, moving 12-month operating profit plus adjusted financial items as a percentage of average total assets.
- **Return on capital employed** is defined as the average 12-month moving operating profit plus adjusted financial items as a percentage of average capital employed (total assets less noninterest-bearing liabilities including deferred tax liabilities).
- **Shareholders' equity per share before/after dilution** is defined as the Group's reported equity in relation to the number of shares outstanding before/after dilution.
- **Profit margin** is defined as profit after net financial items as a percentage of total revenue.
- **Equity/assets ratio** is defined as the Group's reported equity as a percentage of total assets.
- **Debt/equity ratio** is defined as the Group's interest-bearing liabilities less cash and cash equivalents in relation to adjusted equity.
- **P/E multiple per share** is defined as the share price at the end of the period in relation to profit after tax, divided by the average number of shares outstanding before dilution.

INDUSTRY TERMS

- **Appraisal well:** A well drilled to determine the extent and scope of a discovery.
- **Barrels of oil equivalents:** Unit of volume used for petroleum products. An indication used when oil, gas and NGL are to be summarised. Abbreviated BOE in English.
- **Farm out/farm in:** The holder of shares in an oil licence may transfer (farm out) shares to another company in exchange for this company taking over some of the work commitments on the licence, such as paying for a drilling or a seismic investigation within a certain period. In return, the company that is brought in receives a share in any future revenues.
- **FPSO-vessel:** Floating, Production, Storage and Offloading vessel used in an oilfield.
- **FDPSO-vessel:** Floating, Drilling, Production, Storage and Offloading vessel used in an oilfield. Used at the Azurite field in the Republic of Congo.
- **Licence:** A licence is a permit granted to an oil company from the government of a country to look for and produce oil and gas. Oil and natural gas assets are usually owned by the country in which the oil or natural gas is discovered. The oil companies obtain permission from the respective country's government to explore for and extract oil and natural gas. These permits are also called concessions, permits, or production-sharing agreements, depending on the country in question. A licence usually consists of two parts: an exploration permit and a production licence.
- **Net Entitlement Share:** The proportion of revenue, production or reserves that accrue to the oil company after deduction for royalties and taxes.
- **Operator:** A company that, under commission by one or more companies in partnership, has obtained the right to manage the operations on an oil and gas licence.
- **Production well:** A well to extract petroleum from a reservoir.
- **Seismic data:** Seismic studies are conducted to describe geological structures in bedrock. At sea, sound signals are transmitted from the ocean surface, and the echoes are captured. Such studies can be used to locate the presence of hydrocarbons, among other things.
- **Sidetrack:** Drilling from an existing well path towards a new well target.
- **Working Interest (WI):** The proportion of revenue, production or reserves that accrue to the oil company before taxes, royalties and other curtailment.

Currency rates

	Closing day rate 30 June 2012	Average rate Jan.-June 2012	Closing day rate 30 June 2011	Average rate Jan.-June 2011	Closing day rate 31 Dec. 2011	Average rate Jan.-Dec. 2011
1 EUR in SEK	8.77	8.88	9.15	8.94	8.94	9.03
1 USD in SEK	6.96	6.84	6.31	6.38	6.92	6.50
1 TND in SEK	4.39	4.44	4.62	4.54	4.60	4.61
1 NOK in SEK	1.16	1.17	1.18	1.14	1.15	1.16
1 GBP in SEK	10.90	10.79	10.15	10.30	10.68	10.41
1 DKK in SEK	1.18	1.19	1.23	1.20	1.20	1.21

Find more information on
www.paresources.se

PA Resources at a glance

- An international oil and gas company with operations and assets in nine countries
- A total of 24 oil and gas licences, of which six are in production, one is under development and 17 are in the exploration phase
- Operator of 12 licences; part-owner and partner in the other licences
- 39.1 million barrels of 1P reserves and 60.2 million barrels of 2P reserves
- Oil production in West and North Africa
- 133 employees in Tunisia, Sweden, the UK and the Republic of Congo
- PA Resources is domiciled and has its head office in Stockholm, Sweden
- PA Resources' shares (PAR) and the convertible bond (PAR KV1) are listed on NASDAQ OMX Stockholm

FINANCIAL CALENDAR

Interim Report Q3 (January–September)	24 October 2012
Year-end Report 2012 (January–December)	6 February 2013

Until further notice, PA Resources will be publishing monthly production reports in order to provide current information on the actual production.

WEBCAST CONFERENCE CALL

PA Resources' results for the second quarter of 2012 will be presented on 15 August at 10 a.m. (CET) via a webcast conference call. To participate, use the link at www.paresources.se or call:

Sweden: +46 (0)8 505 598 53
UK: +44 (0)203 043 24 36
USA: +1 866 458 40 87

An on-demand webcast is also available after the presentation.

DISCLOSURE

The information in this interim report is such that PA Resources AB is required to disclose pursuant to the Securities Market Act and Financial Instruments Trading Act. Submitted for publication at 07:45 a.m. (CET) on 15 August 2012.

FINANCIAL INFORMATION

All financial information is published on www.paresources.se directly after release. To make it easier for you to stay up to date, subscribe to our press releases and financial reports via e-mail or RSS.

This is a translation of the Swedish Interim Report. In the event of any differences between this translation and the Swedish original, the Swedish version shall govern.

PA RESOURCES

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