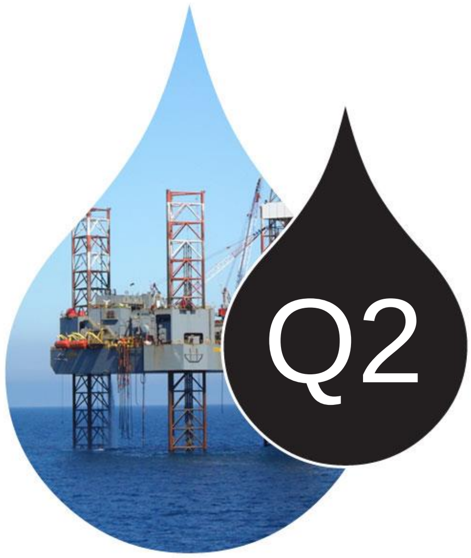
Interim Report

1 January – 30 June 2013



SECOND QUARTER SUMMARY

- Group revenue totalled SEK 332 million (542).
- EBITDA** was SEK 140 million (302).
- Profit before tax* was SEK -2 million (-23).
- A successful farm-out of 70% of PA Resources interest in and operatorship of its offshore Tunisian assets to EnQuest Plc. was announced in May. The farm-out resulted in a book loss after tax of SEK -117 million.
- A new board of directors was elected at the AGM in May and a review of PA Resources' strategy, assets and financing was initiated.
- A fully underwritten rights issue of SEK 891 million was approved by an Extraordinary General Meeting on 5 July.
- An impairment loss of SEK 185 million was reported following the relinquishment of the Greenlandic licence 2008/17 (Block 8), and the decision to expense the exploration well drilled on Danish licence 9/06 (Gita) in 2009.
- Oil was encountered in an exploration well and its sidetrack on the Carla South prospect in Block I in Equatorial Guinea.

FINANCIAL KEY RATIOS

	Q2 2013	Q2 2012	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Revenue (SEK million)	332	542	778	1,192	2,184
EBITDA (SEK million)**	140	302	383	697	1,255
EBITDA margin**	42.3%	55.7%	49.2%	58.5%	57.5%
Operating profit (SEK million) *	79	148	248	363	684
Operating margin *	23.8%	27.4%	31.9%	30.4%	31.3%
Profit before tax (SEK million) *	-2	-23	130	45	85
Profit for the period	-350	-210	-316	-241	-1,966
Earnings per share after dilution (SEK)	-12.37	-134.56	-12.45	-154.60	-966.17

*The figures for Q2 and the H1 period in 2013 are exclusive of non-cash, one-off costs of SEK 647 million before tax and SEK 302 million after tax, and SEK 668 million before tax and SEK 323 million after tax, respectively. Figures for Q2 and H1 2012 are exclusive of non-cash, one-off costs of SEK 92 million before and after tax, respectively. Figures for the full year 2012 are exclusive of non-cash, one-off costs of SEK 1,748 million before and after tax.
**EBITDA and the EBITDA margin for Q2 and the H1 period in 2013 are exclusive of non-cash, one-off costs of SEK 462 million related to the farm-out of Tunisian offshore assets during the second quarter of 2013.

PA RESOURCES

CEO'S COMMENTS

This has been three eventful first months for me as CEO of PA Resources. Following the AGM in May, the new board and management is reviewing the Company's strategy, assets, organisation, and financing.

As a first step we are working to further strengthen PA Resources' balance sheet in order to refinance the Company on acceptable terms and pursue development of the Company's assets. The minimum estimated short-term funding need from third quarter of 2013 until year-end 2014 of SEK 1.7 billion is being secured through a fully underwritten right issue of SEK 891 million and a planned new bond issue of approximately SEK 1 billion. In the event that all underwriting commitments are utilised, Gunvor Group would become the owner of approximately 49.9% of the shares and votes in PA Resources.

In late May, an agreement was reached to farm out 70% of PA Resources' working interest and operatorship of its Tunisian offshore assets to EnQuest Plc. The transaction is an important step in securing the underlying value of these key assets, leaving PA Resources with significant upside potential through its remaining 30% interest.

The strategy to reduce the Company's ownership interest in other key assets continues, and PA Resources is currently in negotiations regarding a farm-out of a 40% interest in Danish licence 12/06, which would then be reduced from a 64% interest to 24%.

A farm-out of the Mer Profonde Sud exploration area, where PA Resources currently holds an 85% interest, has also been offered to the industry. A decision is expected in the third quarter whether to enter the third and final exploration period commencing in November 2013.

Significant operational progress has been made in Equatorial Guinea. Oil was encountered on the Carla South prospect in Block I, and the drilling campaign continues with the current drilling of the appraisal well on Diega. The Alen field has commenced production and is expected to be at full capacity by the end of the third quarter. Although the field's production contribution to PA Resources is modest, the sharing of facilities and costs is expected to reduce the operating costs for Aseng by more than USD 3 million for PA Resources on an annual basis.

PA Resources' production volumes were lower in the second quarter, partly due to the farm-out of the Didon field and partly due to lower production rates at the Azurite and Aseng fields. News from the Azurite field has continued to be unfavourable. The field has reached its economic limit, and plans for abandonment are well-advanced. A final lifting is expected to take place within this year, from which PA Resources' share of the cash cost is expected to mainly cover the Company's share of the abandonment. I sincerely hope that the coming abandonment is the last chapter in this unfortunate story, which has been very unsatisfactory for the Company and all its stakeholders.

Oil prices were lower in the second quarter than the first quarter, reducing PA Resources' realised price by USD 10 per barrel. Capital expenditures for the first half of 2013 amounted to SEK 96 million, and the forecast of SEK 250–380 million for the full year 2013 continues to apply, with the outcome expected to be in the lower part of this range.

PA Resources' primary focus in the coming quarter is to secure refinancing of the bond loan that matures in October 2013, to appoint a permanent CEO, and to continue the ongoing review process of mapping the Company's medium-term way forward.

Philippe R. Probst, President and CEO, PA Resources

IMPORTANT EVENTS DURING THE QUARTER

- Oil was encountered on the Carla South prospect in Block I in Equatorial Guinea.
- Farm-out of 70% of PA Resources' interest and operatorship in its Tunisian offshore assets.
- A new board of directors was elected at the AGM, and board member Philippe R. Probst was appointed new CEO.
- A rights issue of SEK 891 million before transaction costs was proposed and subsequently approved by an Extraordinary General Meeting.

OPERATIONAL OVERVIEW

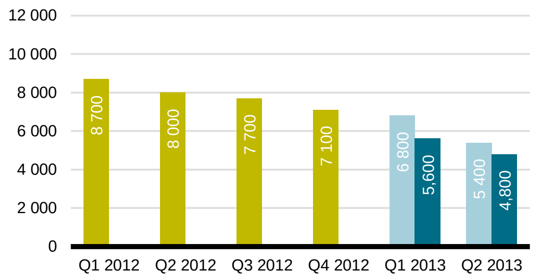
Q2 2013 (1 APRIL–30 JUNE)

Production and sales

PA Resources' total oil production amounted to 435,100 (725,600) barrels during the second quarter. Average production was 4,800 barrels per day (8,000). The Aseng and the Azurite fields in the West Africa region produced 4,000 barrels per day (5,700), and four oil fields in the North Africa region produced 800 barrels per day (2,300).

Production in July totalled 4,200 barrels per day (8,200) affected by the scheduled and communicated maintenance shut-down of the Didon field.

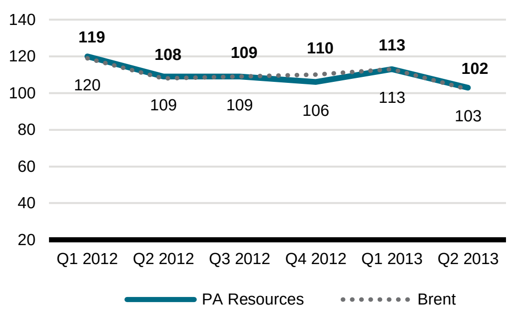
Average production per quarter (barrels per day)



Production is based on working interest, which is PA Resources' share of total gross production before deductions for royalty and other taxes. The numbers for the first and second quarter of 2013 for North Africa illustrated above show a 100% interest, and a 30% interest as a result of the farm-out transaction with EnQuest Plc, respectively announced in May, with expected closing to take place by year-end 2013, subject to necessary approvals.

A total of 310,800 barrels of oil (1,029,500) were sold during the second quarter, excluding royalties. The average sales price was USD 103 per barrel (109), compared with an average price for Brent of USD 102 per barrel (108).

Average sales price per quarter (USD per barrel)



FIRST HALF 2013 (1 JANUARY–30 JUNE)

Production and sales

Oil production during the first half of the year amounted to 941,900 barrels (1,517,800) and average production was 5,200 barrels per day (8,300). A total of 698,800 barrels of oil were sold (1,575,800), excluding royalties, at an average price of USD 108 per barrel (113).

Oil inventory including royalty and other taxes increased by 90,895 barrels during the period and amounted to 346,491 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.

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

Drilling programme

Drilling on the Carla South prospect in Block I in Equatorial Guinea was successfully completed in the second quarter and oil was encountered by both the exploration well and its sidetrack. PA Resources' firm drilling commitments for the coming two years consist of six to seven wells listed in the table below.

Licence	Field/Prospect	Time	Well/Number
Tunisia			
Didon		2014	Development/1
Zarat	Elyssa	2014 2015	Appraisal/1 Exploration/1
Makthar		2014/2015	Exploration/1
Equatorial Guinea			
Block I	Diega	Ongoing	Appraisal/1
Denmark			
12/06	Lille John	2014	Appraisal/ Exploration/1-2

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

Capital expenditures 2013/2014

Capital expenditures during the second quarter amounted to SEK 38 million and pertained mainly to investments in the Alen and Aseng fields in Equatorial Guinea and preparatory activities on the Danish licence 12/06. Capital expenditures for the period totalled SEK 96 million.

The forecast of SEK 250–380 million for the full year 2013 continues to apply, with the outcome expected to be in the lower part of the range. At present it includes investments in producing fields, the continued drilling campaign on Block I in Equatorial Guinea and preparations ahead of a possible drilling campaign on licence 12/06 in Denmark.

NORTH SEA REGION

	Concession/licence	Operator	Partners
	United Kingdom		
1	Block 22/19a	PA Resources (100%)	
	Denmark		
2	Block 9/06 (Gita)	Maersk Olie og Gas (31.2%)	PA Resources (26.8%), Nordsøfonden (20%), Noreco (12%), Danoil (10%)
3	Block 12/06	PA Resources (64%)	Nordsøfonden (20%), Spyker Energy (8%), Danoil (8%)
	Netherlands		
4	Block Q7	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
5	Block Q10a	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
6	Schagen	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
	Germany		
7	B20008-73	PA Resources (90%)	Danoil (10%)

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****	EnQuest (70%)	PA Resources (30%)
5	Jelma**	PA Resources (70%)	Topic (30%)
6	Makthar**	PA Resources (100%)	
7	Zarat****	EnQuest (70%)	PA Resources (30%)
8	Jenein Centre***	Chinook Energy (65%)	PA Resources (35%)

* Operatorship outsourced to Serept.

** 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.

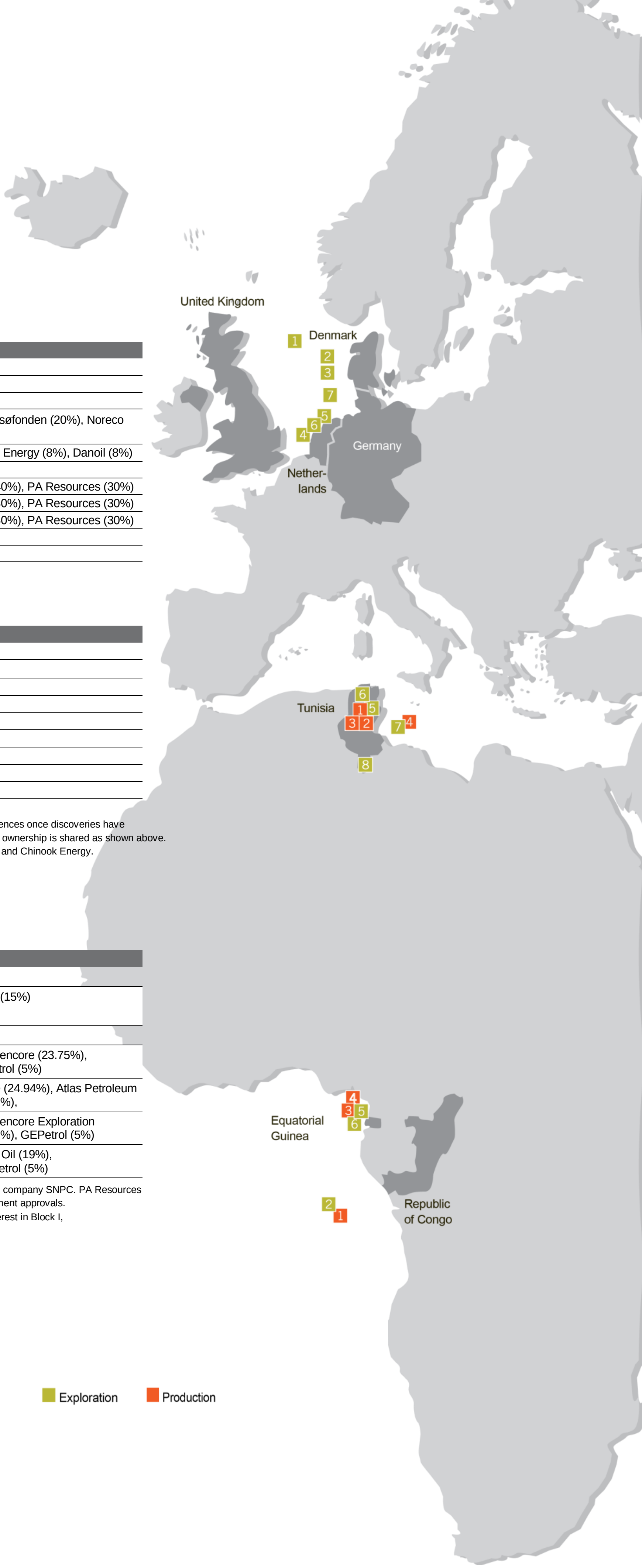
**** Completion of farm-out to EnQuest Plc. is subject to a number of conditions precedents.

WEST AFRICA REGION

	Concession/licence	Operator	Partners
	Republic of Congo (Brazzaville)		
1	Azurite*	Murphy (50%)	PA Resources (35%), SNPC (15%)
2	Mer Profonde Sud*	PA Resources (85%)	SNPC (15%)
	Equatorial Guinea		
3	Aseng	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore (23.75%), PA Resources (5.7%), GEPetrol (5%)
4	Alen**	Noble Energy (44.65%)	GEPetrol (28.75%), Glencore (24.94%), Atlas Petroleum (1.38%), PA Resources (0.29%),
5	Block I	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore Exploration (23.75%), PA Resources (5.7%), GEPetrol (5%)
6	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. PA Resources previous interest was 35%. The allocation of an additional 50% interest in MPS is subject to government approvals.

** 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 three producing fields: Azurite (Republic of Congo, Brazzaville), and Aseng and Alen (Equatorial Guinea). Production from the Alen field commenced in the third quarter of 2013. PA Resources owns interests in three production licences and three exploration licences.

- ***Production and activities at the Azurite field***
  Production at the Azurite field in the Republic of Congo continued to decline, and the field has reached its economic limit. Planning for abandonment is well-advanced and abandonment is expected to commence during the second half of 2013. A final lifting is expected to take place during the second half of 2013 from which PA Resources' share of the proceeds is expected to mainly cover the Company's share of the abandonment cash cost.

- ***MPS extension and farm-out process***
  PA Resources believes that the Mer Profonde Sud exploration area in the Republic of Congo retains exploration prospectivity. An extension until November 2013 has been secured from the authorities, to allow time for completion of subsurface studies and to attempt a farm-out to one or several partners for continued exploration. A farm-out of the area has been offered to industry and a decision is expected in the third quarter of 2013 at to whether enter the third and final renewal period in November 2013, which carries one firm well commitment.

- ***Financial review related to field abandonment***
  Further provisions and/or write-offs may be necessary in connection with early abandonment of the Azurite field and in the event the final renewal period of MPS-licence is not entered. As of the second quarter of 2013, PA Resources net share of the cost of carrying the Congolese state-owned company SNPC for part of its share of field development and exploitation costs is approximately USD 53 million (or approximately SEK 357 million), which is booked as a receivable in the Company's balance sheet.

  This receivable will be continually reviewed as the Azurite field operations and the ongoing process of finding an industry partner to join PA Resources in the MPS-licence are brought to a close. If the third period of MPS is not entered the licence would be relinquished, giving rise to an impairment loss equivalent to the current book value of approximately SEK 800 million.

- ***Production at the Aseng field***
  As reported earlier, oil production at the Aseng field in Block I in Equatorial Guinea has been reduced due to increased associated gas production having reached the facility's gas handling capacity.

- ***Alen field in production***
  Production from the Alen field in Equatorial Guinea commenced in the third quarter. The volumes have been slowly ramped up, optimising all of the major component systems including the gas separation and compression facilities. Full operations are anticipated later in the third quarter. While the Alen field will only contribute to PA Resources at modest production levels, it is utilising the Aseng FPSO for condensate storage. The sharing of facilities and costs with the Aseng field is expected to reduce the operating costs attributable to Aseng by a gross amount of USD 50-60 million per year. For PA Resources this entails a reduction in operating costs for Aseng in excess of USD 3 million on an annual basis. The Alen field development project has been delivered ahead of schedule and slightly below the sanctioned cost of USD 1,370 million (PA Resources' share is approximately USD 4.1 million).

- ***Carla South oil discovery***
  In late April 2013, the Carla South exploration well reached a total measured depth of 3,660 metres and encountered approximately 12 metres of net oil pay in good quality sandstone at the target level. Following completion of logging operations, the well was sidetracked to an adjacent target in which oil was also encountered. The sidetrack reached a total measured depth of 3,460 metres and indicates an aggregate of between 9-11 metres of net oil pay in good quality sandstones at several levels. The well has been plugged and abandoned, and the operator is conducting further analysis of the data to assess the implications of these results.

- ***Block I continued drilling campaign***
  The 2013 drilling programme in Block I in Equatorial Guinea is continuing according to plan. An appraisal well is currently being drilled at Diega, with plans to perform a long-term flow test following the drilling of a horizontal reservoir penetration.

NORTH AFRICA REGION

PA Resources has been operating in Tunisia since 1998 and is currently active in eight licences and is the operator of five of these. PA Resources has production from the offshore Didon field and three onshore fields (Douleb, Semmamma and Tamesmida). Exploration activities are being carried out on four licences of which Zarat, Tunisia's largest undeveloped oil field, is the closest to development.

- ***Successful farm-out of Tunisian offshore assets***
  In late May, PA Resources signed an agreement to farm out 70% of its working interest in the Company's Tunisian offshore assets and to transfer the operatorship to EnQuest Plc. The farm-out includes two transactions, the Didon concession and the Zarat permit. The Zarat permit contains the undeveloped Zarat and

Elyssa fields and a number of exploration targets, while the Didon concession contains the producing Didon field.

As part of the agreement, PA Resources will receive upfront cash consideration of USD 23 million, payable upon completion of the Didon transaction. Furthermore, the Company stands to receive consideration of up to USD 93 million relating to PA Resources' share of the investment costs for the Zarat development. An additional consideration of up to USD 133 million will be payable in relation to the potential developments of the Zarat and Elyssa fields if the development cost of 2P reserves is below USD 18 per boe, with the maximum additional consideration payable if development costs are below USD 13 per boe, combined with the achievement of certain revenue targets.

The effective date of the two transactions is 1 January 2013 and participating interests in the Zarat permit are subject to government back-in rights. The transactions are expected to be completed in the second half of 2013, subject to a number of conditions precedents including all necessary approvals by relevant authorities.

The farm-out reduced PA Resources' total 2P reserves from 55.7 to 23.5 mmboe, and contingent resources from 142 to 78 mmboe. The transaction also reduced PA Resources' share of production from the Didon field by approximately 1,000 boepd (from 1,400 boepd to 400 boepd), while offering near-term growth potential through infill drilling. For further transaction details see Note 13 on page 22.

- ***Production at Didon***
  During the second quarter the Didon field continued to produce primarily from two of the field's central wells. Production from the field was shut down on 1 July to allow the Didon FSO vessel to under-go a comprehensive recertification work programme plus upgrades. Production is estimated to be restarted in late September. This maintenance-related production shortfall in the third quarter is expected to be partly compensated by higher production in the fourth quarter.

- ***Producing onshore fields***
  The production licences for Douleb and Tamesmida have been extended until 2035.

- ***Evaluation of Jelma and Makthar***
  Following the finalised evaluation of the Jelma and Makthar licences' potential, the acquisition of seismic is planned to be conducted as part of a consortium starting in March 2014 and the tendering process has been completed. Work is in progress on optimising the seismic programme's design parameters in order to better define the prospects in Makthar and achieve a higher resolution at deeper levels in Jelma. The Makthar and Jelma exploration wells are expected to be postponed until 2015 and 2016, respectively.

- ***Zarat field modelling***
  A joint model for all partners in the Zarat field is being prepared by the operator and ETAP. This model will serve as the basis of the joint plan of development that is now expected to be submitted to the Tunisian authorities for approval at the end of 2013. Various production schemes are being considered, including re-injection of gas to allow for the production of oil and condensate for a period before the commencement of gas sales.

- ***Evaluation of the Zarat licence and Elyssa field***
  The 3D seismic modelling of the Elyssa field was finalised, and the process to define the location for the appraisal well on the field has started. The plan is to drill the appraisal well in early 2014, however, this is contingent upon the authorities approval of the farm-out and the availability of a suitable rig and the new operator's proposed work programme.

NORTH SEA REGION

PA Resources conducts exploration activities in the UK, Denmark, the Netherlands and Germany. No production comes from this region. PA Resources is the operator of four out of a total of eight licences, including the Danish licence 12/06, where the two discoveries Broder Tuck and Lille John were made in 2011.

- ***Work programme on Danish licence 12/06***
  Discussions are ongoing with respect to a rig for 2014 drilling on Danish licence 12/06, with the priority being the appraisal of the Lille John discovery. Studies continue to evaluate development options for the Broder Tuck field, focused on two main development concepts. Commercial discussions with the host infrastructure owner will continue towards a decision in the first quarter of 2014 on either appraisal drilling or to advance to detailed engineering design for field development. PA Resources is currently in negotiations regarding a farm-out of a 40% interest in the licence, which would then be reduced from a 64% interest to 24%.

- ***Evaluation of licence 9/06 (Gita)***
  Following the conclusion of evaluation of the Gita-1X well drilled on licence 9/06 in 2009, the decision was made to expense the licence's costs of SEK 88 million, which are mostly associated with the well and reported in the second quarter of 2013. The license will reach a drill or drop decision in the end of the third quarter of 2013.

- ***UKCS Block 22/19a***
  PA Resources is the operator on the Bergman (formerly Fiddich) gas/condensate discovery in the UK Block 22/19a, with a 100% working interest. The Bergman field was discovered in 1984, and studies have now commenced to assess the economics of appraisal and/or development, and PA Resources will shortly commence initial discussions with potential candidate

host facilities to which the field could be tied back.

- ***Seismic analysis of German licence B20008/73***
Evaluation of the block is progressing on the existing 3D dataset.

- ***Relinquishment of Greenlandic Block 8***
Following the extended licence period and earlier unsuccessful farm-out processes prior to a possible drilling phase of the licence, PA Resources relinquished its 87.5% working interest in licence 2008/17 (Block 8) to the Greenlandic authorities during the second quarter of 2013. This resulted in an impairment of value related to the licence of SEK 97 million, which is reported in the second quarter of 2013.

OTHER INFORMATION

Risks and uncertainties

No fundamental changes took place in PA Resources' operational, financial and socio-political risks during the second quarter of 2013. These are described in the 2012 Annual Report, published on 22 March 2013, 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 board of directors and management team

A new board of directors was elected by the Annual General Meeting on 14 May 2013 and now comprises members Sven A Olsson (Chairman), Philippe R Probst, Philippe R Ziegler and Paul Waern (re-elected). The Board of Directors includes members with extensive experience of the international oil industry as well as the international financial markets. The Board of Directors resolved to appoint board member Philippe R. Probst as CEO on a temporary basis effective 15 May 2013, succeeding former CEO Bo Askvik. A process to recruit a CEO on a permanent basis is currently ongoing. Tomas Hedström joined the Company as CFO on 2 May 2013. In addition, the Board of Directors was increased by one member with the election of Nils Björkman as a board member at an Extraordinary General Meeting on 5 July 2013.

Fully underwritten rights issue and bond refinancing

On 5 June the new Board of Directors proposed a fully underwritten rights issue of SEK 891 million and bond refinancing undertakings in excess of SEK 500 million in a possible new bond loan was presented. These measures have been taken to further strengthen the balance sheet and secure PA Resources' short-term minimum funding need of SEK 1.7 billion from the third quarter of 2013 until year-end 2014. The rights issue is fully underwritten by a combination of subscription undertakings from larger shareholders including the main shareholder Gunvor Group. Assuming full utilisation of the underwriting commitments, Gunvor Group would become owner of approximately 49.9% of the shares and votes in the Company. Completion of the rights issue entails that the total number of shares would increase from 28,291,998 to 113,167,992, an increase equivalent to approximately 75% of the shares and votes.

Each existing share will give the right to subscribe for three new shares at SEK 10.50 per share. The record date is 15 August 2013, and the subscription period runs from the 19 August until 2 September 2013. The prospectus will be published on 14 August 2013.

Largest shareholders

As per 30 June 2013	Number of shares	Capital/votes
GUNVOR GROUP LTD.	2,825,977	9.99 %
AVANZA PENSION	1,844,176	6.52 %
CREDIT AGRICOLE (SUISSE) SA	1,086,926	3.84 %
AB TRACTION	855,004	3.02 %
ÅGERUP FASTIGHETER AB	767,315	2.71 %
NORDNET PENSIONSFÖRSÄKRING AB	755,553	2.67 %
LUX-NON-RESIDENT/DOMESTIC RATES	546,242	1.93 %
SEB S.A.	481,328	1.70 %
ORIGINAT AB	400,000	1.41 %
SEB	399,746	1.41 %
Total for the 10 largest shareholders	**9,962,267**	**35.20 %**
Other shareholders	18,329,731	64.80 %
Total	**28,291,998**	**100.00%**

Events after the end of the reporting period

- ***Extraordinary General Meeting on 5 July 2013***
The Extraordinary General Meeting was held on 5 July 2013 in Stockholm where the Board of Directors' proposal to carry out a new share rights issue was approved. Ahead of the EGM, new detailed information regarding the Company's key assets was published. For further information, see the press releases dated 1 and 5 July 2013.

- ***Waivers granted for Norwegian and Swedish bonds***
PA Resources has been granted waivers and an amendment of the terms and conditions of the loans whereby the minimum required equity level has been reduced from SEK 2 billion to SEK 1 billion for both the Norwegian and Swedish bond loans. For further information, see the press releases dated 1, 5 and 9 July 2013.

- ***Production start on Alen in Equatorial Guinea***
The production start at the Alen field in Equatorial Guinea was announced in late July. For more information see page 6 or the press release dated 25 July.

Queries concerning this report can be directed to:

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FINANCIAL OVERVIEW

Q2 2013 (1 APRIL–30 JUNE)

Revenues, expenses and EBITDA

Group revenue during the second quarter amounted to SEK 332 million (542). Revenue decreased as a result of lower production and a lower sales price compared with the corresponding period a year ago. Revenue was also affected by currency effects of a weaker US dollar. Adjusted for farmed out Tunisian assets in April and May, revenue amounted to SEK 301 for the second quarter. Costs for raw materials and consumables including royalties decreased to SEK 155 million (195). The royalty cost was SEK 38 million (59). Royalties decreased mainly as a result of lower production. The royalty percentages were unchanged. Adjusted for farmed out Tunisian assets in April and May, costs for raw materials and consumables amounted to SEK 146 million for the second quarter.

EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) amounted to SEK -321 million (302), and the EBITDA margin was -97% (56%). Adjusted for a capital loss of SEK 462 million, EBITDA amounted to SEK 140 million, and the EBITDA margin was 42%. Also adjusted for farmed out Tunisian assets in April and May, EBITDA amounted to SEK 121 million.

Depreciation, amortisation, impairment and operating profit

Depreciation and amortisation during the quarter amounted to SEK 61 million (154). Depreciation and amortisation per produced barrel was lower compared with the corresponding period a year ago, mainly due to the recognition of impairment charges for the Azurite field during the third quarter of 2012. One-off items in the second quarter amounted to SEK 185 million (92) and pertain to the relinquished licence 2008/17 (Block 8) in Greenland, amounting to SEK 97 million. Further, following a review of other assets, an impairment loss of SEK 88 million was recognised for licence 9/06 (Gita) in Denmark. Adjusted for one-off items and farmed out Tunisian assets in April and May, depreciation and amortisation amounted to SEK 40 million for the second quarter.

Operating profit amounted to SEK 79 million (148) excluding one-off costs and SEK -568 million (56) including one-off costs. The operating margin for the quarter excluding one-off costs was 24% (27%).

Net financial items, tax and profit for the quarter

Net financial items for the Group amounted to SEK -81 million (-172) during the quarter. Currency effects impacted net financial items negatively by SEK -3 million (-12). Compared with the preceding year, net financial items were favourably affected mainly by the extinguishment of 90% of the convertible bond during the fourth quarter of 2012. Adjusted for farmed out Tunisian assets in April and May, net financial items amounted to SEK -77 million for the second quarter.

Profit before tax excluding one-off costs was SEK -2 million (-23). Also adjusted for farmed out Tunisian assets in April and May, profit before tax amounted to SEK 4 million.

The reported tax charge was positively affected by a positive one-off item of SEK 345 million as a result of a reversal of deferred tax liabilities in line with the farmed out Tunisian assets. In total, reported tax for the quarter was SEK 298 million (-95). Adjusted for the positive one-off amount and for the farmed out Tunisian assets in April and May, reported tax for the quarter was SEK -45 million.

Earnings per share before and after dilution were SEK -12.37 (-134.56).

FIRST HALF 2013 (1 JANUARY–30 JUNE)

Revenues, expenses and EBITDA

Group revenue during the period amounted to SEK 778 million (1,192). Revenue decreased as a result of lower production and a lower sales price compared with the corresponding period a year ago. Revenue was also affected by currency effects of a weaker US dollar. Adjusted for farmed out Tunisian assets during the period January–May, revenue amounted to SEK 665 million for the period. The royalty cost was SEK 90 million (135). Royalties decreased mainly as a result of lower production. The royalty percentages were unchanged. Adjusted for farmed out Tunisian assets during the period January–May, costs for raw materials and consumables amounted to SEK 272 million for the period.

EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) amounted to SEK -79 million (697), and the EBITDA margin was -10% (59%). Adjusted for a capital loss of SEK 462 million, EBITDA amounted to SEK 383 million, and the EBITDA margin was 49%. Also adjusted for farmed out Tunisian assets during the period January–May, EBITDA amounted to SEK 330 million.

Depreciation, amortisation, impairment and operating profit

Depreciation and amortisation during the period decreased to SEK 135 million (335), mainly owing to lower production compared with the corresponding period a year ago. Depreciation and amortisation per produced barrel was lower compared with the corresponding period a year ago, mainly due to the recognition of impairment charges for the Azurite field during the third quarter of 2012. One-off items in the period amounted to SEK 206 million (92) and pertain to the relinquished licence 2008/17 (Block 8) in Greenland, amounting to SEK 97 million. Further, following a review of other assets, an impairment loss of SEK 88 million was recognised for licence 9/06 (Gita) in Denmark, and remaining costs for investments in the Azurite field amounted to SEK 21 million. Adjusted for one-off items and farmed out Tunisian assets during the period January–May, depreciation and amortisation amounted to SEK 79 million for the period.

Operating profit amounted to SEK 248 million (363) excluding one-off costs and SEK -420 million (271) including one-off costs. The operating margin for the year excluding one-off costs was 32% (30%).

Net financial items, tax and profit for the period

Net financial items for the Group amounted to SEK -118 million (-318) for the period. Currency effects impacted net financial items positively by SEK 42 million (-13). Compared with the preceding year, net financial items were favourably affected mainly by the extinguishment of 90% of the convertible bond during the fourth quarter of 2012. Adjusted for farmed out Tunisian assets during the period January–May, net financial items amounted to SEK -109 million for the period.

Profit before tax excluding one-off costs was SEK 130 million (45). Also adjusted for farmed out Tunisian assets during the period January–May, profit before tax amounted to SEK 142 million.

The reported tax charge was positively impacted by a one-off item of SEK 345 million as a result of reversed deferred tax liabilities in line with the farmed out Tunisian assets. In total, reported tax for the period was SEK 222 million (-194), and paid tax was SEK 84 million (5). Adjusted for the positive one-off amount and for the farmed out Tunisian assets during the period January–May, reported tax for the period was SEK -132 million.

Earnings per share before and after dilution were SEK -12.45 (-154.60).

Tunisian farm-out

The farm-out of 70% of Didon and Zarat resulted in a capital loss after tax of SEK -117 million, net. The capital loss before tax amounted to SEK -462 million, and the decrease in deferred tax liabilities amounted to SEK 345 million. The capital loss before tax includes the net result from farmed out assets during the period January–May 2013 of SEK 3 million, net. Other effects are described in Note 13 on page 22.

Cash flow and financial position

The Group's operating cash flow for the period was SEK -98 million (600), mainly owing to a decrease in accounts payable and other liabilities during the period by SEK 206 million. Accounts payable and other liabilities amounted to SEK 368 million at the end of the period, compared with SEK 574 million at year-end 2012. The decrease is mainly attributable to payments made in the first quarter of 2013 in connection with the termination of the planned sidetrack on the Azurite field. Operating cash flow for the period in 2012 was positively affected by lifting proceeds from the Azurite field. Total capital expenditures for the period amounted to SEK 96 million (53). Of these, SEK 64 million (35) pertained to the West Africa region. The forecast of SEK 250-380 million for the full year continues to apply, with the expected outcome in the lower part of the range.

During the year, a net total of SEK 327 million (583) in debt was amortised, and net cash flow after financing and capital expenditures was SEK 82 million (-36).

As per 30 June 2013 the Group had net borrowings of SEK 2,197 million and a debt/equity ratio of 111.4%, compared with SEK 2,630 million and 165.4%, respectively, at year-end 2012. Cash and cash equivalents amounted to SEK 141 million (8).

Shareholders' equity increased by SEK 383 million during the period, mainly as a result of the completed rights issue totalling SEK 604 million, net after issue costs counteracted by the profit for the period of SEK -316 million. Shareholders' equity was positively affected by exchange differences of SEK 95 million.

Shareholders' equity amounted to SEK 1,973 million at the end of the period, and was thus lower than the minimum level of SEK 2,000 million stipulated in the financial covenants for the outstanding bond loan.

PA Resources has been granted waivers and an amendment of the terms and conditions of the loans, reducing the required equity level from SEK 2,000 million to SEK 1,000 million for the time until the rights issue is completed. Pending completion, as per the accounting date, long-term interest-bearing loans and liabilities totalling SEK 751 million have been reclassified as a current portion of interest-bearing loans and liabilities. PA Resources' financial position will be strengthened with the completion of the rights issue decided at the EGM on 5 July 2013. The rights issue will generate approximately SEK 891 million before transaction costs.

Parent company

The parent company's revenue pertains mainly to intra-Group sales and amounted to SEK 8 million (8) for the quarter and SEK 16 million (15) for the period. Impairment charges for the quarter and for the half-year period amounted to SEK 97 million and pertain to a one-off write down of licence 2008/17 (Block 8) in Greenland. Net financial items for the quarter amounted to SEK -1,121 million (1,993) and SEK -1,116 million (1,714) for the period. The current year's quarter and period were negatively affected by an impairment charge of SEK 189 million for receivables from subsidiaries as a result of a write-down of working interests in licence 9/06 ("Gita") in Denmark and by an impairment charge of SEK 1,055 million for shares in subsidiaries as a result of the farm-out of the Tunisian assets. The previous year's quarter and period were favourably affected by dividends of SEK 1,895 million from subsidiaries. The parent company's net financial items were positively impacted by currency effects.

Profit after tax was SEK -1,230 million (1,992) for the quarter and SEK -1,229 million (1,714) for the period.

Other receivables amounted to SEK 649 SEK million, compared with SEK 2 million at year 2012. The increase is attributable to the farm-out of the Tunisian assets, and the amount is classified as exploration and evaluation assets in the consolidated statement of financial position. Shareholders' equity amounted to SEK 2,051 million, compared with SEK 2,676 million at year-end 2012. The decrease is mainly attributable to impairment of receivables from subsidiaries and of shares in subsidiaries for a net value of SEK 1,244 million counteracted by the completed rights issue in the first quarter, totalling SEK 604 million, net, after issue costs.

Group – income statement

SEK 000s	Notes	Q2 2013	Q2 2012	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Revenue	3, 5	331,664	542,073	777,566	1,191,873	2,183,527
Cost of sales	4	-154,564	-195,248	-325,310	-404,187	-750,409
Capital loss*	2,13	-461,755	0	-461,755	0	0
Other external expenses		-18,774	-27,783	-37,763	-57,381	-110,859
Personnel expenses		-17,942	-17,087	-31,737	-33,039	-66,824
Depreciation, amortisation and impairment losses*	5	-246,337	-245,529	-340,948	-426,372	-2,319,144
Operating profit	5	**-567,708**	**56,426**	**-419,947**	**270,894**	**-1,063,709**
Financial income	6	4,104	1,510	49,380	2,910	5,503
Financial expenses	6	-84,712	-173,094	-167,396	-321,080	-604,820
Total financial items		**-80,608**	**-171,584**	**-118,016**	**-318,170**	**-599,317**
Profit before tax		**-648,316**	**-115,158**	**-537,963**	**-47,276**	**-1,663,026**
Income tax	7, 13	298,252	-94,605	221,712	-193,711	-302,719
Profit for the period*	2, 13	**-350,064**	**-209,763**	**-316,251**	**-240,987**	**-1,965,745**
Profit for the period attributable to:						
Owners of the parent		-350,064	-209,763	-316,251	-240,987	-1,965,745
Earnings per share before dilution		**-12.37**	**-134.56**	**-12.45**	**-154.60**	**-966.17**
Earnings per share after dilution		**-12.37**	**-134.56**	**-12.45**	**-154.60**	**-966.17**

Earnings per share are attributable to owners of the parent. *Figures for the second quarter of 2013 include one-off costs of SEK 646,785 thousand before tax and SEK 301,657 thousand after tax. Figures for the half-year period 2013 include one-off costs of SEK 667,687 thousand before tax and SEK 322,559 thousand after tax. Figures for the second quarter and half-year period of 2012 include one-off costs of SEK 91,831 thousand before tax and after tax, and figures for the full year 2012 include one-off costs of SEK 1,747,674 thousand before and after tax.

Group – statement of comprehensive income

SEK 000s	Notes	Q2 2013	Q2 2012	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Profit for the period		**-350,064**	**-209,763**	**-316,251**	**-240,987**	**-1,965,745**
Other comprehensive income						
Items that may be reclassified into profit or loss						
Exchange differences during the period		121,517	256,227*	95,147	33,010*	-228,690
Total items that may be reclassified into profit or loss		***121,517***	***256,227***	***95,147***	***33,010***	***-228,690***
Other comprehensive income for the period		**121,517**	**256,227***	**95,147**	**33,010***	**-228,690**
Total comprehensive income for the period		**-228,547**	**46,464**	**-221,104**	**-207,977**	**-2,194,435**
Total comprehensive income for the period attributable to:						
Owners of the parent		-228,547	46,464	-221,104	-207,977	-2,194,435

*See note 2, Accounting policies.

Group – statement of financial position

SEK 000s	Notes	30 June 2013	30 June 2012	31 Dec. 2012
ASSETS				
Exploration and evaluation assets	2, 13	3,619,636	4,200,719*	3,398,281
Oil and gas properties	2, 13	924,805	3,399,309*	2,125,970
Machinery and equipment		3,969	7,662*	4,381
Financial assets	8	316	1,303	1,055
Deferred tax assets	7	104,077	0	103,412
Total non-current assets		**4,652,803**	**7,608,993**	**5,633,099**
Inventory		12,266	60,489	30,871
Accounts receivable and other receivables	8	832,820	618,559	713,919
Current tax assets	7	3,675	3,762	3,076
Cash and cash equivalents	8	141,129	8,128	57,631
Total current assets		**989,890**	**690,938**	**805,497**
TOTAL ASSETS	5	**5,642,693**	**8,299,931**	**6,438,596**
EQUITY				
Equity attributable to owners of the parent				
Share capital		1,414,600	318,738	709,325
Other capital contributions	9	4,240,278	3,764,144	4,341,929
Reserves		-993,497	-826,944*	-1,088,644
Retained earnings and profit for the period		-2,688,604	-647,595*	-2,372,353
Total equity		**1,972,777**	**2,608,343***	**1,590,257**
LIABILITIES				
Interest-bearing loans and borrowings	8, 9	0	3,169,708	399,832
Deferred tax liabilities	2, 7,13	393,706	767,373*	700,870
Provisions	10	379,030	601,920	633,948
Total non-current liabilities		**772,736**	**4,539,001***	**1,734,650**
Provisions		2,215	8,565	0
Current tax liabilities		188,583	175,403	252,172
Current interest-bearing loans and borrowings	8	2,338,393	341,872	2,287,978
Accounts payable and other liabilities	8	367,989	626,747	573,539
Total current liabilities		**2,897,180**	**1,152,587**	**3,113,689**
TOTAL EQUITY AND LIABILITIES	5	**5,642,693**	**8,299,931**	**6,438,596**
PLEDGED ASSETS	15	**639,731**	**289,035**	**436,847**
CONTINGENT LIABILITIES	15	**14,000**	**14,000**	**14,000**

*See note 2, Accounting policies.

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 2012		318,738	3,764,144	-851,465	38,130	3,269,547
Adjustment of opening balance*				-8,489	-444,738	-453,227
Adjusted balance at 1 January 2012		318,738	3,764,144	-859,954	-406,608	2,816,320
Total comprehensive income for the period				33,010	-240,987	-207,977
Closing balance at 30 June 2012		**318,738**	**3,764,144**	**-826,944**	**-647,595**	**2,608,343**
Balance at 1 July 2012		318,738	3,764,144	-826,944	-647,595	2,608,343
Total comprehensive income for the period				-261,700	-1,724,758	-1,986,458
Transactions with shareholders						
Redemption convertible shares	9	1	5			6
Reduction share capital		-254,991	254,991			0
Set off issue		645,577	322,789			968,366
Closing balance at 31 December 2012		**709,325**	**4,341,929**	**-1,088,644**	**-2,372,353**	**1,590,257**
Balance at 1 January 2013		709,325	4,341,929	-1,088,644	-2,372,353	1,590,257
Total comprehensive income for the period				95,147	-316,251	-221,104
Transactions with shareholders						
Rights issue		705,275	-101,651			603,624
Closing balance at 30 June 2013		**1,414,600**	**4,240,278**	**-993,497**	**-2,688,604**	**1,972,777**

The share capital as per 30 June 2013 was distributed among 28,291,998 shares with a share quota value of SEK 50. No dividend was decided on for the 2012 financial year or previous financial years. Reserves pertain to effects from translation of operations in foreign currency.

*Adjustment of opening balance pertains to retrospective adjustments related to previously unreported deferred tax liabilities in Tunisia. For further information, see note 2, Accounting policies.

Group – statement of cash flows

SEK 000s	Notes	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Cash flow from operating activities				
Income after financial items		-537,963	-47,276	-1,663,026
Adjustments for non-cash items		724,873	769,705	2,540,015
Income tax paid		-84,330	-5,134	-5,134
Total cash flow from operating activities				
before changes in working capital		**102,580**	**717,295**	**871,855**
Cash flow from changes in working capital				
Change in inventory		0	-820	367
Change in receivables		44,559	165,294	296,369
Change in liabilities		-244,865	-282,018	-330,311
Cash flow from operating activities		**-97,726**	**599,751**	**838,280**
Cash flow from investing activities				
Investments in exploration and evaluation assets	5	-39,341	-25,694	-48,157
Investments in oil- and gas properties	5	-54,584	-27,242	-206,785
Investments in machinery and equipment	5	-2,464	0	-75
Cash flow from investing activities		**-96,389**	**-52,936**	**-255,017**
Cash flow from financing activities				
New share issue		603,624	0	0
Loans raised		37,807	129,027	196,151
Amortisation of debt		-365,219	-712,052	-764,320
Cash flow from financing activities		**276,212**	**-583,025**	**-568,169**
Cash flow for the period		**82,097**	**-36,210**	**15,094**
Cash and cash equivalents at the beginning of period		57,631	44,465	44,465
Exchange rate difference in cash and cash equivalents		1,401	-127	-1,928
Cash and cash equivalents at end of period		**141,129**	**8,128**	**57,631**
Adjustments for non-cash items				
Depreciation, amortisation and impairment losses		340,948	426,372	2,319,144
Capital loss	2, 13	461,755	0	0
Valuation Oil Sales		-135,928	119,379	-154,080
Other items including accrued interest and exchange differences (net)		58,098	223,954	374,951
Total		**724,873**	**769,705**	**2,540,015**

Parent company – income statement

SEK 000s	Notes	Q2 2013	Q2 2012	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Revenue		7,756	7,851	15,613	15,194	28,128
Other external expenses	11	-11,876	-6,853	-18,969	-11,994	-32,493
Personnel expenses		-7,662	-5,182	-13,071	-10,632	-19,978
Depreciation, amortisation and impairment losses		-97,266	-25	-97,271	-55	-95
Operating profit		**-109,048**	**-4,209**	**-113,698**	**-7,487**	**-24,438**
Result from participations in Group companies	14	-1,243,908	1,895,341	-1,243,908	1,895,341	-36,023
Financial income and similar	6, 8	195,029	215,093	268,057	60,743	101,783
Financial expenses and similar	6, 8	-72,381	-117,401	-139,686	-241,925	-868,941
Total financial items		**-1,121,260**	**1,993,033**	**-1,115,537**	**1,714,159**	**-803,181**
Profit before tax		**-1,230,308**	**1,988,824**	**-1,229,235**	**1,706,672**	**-827,619**
Income tax	7	340	3,554	665	6,948	136,293
Profit for the period		**-1,229,968**	**1,992,378**	**-1,228,570**	**1,713,620**	**-691,326**

Parent company – statement of comprehensive income

SEK 000s	Notes	Q2 2013	Q2 2012	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Profit for the period		**-1,229,968**	**1,992,378**	**-1,228,570**	**1,713,620**	**-691,326**
Other comprehensive income						
Total items that may be reclassified into profit or loss		0	0	0	0	0
Total other comprehensive income for the period		**0**	**0**	**0**	**0**	**0**
Total comprehensive income for the period		**-1,229,968**	**1,992,378**	**-1,228,570**	**1,713,620**	**-691,326**

Parent company – balance sheet

SEK 000s	Notes	30 June 2013	30 June 2012	31 Dec. 2012
ASSETS				
Exploration and evaluation assets	2, 5	0	90,501	91,543
Machinery and equipment		0	47	6
Financial assets	12	5,598,192	8,461,046	6,224,592
Total non-current assets		**5,598,192**	**8,551,594**	**6,316,141**
Current tax assets		1,520	1,520	984
Other receivables		648,916	1,815	2,048
Prepaid expenses and accrued income		33,063	24,676	113,423
Cash and cash equivalents		83,265	5,895	16,134
Total current assets		**766,764**	**33,906**	**132,589**
TOTAL ASSETS		**6,364,956**	**8,585,500**	**6,448,730**
SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital		1,414,600	318,738	709,325
Statutory reserve		985,063	985,063	985,063
Total restricted equity		2,399,663	1,303,801	1,694,388
Non-restricted equity				
Share premium reserve	9	2,969,859	2,748,716	3,071,510
Profit/loss brought forward and profit for the period		-3,318,447	60,078	-2,089,877
Total non-restricted equity		-348,588	2,808,794	981,633
Total shareholders' equity		**2,051,075**	**4,112,595**	**2,676,021**
LIABILITIES				
Liabilities Group companies		2,136,422	1,274,656	1,334,712
Interest-bearing loans and borrowings	9	0	2,964,293	350,965
Deferred tax liability		0	25,933	0
Total non-current liabilities		**2,136,422**	**4,264,882**	**1,685,677**
Accounts payable		2,348	3,818	3,030
Other liabilities		382	409	376
Current interest-bearing loans and liabilities		2,070,588	66,150	1,936,110
Accrued expenses and prepaid income		104,141	137,646	147,516
Total current liabilities		**2,177,459**	**208,023**	**2,087,032**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**6,364,956**	**8,585,500**	**6,448,730**
PLEDGED ASSETS	15	**18,088**	**18,088**	**18,088**
CONTINGENT LIABILITIES	15	**14,000**	**14,000**	**14,000**

Key ratios

FIVE-YEAR OVERVIEW

		30 June 2013***	30 June 2012	31 Dec. 2012***	31 Dec. 2011***	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008
Revenue	SEK 000s	777,566	1,191,873	2,183,527	2,153,808	2,226,732	2,112,841	2,419,863
EBITDA	SEK 000s	-78,999	697,266	1,255,435	1,295,250	1,275,676	1,325,877	1,771,823
Operating profit	SEK 000s	-419,947	270,894	-1,063,709	-1,526,609	490,424	429,601	1,395,749
Operating profit excluding one-off costs	SEK 000s	247,740	362,725	683,965	508,057	490,424	429,601	1,395,749
Operating profit per share after dilution**	SEK	-16.54	173.78	-522.82	-979.33	384.49	550.74	1,902.50
Operating margin		-54%	23%	-49%	-71%	22%	20%	58%
Operating margin excluding one-off costs		32%	30%	31%	24%	22%	20%	58%
Income after financial items per share after dilution**	SEK	-21.19	-30.33	-817.38	-1,204.09	140.56	407.08	1,121.92
Earnings per share after dilution**	SEK	-12.45	-154.60	-966.17	-1336.84	-248.05	16.53	1261.46
Return on equity		neg	neg	neg	neg	neg	0.29%	23.93%
Return on assets		neg	neg	neg	neg	5.13%	5.00%	16.27%
Return on capital employed		neg	neg	neg	neg	6.25%	6.55%	19.47%
Equity per share before dilution**	SEK	69.73	1,673.27	91.68	1,806.69	3,082.62	4,958.58	6,484.85
Equity per share after dilution**	SEK	69.73	1,673.27	91.68	1,806.69	3,082.62	4,958.58	6,476.02
Profit margin		-69.2%	-4.0%	-76.2%	-87.1%	8.1%	15.0%	34.0%
Equity/assets ratio		35.0%	31.4%	24.7%	31.7%	44.1%	40.3%	45.5%
Debt/equity ratio		111.4%	134.3%	165.4%	141.4%	65.2%	89.0%	74.8%
Share price at end of period*	SEK	9.90	305.82	55.10	584.08	2,066.33	3,287.77	1,536.97
Share price/Equity per share before dilution*	Times	0.14	0.18	0.60	0.32	0.67	0.66	0.24
P/E margin per share*	Times	-0.79	-1.98	-0.06	-0.44	-8.33	198.95	1.22
Number of shares out-standing before dilution**	Number	28,291,998	1,558,825	17,345,153	1,558,825	1,558,823	845,623	733,514
Number of shares out-standing after dilution**	Number	28,291,998	1,558,825	17,345,153	1,558,825	1,558,823	845,623	734,514
Average number of shares outstanding before dilu-tion**	Number	25,392,534	1,558,825	2,034,578	1,558,823	1,275,507	780,048	732,191
Average number of shares outstanding after dilution**	Number	25,392,534	1,558,825	2,034,578	1,558,823	1,275,507	780,048	733,641

QUARTERLY OVERVIEW

		Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Revenue	SEK 000s	331,664	445,902	466,801	524,853	542,073	649,800	534,717	493,720
Operating profit	SEK 000s	-567,708	147,761	9,003	-1,343,606	56,426	214,468	-1,913,273	101,242
Operating profit excluding one-off costs	SEK 000s	79,077	168,663	178,229	151,777	148,257	214,468	121,393	101,242
Operating margin		-171.2%	33.1%	1.9%	-256.0%	10.4%	33.0%	-357.8%	20.5%
Operating margin excluding one-off costs		23.8%	37.8%	38.2%	28.9%	27.4%	33.0%	22.7%	20.5%
Earnings per share after dilution**	SEK	-12.37	1.50	-98.53	-888.60	-134.56	-20.03	-1189.72	-72.85
Return on equity		neg	0.07	neg	neg	neg	neg	neg	neg
Return on assets		neg	9.33%	0.68%	neg	2.76%	9.92%	neg	4.11%
Return on capital employed		neg	13.60%	1.01%	neg	3.66%	12.90%	neg	5.16%
Equity per share before dilution**	SEK	69.73	77.81	91.68	612.98	1,673.27	1,643.47	1,806.69	3,008.59
Equity per share after dilution**	SEK	69.73	77.81	91.68	612.98	1,673.27	1,643.47	1,806.69	3,008.59
Profit margin		-195.5%	24.7%	-39.6%	-272.6%	-21.2%	10.4%	-378.5%	3.3%
Equity/assets ratio		35.0%	33.9%	24.7%	14.9%	31.4%	30.1%	31.7%	42.6%
Debt/equity ratio		111.4%	95.9%	165.4%	356.9%	134.3%	148.4%	141.4%	79.1%

* In connection with the completed reverse share split in 2013, the share price at the end of the period was adjusted retrospectively, 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 and reverse share split carried out in 2013 gave rise to retrospective adjustments.

*** The second quarter of 2013 includes one-off costs of SEK 646,785 thousand before tax and SEK 301,657 thousand after tax, and the half-year period 2013 includes one-off costs of SEK 667,687 thousand before tax and SEK 322,559 thousand after tax. The second quarter and half-year period of 2012 include one-off costs of SEK 91,831 thousand before and after tax. Further, the figures for the full year 2012 and 2011 include one-off costs of SEK 1,747,674 thousand before and after tax, and SEK 2,034,666 thousand before tax and SEK 1,758,077 thousand after tax, respectively. Shareholders' equity has been adjusted retrospectively, which has given rise to changed key ratios related to shareholders' equity. See note 2, Accounting policies.

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 since 2006 (Small Cap segment since January 2013). 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 2013 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January–June 2013 have, like the year-end accounts for 2012, 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 the Swedish 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 2012 financial year and as described in the 2012 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 2012 Annual Report.

Restatement of opening balance for comparison period

In connection with the process of farming out ownership interests in the Zarat licence, in 2012 PA Resources conducted an analysis of the Tunisian tax situation. This resulted in an adjustment of previously unreported deferred tax liabilities pertaining to periods before 2011 by a total of SEK -444,738 thousand, which was reported directly against shareholders' equity for the period in 2011. The periods thereafter have been adjusted within other comprehensive income, with respect to exchange differences, as the underlying deferred tax liabilities are booked in USD. Thus the Group's income statement has not been affected by this adjustment. Nor has the statement of cash flows been affected by these retrospective adjustments, since they pertain in their entirety to unrealised changes in value. The retrospective adjustments were made during the third quarter of 2012.

Changed presentation of non-current assets for comparison period

In 2012 PA Resources changed its presentation of non-current assets on the balance sheet and in the segment reporting. The assets that were previously categorised as "Intangible non-current assets and property, plant and equipment" are categorised as from 31 December 2012 as "exploration and evaluation assets" and "oil and gas assets". Comparative figures for 30 June 2012 have been recalculated and are reported in accordance with the new categorisation.

Farm-out accounting

As a venturer PA Resources accounts for a farm-out in accordance with the principles of IAS 16 if it concerns oil and gas assets. In line with this, PA Resources derecognises the carrying amount of the asset attributable to the proportion given up. After also recording any cash received as part of the transaction, a gain or loss is recognised in the income statement. If a farm-out concerns PA Resources' exploration and evaluation assets, accounting is performed in accordance with IFRS 6. Hereby, cash received is recognised against the asset, while no entries at the transaction date are made regarding the future carry payments. After the completed transaction, PA Resources assesses its cash generating units for impairment testing. Impairment losses are charged to the income statement. For further transaction details see Note 13 on page 22 and the operational overview - North Africa region – on page 5.

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 2013	Q2 2012	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Operation and production costs	-116,168	-136,066	-235,544	-269,086	-495,166
Royalties	-38,396	-59,182	-89,766	-135,101	-255,243
Total cost of sales	**-154,564**	**-195,248**	**-325,310**	**-404,187**	**-750,409**

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.

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 Pty Ltd
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. The Group centralises 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.

	January-June 2013					
Income statement (SEK 000s)	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Group elimination**	**Total**
Revenue	220,313	555,268	6,660	15,613	-20,288	**777,566**
Capital loss	-461,755	0	0	0	0	**-461,755**
Total expenses	-100,705	-248,170	-16,591	-33,931	4,587	**-394,810**
Impairment losses	0	-21,105	-184,827	0	0	**-205,932**
Depreciation and amortisation	-92,404	-42,547	-60	-5	0	**-135,016**
Operating profit	**-434,551**	**243,446**	**-194,818**	**-18,323**	**-15,701**	**-419,947**
Total financial items						-118,016
Profit before tax						**-537,963**
Income tax						221,712
Profit for the period						**-316,251**

	January-June 2012					
Income statement (SEK 000s)	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Group elimination**	**Total**
Revenue	345,554	844,238	3,346	15,194	-16,459	**1,191,873**
Capital loss	0	0	0	0	0	**0**
Total Expenses	-123,001	-362,928	-9,783	-22,797	23,902	**-494,607**
Impairment losses	0	0	-91,831	0	0	**-91,831**
Depreciation and amortisation	-173,355	-159,769	0	-1,417	0	**-334,541**
Operating profit	**49,198**	**321,541**	**-98,268**	**-9,020**	**7,443**	**270,894**
Total financial items						-318,170
Profit before tax						**-47,276**
Income tax						-193,711
Profit for the period						**-240,987**

	30 June 2013					
Balance sheet (SEK 000s)	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Group elimination**	**Total**
Exploration and evaluation assets	2,086,499	1,040,278	492,859	0	0	**3,619,636**
Oil- and gas properties	421,037	503,768	0	0	0	**924,805**
Machinery and equipment	1,705	0	2,264	0	0	**3,969**
Financial Assets	316	0	0	1,135,567	-1,135,567	**316**
Deferred tax receivables	0	0	0	104,077	0	**104,077**
Current assets	155,548	557,048	8,514	766,819	-498,039	**989,890**
Total assets	**2,665,105**	**2,101,094**	**503,637**	**2,006,463**	**-1,633,606**	**5,642,693**
Equity						**1,972,777**
Non-current liabilities	462,715	310,021	0	0	0	**772,736**
Current liabilities	206,708	240,140	11,246	2,439,086	0	**2,897,180**

Total equity and liabilities	**669,423**	**550,161**	**11,246**	**2,439,086**	**0**	**5,642,693**
Investments in exploration and evaluation assets	4,371	9,290	25,680	0	0	**39,341**
Investments in oil- and gas properties	0	54,584	0	0	0	**54,584**
Investments in machinery and equipment	227	0	2,237	0	0	**2,464**

			30 June 2012			
Balance sheet (SEK 000s)	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Group elimi-nation**	**Total**
Exploration and evaluation assets	1,849,823	1,666,454	684,442	0	0	**4,200,719**
Oil- and gas properties	1,843,667	1,555,642	0	0	0	**3,399,309**
Machinery and equipment	5,556	0	2,059	47	0	**7,662**
Financial Assets	1,101	202	0	2,190,823	-2,190,823	**1,303**
Current assets	129,044	509,414	13,478	33,963	5,039	**690,938**
Total assets	**3,829,191**	**3,731,712**	**699,979**	**2,224,833**	**-2,185,784**	**8,299,931**
Equity						**2,608,343**
Non-current liabilities	1,182,643	170,717	0	3,185,641	0	**4,539,001**
Current liabilities	389,981	246,636	29,692	486,278	0	**1,152,587**
Total equity and liabilities	**1,572,624**	**417,353**	**29,692**	**3,671,919**	**0**	**8,299,931**
Investments in exploration and evaluation assets	6,487	7,995	11,212	0	0	**25,694**
Investments in oil- and gas properties	0	27,242	0	0	0	**27,242**
Investments in machinery and equipment	0	0	0	0	0	**0**

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 2013			
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other/Group**	**Group elimi-nation**	**Total Group**
Revenue from external customers within the region	13,133	0	6,660	15,613	-20,288	15,118
Revenue from external customers outside the region	207,180	555,268	-	-	-	762,448
Total revenue, external	220,313	555,268	6,660	15,613	-20,288	**777,566**
Revenue from external customers exceeding 10% of total Group revenue						
Customer 1	130,462	361,974	-	-	-	**492,436**
Customer 2	-	-	-	-	-	**0**
% share of revenue from external customers exceeding 10% of total Group revenue:						
Customer 1	17%	47%	-	-	-	**63%**
Customer 2	-	-	-	-	-	**0%**

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 2013	Jan.-June 2012	Jan.-Dec. 2012
Interest income	7,252	2,910	5,503
Exchange gains	42,128	0	0
Other financial items	0	0	0
Total financial income (net)	**49,380**	**2,910**	**5,503**

SEK 000s	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Interest expense	-136,625	-203,033	-380,354
Exchange losses	0	-13,020	-1,021
Other financial items	-30,771	-105,027	-223,445
Total financial expenses (net)	**-167,396**	**-321,080**	**-604,820**
Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	6,716	4,688	6,043
Exchange gains arising from borrowings (gross)	75,322	69,598	116,099
Exchange losses arising from bank equivalents (gross)	-6,004	-5,574	-6,425
Exchange losses arising from borrowings (gross)	-33,906	-81,732	-116,738
Total exchange gains (+) / losses (-) (net)	**42,128**	**-13,020**	**-1,021**

Parent company - SEK 000s	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Interest income	52,673	51,610	100,559
Exchange gains	215,384	7,909	0
Other financial items	0	1,224	1,224
Total financial income (net)	**268,057**	**60,743**	**101,783**

SEK 000s	Jan.-June 2013	Jan.-June 2012	Jan.-Dec. 2012
Interest expense	-132,291	-208,014	-369,167
Exchange losses	0	0	-361,862
Other financial items	-7,395	-33,911	-137,912
Total financial expenses (net)	**-139,686**	**-241,925**	**-868,941**
Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	6,346	4,120	4,342
Exchange gains arising from borrowings (gross)	406,438	982,052	1,263,769
Exchange losses arising from bank equivalents (gross)	-5,156	-5,477	-6,398
Exchange losses arising from borrowings (gross)	-192,244	-972,786	-1,623,575
Total exchange gains (+) / losses (-) (net)	**215,384**	**7,909**	**-361,862**

NOTE 7. Income tax

Reported tax pertains to income tax expense and deferred taxes attributable to ownership interests in oil fields in Tunisia and Equatorial Guinea as well as Tax Oil (the difference between the "Working interest share" and "Net Entitlement") in the West Africa region. During 2012, retrospective adjustments were made against shareholders' equity in the Group for previously unreported deferred tax liabilities in Tunisia pertaining to periods prior to the start of 2011. This resulted in an increase in the opening balance of deferred tax liabilities in 2011 of SEK 444,738 thousand.

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.

As per 30 June 2013 and at the end of the comparison periods, the Group had no financial instruments measured at fair value on the balance sheet. The table below shows the carrying amount of the Group's financial instruments compared with their fair values. In cases where the fair value differs from the carrying amount, this is based on observable market data.

	30 June 2013	
Financial instruments (SEK 000s)	**Carrying amount**	**Fair value**
Financial assets	316	316
Accounts receivable and other receivables	832,820	832,820
Cash and cash equivalents	141,129	141,129
Total financial assets	**974,265**	**974,265**
Non-current interest-bearing loans and borrowings	0	0
Current interest-bearing loans and borrowings	2,338,393	2,259,356
Accounts payable and other liabilities	367,989	367,989
Total financial liabilities	**2,706,382**	**2,627,345**

NOTE 9. Convertible bond

The Company issued, after a final settlement on 14 January 2009, a total of 72,757,002 convertible bonds, corresponding to a nominal amount of approximately SEK 1,164.1 million. The major part of the convertible bonds was repaid in connection with the Company's offer to the holders of the convertible bonds to set-off their claims pursuant to the convertible bonds against newly issued shares in the fourth quarter of 2012. As per 30 June 2013 convertible bonds amount to 5,857,151 at nominal SEK 16 per convertible bond, *i.e.*, a nominal total of approximately SEK 93.7 million.

Remaining convertibles continue to carry annual nominal interest of 11%, which will be paid 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 been made prior to this date. The last conversion to shares may be done during the period 1–30 September 2013. The recalculated conversion price, prior to the Rights Issue, is SEK 3,245 per share. The convertible bond continues to be defined as a Compound Financial Instrument, which entails a split classification between financial liability and equity.

NOTE 10. Provisions

For parts of oil fields 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 oil field is acquired or when the Group starts to utilise the oilfield. 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 2013, the Group's calculated provisions for restoration costs amounted to SEK 300.2 million (555.9). 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 111.9 million (218.0) as per 30 June 2013.The change in provision and in corresponding assets is due to farmed out Tunisian assets. 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

Board member Philippe R Probst has been serving as acting CEO of the Company on a consultancy basis since 15 May 2013. The Company pays a monthly fixed fee of SEK 315,000 to Phipro Consulting Ltd, through which Philippe R Probst provides his services. Apart from this, no remuneration other than customary directors' fees that have been approved by the Annual General Meeting have been paid out.

NOTE 12. Financial assets, parent company

The parent company's financial assets include shares in subsidiaries totalling SEK 1,135.6 (2,190.8) million, receivables from Group companies totalling SEK 4,358.5 (6,270.2) million, and deferred tax assets totalling SEK 104.1 (0) million.

NOTE 13. Tunisian farm-out

According to the terms of sale PA Resources received an upfront cash payment of USD 23 million (approximately SEK 150 million), payable upon completion of the Didon transaction. As per 30 June 2013 the amount is included in accounts receivable and other receivables. Further, the terms of sale include an additional payment of USD 93 million (approximately SEK 600 million) conditional on development of the Zarat field. In accordance with PA Resource' accounting policies regarding farm-out activities, no entries are made regarding future payments for exploration and evaluation assets, and thus no amount is recorded, see more in note 2, Accounting policies. In connection with the farm-out process an amount of USD 44 million (approximately SEK 300 million) has been reclassified from oil and gas properties to exploration and evaluation assets. The reclassification is based on, management's change in accounting estimates, as a result of the Company's analysis of the Tunisian assets, which was conduction in connection with the farm-out process. The farm out of 70% of Didon and Zarat resulted in a capital loss after tax of SEK -117 million, net. The capital loss before tax amounted to SEK -462 million and the reversal of deferred tax liabilities amounted to SEK 345 million. The capital loss before tax includes an upfront cash payment of SEK 149 million. Other effects are shown in the table below.

	Jan. - June 2013
Capital loss (SEK million)	**Total**
Upfront payment	149
Farmed out non-current assets	-867
Farmed out provisions	279
Farmed out inventory	-20
Farmed out working capital (net)	-7
Net result farmed out assets	3
Operating profit	**-462**
Profit before tax	**-462**
Reversed deferred tax liability	345
Profit for the period	**-117**

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

In connection with the farm-out of the offshore assets in Tunisia, which was conducted in the second quarter 2013, the parent company wrote down shares in subsidiaries by SEK 1,055.3 million. Further the parent company wrote down an intra-Group receivable by SEK 188,6 thousand as a result of the impairment of licence Block 9/06 (Gita) in Denmark. In connection with the impairment of the Group's working interest in the West Africa region, during 2012 the parent company wrote down an intra-Group receivable by SEK 1,799.0 million. In addition, the parent company wrote down intra-Group receivables by SEK 87.5 million and SEK 44.9 million, respectively, as a result of the relinquishment of licence 9/95 (Maja) in Denmark and the Marine XIV licence in the Republic of Congo. During 2012 the parent company received dividends from subsidiaries totalling SEK 1,895.3 million.

NOTE 15. Pledged assets and contingent liabilities

As per 30 June 2013, pledged assets amounted to SEK 639.7 million for the Group and SEK 18.1 million for the parent company. Total contingent liabilities amounted to SEK 14.0 million for both the Group and parent company. Compared with at 31 March 2013, total pledged assets increased by a net total of SEK 98.8 million for the Group and are unchanged for the parent company. Total contingent liabilities for the Group and parent company are unchanged compared with at 31 March 2013. Total pledged assets and contingent liabilities for the Group and parent company as per 30 June 2013 compared with 30 June 2012 and 31 December 2012 are shown in the table below.

	Group			Parent company		
Pledged assets - SEK 000s	**30 June 2013**	**30 June 2012**	**31 Dec. 2012**	**30 June 2013**	**30 June 2012**	**31 Dec. 2012**
Pledged assets are broken down as follows:						
Shares in subsidiaries	639,731	268,410	430,292	18,088	18,088	18,088
Oil inventory attributable to payment of royalties in kind	-	20,625	6,555	-	-	-
Total pledged assets	**639,731**	**289,035**	**436,847**	**18,088**	**18,088**	**18,088**

	Group			Parent company		
Contingent liabilities - SEK 000s	**30 June 2013**	**30 June 2012**	**31 Dec. 2012**	**30 June 2013**	**30 June 2012**	**31 Dec. 2012**
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, 14 August 2013

Sven A Olsson Chairman of the Board

Philippe R Probst
President & CEO

Philippe R Ziegler
Director

Nils Björkman
Director

Paul Waern
Director

REVIEW REPORT

PA Resources AB, Corporate 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 2013 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, 14 August 2013
Ernst & Young AB

Björn Ohlsson
Authorised Public Accountant

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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 oil field.
- **FDPSO-vessel:** Floating, Drilling, Production, Storage and Offloading vessel used in an oil field. 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 2013	Average rate Jan.-June 2013	Closing day rate 30 June 2012	Average rate Jan.-June 2012	Closing day rate 31 Dec. 2012	Average rate Jan.-Dec. 2012
1 EUR in SEK	8.76	8.53	8.77	8.88	8.62	8.71
1 USD in SEK	6.71	6.50	6.96	6.84	6.52	6.78
1 TND in SEK	4.04	4.07	4.39	4.44	4.20	4.34
1 NOK in SEK	1.11	1.14	1.16	1.17	1.17	1.16
1 GBP in SEK	10.25	10.03	10.90	10.79	10.49	10.73
1 DKK in SEK	1.17	1.14	1.18	1.19	1.16	1.17

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
- Oil production in West and North Africa
- A total of 21 oil and gas licences, of which seven are in production and 14 in the exploration phase
- Operator of 9 licences; part-owner and partner in the other licences
- 15.9 million barrels of 1P reserves and 23.5 million barrels of 2P reserves
- PA Resources is domiciled in Stockholm, Sweden and the Group has a total of 116 employees in London, Stockholm and Tunisia
- PA Resources' share (PAR), the convertible bond (PAR KV1) and the Swedish bond are all listed on NASDAQ OMX in Stockholm

FINANCIAL CALENDAR

Interim Report Q3 (January–September)	23 October 2013
Year-end Report 2013 (January–December)	5 February 2014

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 2013 will be presented on 14 August 2013 at 10 a.m. (CET) via a webcast conference call. To participate, use the link at www.paresources.se or call:

SE: +46 8 505 564 74
UK: +44 203 364 5374
US: +1 855 753 2230

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 08:15 a.m. (CET) on 14 August 2013.

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.

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