Year-end Report

1 January – 31 December 2014

FULL YEAR

- Group revenue totalled SEK 603 million (1,049)
- EBITDA was SEK -480 million (-494)
- Profit after tax was SEK -2,957 million (-1,219)
- Earnings per share were SEK -26.13 (-21.54)
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2014 financial year.

FOURTH QUARTER

- Group revenue totalled SEK 88 million (193)
- EBITDA was SEK -808 million (74)
- Profit after tax was SEK -2,745 million (-402)
- Earnings per share were SEK -24.26 (-3.55)

KEY EVENTS DURING THE QUARTER

- Impairment charges resulted in a net effect of SEK -1,820 million recorded in profit for the period. The corresponding amount in equity was SEK -2,073 million.
- Agreement to divest PA Resources' 30 percent interest in Netherlands offshore Blocks Q7 and Q10a to Tulip Oil.
- PA Resources awarded 25 percent of Blocks 22/18c and 22/19d in UK 28th Round containing the large Ekland prospect.
- The farm out agreement for the transfer of 70 percent interest in each of the Didon field and the Zarat Permit to EnQuest has been terminated. PA Resources accounts for the termination as a one-off item in the fourth quarter, with a total net profit impact of SEK -826 million.

SUBSEQUENT EVENTS

- Lenders agreed to defer the interest payments due in February 2015 to 31 March 2015.
- Successful Lille John appraisal well and sidetrack.
- PA Resources awarded 33 percent in Block 21/24b in UK 28th Round containing the West Teal discovery.
- PA Resources postponed release of the annual report until 29 April 2015 and the AGM as well as publication of the Q1 report until 29 May 2015.
- PA Resources AB's board of directors has resolved to convene an extraordinary general meeting of shareholders to be held Friday 27 February 2015 to determine whether or not the company should go into liquidation.

Financial key ratios

	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Average production, barrels/day	2,900	3,600	3,100	5,000
Revenue, SEK million	88	193	603	1,049
EBITDA, SEK million	-808	74	-480	-494
EBITDA margin, %	-914%	38%	-80%	-47%
Operating profit, SEK million	-2,856	-296	-2,667	-1,234
Profit for the period, SEK million	-2,745	-402	-2,957	-1,219
Earnings per share after dilution, SEK	-24.26	-3.55	-26.13	-21.54

CEO'S COMMENTS

The final quarter of 2014 was a turbulent time for the global oil industry as the decline in oil prices, which began in the third quarter, gathered momentum and continued into 2015. Oil prices today are below 50 percent of the high point reached last summer. I began working in the oil industry in 1979 and have witnessed a number of steep declines in the oil price, beginning with the downturn of 1986. This industry operates over a long cycle from licence award, through exploration, appraisal and development to the revenue generation phase of producing oil and gas fields and finally to field decommissioning. It is important that oil and gas companies are able take a long term view, with careful cost control and investment in good quality assets, if they are to develop businesses that are robust in the face of fluctuating commodity prices. The challenge for PA Resources in recent times has been trying to build this sort of robust and sustainable business on the back of a corporate financial structure which is a residue of previous unsuccessful investment decisions.

The rapid decline in oil prices has had an immediate impact on PA Resources. When we carried out the annual impairment tests of our oil and gas and exploration assets during the third quarter 2014, we identified no impairment requirement. With the significant price fall in the fourth quarter we performed further impairment tests during the closing process for 2014. These impairment tests did not include any changes to the fundamental characteristics of our assets but simply reflected the change in the forward curve oil price. They have resulted in an impairment charge which reduces the equity of PA Resources AB to less than half of the registered share capital. As a consequence, we were required to issue notice to the company's shareholders to attend an extra general meeting, at which shareholders will resolve whether or not the company continue its operations or must go into liquidation. If the extra general meeting resolves that the company will continue its operations the equity must be restored prior to another extra general meeting which is to be held within eight months after the initial meeting.

A significant focus of our activity during 2014 was on preparing the ground for a capital restructuring of PA Resources, including an equity raise to enable our key appraisal and development assets to be brought to production. As I reported last quarter, approvals in Tunisia for our farm-down to EnQuest had been much slower in coming then we had forecast and so we asked our creditors to defer interest payments to allow us to continue the refinancing process, which we expected to run through the first quarter of 2015. Both the Bondholders and Gunvor initially agreed to defer interest until the end of February. In the meantime, the most recent back stop date for the Zarat and Didon farm-out transactions passed on 31 January and both of those deals have now been terminated.

Following discussions with the creditors and their advisers, we presented a revised financial plan which focused on minimising expenditure while preserving the underlying value of our portfolio and retaining optionality for future decisions. This plan has been further updated to take account of the termination of the farm–out agreements with Enquest. Fortunately, asset farm-downs in Denmark and Congo which we announced in 2013 will allow us to continue progress on a number of important assets at little or no cost to PA Resources. Furthermore, progress for the next year or so on the Zarat Field through the Front End Engineering Design (FEED) stage is also relatively inexpensive. We have now received agreement from our creditors to defer interest payments until the end of March to allow us to discuss with them the capital requirement arising from this new plan and the restructuring required to attract the new capital.

During the course of the last quarter Parliamentary elections and two rounds of Presidential elections took place in Tunisia. These have been widely hailed internationally as a success, with Tunisia recognised as the one country to emerge from the Arab Spring with a functioning democracy. Unfortunately for PA Resources, this significant overhaul in the governance of the country has meant continued delays in our approvals. With the new President and Prime Minister in place, and with key Cabinet posts being announced in recent days, we hope to be close to receiving approval for the extension of the Zarat Permit.

Our revenue comes from three sources: Block I in Equatorial Guinea, the onshore DST fields in Tunisia and the Didon field offshore Tunisia. The first two of these remain cash positive at current oil prices but Didon is currently cash negative. This is exacerbated by the failure of the electrical submersible pump (ESP) that we installed in well D6 and which had significantly boosted production during its short life. Plans are in hand to reduce operating costs in Didon to allow us to continue to operate until planned new wells can be drilled into the field.

The Lille John 2 well in Denmark has been successfully drilled and tested. The well proved our model of improved development of oil bearing reservoir sands away from the Lille John discovery well. A sidetrack was then drilled to encounter the oil-water contact and so better estimate quantities of oil in place and recoverable reserves. Updates estimates of reserves and value will be generated over the coming weeks as we analyse all log, core and test data from the well.

We continue to expand the asset portfolio with low entry cost options arising from the deep geoscience expertise in the company. We were pleased to announce success in the 28th UK Licensing Round in which we accessed three attractive Blocks including one undeveloped discovery.

Each quarter seems vital in the life of PA Resources, but these coming few months will be decisive in determining the long term health and strength of the company.

Mark McAllister
President and CEO

Operational review

DRILLING PROGRAMME

Country	Licence	Field/Prospect	Time	Well/number
Tunisia	Zarat	Elyssa	2016	Appraisal/1
	DST		2015	Development/1
Denmark	12/06	Broder Tuck	2015/2016	Appraisal/Development/1
Republic of Congo (Brazzaville)	MPS	Baobab Marin 1	2016	Exploration/1

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

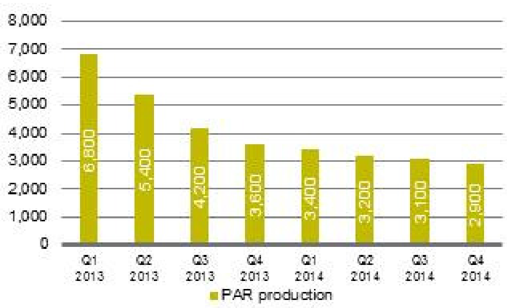
Planning continues for the drilling of Baobab Marin 1 which has been delayed to 2016.

PRODUCTION AND SALES

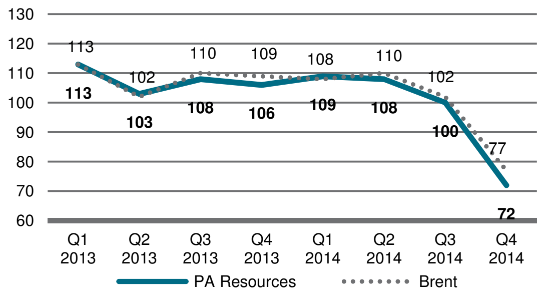
PA Resources' total oil production amounted to 270,000 barrels (333,000) during the fourth quarter. Average daily production based on working interest, which is PA Resources' share of total gross production before deductions for royalty and other taxes was 2,930 barrels (3,620) per day. The fields in the West Africa region produced 2,240 barrels per day, and four oil fields in the North Africa region produced 690 barrels per day. Based on net entitlement, which is PA Resources' share after the application of terms of the production sharing contract, the corresponding figures were 2,440 barrels in total and 1,780 and 660 barrels in West and North Africa respectively.

For the period June 2013 to December 2014, 30 percent of Didon production was reported. From 2015 100 percent of Didon will be reported.

Average production per quarter (barrels per day)



Average sales price per quarter (USD per barrel)

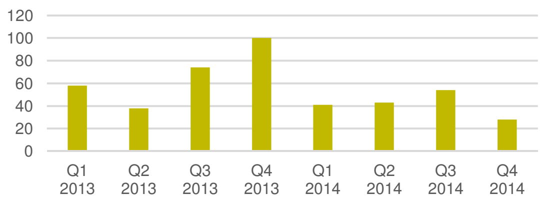


A total of 370,000 barrels of oil (490,000) were sold during the fourth quarter, excluding royalties. The average sales price was USD 72 per barrel (106), compared with an average price for Brent of USD 77 per barrel (109). The price difference reflects the weighted impact of the pricing of PA Resources' crude oil grades relative to the Brent price marker.

CAPITAL EXPENDITURES

Capital expenditures during the fourth quarter amounted to SEK 28 million and pertained mainly to continued spend on seismic acquisition in Makthar plus continued investments in the drilling programme on Diega in Block I in Equatorial Guinea. Investment costs in Diega are rapidly recovered from Aseng oil sales under the terms of the production sharing contract for Block I. Capital expenditures for the full year 2014 amounted to SEK 166 million and are lower than the previously expected level of approximately SEK 200 million.

Capital Expenditures per quarter (SEK million)



Reserves and resources

PA Resources yearly update of Reserves and Resources[1] as per 31 December 2014 is presented and summarised below.

Development of Reserves in 2014

Million barrels of oil equivalents	Working interest Total	
	1P	2P
Reserves as per 31 December 2013*	**20.7**	**31.7**
Production	-1.5	-1.5
Revisions	-15.5	-24.8
Reserves as per 31 December 2014**	**3.7**	**5.4**

* PA Resources year end 2013 position is restated to reflect the termination of the Tunisian transaction with Enquest.

** Entitlement reserves in West Africa are 2.82 million barrels (1P) and 3.61 million barrels (2P). See footnote 3.

Summary

- Production, Reserves, Reserve revisions and Contingent Resources all reflect the termination of the Tunisian transaction with Enquest.
- Yearly production reduced Reserves by 1.5 million barrels oil (2013: 1.7).
- After adjustment for the year's production, Proven (1P) Reserves were revised downwards by 15.5 million barrels to 3.7 million barrels oil. Proven plus Probable (2P) Reserves were reduced by 24.8 million barrels to 5.4 million barrels oil.
- Reserves revisions in 2014 reflect largely the re-categorisation at mid-year of the Zarat Field liquids from Reserves into Contingent Resources as the field development plan is being revised. In addition, Aseng Field Reserves were adjusted at mid and end year to reflect improved reservoir understanding, leading to slightly increased 1P and reduced 2P Reserves. A number of small changes were made to the onshore Tunisian fields, Douleb, Semmama and Tamesmida, at mid and end year, including moving Reserves in the Semmama Field into Contingent Resources pending resolution of security-related issues which have prohibited production.
- All Reserves have been adjusted downward at year end 2014 to reflect a revised oil price profile which has an effect on the anticipated dates of cessation of production. In the case of the Didon Field, Reserves have been transferred to Contingent Resources at year-end 2014 reflecting the field's negative cashflow under the revised oil price assumptions. However, the field is presently anticipated to remain in production pending initiatives to reduce the operating cost and the implementation of future infill drilling and electrical submersible pumps to increase production.
- Contingent Resources[2] were audited by ERCE as at mid-year 2014 and have not been re-evaluated at year end 2014 but are restated here to reflect the termination of the Tunisian transaction. Contingent 1C, 2C and 3C Resources at year end were respectively 94, 143 and 247 million barrels of oil equivalent of liquid and gaseous hydrocarbons excluding inert gases (2013: 72, 104 and 134). Risked Prospective Resources[2] amount to 172 million barrels of oil equivalent (2013: 157).

Information on Reserves

PA Resources' Reserves consist of oil or condensate and are contained in the Tunisian fields Douleb and Tamesmida and the Aseng and Alen fields in Equatorial Guinea.

ERC Equipoise ('ERCE') were appointed as the group's reserves auditor in 2014 and the Group's Reserves and Contingent Resources were audited by ERCE at mid-year 2014. Reserves were also audited at year-end 2014, utilising a Brent oil price per barrel of $65 (2015), $75 (2016) and $90 (2017) and thereafter with 2 percent inflation per annum.

At year-end 2014, the Proven and Probable (2P) oil and gas Reserves totalled 5.4 million barrels of oil (2013:31.7) on a working interest basis[3]. Of these, 3.7 million barrels (2013: 20.7) were 1P Reserves.

Definitions:

- **Proven Reserves (1P):** Extraction assessed as having a probability in excess of 90 percent in the current economic climate.
- **Proven and Probable Reserves (2P):** Proven and Probable reserves with a probability in excess of 50 percent of extraction in the current economic climate.
- **Contingent Resources:** Estimated recoverable volumes from known accumulations that have been confirmed through drilling but which do not yet fulfil the requirements for reserves. Contingent Resources are described as Proven (1C), Proven and Probable (2C) and Proven, Probable and Possible (3C) in a fashion comparable to Reserves.
- **Risked Prospective Resources:** Prospective accumulations of hydrocarbons which have yet to be proven through drilling. Includes resources classified under Leads. Consideration is taken in respect of the likelihood of making discoveries.

Notes:

[1] *PA Resources' reserves are classified according to the 2007 Petroleum Resources Management System (SPE-PRMS 2007) guidelines and classification which is the standard of the Society of Petroleum Engineers (SPE), World Petroleum Congress (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE). 2P is equivalent to a P50 estimate and is the sum of Proved plus Probable reserves and denotes best estimate scenario of reserves. 1P is equivalent to a P90 estimate.*

[2] *PA Resources has, in addition to its reserves, in accordance with the SPE-PRMS 2007 guidelines, further volumes classified in Contingent Resources and in Risked Prospective Resources. Contingent Resources were audited by ERCE at mid-year 2014 and reported by PA Resources, but have not been audited at year end 2014 owing to the absence of material technical changes applicable to those assets. Volumes presented under Risked Prospective Resources are unaudited numbers, which represent risked mid-case estimates. Risked Prospective Resources contain prospects considered viable to drill as well as resources in leads.*

[3] *Working interest is PA Resources' gross volume of the total fields' reserves before any reduction for royalty and the terms of production-sharing contracts, whereas net entitlement interest is PA Resources' net reserve as per production sharing contract arrangements in West Africa only. Net entitlement barrels are, in effect, post tax barrels received by PA Resources reflecting the terms of the production-sharing contract. Contingent and Prospective Resources are shown on a working interest basis only.*

WEST AFRICA REGION

Country	Asset	Operator	Partners	On/offshore	Phase
Republic of Congo (Brazzaville)	Azurite*	Murphy (50%)	PA Resources (35%), SNPC (15%)	Offshore	Abandoned
	Mer Profonde Sud	SOCO International (60%)	PA Resources (25%), SNPC (15%)	Offshore	Exploration
Equatorial Guinea	Aseng	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore (23.75), PA Resources (5.7%), GEPetrol (5%)	Offshore	Production
	Alen**	Noble Energy (44.65%)	GePetrol (28.75%), Glencore (23.75%), Atlas Petroleum (1.38%), PA Resources (0.28%)	Offshore	Production
	Block I	Noble Energy (38%)	Atlas Petroleum (27.55%) Glencore (23.75 %), PA Resources (5.7%), GEPetrol (5%)	Offshore	Exploration/Appraisal

* Production at Azurite ceased in November 2013. Abandonment of the Azurite field has been completed and the FDPSO vessel left Congo in early April 2014.

** 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 0.28% in the field in total.

Exploration, appraisal and development

Republic of Congo (Brazzaville)
Mer Profonde Sud
Planning continues for the drilling of Baobab Marin 1 which is now expected to take place in 2016 rather than 2015.

Equatorial Guinea
Block I
3D seismic acquisition was completed early in the fourth quarter and the data will be processed during 2015.

Production

Equatorial Guinea
Aseng production in the fourth quarter averaged approximately 37,800 bopd while Alen averaged approximately 28,100 bopd.

NORTH AFRICA REGION

Country	Asset	Operator	Partners	On/offshore	Phase
Tunisia	Douleb	PA Resources (70%)*	Serept (30%)	Onshore	Production
	Semmama	PA Resources (70%)*	Serept (30%)	Onshore	Production
	Tamesmida	PA Resources (95%)*	Serept (5%)	Onshore	Production
	Didon	PA Resources (100%)		Offshore	Production
	Jelma**	PA Resources (70%)	Topic (30%)	Onshore	Exploration
	Makthar**	PA Resources (100%)		Onshore	Exploration
	Zarat **	PA Resources (100%)		Offshore	Exploration
	Jenein Centre***	Chinook Energy (65%)	PA Resources (35%)	Onshore	Exploration

* 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.

Exploration, appraisal and development

Zarat
The detailed work between the Zarat southern tract partners i.e. PA Resources and the state oil company ETAP to develop a full field life Plan of Development (POD) has been completed. This joint work with ETAP will deliver a Zarat development concept that provides the best technical and economic solution to optimise the production of the Zarat Field´s recoverable oil and gas reserves. It is planned to present the joint ETAP and PA Resources POD to the Zarat northern tract partners during early 2015 for their review and approval prior to submitting an overall Unit Plan of Development (UPOD) to the Tunisian Authorities for their approval on or before 31 March 2015. Work continued between the southern and northern tract partners to develop a legally and commercially robust Zarat Unitised Unit Operating Agreement (UUOA), this work is near to completion and once complete will be submitted to the Tunisian Authorities for their approval and which is also expected on or before 31 March 2015.

The Zarat Field is the biggest undeveloped offshore oil and gas field in Tunisia. The Tunisian Authorities consider Zarat a strategic asset for Tunisia given the country's increasing gas supply and demand imbalance. The short fall is expected to be over 30 percent by 2020.

Elyssa
The work to finalise a well target for the Elyssa 4 appraisal well continues. A conceptual development plan has been developed. The plan includes a tie-back to the planned Zarat facilities.

Didon

In May 2013 PA Resources and EnQuest signed a Sale and Purchase Agreements for the transfer to EnQuest of a 70 percent interest in each of the Didon producing oil field and the Zarat Permit. In July 2014 PA Resources and EnQuest completed the Didon transaction with the remuneration retained in an escrow account awaiting a letter of non-objection from the Tunisian Authorities. Despite repeated verbal assurances from the Tunisian Authorities that such a letter was imminent, no letter was issued. The back-stop date of 31 January passed and the Didon Transaction was terminated as per 31 December 2014. PA Resources returned to being the 100 percent owner of the Didon concession. As a consequence, the transaction in respect of the Zarat Permit was also terminated on 31 January 2015, and accounted for 31 December 2014.

An substantive cost reduction program has been initiated given the dramatic fall in global oil prices coupled with the EnQuest transaction termination, this resulting in the Didon full field incremental oil recovery plan being placed on hold.

Production

Didon

The Electrical Submersible Pump (ESP) on D6 failed during November 2014 due to a downhole electrical fault which is believed to be cable related. Other wells were optimised to partially compensate for the ESP failure. Preparatory work continued to progress the incremental oil opportunities including the installation of a further ESP. Additionally work continued to determine locations for the potential drilling of future Didon infill wells.

Douleb, Semmama and Tamesmida (DST)

Production was steady during the period. An infrastructure upgrade programme continues. Preparations for a well work-over which will convert an existing well to a produced water injector is in progress, which will provide incremental oil production.

NORTH SEA REGION

Country	Asset	Operator	Partners	On/offshore	Phase
United Kingdom	Block 22/19a	PA Resources (100%)		Offshore	Appraisal
	Blocks 22/18c and 22/19d	E.On (40%)	PA Resources (25%), Nautical Petroleum (25%), First Oil and Gas (10%)	Offshore	Exploration
	Block 21/24b	First Oil and Gas (33.33%)	PA Resources (33.33%), Dyas UK (33.33%)	Offshore	Appraisal
Denmark	Block 12/06	Dana Petroleum (40%)	PA Resources (24%), Nordsøfonden (20%), Spyker Energy (8%), Danoil (8%)	Offshore	Appraisal
Netherlands	Schagen	Tulip Oil (30%)	Energie Beheer (40%), PA Resources (30%)	Offshore	Exploration
Germany	B20008-73	PA Resources (90%)	Danoil (10%)	Offshore	Exploration

Exploration, appraisal and development

Denmark

12/06

The Lille John 2 appraisal well spudded in December 2014 and its results are reported under subsequent events on page 10.

Denmark 7th Licensing Round

In the fourth quarter 2014, PA Resources in two different partnership groups submitted low cost bids for several licences in the Danish Central Graben. License award decisions are expected in the first quarter 2015.

United Kingdom

22/19a

Technical studies to assess the economics of development and dialogue with possible host infrastructure continued during the fourth quarter and the licence was extended to allow this process to continue in 2015.

UK 28th Licensing Round

In November, initial results of the UK 28th Licensing Round were announced. PA Resources was provisionally awarded Blocks 22/18c and 22/19d as part of a group comprising of PA Resources (25 percent), E.On (40 percent), Cairn Energy's wholly-owned subsidiary Nautical Petroleum (25 percent) and First Oil and Gas (10 percent). Whilst PA Resources operated the evaluation and licence application, E.On will assume operatorship on award. Blocks 22/18c and 22/19d contain the large Ekland prospect on which the group has bid a firm exploration well in the initial four year licence term. Subsequently, PA Resources was advised it is also part of a second provisional award, of Block 21/24b. The group comprises of PA Resources (33.33 percent), First Oil and Gas (33.33 percent, operator) and Dyas UK (33.33 percent). Block 21/24b contains the undeveloped West Teal oil discovery and similar prospectivity, on which the group has bid a contingent well in the initial four year licence term.

Germany

B20008/73

In respect of PA Resources' divestment of a 56 percent interest to Dana, the regulatory approval process was terminated in the fourth quarter following notice from Dana purporting to terminate the transaction. PA Resources considers this termination to be inconsistent with the terms of the sale and purchase agreement, as extended between PA Resources and Dana and is currently considering its options.

Netherlands

Q7/10a

As announced, in November 2014, PA Resources entered into an agreement to dispose of its 30 percent interest in these blocks to Tulip Oil. At year-end the transaction had secured the necessary approvals and was completed in January 2015.Tulip Oil have paid consideration of GBP 1 million (SEK 12 million), with a further payment contingent on certain asset milestones being met. Reflecting only the firm consideration, the transaction results in a book loss of approximately SEK 19 million, which was recognised in the fourth quarter.

Schagen

3D seismic reprocessing has been tendered and will be awarded early in the first quarter of 2015.

Financial overview

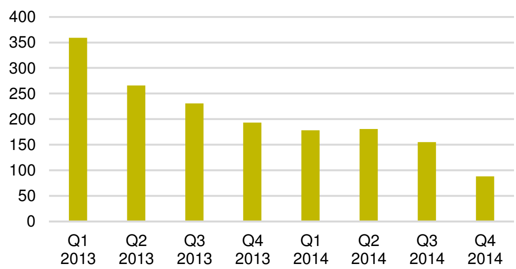
During the first quarter of 2014 PA Resources decided to change the presentation format for the income statement and also to change certain accounting policies impacting revenue, production costs and income tax. The changed accounting policies do not impact the net result in any of the previous and current periods. The assessment is that the new presentation and changed policies will provide a better presentation and more relevant information for the reader. See also note 2.

1 JANUARY – 31 DECEMBER 2014

Revenue and gross profit

Revenue amounted to SEK 603 million (1,049) and decreased both as a result of lower oil prices and lower production compared with the corresponding period a year ago. Production costs including direct production taxes of SEK -10 million (-17) amounted to SEK -187 million (-490) and decreased mainly as a result of farmed out Tunisian assets in the second quarter of 2013 and the abandonment of the Azurite field in the fourth quarter of 2013. Depletion of oil and gas assets amounted to SEK -195 million (-197) and decreased as a result of lower production counteracted by the downward revision of 2P reserves as per July 1 as well as currency effects from the strengthened USD. Gross profit amounted to SEK 222 million (362).

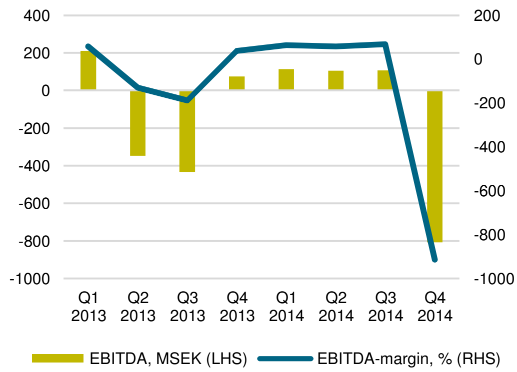
Revenue per quarter (SEK million)



EBITDA and operating profit

EBITDA amounted to SEK -480 million (-494) and the EBITDA margin was negative (negative). Impairment charges amounted to SEK -1,991 million (-542). Operating profit amounted to SEK -2,667 million (-1,234).

EBITDA and EBITDA margin per quarter



Net financial items, tax and profit for the period

Net financial items for the Group amounted to SEK -365 million (-205) for the period. Interest expense was SEK -256 million (-265). Currency effects on net financial items amounted to SEK -87 million (100). Adjusted for currency effects, net financial items amounted to SEK -278 million (-305). Reported tax amounted to SEK 74 million (220) and was positively impacted by the reversal of deferred taxes of SEK 137 million with respect to impaired fixed assets. Reported tax for the corresponding period a year ago was positively affected by a decrease in deferred taxes in combination with the farmed out Tunisian assets of SEK 345 million. Paid tax amounted to SEK -165 million (-152). Profit for the period amounted to SEK -2,957 million (-1,219) and earnings per share before and after dilution were SEK -26.13 (-21.54).

Impairment testing

PA Resources carried out its annual impairment testing of its exploration and evaluation assets as well as its oil and gas properties during the third quarter of 2014 and no impairment requirement was identified at that time. However, due to the significant fall in current and expected oil prices further impairment tests were carried out during the closing process for 2014. PA Resources used the forward curve as per 9 January as base for its impairment, which means that the price assumptions used for impairment testing purposes is more conservative than price assumptions in the external reserves audit. The forward curve based on annual average was 55 USD/bbl for 2015, 63 USD/bbl for 2016, 68 USD/bbl for 2017 and 2.5 percent inflation thereafter. The average forward oil price for 2015 was at year end 2014 62 USD/bbl.

The impairment test resulted in impairment charges of SEK 1,957 million. Of these, SEK 819 million pertain to the West Africa region, SEK 1,068 million to the North Africa region and SEK 70 million to the North Sea region. Net effect in the income statement, after adjusted deferred taxes amounted to SEK -1,820 million. Net effect in total equity amounted to SEK -2,073, since the amount in the balance sheet is revaluated with a higher USDSEK ratio compared to the one used in the income statement.

Other impairment losses recognised in the fourth quarter totaling SEK 34 million pertain to the disposal of Q7/Q10a in the North Sea region of SEK 18 million and to a write-down of SEK 16 million in the North Africa region. Total impairment losses recognized in the fourth quarter and full year 2014 amounted to SEK 1,991 million.

Termination farm out agreement

In May 2013 PA Resources and EnQuest signed Sale and Purchase Agreements for the transfer of 70 percent interest in each of the Didon producing oil field and the Zarat Permit to EnQuest. In July 2014, PA Resources and EnQuest completed the Didon transaction with the remuneration retained in escrow awaiting a letter of non-objection from the Tunisian authorities. Despite repeated verbal assurances from the Tunisian authorities that such a letter was imminent, none has yet been issued. The backstop date of 31 January has now passed and the Didon transaction has been terminated, and as a consequence the USD 23 million held in escrow has been returned to EnQuest. PA Resources accounts for the termination as a one-off net item in the fourth quarter 2014, amounted to net SEK -826 million. For more information see note 8.

PA Resources' income statement for 2014 includes 30 percent from Didon and Zarat and will from 1 January 2015 include 100 percent in the assets. PA Resources' balance sheet includes as per 31 December 2014 100 percent from Didon and Zarat. The collapse in world oil prices has meant that Didon is currently cash flow negative and this situation will worsen as wells decline until a campaign of ESPs or infill drilling can be undertaken, which will require a substantial investment in the field. PA Resources has as a consequence of this impaired its 100 percent share of Didon to zero and has accounted for full future abandonment cost in its balance sheet. Consistent with this position, no reserves are attributed to Didon in the year-end 2014 audit.

ETAP (the Tunisian state oil company) has the right to take up to a 55 percent interest in the Zarat license. Following the submission of a completed UPOD ETAP will determine whether or not they will take a participating interest in the license and they can decide on any participation between 0 and 55 percent. The net impact on PA Resources book value of Zarat will be determined by the level of ETAP's participation, the detailed development plan and market conditions at the time. PA Resources existing book value, of 100 percent in Zarat equals an economic value after an assumed ETAP back-in at the higher end of the range.

Cash flow

The Group's operating cash flow for the period was SEK -108 million (-379). Operating cash flow included payments of SEK 169 million in connection with the abandonment of the Azurite field. Cash flow from investing activities amounted to SEK -101 million (-271) and contained proceeds of SEK 65 million from the completed farm out transaction in Denmark. Total capital expenditures for the period amounted to SEK 166 million (271). Of these, SEK 77 million (197) pertained to the West Africa region, mainly related to activities in Block I. Cash flow from financing activities amounted to SEK -55 million (995) and included the repayment of the convertible bond loan and a scheduled partial repayment of the NOK bond loan. The figure for the preceding year includes SEK 1,413 million from conducted rights issues.

Financial position and financial covenants

As per 31 December 2014 the Group had net borrowings of SEK 2,320 million. During the first quarter, PA Resources signed a one-year working capital facility of USD 50 million carrying a fixed interest rate of 7.5 percent and secured through a share pledge in Tunisian assets. At year-end USD 28 million was utilised. As per 30 September 2014 PA Resources reclassified all of its non-current interest-bearing debt to current as a result of the ongoing refinancing discussions described further below. PA Resources shareholder´s equity amounted to SEK -810 (1,795) million and decreased mainly of impairment charges as a result of the impairment tests as well as the impact of the termination of the farm out agreement in Tunisia and a worsened market situation. Shareholders' equity is lower than stipulated in the financial covenants for both the SEK and NOK bonds, requiring a minimum net equity of SEK 1,000 million. Equity in relation to capital employed was also below the minimum ratio of 40 percent. Cash and cash equivalents amounted to SEK 148 million compared with SEK 403 million at year-end 2013.

Refinancing

Since October 2014 PA Resources has held an active and constructive dialogue with an informal committee of bondholders as well as the Company's largest shareholder, Gunvor Group, regarding a long-term business and financing plan that addresses the Company's upcoming investment program and debt position. However, as announced in a press release on 2 February 2015, the Company's transfer of 70 percent of its interest in each of the Didon producing oil field and the Zarat Permit to EnQuest was terminated and reversed and, consequently, the USD 23 million held in escrow has been returned to EnQuest. These recent events and the substantial decline in oil prices have made it clear that additional time will be required to finalize a long-term business and financing plan which is acceptable to all key stakeholders.

As a subsequent event, 10 February 2015 the company summoned a new bondholders' meeting and initiated a new written procedure, respectively, for the Company's NOK and SEK denominated bonds for 25 February 2015 where it was suggested to further defer the outstanding interest payments to 31 March 2015 from their originally scheduled payment dates in October 2014 and the company also requested temporary waivers for compliance with the financial covenants for its SEK and NOK denominated bond loans. These proposals were approved by the bondholders on 25 February 2015.

PA Resources' largest creditor and shareholder, the Gunvor Group, has also agreed that unpaid interest and any interest due prior to 31 March 2015 on the Working Capital and Reserve Based Lending facilities will be deferred 31 March 2015.

Parent company

Operating profit amounted to SEK -199 million (-122), and was mainly negatively impacted by the expensed USD 23 million held in escrow. Operating profit for the corresponding period a year ago was negatively affected by an impairment loss of SEK -97 million. Net financial items for the period amounted to SEK -2,459 million (-2,333) and were favourably affected by dividends of SEK 232 million (293). Net financial items also included write-downs of intra-Group receivables of SEK -1,125 million (-1,385) and shares in subsidiaries of SEK -1,730 million (-1,142).

Balance sheet for liquidation purposes

Total shareholders' equity in the parent company amounted to SEK -1,128 million at year-end 2014, which is less than one-half of the registered share capital of SEK 1,415 million. As a consequence, the company's board of directors resolved to prepare a balance sheet for liquidation purposes. The balance sheet shows, after adjustments, that shareholders' equity is still less than one-half of the registered share capital. Pursuant to the Companies Act, PA Resources has issued notice to the company's shareholders to attend an Extraordinary General Meeting to be held on 27 February 2015. At that meeting PA Resources' shareholders are to resolve on whether or not the company will continue its operations or if it must go into liquidation. As a consequence of the terminated farmed out agreement in Tunisia, the parent company expensed USD 23 million held in escrow as well as further impaired its shares in subsidiaries. In total shareholder´s equity decreased with SEK 878 million.

CURRENCY RATES

The following exchange rates have been used in the preparation of the financial statements for the reporting period.

	Closing day rate 31 Dec 2014	Average rate Jan-Dec 2014	Closing day rate 31 Dec 2013	Average rate Jan-Dec 2013
1 EUR in SEK	9.52	9.10	8.94	8.65
1 USD in SEK	7.81	6.86	6.51	6.51
1 TND in SEK	4.19	4.04	3.94	4.01
1 NOK in SEK	1.05	1.09	1.06	1.11
1 GBP in SEK	12.14	11.29	10.73	10.19
1 DKK in SEK	1.28	1.22	1.20	1.16

RISKS AND UNCERTAINTIES

A description of risks and uncertainties is provided in the 2013 Annual Report, in the section *Risks and Risk Management*.

The company is in discussions with the largest bondholders and the Gunvor group in the capacity of secured lender regarding a long term financing solution. Such a solution is dependent on a successful outcome of the refinancing process. A solution must be in place before the end of the first quarter of 2015, when the working capital facility expires and the bond interest payments are due.

The market value of PA Resources' assets in a distressed sale situation is significantly below current book value, even after the impairment charges recognised in the fourth quarter of 2014.

SUBSEQUENT EVENTS

Further deferral of interest payments
At a bondholder's meeting with regard to the NOK denominated bond and a written procedure under the SEK bond which took place and was completed on 25 February, the bondholders agreed to PA Resources' proposal to further defer the interest payments to 31 March 2015 from their originally scheduled payment dates in October 2014 and to receive temporary waivers of compliance with the financial covenants for its SEK and NOK denominated bond loans.

New UK license – Block 21/24b
PA Resources was awarded Block 21/24b in UK's 28th Licensing Round. The licence group comprises of PA Resources (33.33 percent), First Oil and Gas (33.33 percent, operator) and Dyas UK (33.33 percent). Block 21/24b contains the undeveloped West Teal oil discovery and similar prospectivity, on which the group has bid a contingent well in the initial four year licence term.

Lille John 2 appraisal well
The Lille John 2 appraisal well was drilled over year-end 2014. The Miocene sandstone reservoir originally found oil-bearing in the PA Resources-operated 2011 discovery well Lille John 1 was again encountered in Lille John 2, fully oil-bearing as expected. The thickness and quality of sandstone reservoir encountered in Lille John 2 were found as expected to be improved relative to Lille John 1. A drill stem test flowed at rates upto 1,400 barrels of oil per day of 35° API oil with no hydrogen sulfide. Subsequently the well was sidetracked down-dip confirming similar reservoir development and establishing an oil column height in excess of c. 300m (c. 950 ft). PA Resources was fully carried by Dana Petroleum on the costs of this well.

Annual report, AGM and Q1 report postponed
Due to recent events, and especially the ongoing refinancing discussions, PA Resources has decided to postpone the publication of the annual report until 29 April 2015 and the Annual General Meeting as well as publication of the interim report for the first quarter 2015 until 29 May 2015.

PROPOSED DIVIDEND

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2014 financial year.

Group – income statement

		Oct-Dec		Jan-Dec	
SEK 000,000s	**Notes**	**2014**	**2013**	**2014**	**2013**
Revenue	2, 5	88	193	603	1,049
Production costs	2, 3, 5	-53	-87	-187	-490
Depletion oil and gas properties	5	-57	-35	-195	-197
Gross profit	2, 5	**-21**	**71**	**222**	**362**
Other income	5	6	9	58	24
Capital loss	5	-	-	-	-462
Decommissioning costs	5	-	-	-	-469
Termination farm-out agreement	8	-826	-	-826	-
Impairment losses	5	-1,991	-335	-1,991	-542
General, administration and depreciation expenses	4, 5	-23	-42	-129	-148
Operating profit	2, 5	**-2,856**	**-296**	**-2,667**	**-1,234**
Financial income	6	10	13	3	111
Financial expenses	6	-75	-75	-368	-316
Total financial items		**-65**	**-62**	**-365**	**-205**
Profit before tax		**-2,921**	**-358**	**-3,032**	**-1,439**
Income tax	2	175	-43	74	220
Profit for the period		**-2,745**	**-402**	**-2,957**	**-1,219**
Earnings per share before dilution		**-24.26**	**-3.55**	**-26.13**	**-21.54**
Earnings per share after dilution		**-24.26**	**-3.55**	**-26.13**	**-21.54**

Profit for the period and earnings per share are attributable to owners of the parent.

Group – statement of comprehensive income

		Oct-Dec		Jan-Dec	
SEK 000,000s	**Notes**	**2014**	**2013**	**2014**	**2013**
Profit for the period		**-2,745**	**-402**	**-2,957**	**-1,219**
Other comprehensive income					
Items that may be reclassified into profit or loss					
Exchange differences during the period		-50	53	353	11
Total items that may be reclassified into profit or loss		***-50***	***53***	***353***	***11***
Other comprehensive income for the period		**-50**	**53**	**353**	**11**
Total comprehensive income for the period		**-2,795**	**-349**	**-2,605**	**-1,208**

Group – statement of financial position

		31 Dec	
SEK 000,000s	**Notes**	**2014**	**2013**
ASSETS			
Exploration and evaluation assets	5	2,510	3,650
Oil and gas properties	5	642	894
Machinery and equipment	5	8	4
Financial assets	7	1	0
Deferred tax assets		-	50
Total non-current assets		**3,162**	**4,599**
Inventory		37	12
Accounts receivable and other receivables	7	205	440
Current tax assets		10	6
Cash and cash equivalents	7	148	403
Total current assets		**399**	**861**
TOTAL ASSETS		**3,561**	**5,460**
EQUITY			
Equity attributable to owners of the parent			
Share capital		1,415	1,415
Other capital contributions		5,050	5,050
Reserves		-725	-1,078
Retained earnings and profit for the period		-6,549	-3,592
Total equity		**-810**	**1,795**
LIABILITIES			
Interest-bearing loans and borrowings	2, 7	-	1,433
Deferred tax liabilities		543	343
Provisions		662	250
Other non-interest bearing liabilities		30	-
Total non-current liabilities		**1,235**	**2,026**
Provisions		1	2
Current tax liabilities		88	159
Current interest-bearing loans and borrowings	2, 7	2,468	761
Accounts payable and other liabilities	7	578	716
Total current liabilities		**3,135**	**1,639**
TOTAL EQUITY AND LIABILITIES		**3,561**	**5,460**
PLEDGED ASSETS	10	**725**	**469**
CONTINGENT LIABILITIES	10	**-**	**14**

Group – statement of changes in equity

	Equity attributable to owners of the parent					
SEK 000,000s	**Notes**	**Share capital**	**Other capital contribution**	**Reserves**	**Retained earnings and profit for the period**	**Total**
Balance at 1 January 2013		709	4,342	-1,089	-2,372	1,590
Total comprehensive income for the period				11	-1,219	-1,208
Transactions with shareholders						
Rights issues		1,596	-183			1,413
Reduction share capital		-1,118	1,118			-
Stock dividend		226	-226			-
Closing balance at 31 December 2013		**1,415**	**5,050**	**-1,078**	**-3,592**	**1,795**
Balance at 1 January 2014		1,415	5,050	-1,078	-3,592	1,795
Total comprehensive income for the period				353	-2,957	-2,605
Closing balance at 31 December 2014		**1,415**	**5,050**	**-725**	**-6,549**	**-810**

The share capital as per 31 December 2014 was distributed among 113,167,992 shares with a share quota value of SEK 12.50. No dividend was decided on for the 2013 financial year or previous financial years. The Board of Directors proposes to the annual general meeting that no dividend be paid for the 2014 financial year. Reserves pertain to effects from translation of operations in foreign currency.

Group – statement of cash flows

		Jan-Dec	
SEK 000,000s	**Notes**	**2014**	**2013**
Cash flow from operating activities			
Income after financial items	2	-3,032	-1,439
Adjustments for non-cash items			
Depreciation, amortisation and impairment losses		2,186	740
Termination farm-out agreement	8	826	-
Capital loss	5	-	462
Decommissioning costs	5	-	469
Change over- / or underlift position	2	25	87
Other items including accrued interest and exchange differences		216	51
Income tax paid		-165	-152
Total cash flow from operating activities			
before changes in working capital		**56**	**217**
Change in receivables		139	-167
Change in liabilities		-303	-429
Cash flow from changes in working capital		**-164**	**-596**
Cash flow from operating activities		**-108**	**-379**
Cash flow from investing activities			
Proceeds from farm-out		65	-
Investments in exploration and evaluation assets	5	-139	-163
Investments in oil and gas properties	5	-25	-105
Investments in machinery and equipment	5	-2	-2
Cash flow from investing activities		**-101**	**-271**
Cash flow from financing activities			
Rights issues		-	1,413
Loans raised		182	764
Amortisation of debt		-237	-1,182
Cash flow from financing activities		**-55**	**995**
Cash flow for the period		**-264**	**345**
Cash and cash equivalents at the beginning of period		403	58
Exchange rate difference in cash and cash equivalents		9	-
Cash and cash equivalents at end of period		**148**	**403**

Parent company – income statement

		Oct-Dec		Jan-Dec	
SEK 000,000s	**Notes**	**2014**	**2013**	**2014**	**2013**
Other income		15	9	15	32
Termination farm-out agreement		-168	-	-168	-
Impairment losses		-	-	-	-97
General, administration and depreciation expenses		-11	-14	-47	-57
Operating profit		**-163**	**-5**	**-199**	**-122**
Result from participations in Group companies		-2,623	-997	-2,623	-2,234
Financial income and similar		162	155	460	237
Financial expenses and similar		-53	-133	-297	-336
Total financial items		**-2,514**	**-976**	**-2,459**	**-2,333**
Profit before tax		**-2,677**	**-981**	**-2,659**	**-2,456**
Income tax		-	-104	0	-103
Profit for the period		**-2,677**	**-1,085**	**-2,658**	**-2,559**

Parent company – statement of comprehensive income

		Oct-Dec		Jan-Dec	
SEK 000,000s	**Notes**	**2014**	**2013**	**2014**	**2013**
Profit for the period		**-2,677**	**-1,085**	**-2,658**	**-2,559**
Other comprehensive income					
Total items that may be reclassified into profit or loss		-	-	-	-
Total comprehensive income for the period		**-2,677**	**-1,085**	**-2,658**	**-2,559**

Parent company – balance sheet

		31 Dec	
SEK 000,000s	**Notes**	**2014**	**2013**
ASSETS			
Non-current assets		1,050	4,942
Current assets		92	526
TOTAL ASSETS		**1,141**	**5,468**
SHAREHOLDERS´ EQUITY AND LIABILITIES			
Total shareholder´s equity		-1,128	1,530
Non-current liabilities		-	3,315
Current liabilities		2,270	623
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,141**	**5,468**
PLEDGED ASSETS	10	**18**	**18**
CONTINGENT LIABILITIES	10	**-**	**14**

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 Nordic Exchange in Stockholm since 2006 (Small Cap segment since January 2013).

NOTE 2. Accounting policies

The year-end report for the period ended 31 December 2014 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January – December 2014 have, like the year-end accounts for 2013, 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).

Except from what is stated below under New accounting policies, the same accounting policies have been applied for the period as those applied for the 2013 financial year and as described in the 2013 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 together with the notes in the 2013 Annual Report.

Reclassification of interest-bearing debt

As per 30 September PA Resources reclassified all of its non-current interest-bearing debt to current as a result of the ongoing refinancing discussions described in more detail on page 9.

Going concern

The company is in discussions with its key stakeholders regarding a long-term financing solution. Such a solution is dependent on a successful outcome of the refinancing process. A solution must be in place before the end of the first quarter of 2015, when the working capital facility expires and the bond interest payments are due.

The Board of Directors have considered these facts and conditions, and have decided to prepare the year-end condensed consolidated financial statements of the Company as of 31 December 2014 based on the going concern assumption.

New presentation format - Income statement and changed accounting policies

PA Resources decided in the first quarter 2014 to change the presentation format for the income statement and also to change certain accounting policies impacting revenue, production costs and income tax. Changed accounting policies do not impact the net result in any of the previous and current periods. Even though the previously applied policies, as presented in the income statement were in full compliance with IFRS, the assessment is now that the new presentation and changed policies provide a better presentation and more relevant information for the reader. PA Resources is doing this on a voluntary basis and there are no historical errors. PA Resources has changed the accounting policies in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, as summarised below:

Revenue

PA Resources recognises revenue based on the sale of oil and gas net after royalty and tax oil taken in kind. Under the previous policy, the company recognised revenue based on the working interest share, i.e. revenue before deduction of royalty and tax oil. The current policy does not include revenue from royalty or tax oil, hence no royalty and tax oil are deducted from production costs or from income tax. PA Resources still valuates its over- or underlift position of hydrocarbons and reflects the change in revenue.

Production costs (Direct production taxes)

As part of production costs PA Resources includes direct production taxes (royalty) paid in cash. The previous policy also included costs from royalty in kind, since it was included as revenue.

Income tax

PA Resources income tax consists of current tax and deferred tax. The previous policy also included costs from tax oil paid in kind since it was included as revenue.

There is no impact on the net result in any of the previous or current reported periods. The table below shows each quarter and the full year 2013 with new policies, as well as the full year 2013 according to previous policies. The income statement has been retrospectively adjusted for all periods in 2013. There is no impact in equity or in other sections of the balance sheet. Since income after financial items has been changed from SEK -1,340 million to SEK -1,439 million, there is also an adjusted non-cash item in the cash flow statement on the line “change in over- or underlift” position, where the full year 2013 has been changed from SEK -12 million to SEK 87 million.

Gross profit

PA Resources includes revenue, direct production taxes (royalty) according to the description above and the cost of production (OPEX) and depletion for oil & gas properties. Impairment losses, decommissioning costs and general & administration are not included in gross profit.

IFRS 11- Joint arrangements

PA Resources applies IFRS 11 as of 1 January 2014 and the implementation has no impact on the financial statements of the Group or the parent company. PA Resources has interests in licences in the North Africa, West Africa and the North Sea and recognises investments in joint operations (oil and gas licences) by reporting its share of related expenses, assets, liabilities and cash flows under the respective items in the Group's financial statements. For those licences that are not deemed to be a joint arrangement under the definition in IFRS 11 because there is no joint control, PA Resources recognises its share of related expenses, assets, liabilities and cash flows on a line-by-line-basis in the financial statements in accordance with applicable IFRS.

	New accounting policies					Previous accounting-policies
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full year	Full year
SEK 000,000s			**2013**			**2013**
Revenue	359	266	231	193	1,049	1,287
Production costs	-121	-121	-161	-87	-490	-629
Depletion oil and gas properties	-73	-61	-28	-35	-197	-197
Gross profit	**165**	**84**	**42**	**71**	**362**	**462**
Other income	6	8	2	9	24	24
Capital loss	-	-462	-	-	-462	-462
Decommissioning costs	-	-	-469	-	-469	-469
Impairment losses	-21	-185	-	-335	-542	-542
General, administration and depreciation expenses	-33	-37	-37	-42	-148	-148
Operating profit	**117**	**-592**	**-462**	**-296**	**-1,234**	**-1,135**
Financial income	48	4	48	13	111	111
Financial expenses	-85	-85	-73	-75	-316	-316
Total financial items	**-37**	**-81**	**-25**	**-62**	**-205**	**-205**
Profit before tax	**79**	**-673**	**-487**	**-358**	**-1,439**	**-1,340**
Income tax	-45	323	-14	-43	220	121
Profit for the period	**34**	**-350**	**-501**	**-402**	**-1,219**	**-1,219**

NOTE 3. Production costs

	Oct-Dec		Jan-Dec	
SEK 000,000s	2014	2013	2014	2013
Cost of operations	-51	-81	-176	-473
Direct production taxes	-2	-6	-10	-17
Total production costs	**-53**	**-87**	**-187**	**-490**

The parent company has no production costs.

NOTE 4. General, administration and depreciation expenses

	Group			
	Oct-Dec		Jan-Dec	
SEK 000,000s	2014	2013	2014	2013
Other external expenses	-8	-26	-62	-85
Personnel expenses	-15	-16	-66	-63
Depreciation machinery and equipment	0	-	-1	-1
Total general, administration and depreciation expenses	**-23**	**-42**	**-129**	**-148**

NOTE 5. Segment reporting

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 Overseas Ltd, Hydrocarbures Tunisie Didon Ltd
West Africa: PA Energy Congo Ltd, Osborne Resources Ltd
North Sea: PA Resources UK Ltd, PA Resources E&P services Ltd, PA Resources Denmark ApS
Other/joint-Group: PA Resources AB and joint-Group

Revenue originates from external sales.

	Jan-Dec											
Income statement SEK 000,000s	North Africa		West Africa		North Sea		Other/Group		Group elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	153	257	450	792	-	-	-	-	-	-	**603**	**1,049**
Production costs	-82	-194	-105	-295	-	-	-	-	-	-	**-187**	**-490**
Depletion oil and gas properties	-97	-115	-98	-82	-	-	-	-	-	-	**-195**	**-197**
Gross profit	-25	-52	247	414	-	-	-	-	-	-	**222**	**362**
Other income	15	15	36	0	27	20	15	32	-36	-43	**58**	**24**
Capital loss	-	-462	-	-	-	-	-	-	-	-	**-**	**-462**
Decommissioning costs	-	-	-	-469	-	-	-	-	-	-	**-**	**-469**
Termination farm-out agreement	-659	-	-	-	-	-	-168	-	-	-	**-826**	**-**
Impairment losses	-1,084	-	-819	-354	-88	-188	-	-	-	-	**-1,991**	**-542**
General, administration and depreciation expenses	-23	-36	-36	-33	-56	-25	-50	-59	35	5	**-129**	**-148**
Operating profit	**-1,775**	**-534**	**-572**	**-442**	**-117**	**-193**	**-202**	**-27**	**-1**	**-38**	**-2,667**	**-1,234**
Total financial items											**-365**	**-205**
Profit before tax											**-3,032**	**-1,439**
Income tax											**74**	**220**
Profit for the period											**-2,957**	**-1,219**

Balance sheet SEK 000,000s	31 Dec North Africa		West Africa		North Sea		Other/Group		Group elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Exploration and evaluation assets	1,591	2,024	476	1,176	442	450	-	-	-	-	**2,510**	**3,650**
Oil and gas properties	59	391	582	503	-	-	-	-	-	-	**642**	**894**
Machinery and equipment	5	1	-	-	4	2	-	-	-	-	**8**	**4**
Other non-current assets	1	0	-	-	-	-	241	1,926	-241	-1,876	**1**	**50**
Current assets	228	157	52	77	27	101	92	526	-	-	**399**	**861**
Total assets	**1,885**	**2,574**	**1,111**	**1,756**	**473**	**554**	**333**	**2,452**	**-241**	**-1,876**	**3,561**	**5,460**
Total equity and liabilities											**3,561**	**5,460**
Investments in exploration and evaluation assets	55	7	69	111	15	40	-	6	-	-	**139**	**163**
Investments in oil and gas properties	17	19	7	86	-	-	-	-	-	-	**25**	**105**
Investments in machinery and equipment	0	1	-	-	2	2	-	-	-	-	**2**	**2**

NOTE 6. Financial income and expenses during the period

Exchange gains and losses are reported net in the income statement for the Group.

	Group			
	Oct-Dec		Jan-Dec	
SEK 000,000s	**2014**	**2013**	**2014**	**2013**
Interest income	1	1	3	11
Exchange gains	10	12	-	100
Other financial items	-	-	0	-
Total financial income (net)	**10**	**13**	**3**	**111**
Interest expense	-69	-68	-256	-265
Exchange losses	-	-	-87	-
Other financial items	-6	-7	-25	-51
Total financial expenses (net)	**-75**	**-75**	**-368**	**-316**

NOTE 7. Reporting of financial instruments

As per 31 December 2014 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.

SEK 000,000s	31 Dec 2014		31 Dec 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	1	1	0	0
Accounts receivable and other receivables	205	205	440	440
Cash and cash equivalents	148	148	403	403
Total financial assets	**354**	**354**	**843**	**843**
Non-current interest-bearing loans and borrow-ings	-	-	1,433	1,422
Other non-interest bearing liabilities	30	30	-	-
Current interest-bearing loans and borrowings	2,468	1,441	761	753
Accounts payable and other liabilities	578	578	716	716
Total financial liabilities	**3,076**	**2,049**	**2,911**	**2,892**

NOTE 8. Termination farm-out agreement

According to the terminated farm out agreements of 70 percent interest in each of the Didon field and the Zarat license to EnQuest, PA Resources reversed the remuneration retained in escrow awaiting a letter of non-objection from the Tunisian authorities. Further to the termination PA Resources included 70 percent of Zarat in its exploration and evaluation assets and 70 percent of Didon in its Oil and gas assets. Didon was valuated to zero in accordance with made impairment tests. Abandonment provision as well as deferred taxes was adjusted accordingly with respect to both Didon and Zarat.

SEK 000,000s	Jan-Dec 2014
Terminated upfront payment	-180
Adjustment abandonment provision	-259
Adjusted deferred taxes	-372
Other	-15
Total	**-826**

NOTE 9. Related party transactions

Gunvor S.As ownership in PA Resources was 29.73 percent as per 31 December 2014. The company serves as an off-taker of crude oil and PA Resources has a reserve-based lending (RBL) facility as well as a Working capital facility with the company. The trading of crude oil and the RBL facility are in accordance with market terms. PA Resources is also paying for Gunvor's advisers in the on-going refinancing discussion, as well as paying for the advisers appointed by the bondholders.

NOTE 10. Pledged assets and contingent liabilities

As per 31 December 2014, pledged assets amounted to SEK 725 million for the Group and SEK 18 million for the parent company. The contingent liability of SEK 14 million for both Group and the parent company associated with acquisition of PA Energy Congo Ltd has expired and has therefore been removed. Total pledged assets and contingent liabilities for the Group and the parent company as per 31 December 2014 compared with 31 December 2013 are shown in the table below.

	Group		Parent	
SEK 000,000s	**31 Dec 2014**	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2013**
Shares in subsidiaries	725	469	18	18
Total pledged assets	**725**	**469**	**18**	**18**
Acquisition PA Energy Congo Ltd	-	14	-	14
Total contingent liabilities	**-**	**14**	**-**	**14**

Key ratios

QUARTERLY OVERVIEW

		Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Average production	barrels/day	2,900	3,100	3,200	3,400	3,600	4,200	5,400	6,800
Revenue*	SEK 000,000s	88	155	181	178	193	231	266	359
EBITDA*	SEK 000,000s	-808	107	106	114	74	-433	-346	211
EBITDA margin*		-913.7%	68.9%	58.6%	64.2%	38.2%	-187.6%	-130.1%	58.8%
Operating profit*	SEK 000,000s	-2,856	51	67	71	-296	-462	-592	117
Operating margin*		-3230.5%	32.5%	37.2%	40.1%	-153.5%	-200.3%	-222.8%	32.4%
Earnings per share after dilution	SEK	-24.26	-1.22	-0.23	-0.43	-3.55	-8.53	-12.89	1.57
Return on equity		neg	neg	neg	neg	neg	neg	neg	7.1%
Return on assets*		neg	3.7%	5.0%	5.4%	neg	neg	neg	7.4%
Return on capital employed*		neg	4.9%	6.9%	7.3%	neg	neg	neg	10.8%
Equity per share before dilution	SEK	-7.15	17.55	16.46	15.49	15.86	18.94	72.62	81.03
Equity per share after dilution	SEK	-7.15	17.55	16.46	15.49	15.86	18.94	72.62	81.03
Equity/assets ratio		neg	35.2%	34.1%	32.9%	32.9%	34.8%	35.0%	33.9%
Debt/equity ratio		neg	114.6%	100.7%	108.8%	99.8%	66.3%	111.4%	95.9%

*In connection with a change of accounting policies (see Note 2) revenue, EBITDA, the EBITDA margin, operating profit, the operating margin, return on assets and return on capital employed have been adjusted retrospectively.

This report has not been reviewed by the company's auditors.

PA Resources AB (publ)
Stockholm, 25 February 2015

Mark McAllister, President and CEO

DEFINITIONS

Financial definitions and Industry terms are published on www.paresources.se

FINANCIAL CALENDAR

Annual report 2014	29 April 2015
Interim report Q1 (January-March)	29 May 2015
AGM 2015	29 May 2015
Interim report Q2 (January-June)	17 July 2015
Interim report Q3 (January-September)	28 October 2015
Year-end Report (January-December)	3 February 2016

WEBCAST

PA Resources' results for the fourth quarter of 2014 will be presented on 26 February 2015 at 09:00 am (CET) via a webcast conference call. To participate, please use the link at www.paresources.se or call:

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

An on-demand webcast will be available on PA Resources website, www.paresources.se after the presentation.

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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 09:00 a.m. (CET) on 26 February 2015.

PA Resources in brief

PA Resources AB (publ) is an international oil and gas group that conducts exploration, development and production of oil and gas assets. The Group operates in Tunisia, the Republic of Congo (Brazzaville), Equatorial Guinea, the United Kingdom, Denmark, the Netherlands and Germany. PA Resources is producing oil in West Africa and North Africa. The parent company is located in Stockholm, Sweden. PA Resources' shares are listed on NASDAQ in Stockholm, Sweden. For further information, please visit www.paresources.se.