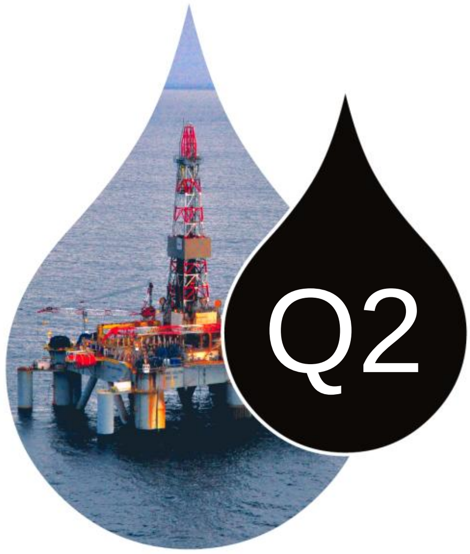


Interim Report

1 January – 30 June 2011

SUMMARY

- Group revenue for the second quarter amounted to SEK 542.2 million (588.9).
- EBITDA for the quarter totalled SEK 335.5 million (348.9).
- The result before tax for the second quarter was SEK -12.8 million (-138.5).
- Earnings per share before and after dilution were SEK -0.26 (-0.46).
- A gas discovery was made on the Danish prospect Broder Tuck in mid-July. Evaluation is under way through drilling of a sidetrack.
- Development of the Aseng field in Equatorial Guinea is ahead of schedule, and production start is now planned for the end of 2011.

FINANCIAL KEY RATIOS

	Q2 2011	Q2 2010	Jan.-June 2011	Jan.-June 2010	Jan.-Dec. 2010
Revenue (SEK million)	542.2	588.9	1,125.4	999.1	2,226.7
EBITDA (SEK million)	335.5	348.9	694.2	556.4	1,275.7
EBITDA margin (%)	61.9%	59.2%	61.7%	55.7%	57.3%
Operating profit (SEK million)	145.5	163.0	285.4	177.4	490.4
Operating margin (%)	26.8%	27.7%	25.4%	17.8%	22.0%
Profit/loss before tax (SEK million)	-12.8	-138.5	130.6	-227.0	179.3
Earnings per share after dilution (SEK)	-0.26	-0.46	-0.18	-0.76	-0.61

CEO'S COMMENTS

In May exploration drilling was begun on our Danish licence, 12/06, and in mid-July we were happy to announce a discovery of gas at the Broder Tuck prospect. The size of the discovery is now being evaluated through a sidetrack, after which the drilling rig will continue to the Lille John oil and gas prospect. This positive outcome is important for PA Resources and clearly shows the potential of our asset portfolio.

Development of our next producing field in West Africa is ahead of schedule. We now believe that the Aseng field can be put in production already by the end 2011. Development of the Didon North field in North Africa is proceeding according to plan, and the satellite field will be put in production during the fourth quarter.

Initial development of the Azurite field was completed in June. Despite this, however, production is far below the operator's forecast level. The field has been a disappointment for us. Activities and evaluations to determine the field's and the wells' performance are currently being carried out with high priority. It is therefore good to note that production in Tunisia remained at a stable level during the first half of the year and that the Aseng and Didon North development projects are now nearing production start.

During the second quarter we continued to benefit from the continued high price of oil, both in terms of cash flow and earnings, despite lower production. Operating expenses remained steady. Capital expenditures totalled approximately SEK 1 billion, and approximately SEK 550 million in loans were amortized during the first half of the year.

In pace with mounting anxiety over the trend in global growth, fluctuations in the price of oil have increased in recent weeks. Several analysts are now forecasting an oil price of around USD 100 a barrel during the coming year, which is still a relatively high level.

During the third quarter we will be focusing primarily on completing our development projects for higher production and on conducting exploration drilling at Lille John.

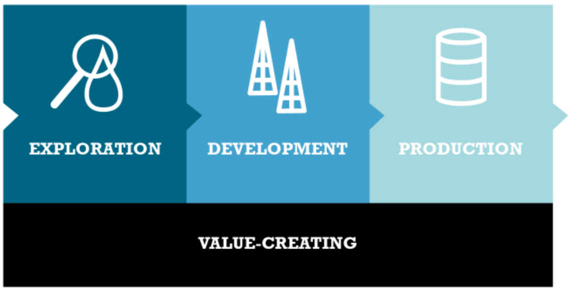
Bo Askvik, President and CEO, PA Resources AB

IMPORTANT EVENTS DURING THE QUARTER

- The last production well on the Azurite field in the Republic of Congo began operating in early June, entailing completion of the field's initial development plan.
- Exploration drilling commenced on licence 12/06 in Denmark and a gas discovery was made on the prospect Broder Tuck in mid-July, after the reporting period.
- Drilling begun of the production well on Didon North in Tunisia.

PA RESOURCES IN BRIEF

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



Value creating business model

PA Resources conducts exploration activities to increase the amount of its oil and gas resources. Value is also created by moving resources to reserves and efficiently progressing assets to the production phase. Prioritised investments are financed through cash flow from production in combination with raising external capital and revenues from active management of the asset portfolio. The objective is to obtain a balanced business and asset portfolio that generates long-term production and growth in value.

Strategic focus

During the five-year period 2010–2014, PA Resources is focusing predominantly on generating greater value from its existing assets. A growing number of assets will be moved into the production phase, thus enabling the Company to achieve a long-term increase in production. A complementary aim is to increase the amount of reserves and resources through selective exploration. These investments are based on a strengthened capital structure.

OPERATIONAL OVERVIEW

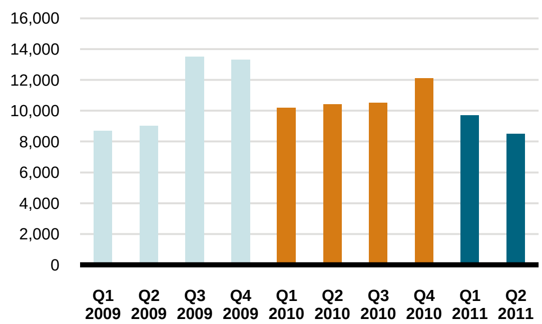
QUARTER 2, 2011 (1 APRIL – 30 JUNE)

Production and sales

PA Resources' total oil production during the second quarter was 774,700 barrels (950,000). Average production was 8,500 barrels per day (10,400). Of this total, the Azurite field in the Republic of Congo produced 5,000 barrels per day (5,450) and the six oilfields in Tunisia produced 3,500 barrels per day (4,950). Production is based on a working interest, which is PA Resources' share of total, gross production before deduction for royalty and other taxes.

A total of 477,000 barrels (805,100) of oil were sold, excluding royalties, at an average price of USD 109 per barrel (78).

Average production 2009–2011 (barrels/day)



FIRST HALF 2011 (1 JANUARY – 30 JUNE)

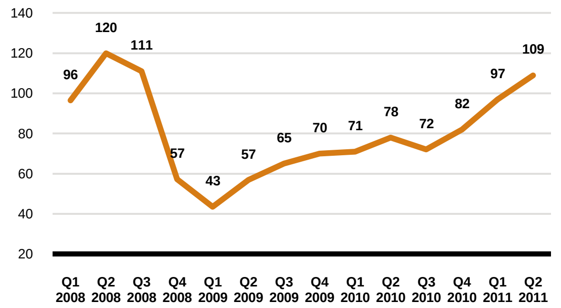
Production and sales

Total oil production during the first half of the year was 1,648,100 barrels (1,835,000). Average production was 9,100 barrels per day (10,300). A total of 1,179,000 barrels (1,544,100) of oil were sold, excluding royalties, at an average price of USD 101 per barrel (75).

Oil inventory including royalty and other taxes increased by 152,151 barrels during the period to 414,307 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 upon volume.

Average sales price per quarter 2008 – 2011 (USD per barrel)



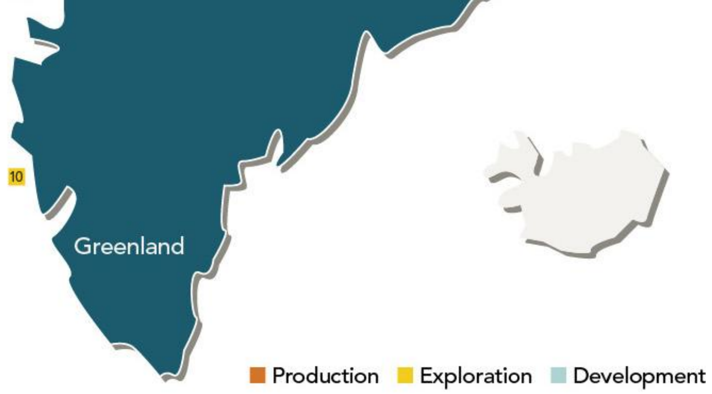
Drilling programme 2011/2012

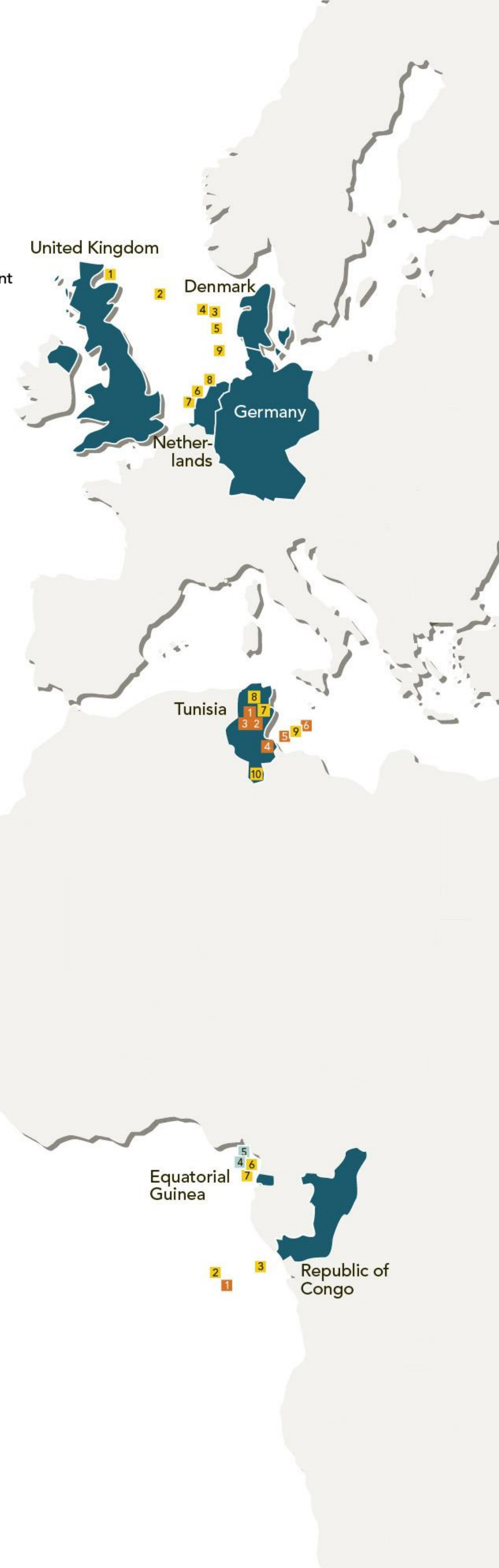
The drilling programme for the remainder of 2011 and 2012 consists of up to six exploration wells, one appraisal well and one production well. PA Resources estimates that these wells may contain oil resources amounting to approximately 253 million barrels of oil equivalents, of which 107 million barrels net for PA Resources.

The final production well at the Azurite field was completed in early June. In May, exploration drilling was started on the Danish licence 12/06, where a gas discovery was made at Broder Tuck. This discovery is now being evaluated via a sidetrack, and after that drilling will commence on the second prospect, Lille John, on the same licence. Tests are currently being conducted of the Sidi M'barek and Jbil prospects on the Jelma licence in Tunisia, as is drilling of the Didon North production well.

Licence	Field/Prospect	Time	Well/number
Tunisia			
Jelma	Sidi M'barek Jbil	Ongoing Ongoing	Exploration/2
Zarat	Didon North	Ongoing	Production/1
Zarat	Elyssa	2012	Appraisal/1
Rep. Congo			
MPS	Makouala	Q1 2012	Exploration/1
Marine XIV		Q4 2011	Exploration/1
Denmark			
Block 12/06	Broder Tuck Lille John	Ongoing Q3 2011	Exploration/2

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





North Sea Region and Greenland

	Concession/licence	Operator	Partners
	United Kingdom		
1	P1342	PA Resources (100%)	
2	Block 22/18c	PA Resources (33.34%)	Valiant Exploration Limited (33.33%), First Oil Expro Limited (33.33%)
	Denmark		
3	Block 9/06 (Gita)	Maersk Olie og Gas (31.2%)	PA Resources (26.8%), Danish North Sea Fund (20%), Noreco (12%), Danoil (10%)
4	Block 9/95 (Maja)	Maersk Olie og Gas (31.2%)	PA Resources (26.8%), DONG (20%), Noreco (12%), Danoil (10%)
5	Block 12/06	PA Resources (64%)	Danish North Sea Fund (20%), Spyker Energy (8%), Danoil (8%)
	Netherlands		
6	Block Q7	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
7	Block Q10a	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
8	Schagen	Smart Energy Solutions (30%)	Energie Beheer Nederland (40%), PA Resources (30%)
	Germany		
9	B20008-73	PA Resources (100%)	
	Greenland		
10	Licence 2008/17 (Block 8)	PA Resources (87.5%)	NunaOil (12.5%)

North Africa Region

	Concession/licence	Operator	Partners
	Tunisia		
1	Douleb	PA Resources (70%)*	Serept (30%)
2	Semmama	PA Resources (70%)*	Serept (30%)
3	Tamesmida	PA Resources (95%)*	Serept (5%)
4	Ezzaouia	Maretap**	ETAP (55 %), Candax-Ecumed (31.4%), PA Resources (13.6%)
5	El Bibane	Candax-Ecumed (73.8%)	PA Resources (23.9%), Maghreb (2.3%)
6	Didon	PA Resources (100%)	
7	Jelma***	PA Resources (70%)	Topic (30%)
8	Makthar***	PA Resources (100%)	
9	Zarat***	PA Resources (100%)	
10	Jenein Centre****	Storm Ventures Int (65%)	PA Resources (35%)

* Operatorship outsourced to Serept.

** Operatorship outsourced to Maretap, a joint venture owned 50% by ETAP and 50% by Candax-Ecumed. Maretap has no interest in the licence.

*** ETAP has the right to take a 50% interest in the Jelma licence and 55% in the Makthar and Zarat licences once discoveries have been made on the licence 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 Storm Ventures.

West Africa Region

	Concession/licence	Operator	Partners
	Republic of Congo (Brazzaville)		
1	Azurite*	Murphy (50%)	PA Resources (35%), SNPC (15%)
2	Mer Profonde Sud*	Murphy (50%)	PA Resources (35%), SNPC (15%)
3	Marine XIV*	SOCO (29.4%)	Lundin Petroleum (21.55%), Raffia Oil (21.55%), SNPC (15%), PA Resources (12.5%)
	Equatorial Guinea		
4	Aseng field**	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore (23.75%), PA Resources (5.7%), GEPetrol (5%)
5	Alen field***	Noble Energy (44.65%)	GEPetrol (28.75%), Glencore (24.94%), Atlas Petroleum (1.38%), PA Resources (0.29%),
6	Block I**	Noble Energy (38%)	Atlas Petroleum (27.55%), Glencore Exploration (23.75%), PA Resources (5.7%), GEPetrol (5%)
7	Block H**	Atlas Petroleum (53.44%)	Roc Oil (35.62%), PA Resources (5.94%), GEPetrol (5%)

* Participating interests are reported inclusive of the rights to participating interests of the state-owned company SNPC.

** Participating interests are reported from and including 2011 inclusive of the rights to participating interests of the state-owned company GEPetrol.

*** 95% of the Alen field is located in Block O and 5% in Block I. PA Resources has a 5.7% working interest in Block I, which provides 0.285% of the field in total.

WEST AFRICA REGION

The region contains PA Resources' major producing field, the Azurite field in the Republic of Congo (Brazzaville), where the drilling programme was completed in June. The Group also owns interests in two exploration licences in the Republic of Congo and in two exploration licences offshore Equatorial Guinea, where development of the Aseng and Alen fields is progressing.

- ***Production and completion of the Azurite field***
  The final planned production well on the Azurite field in the Republic of Congo was brought into production on 8 June, and the field's initial development plan is therefore completed. The well's performance has been significantly below the operator's forecast, and it appears that the formation was damaged during completion of the well. Further evaluation is ongoing as to whether any remedial action can be taken on this well.
  Azurite field working interest production to PA Resources averaged 5,000 barrels per day during the second quarter. As previously announced, oil production levels and the field's anticipated reserves are below the levels anticipated in the field's plan of development. The reasons for this highly disappointing outcome include reduced reservoir development and greater reservoir complexity than anticipated.
  Data from the 2011 wells will be incorporated into PA Resources' model of the field to allow a re-forecast of the field's future production.

- ***Evaluation activities on Mer Profonde Sud***
  Reprocessing of 3D seismic data over the Mer Profonde Sud licence in the Republic of Congo is largely completed. A full evaluation of the exploration potential of the licence is under way, concentrating on prospectivity at the Miocene level, productive in the Azurite field. The evaluation also concentrates on the deeper Sendji reservoir level, a new target established by drilling in the licence last year. There are no firm plans to drill exploration or appraisal wells in 2011.

- ***Exploration drilling on Marine XIV licence***
  Drilling of an exploration well on the Makouala prospect on the Marine XIV licence in the Republic of Congo is planned by the fourth quarter of 2011. As a result of a farmout by PA Resources in 2009, PA Resources' costs for this well are carried by the other licence partners.

- ***Development of Aseng ahead of schedule***
  Development activities on the Aseng field in Block I in Equatorial Guinea continue to progress ahead of schedule. Aseng is now expected to start up by the end of this year instead of in the first quarter of 2012. Production ramp-up is expected over a number of weeks before the estimated plateau is reached, contributing an average of 3,000 barrels per day net (working interest) to PA Resources.
  As previously announced, all of the development wells for the Aseng oilfield have been drilled and completed, and subsea installation activities are ongoing. The Floating Production, Storage and Offloading vessel (FPSO) used on the field is expected to depart Singapore in September, arriving at the field early in the fourth quarter to begin hookup and commissioning.

- ***Development of Alen***
  Development activity on the Alen field, the second development project in Block I in Equatorial Guinea, was ramped up during the second quarter. Construction of the production platform has begun, and the wellhead jacket is substantially complete. Subsea development drilling and completions should commence in the third quarter with the arrival of the Atwood Hunter semi-submersible drilling rig, which will drill and complete one gas injection well and complete two previously drilled wells for gas injection.
  Development plans will be supplemented with the second rig, the Atwood Aurora jackup, which will complete one existing well for production and drill two new production wells beginning in the fourth quarter. First condensate production is planned for late 2013.

- ***Appraisal of Carmen-Diega development***
  On the adjacent Block O licence, a recent appraisal well drilled on the Diega-Carmen discovery has been reported by the operator as appearing to confirm Carmen-Diega as the next development candidate for tieback to the Aseng/Alen infrastructure. As previously announced, the Carmen-Diega accumulation extends from Block O into Block I, in which PA Resources has a participating interest.

NORTH AFRICA REGION

PA Resources has been operating in Tunisia since 1998 and is one of the country's larger oil producers. The Group has interests in six producing fields, of which Didon is the largest, as well as in four exploration licences. PA Resources is the operator of seven of the licences.

- ***Production and maintenance of Didon***
  During the second quarter, the field continued to produce primarily from two of its wells, and production has been stable. Measurements and actions are being carried out on a continuous basis in order to provide partial compensation for the field's natural decline. Activities to reactivate additional wells were conducted during the quarter. In July, after the end of the reporting period, the field was producing periodically from a third well.
  An updated statistical model of the field will form the basis of a new dynamic modelling of the field's production profile. On the basis of this 3D model, the feasibility to drill new production wells will be evaluated, which could enhance oil recovery on the Didon field.

- ***Development of Didon North satellite field***
  Drilling of the Didon North production well was begun in early May, and the hole's casing was set in late June. In July, after the end of the reporting period, the producing El Gueria reservoir was reached. During the third quarter, the horizontal part of the well will be drilled. Installation work will begin thereafter ahead of the planned production start, which is expected to take place during the fourth quarter of 2011.

- ***Unitisation and development of Zarat field***
  Work on allocation of the oil reserves on the Zarat field between PA Resources's Zarat licence offshore Tunisia and Sonde Resources' 7 November licence continued during the second quarter. Data was exchanged and several technical meetings were held. The plan is to integrate a model for carrying out a phase II study of development alternatives. The adjacent 7 November licence is covered by current sanctions against Libya, which has delayed the unitisation process.

- ***Seismic analysis of Zarat licence***
  Interpretation of the 2010 seismic 3D study is now completed, and the results will be used to update a 3D model of the Elyssa field. Parallel with this, the 3D seismic data acquired in 2004 of the Zarat licence is being reprocessed.

- ***Exploration drilling at Jelma licence***
  The first prospect, Sidi M'barek, was drilled and completed in February, and production tests were begun in mid-May. The tests were delayed by logistical disruptions as a result of the political situation in the country. During the second quarter the rig was moved to the second prospect, Jbil, where drilling was conducted, and tests are now being prepared. The results of the drillings will be presented when both production tests have been completed.

- ***Extension of El Bibane concession***
  In August, after the end of the reporting period, the Tunisian authorities confirmed that the concession for the El Bibane field will remain valid until 2030. This means that production may be conducted at the field up until that time. A previous interpretation indicated 2013 as the maturity date.

- ***Seismic survey of Makthar licence***
  Processing and evaluation of the 2D seismic survey are in progress. The results are expected to be ready during the third quarter, as more detailed process tests are currently being conducted.

- ***Political developments in Tunisia***
  The planned general election has been pushed back from July until mid-October. The political situation in Tunisia affects all operations in the country, such as union activity and logistical disruption.

NORTH SEA REGION AND GREENLAND

PA Resources conducts exploration activities in the UK, Denmark, the Netherlands, Germany and western Greenland. PA Resources is the operator of five out of a total of 10 licences. No production comes from this region.

- ***Gas discovery and further drilling on 12/06 in Denmark***
  Drilling of the Broder Tuck gas prospect located approximately 9 kilometres south of the Gorm field in the Danish North Sea commenced in May. A gas discovery was announced in mid-July, after the end of the reporting period.
  Following some initial drilling problems, the well was drilled as a vertical well to a total depth of 3,658 metres below mean sea level in layers of Lower Jurassic/ Triassic age. The well encountered approximately 17 metres of net pay in high quality sandstone in the primary Middle Jurassic target. The well site sample analysis showed the reservoir fluid to be gas with some condensate. The well has established a gross hydrocarbon column of at least 230 metres from the crest of the structure down to the base of the column encountered in the well.
  A sidetrack is now being drilled to assess the potential for additional gas volumes down-dip. Drilling of the Lille John oil and gas prospect within the same licence will commence thereafter.

- ***Greenland seismic analysis***
  Interpretation of the 2D seismic data acquired by PA Resources last year is at an advanced stage. An inventory of prospects and leads has been mapped with these new data. Following completion of the technical evaluation, it is anticipated that a farm-in partner/partners will be sought prior to the drilling phase of the licence.

- ***Relinquished licence P1529 in UK***
  Following completion of interpretation of the 3D survey acquired last year, the acquisition of which was fully funded by Venture (now Centrica) through its farm-in to P1529, the partnership has decided – with the approval of DECC (Department of Energy and Climate change)– not to proceed to the drilling phase of this licence, which has now been relinquished. Impairment losses for the licence were booked in 2010.

FINANCIAL OVERVIEW

QUARTER 2, 2011 (1 APRIL – 30 JUNE)

Revenue, expenses and EBITDA

Group revenue for the second quarter amounted to SEK 542.2 million (588.9). Revenue decreased mainly as a result of lower production counteracted by a higher sales price. Revenue was negatively affected by currency effects in the form of a weaker US dollar compared with the same period a year ago.

Costs for raw materials and consumables including royalties decreased to SEK 169.6 million (179.6). Production costs amounted to SEK 96.4 million (123.8) and decreased mainly as a result of currency effects from the weaker US dollar. The royalty cost was SEK 73.2 million (55.8). The increase is mainly attributable to higher oil prices countered by lower production and currency translation effects, while the royalty percentages were unchanged.

EBITDA (earnings before interest, tax, depreciation and amortisation) was SEK 335.5 million (348.9).

Depreciation, amortisation and operating profit

Depreciation and amortisation for the quarter amounted to SEK 190.0 million (185.8). Depreciation and amortisation per produced barrel increased in the West Africa region as a result of the revision of reserves on the Azurite field in the beginning of the year. Lower production on both the Azurite field and in the North Africa region resulted in lower depreciation and amortisation compared with the second quarter a year ago. Depreciation and amortisation were positively affected by currency effects.

Operating profit was SEK 145.5 million (163.0), and the operating margin for the quarter was 26.8% (27.7%).

Net financial items, tax and profit

Net financial items for the Group amounted to SEK -158.3 million for the quarter (-301.5). Currency translation effects affected net financial items by SEK -42.2 million (-160.5). The difference between the years is mainly attributable to the restatement of loans denominated in US dollars. Net financial items for the corresponding period a year ago were affected by revaluation of financial instruments, by SEK -57.9 million.

The result before tax was SEK -12.8 million (-138.5). Reported tax during the quarter totalled SEK -153.3 million (-72.8).

Earnings per share before and after dilution were SEK -0.26 (-0.46).

FIRST HALF 2011 (1 JANUARY – 30 JUNE)

Revenue, expenses and EBITDA

Group revenue during the period amounted to SEK 1,125.4 million (999.1). Revenue increased mainly as a result of a higher sales price that was partly counteracted by lower production and currency effects from the weaker US dollar.

Costs for raw materials and consumables including royalties increased to SEK 362,5 million (346.7). Production costs amounted to SEK 215.5 million (231.5) and decreased mainly as a result of currency effects from the weaker US dollar. The royalty cost was SEK 147.0 million (115.2). The increase is mainly attributable to higher oil prices countered by lower production and currency translation effects.

EBITDA (earnings before interest, tax, depreciation and amortisation) was SEK 694.2 million (556.4).

Depreciation, amortisation and operating profit

Depreciation and amortisation for the period amounted to SEK 408.8 million (379.0). Depreciation and amortisation per barrel increased in the West Africa region during the period as a result of the revision of reserves on the Azurite field in the beginning of the year. Total depreciation and amortisation increased as a result of higher production on the Azurite field countered by lower production in the North Africa region compared with the corresponding period a year ago. Depreciation and amortisation were positively affected by currency effects compared with the corresponding period a year ago.

Operating profit was SEK 285.4 million (177.4), and the operating margin for the period was 25.4% (17.8%).

Net financial items, tax and profit for the period

Net financial items for the Group amounted to SEK -154.9 million for the period (-404.4). Currency translation effects affected net financial items by SEK 7.8 million (-179.7). The difference between the years is mainly attributable to the restatement of loans denominated in US dollars. Net financial items were affected by revaluation of financial instruments, by SEK 27.7 million (-86.6).

Profit before tax was SEK 130.6 million (-227.0). Reported tax during the period totalled SEK -246.3 million (-78.9). The increase is mainly attributable to the West Africa region, where higher production and higher oil prices affected the reported tax.

Paid tax during the period amounted to SEK 29.1 million (142.8).

Earnings per share before and after dilution were SEK -0.18 (-0.76).

Financial position

Total interest-bearing liabilities including convertibles amounted to SEK 3,748.1 million (3,947.5) as per 30 June. Available lines of credit amounted to approximately SEK 1,900 million, of which approximately 50% was utilised. Cash and cash equivalents at the end of the period amounted to SEK 201.1 million (1,456.2).

During the period, the Company paid down approximately SEK 550 million in debt and refinanced all of its bond issues maturing in the next two years. The weighted average time to maturity for the Company's interest-bearing debt is slightly more than three years.

Shareholders' equity decreased by SEK 622.1 million during the period, to SEK 4,627.9 million, mainly due to negative translation differences, compared with SEK 5,250.0 million at the start of the year.

The Group's debt/equity ratio was 76.6% (41.0%) at the end of the period. The net debt/equity ratio, assuming full conversion of outstanding convertible debentures to equity, was 49.0% at the end of the period (24.7%), compared with the Company's long-term target of a maximum level of 50%.

Cash flow and capital expenditures

The Group's operating cash flow during the period was SEK 466.2 million (519.1).

Total capital expenditures during the period amounted to SEK 963.3 million (749.0). Most of the capital expenditures planned for 2011 were carried out during the first six months of the year. Capital expenditures for the full year are expected to total SEK 1,250.0 million, compared with the previous forecast of SEK 1,100–1,250 million.

Capital expenditures in intangible non-current assets amounted to SEK 327.9 million (72.7) during the period and pertained to investments in the development of oil and gas assets. Of this, SEK 130.9 million (55.2) pertained to investments in the North Sea region – mainly drilling on the 12/06 licence in Denmark.

The Group's capital expenditures in property, plant and equipment amounted to SEK 635.4 million (676.3) during the period, attributable to investments in producing oil and gas assets. Of this, SEK 429.7 million (579.5) pertained to investments in the West Africa region.

During the period a net total of SEK 549.9 million (77.1) in interest-bearing liabilities was amortised. Net cash flow, after financing and capital expenditures, amounted to SEK -1,047.0 million (1,334.4). The figure for the preceding year was positively affected by a rights issue totalling SEK 1,641.3 million.

Parent company

The parent company's revenue pertains mainly to intra-Group sales and amounted to SEK 5.5 million (1.8) during the second quarter and SEK 12.7 million (7.3) for the first half of the year.

Net financial items amounted to SEK -89.0 million (25.0) for the second quarter and SEK -313.4 million (6.3) for the first half of the year. The result after tax was SEK -91.0 million for the second quarter (13.2) and SEK -314.3 million (-5.8) for the first half of the year. Shareholders' equity amounted to SEK 3,536.6 million, compared with SEK 3,850.9 million at the start of the year.

OTHER INFORMATION

Risks and uncertainties

PA Resources' financial, operational, business and social risks are described in the Company's 2010 Annual Report, published on 31 March 2011, in the section Risks and risk management.

Risks in the near term include possible disruptions in production at producing fields, especially in connection with drilling, maintenance and installations, and delays in development projects. Ongoing political unrest in North Africa and the Middle East, which is difficult to assess, could also have an impact on the Company's operations.

Largest shareholders per 30 June 2011

Shareholder	Number of shares	Capital/votes
Avanza Pension	45,709,600	7,2%
Länsförsäkringar fondförvaltning AB*	29,664,226	4,7%
Nordnet Pensionförsäkring AB	25,316,636	4,0%
JP Morgan Bank	11,418,130	1,8%
Fjärde AP-fonden	11,200,692	1,8%
Skandinaviska Enskilda Banken S.A.	10,674,386	1,7%
Robur Försäkring	9,355,920	1,5%
SIX SIS AG, W8IMY	7,141,777	1,1%
Carlson fonder AB	5,089,260	0,8%
Danica Pensionsförsäkring AB	5,006,869	0,8%
Total - 10 largest shareholders	**160,577,496**	**25,2%**
Total - other shareholders	476,898,347	74,8%
Total number of shares	**637,475,843**	**100%**

*According to a disclosure statement published on 8 August, Länsförsäkringar fonder increased its holding to 5.2%.

Board changes

The Annual General Meeting on 17 May decided to re-elect Hans Kristian Rød, Catharina Nystedt-Ringborg, Lars Olof Nilsson and Paul Waern as ordinary members of the Board, and to elect Per Jakobsson as a new member of the Board. Hans Kristian Rød was elected as Chairman of the Board. The former Chairman of the Board, Sven Rasmusson, had announced ahead of the Annual General Meeting that he was not available for re-election.

Events after the end of the reporting period

- ***Gas discovery on Danish licence 12/06***
  In mid-July PA Resources announced that a gas discovery had been made at the Broder Tuck prospect in Licence 12/06 offshore Denmark. The discovery is now being evaluated via a sidetrack. For further information, see the section *North Sea region and Greenland*.

Further information about PA Resources can be found at www.paresources.se. Queries concerning this report can be sent to ir@paresources.se or directed to:

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Group – condensed income statement

SEK 000s	Notes	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	Jan.-Dec. 2010
Revenue	3, 5	542,189	588,903	1,125,371	999,116	2,226,732
Cost of sales	4	-169,582	-179,646	-362,517	-346,729	-758,828
Other external expenses		-20,775	-43,280	-37,779	-61,257	-125,169
Personnel expenses		-16,341	-17,123	-30,830	-34,727	-67,059
Depreciation, amortisation and impairment losses	5	-189,963	-185,808	-408,823	-378,993	-785,252
Operating profit	5	**145,528**	**163,046**	**285,422**	**177,410**	**490,424**
Financial income	6	4,597	11,964	45,373	49,806	182,890
Financial expenses	6	-162,917	-313,478	-200,243	-454,196	-494,033
Total financial items		**-158,320**	**-301,514**	**-154,870**	**-404,390**	**-311,143**
Profit before tax	5	**-12,792**	**-138,468**	**130,552**	**-226,980**	**179,281**
Income tax	7	-153,332	-72,782	-246,321	-78,846	-495,668
Profit for the period		**-166,124**	**-211,250**	**-115,769**	**-305,826**	**-316,387**
Profit for the period attributable to:						
Owners of the parent		-166,124	-211,250	-115,769	-305,826	-316,387
Earnings per share before dilution		**-0.26**	**-0.46**	**-0.18**	**-0.76**	**-0.61**
Earnings per share after dilution		**-0.26**	**-0.46**	**-0.18**	**-0.76**	**-0.61**

Earnings per share are attributable to owners of the parent.

Group – condensed statement of comprehensive income

SEK 000s	Notes	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	Jan.-Dec. 2010
Profit for the period		**-166,124**	**-211,250**	**-115,769**	**-305,826**	**-316,387**
Other comprehensive income						
Exchange differences during the period		12,216	270,709	-506,298	100,525	-712,429
Available-for sale financial assets		-21	-542	-22	-979	-1,065
Income tax relating to available-for-sale financial assets		2	146	2	262	284
Total other comprehensive income		**12,197**	**270,313**	**-506,318**	**99,808**	**-713,210**
Total comprehensive income		**-153,927**	**59,063**	**-622,087**	**-206,018**	**-1,029,597**
Total comprehensive income attributable to:						
Owners of the parent		-153,927	59,063	-622,087	-206,018	-1,029,597

Group – condensed statement of financial position

SEK 000s	Notes	30 June 2011	30 June 2010	31 Dec. 2010
ASSETS				
Intangible assets		1,935,787	1,767,407	1,728,771
Property, plant and equipment		6,940,974	7,625,315	7,221,384
Financial assets		1,350	2,275	2,185
Total non-current assets		**8,878,111**	**9,394,997**	**8,952,340**
Inventory		4,927	5,318	5,034
Accounts receivable and other receivables		813,547	605,469	677,117
Current tax assets	7	3,665	3,883	3,168
Cash and cash equivalents		201,097	1,456,240	1,260,393
Total current assets		**1,023,236**	**2,070,910**	**1,945,712**
TOTAL ASSETS		**9,901,347**	**11,465,907**	**10,898,052**
EQUITY				
Equity attributable to owners of the parent				
Share capital		318,738	318,733	318,738
Other capital contributions	9	3,764,137	3,764,067	3,764,137
Reserves		-1,461,229	-141,893	-954,911
Retained earnings and profit for the period		2,006,257	2,132,587	2,122,026
Total equity		**4,627,903**	**6,073,494**	**5,249,990**
LIABILITIES				
Interest-bearing loans and borrowings	9	3,269,369	1,336,604	2,767,310
Deferred tax liabilities	7	396,565	491,127	409,031
Provisions	10	415,920	364,437	429,884
Total non-current liabilities		**4,081,854**	**2,192,168**	**3,606,225**
Current tax liabilities		159,189	103,274	70,746
Derivative financial instruments	8	0	87,852	9,523
Current interest-bearing loans and borrowings		478,727	2,610,935	1,627,695
Accounts payable and other liabilities		553,674	398,184	333,873
Total current liabilities		**1,191,590**	**3,200,245**	**2,041,837**
TOTAL EQUITY AND LIABILITIES		**9,901,347**	**11,465,907**	**10,898,052**
PLEDGED ASSETS	12	**769,200**	**2,386,249**	**2,179,630**
CONTINGENT LIABILITIES	12	**14,000**	**14,000**	**14,000**

Group – condensed 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/loss for the period	Total
Balance at 1 January 2010		83,877	2,357,593	-241,701	2,438,055	4,637,824
Total comprehensive income				99,808	-305,826	-206,018
Transactions with shareholders						
New share issue		234,856	1,526,561			1,761,417
Issue expenses			-120,087			-120,087
Share-based payments					358	358
Closing balance at 30 June 2010		**318,733**	**3,764,067**	**-141,893**	**2,132,587**	**6,073,494**
Balance at 1 July 2010		318,733	3,764,067	-141,893	2,132,587	6,073,494
Total comprehensive income				-813,018	-10,561	-823,579
Transactions with shareholders						
Redemption convertible shares	9	5	70			75
Closing balance at 31 December 2010		**318,738**	**3,764,137**	**-954,911**	**2,122,026**	**5,249,990**
Balance at 1 January 2011		318,738	3,764,137	-954,911	2,122,026	5,249,990
Total comprehensive income				-506,318	-115,769	-622,087
Closing balance at 30 June 2011		**318,738**	**3,764,137**	**-1,461,229**	**2,006,257**	**4,627,903**

The number of shares outstanding was 637,475,843 as per 30 June 2011. No dividend was decided on for the 2010 financial year or previous financial years. Reserves pertain to effects from translation of operations in foreign currency.

Group – condensed statement of cash flows

SEK 000s	Jan. - June 2011	Jan. - June 2010	Jan.-Dec. 2010
Cash flow from operating activities			
Income after financial items	130,552	-226,980	179,281
Adjustments for non-cash items	270,548	976,923	348,359
Income tax paid	-29,045	-142,811	-229,639
Total cash flow from operating activities			
before changes in working capital	**372,055**	**607,132**	**298,001**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventory	-259	-3,550	-6,392
Increase (-)/decrease (+) in receivables	-41,560	189,529	-168,613
Increase (+)/decrease (-) in liabilities	135,947	-273,988	293,218
Cash flow from operating activities *	**466,183**	**519,123**	**416,214**
Cash flow from investing activities			
Investments in intangible assets	-327,923	-72,686	-273,189
Investments in property, plant and equipment	-635,350	-676,281	-1,312,150
Cash flow from investing activities	**-963,273**	**-748,967**	**-1,585,339**
Cash flow from financing activities			
New share issue	0	1,641,330	1,641,330
Loans raised	1,615,761	288,888	2,272,818
Amortisation of debt	-2,165,682	-365,944	-1,593,182
Cash flow from financing activities	**-549,921**	**1,564,274**	**2,320,966**
Cash flow for the period	**-1,047,011**	**1,334,430**	**1,151,841**
Cash and cash equivalents at the beginning of period	1,260,393	123,874	123,874
Exchange rate difference in cash and cash equivalents	-12,285	-2,064	-15,322
Cash and cash equivalents at end of period	**201,097**	**1,456,240**	**1,260,393**
Adjustments for non-cash items			
Depreciation, amortisation and impairment losses	408,823	378,993	785,252
Accounting fair value of financial instruments	-9,523	86,603	8,271
Oil sales attributable to Net Entitlement Method (net)	0	13,815	33,153
Valuation Oil Sales **	-266,695	0	0
Other items including exchange gains and losses (net)	137,943	497,512	-478,317
Total	**270,548**	**976,923**	**348,359**

* Starting in 2011, PA Resources reports changes in working capital excluding exchange rate movements, which were previously reported in the items *Other items including accrued interest and exchange gains and losses and Working capital*.

** Starting in 2011, PA Resources reports the effects from fair valuation of inventory and reported differences between Working Interest and Net Entitlement in the item *Valuation oil sales*.

Parent company – condensed income statement

SEK 000s	Notes	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	Jan.-Dec. 2010
Net sales		5,500	1,837	12,718	7,279	26,677
Other external expenses	11	-5,120	-7,627	-9,631	-11,047	-23,932
Personnel expenses		-5,320	-8,399	-9,632	-13,050	-23,883
Depreciation, amortisation and impairment losses		-47	-55	-94	-102	-193
Operating profit/loss		**-4,987**	**-14,244**	**-6,639**	**-16,920**	**-21,331**
Financial income and similar	6, 8	85,833	206,837	193,322	333,490	427,612
Financial expenses and similar	6, 8	-174,840	-181,823	-506,762	-327,149	-707,092
Total financial items		**-89,007**	**25,014**	**-313,440**	**6,341**	**-279,480**
Profit/loss before tax		**-93,994**	**10,770**	**-320,079**	**-10,579**	**-300,811**
Income tax	7	2,956	2,459	5,779	4,807	10,082
Result for the period		**-91,038**	**13,229**	**-314,300**	**-5,772**	**-290,729**

Parent company – condensed balance sheet

SEK 000s	Notes	30 June 2011	30 June 2010	31 Dec. 2010
ASSETS				
Tangible non-current assets		152	337	246
Financial assets		8,784,715	7,931,393	8,349,455
Total non-current assets		**8,784,867**	**7,931,730**	**8,349,701**
Current tax assets		1,520	1,520	984
Other receivables		2,069	18,936	2,044
Prepaid expenses and accrued income		11,620	2,048	9,404
Cash and cash equivalents		103,216	1,260,398	1,081,247
Total current assets		**118,425**	**1,282,902**	**1,093,679**
TOTAL ASSETS		**8,903,292**	**9,214,632**	**9,443,380**
SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital		318,738	318,733	318,738
Statutory reserve		985,063	985,063	985,063
Revaluation reserve		0	84	20
Total restricted equity		1,303,801	1,303,880	1,303,821
Non-restricted equity				
Share premium reserve	9	2,748,709	2,748,640	2,748,709
Profit/loss brought forward and profit/loss for the period		-515,887	83,369	-201,586
Total non-restricted equity		2,232,822	2,832,009	2,547,123
Total shareholders' equity		**3,536,623**	**4,135,889**	**3,850,944**
LIABILITIES				
Liabilities Group companies		2,241,165	1,658,143	2,610,248
Interest-bearing loans and borrowings	9	2,680,336	793,125	1,650,448
Deferred tax liability		39,218	50,297	44,999
Total non-current liabilities		**4,960,719**	**2,501,565**	**4,305,695**
Accounts payable		2,977	65,503	1,046
Other liabilities		398	331	506
Derivative financial instruments	8	0	87,650	9,523
Current interest-bearing loans and liabilities		252,360	2,337,486	1,150,602
Accrued expenses and prepaid income		150,215	86,208	125,064
Total current liabilities		**405,950**	**2,577,178**	**1,286,741**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**8,903,292**	**9,214,632**	**9,443,380**
PLEDGED ASSETS	12	**711,024**	**2,370,613**	**2,123,060**
CONTINGENT LIABILITIES	12	**14,000**	**14,000**	**14,000**

Key ratios

FIVE-YEAR OVERVIEW

		30 June 2011	30 June 2010	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007	31 Dec. 2006
Revenue	SEK 000s	1,125,371	999,116	2,226,732	2,112,841	2,419,863	2,793,831	856,675
EBITDA	SEK 000s	694,245	556,403	1,275,676	1,325,877	1,771,823	2,073,729	471,296
Operating profit	SEK 000s	285,422	177,410	490,424	429,601	1,395,749	1,833,485	359,267
Operating profit per share after dilution**	SEK	0.45	0.44	0.94	1.35	4.64	6.08	1.26
Operating margin	%	25%	18%	22%	20%	58%	66%	42%
Income after financial items per share after dilution**	SEK	0.20	-0.56	0.34	1.00	2.74	5.96	1.04
Earnings per share after dilution**	SEK	-0.18	-0.76	-0.61	0.04	3.08	3.14	0.81
Return on equity	%	neg	neg	neg	0.3%	23.9%	33.6%	12.8%
Return on assets	%	6.0%	5.6%	5.1%	5.0%	16.4%	32.3%	9.9%
Return on capital employed	%	6.9%	6.7%	5.9%	6.3%	19.6%	41.3%	12.2%
Equity per share before dilution**	SEK	7.26	9.53	8.24	13.41	15.86	11.12	7.72
Equity per share after dilution**	SEK	7.26	9.53	8.24	13.41	15.80	10.79	7.52
Profit margin	%	11.6%	-22.7%	8.1%	15.0%	34.0%	64.3%	34.7%
Equity/assets ratio	%	46.7%	53.0%	48.2%	44.6%	45.5%	49.5%	46.9%
Debt/equity ratio	%	76.6%	41.0%	59.7%	80.4%	74.8%	64.6%	54.5%
Debt/equity ratio, full convertion	%	49.0%	24.7%	38.3%	54.6%	n/a	n/a	n/a
Share price at end of period*	SEK	4.00	5.30	7.50	11.93	5.58	24.74	35.05
Share price/Equity per share before dilution*	Times	0.55	0.56	0.91	0.89	0.35	2.23	4.54
P/E margin per share*	Times	-22.03	-7.00	-12.36	295.22	1.81	7.81	43.20
Number of shares outstanding before dilution**	Number	637,475,843	637,465,131	637,475,843	345,814,769	299,968,388	298,937,668	298,937,668
Number of shares outstanding after dilution**	Number	637,475,843	637,465,131	637,475,843	345,814,769	300,999,108	308,059,540	307,080,356
Average number of shares outstanding before dilution**	Number	637,475,843	403,822,576	521,614,740	318,998,246	299,427,260	298,937,668	284,116,480
Average number of shares outstanding after dilution**	Number	637,475,843	403,822,576	521,614,740	318,998,246	300,921,829	301,700,581	285,309,480

QUATERLY OVERVIEW

		Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Revenue	SEK 000s	542,189	583,182	697,662	529,954	588,903	410,213	653,917	696,487
Operating profit	SEK 000s	145,528	139,894	218,679	94,335	163,046	14,364	79,137	247,296
Operating margin	%	26.8%	24.0%	31.3%	17.8%	27.7%	3.5%	12.1%	35.5%
Earnings per share after dilution**	SEK	-0.26	0.08	-0.23	0.22	-0.46	-0.27	-0.06	0.08
Return on equity	%	neg	4.0%	neg	9.8%	neg	neg	neg	2.0%
Return on assets	%	6.2%	5.7%	8.5%	4.0%	6.6%	1.2%	4.8%	9.7%
Return on capital employed	%	7.2%	6.5%	9.7%	4.5%	7.7%	1.5%	5.8%	12.4%
Equity per share before dilution**	SEK	7.26	7.50	8.24	8.36	9.53	12.65	13.41	14.13
Equity per share after dilution**	SEK	7.26	7.50	8.24	8.36	9.53	12.65	13.41	14.10
Profit margin	%	-2.4%	24.6%	13.1%	59.5%	-23.5%	-21.6%	15.3%	16.5%
Equity/assets ratio	%	46.7%	50.7%	48.2%	52.7%	53.0%	45.2%	45.8%	48.0%
Debt/equity ratio	%	76.6%	67.7%	59.7%	52.2%	41.0%	85.2%	80.4%	69.9%

* In connection with the completed rights issue in May/June 2010, the share price at the end of the period has been adjusted retrospectively, which has affected Share price/Equity per share before dilution and the P/E multiple per share.

** The number of shares outstanding includes only shares that give rise to a dilutive effect. In calculating the potential dilutive effect for convertibles, this would have resulted in a positive effect on earnings per share. The applicable accounting policies (IAS 33) do not allow inclusion of a positive effect. Outstanding convertibles are also excluded in calculations of the dilutive effect on shareholders' equity per share. The completed rights issue in May/June 2010 gave rise to a bonus issue element in the number of shares outstanding. According to the applicable accounting policies (IAS 33), a retrospective adjustment of the number of shares outstanding is to be done. Such retrospective adjustment has led to changed key ratio measurements for operating profit per share, profit after net financial items per share, profit after tax per share, shareholders' equity per share, the share price through shareholders' equity per share, and the P/E multiple per share as per above.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Company information

PA Resources AB (publ.), corporate identity no. 556488-2180, registered in Stockholm, Sweden, has been listed on the NASDAQ OMX Nordic Exchange in Stockholm (Mid Cap segment) since 2006. On 31 January 2011, PA Resources' shares and convertibles were delisted from the Oslo Stock Exchange, at which time the shares obtained a primary listing on NASDAQ OMX Nordic Exchange in Stockholm. The Company's and its subsidiaries' operations are described in the section *PA Resources in brief* and *Operational overview*.

Note 2. Accounting policies

The interim report for the period ended 30 June 2011 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January – June 2011 have, like the full year 2010, been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Swedish Annual Accounts Act. The parent company's accounts have been prepared in accordance with Annual Accounts Act and guideline RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR).

The same accounting policies have been applied for the period as those applied for the 2010 financial year and as described in the 2010 Annual Report. The interim report does not contain all the information and disclosures provided in the annual report; the interim report should therefore be read in the same context as the 2010 Annual Report.

Note 3. Revenue

Total outstanding oil inventory in number of barrels is carried at fair value as per the balance sheet date and is reported as if the inventory had been sold. In addition, PA Resources' entire working interest is reported within revenue. The accounting policies that generate non-cash effects are adjusted for cash flow.

Note 4. Raw materials and consumables

SEK 000s	Q2 2011	Q2 2010	Jan.-June 2011	Jan.-June 2010	Jan.-Dec. 2010
Operation and production costs	-96,398	-123,795	-215,530	-231,482	-490,079
Royalties	-73,184	-55,851	-146,987	-115,247	-268,749
Total cost of sales	**-169,582**	**-179,646**	**-362,517**	**-346,729**	**-758,828**

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

Note 5. Segment reporting

The Group is organised in and is managed according to geographical regions that correspond to the operating segments for which information is given and is followed up internally at the operational level. Operating segments per geographical region include all reporting local entities within each respective region.

The same accounting policies and calculation methods have been used in the reporting of operating segments in this interim report as in the 2010 Annual Report.

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

North Africa: Hydrocarbures Tunisie Corp., Hydrocarbures Tunisie El Bibane Ltd, PA Resources Tunisia
West Africa: PA Energy Congo Ltd, PA Resources Congo SA, Osborne Resources Ltd
North Sea: PA Resources UK Ltd, PA Resources Denmark ApS, PA Resources Arctic ApS, PA Resources Greenland ApS, PA Resources Nuna ApS
Other: PA Resources AB, Microdrill AB

The reportable operating segments are accounted for according to the same accounting policies as for the Group. The reportable 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 way.

Externally reported revenue for all operating segments except for "Other" pertains to sales of oil and services related to exploration and production of oil and gas. Internally reported revenue for all operating segments pertains to further invoiced expenses related to services provided for geology, seismology and exploration. Market conditions in accordance with arm's length are applied for transactions between operating segments.

Group management (the CODM) follows up the profit or loss measure "profit before tax". Financial revenue and expenses are reported gross for the tables below but net in the income statement.

	Interim period January-June 2011					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Income statement						
Revenue, external	434,677	687,104	3,565	25		**1,125,371**
Revenue, internal	-	-	-	12,693	-12,693	**0**
Depreciation, amortisation and impairment losses	-209,558	-197,997	-1,174	-94		**-408,823**
Operating profit/loss	**81,549**	**213,776**	**-3,263**	**-6,640**	**0**	**285,422**
Financial income	47,028	2,844	34,450	859,850	-831,286	**112,886**
Financial expenses	-42,997	-98,836	-21,764	-1,173,290	1,069,131	**-267,756**
Profit/loss before tax	**85,580**	**117,784**	**9,423**	**-320,080**	**237,845**	**130,552**
Income tax revenues						**13,583**
Income tax expenses						**-259,904**
Profit for the period						**-115,769**

	Interim period January-June 2010					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Income statement						
Revenue, external	567,945	430,468	495	208		**999,116**
Revenue, internal	-	-	-	7,071	-7,071	**0**
Depreciation, amortisation and impairment losses	-319,279	-59,308	-304	-102	-	**-378,993**
Operating profit/loss	**65,209**	**134,853**	**-5,731**	**-9,850**	**-7,071**	**177,410**
Financial income	273,667	23,474	-	623,459	-833,965	**86,635**
Financial expenses	-215,431	-84,290	-68,419	-617,118	494,233	**-491,025**
Profit/loss before tax	**123,446**	**74,036**	**-74,150**	**-10,580**	**-339,732**	**-226,980**
Income tax revenues						**84,920**
Income tax expenses						**-163,766**
Profit for the period						**-305,826**

	30 June 2011					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Balance sheet						
Assets						
Non-current assets	5,380,763	5,467,554	528,837	6,567,328	-9,066,371	**8,878,111**
Current assets, external	247,577	599,916	56,122	119,621		**1,023,236**
Liabilities						
Non-current liabilities	1,397,453	6,180,515	609,538	4,960,719	-9,066,371	**4,081,854**
Current liabilities, external	566,715	142,388	76,531	405,956		**1,191,590**
Investments in property, plant and equipment (gross amounts)	205,623	429,696	31	-		**635,350**
Investments in intangible assets (gross amounts)	-	197,009	130,914	-		**327,923**

	30 June 2010					
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Group & eliminations**	**Total**
Balance sheet						
Assets						
Non-current assets	6,663,135	4,326,368	387,719	5,714,343	-7,696,568	**9,394,997**
Current assets, external	273,465	439,775	74,700	1,282,970		**2,070,910**
Liabilities						
Non-current liabilities	2,032,074	4,827,856	527,224	2,501,582	-7,696,568	**2,192,168**
Current liabilities, external	552,331	15,141	48,440	2,584,333		**3,200,245**
Investments in property, plant and equipment (gross amounts)	96,642	579,472	113	54		**676,281**
Investments in intangible assets (gross amounts)	11	17,440	55,235	-		**72,686**

Assets that are included in the statements refer to all assets. The column "Group & eliminations" includes, in addition to elimination of Group transactions between the operating segments, reclassification of exchange differences pertaining to operations.

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 shown 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.

	Interim period January-June 2011				
SEK 000s	**North Africa**	**West Africa**	**North Sea**	**Other**	**Total Group**
Revenues from external customers within the region	216,736	687,104	3,565	25	907,430
Revenues from external customers outside the region	217,941	-	-	-	217,941
Total revenues, external	434,677	687,104	3,565	25	**1,125,371**
Revenues from external customers exceeding 10% of total Group revenue					
Customer 1	216,736	-	-	-	**216,736**
Customer 2	-	687,104	-	-	**687,104**
% share of revenue from external customers exceeding 10% of total Group revenue:					
Customer 1	19%	-	-	-	**19%**
Customer 2	-	61%			**61%**

Customer 1 refers to Tunisia. Customer 2 refers to the Republic of Congo.

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.

SEK 000s	Jan.-June 2011	Jan.-June 2010	Jan.-Dec. 2010
Interest income	9,449	28,420	46,067
Exchange gains	7,849	0	33,437
Other financial items	28,075	21,386	103,386
Total financial income (net)	**45,373**	**49,806**	**182,890**

SEK 000s	Jan.-June 2011	Jan.-June 2010	Jan.-Dec. 2010
Interest expense	-143,289	-136,550	-299,797
Exchange losses	0	-179,650	0
Other financial items	-56,954	-137,996	-194,236
Total financial expenses (net)	**-200,243**	**-454,196**	**-494,033**

Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	13,235	13,071	49,560
Exchange gains arising from borrowings (gross)	62,127	23,758	262,816
Exchange losses arising from bank equivalents (gross)	-18,176	-11,353	-67,968
Exchange losses arising from borrowings (gross)	-49,337	-205,126	-210,971
Total exchange gains (+) / losses (-) (net)	**7,849**	**-179,650**	**33,437**

Parent company - SEK 000s	Jan.-June 2011	Jan.-June 2010	Jan.-Dec. 2010
Interest income	165,247	167,987	324,226
Exchange gains	0	144,117	0
Other financial items	28,075	21,386	103,386
Total financial income (net)	**193,322**	**333,490**	**427,612**

SEK 000s	Jan.-June 2011	Jan.-June 2010	Jan.-Dec. 2010
Interest expense	-212,035	-208,267	-380,274
Exchange losses	-261,968	0	-174,537
Other financial items	-32,759	-118,882	-152,281
Total financial expenses (net)	**-506,762**	**-327,149**	**-707,092**

Exchange gains/losses are broken down as follows:			
Exchange gains arising from bank equivalents (gross)	11,941	8,034	24,800
Exchange gains arising from borrowings (gross)	654,587	426,052	1,231,943
Exchange losses arising from bank equivalents (gross)	-16,183	-10,466	-40,637
Exchange losses arising from borrowings (gross)	-912,313	-279,503	-1,390,643
Total exchange gains (+) / losses (-) (net)	**-261,968**	**144,117**	**-174,537**

Note 7. Income tax

Reported tax pertains to income tax charges and deferred tax attributable to interests in oilfields in Tunisia and Tax Oil (the difference between the “Working Interest share” and “Net Entitlement”) in the Republic of Congo. The reported tax leads to a higher effective tax charge than what the underlying tax rates generate in tax charge. The underlying tax rates are unchanged, and the high effective tax charge is attributable to, among other things, unbooked tax loss-carryforwards in the parent company and other Group companies. The parent company's accounts include only a deferred tax asset attributable to deferred tax on convertible bonds.

Note 8. Reporting of financial instruments

PA Resources' oil and gas assets are valued in USD and generate revenue in USD. The Group conducts various hedging activities on the interest-bearing liability to match the corresponding foreign exchange risk associated with the assets. Through this, the Group has entered into currency and interest rate swap agreements to match the currency exposure in the Group's listed bond issues. A combination of the bond issues with the currency and interest rate swap agreements provides risk exposure that corresponds to USD-denominated loans. In cases where the Group has currency and interest rate swap agreements, these are carried at fair value, which results in unrealised net gains/losses.

Note 9. Convertible bond

The parent company issued, after final settlement on 14 January 2009, a total of 72,757,002 convertibles, corresponding to a nominal amount of SEK 1,164.1 million. The convertibles carry interest at an annual nominal rate of 11% from 15 January 2009. Interest is paid to holders on 15 January each year, starting on 15 January 2010 and the last time on 15 January 2014. The convertibles fall due for payment of the nominal amount on 15 January 2014 unless conversion or repayment has occurred prior to this date. Conversion to shares may be done during the period 1 – 30 September of each year. The convertible debenture is defined as a Compound Financial Instrument, which entails a split classification between financial liability and equity. PA Resources has calculated the present value of the convertibles' future cash flows as per the issue date, which has led to an initial allocation between equity and non-current liabilities of SEK 209.1 million and SEK 880.2 million, respectively, after deducting transaction costs. The conversion price for PA Resources outstanding convertible bonds has been recalculated from SEK 16 to SEK 8.52 per share due to the rights issue that was completed in June 2010.

A total of 11,245,683 convertibles corresponding to a nominal value of SEK 179.9 million have been converted to stock, which increased shareholders' equity by SEK 140.1 million, of which the share capital by SEK 5.6 million. This has also decreased the nominal liability amount by SEK 179.9 million.

Note 10. Provisions

Asset Retirement Obligation (ARO):

For parts of oilfields where the Group has an obligation to contribute to asset retirement costs for environmental restoration, dismantling, cleaning and similar actions around the drilling areas both onshore and offshore, a provision corresponding to future calculated obligations is recorded. An obligation arises either at the time an oilfield is acquired or when the Group starts to utilise these, and an asset is recorded as part of the Group's total oil and gas assets.

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. The Group's estimated provision amounted to SEK 379,9 million as per 30 June 2011. PA Resources uses the Full Cost Method, which entails that the corresponding amount for the provision is capitalised as an asset and amortised. Total assets pertaining to Asset Retirement Obligation costs amounted to SEK 159,5 million as per 30 June 2011. Future changes in provisions due to the time value of money are accounted for as a financial expense, and estimated changes are capitalised or reversed against the corresponding assets.

Note 11. Related party transactions

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

Note 12. Pledged assets and contingent liabilities

As per 30 June 2011, total pledged assets amounted to SEK 769.2 million for the Group and SEK 711.0 million for the parent company. Total contingent liabilities amounted to SEK 14.0 million for both the Group and the parent company. Compared with 31 March 2011, total pledged assets for the Group decreased by SEK 1,010.1 million, net, for the Group. This is mainly attributable to a decrease in pledged assets in oilfields in Tunisia. For the parent company, total pledged assets decreased by SEK 1,031.6 million, net, during the second quarter. This is attributable to lower pledged assets in the form of pledged shares in Didon Tunisia Pty Ltd.

Total contingent liabilities for the Group and parent company were unchanged compared with 31 March 2011. Following is a presentation of total pledged assets and contingent liabilities for the Group and parent company as per 30 June 2011 compared with 30 June 2010 and 31 December 2010.

	Group			Parent company		
Pledged assets - SEK 000s	**30 June 2011**	**30 June 2010**	**31 Dec. 2010**	**30 June 2011**	**30 June 2010**	**31 Dec. 2010**
Pledged assets are broken down as follows:						
Security in the form of shares in oilfields in the Republic of Congo	671,909	971,563	898,610	-	-	-
Guarantee commitment for Group loan obligations	-	-	-	671,909	971,563	898,610
Security in the form of shares in oilfields in Tunisia	39,115	1,399,050	1,224,450	-	-	-
Security in the form of pledged shares in Didon Tunisia Pty Ltd	-	-	-	39,115	1,399,050	1,224,450
Oil inventory attributable to payment of royalties in kind	9,906	15,636	17,115	-	-	-
Cash deposit currency exchange	48,270	-	39,455	-	-	-
Total pledged assets	**769,200**	**2,386,249**	**2,179,630**	**711,024**	**2,370,613**	**2,123,060**

	Group			Parent company		
Contingent liabilities - SEK 000s	**30 June 2011**	**30 June 2010**	**31 Dec. 2010**	**30 June 2011**	**30 June 2010**	**31 Dec. 2010**
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, 17 August 2011

Hans Kristian Rød
Chairman of the Board

Bo Askvik
President & CEO

Per Jakobsson
Director

Lars Olof Nilsson
Director

Catharina Nystedt-Ringborg
Director

Paul Waern
Director

REVIEW REPORT

We have reviewed the interim report for PA Resources AB for the period 1 January to 30 June 2011. It is the Board of Directors and the President who are responsible for the 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.

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity. A review of the interim report 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 practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 17 August 2011

Ernst & Young AB

Jaan Kubja
Authorised Public Accountant

Definitions

FINANCIAL DEFINITIONS

- **EBITDA** is defined as operating profit plus total depreciation and amortisation including impairment.
- **Operating profit** is defined as operating revenue less operating expenses.
- **Operating margin** is defined as operating profit after depreciation and amortisation as a percentage of total revenue.
- **Earnings per share after dilution** is defined as net profit after income tax in relation to the average number of shares after dilution.
- **Return on equity** is defined as net profit after tax as a percentage of average adjusted equity.
- **Return on assets** is defined as operating profit plus adjusted financial revenue as a percentage of average total assets.
- **Return on capital employed** is defined as operating profit plus adjusted financial revenue as a percentage of average capital employed (total assets minus non interest-bearing liabilities including deferred tax liabilities).
- **Shareholders' equity per share** before and after dilution is defined as the Group's reported equity in relation to the number of shares outstanding before or 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 minus cash and cash equivalents in relation to adjusted equity. Share price/equity per share before dilution is defined as the share price at the end of the period in relation to equity per share before dilution.
- **Earnings per share** is defined as the share price at the end of the period in relation to net profit after income tax divided by the average number of shares outstanding before dilution.

INDUSTRY TERMS

- **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.
- **FPSO-vessel:** Floating, Production, Storage and Offloading vessel used in an oilfield.
- **FDPSO-vessel:** Floating, Drilling, Production, Storage and Offloading vessel used in an oilfield. Used on the Azurite field in Congo.
- **Injection well:** A well where gas or water is injected to give pressure support in a reservoir. By injecting gas, water or both into a reservoir, the degree of recovery can be increased by maintaining pressure and thereby forcing hydrocarbons into the production well.
- **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 used 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.
- **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 2011	Average rate Jan-June 2011	Closing day rate 30 June 2010	Average rate Jan-June 2010	Closing day rate 31 Dec. 2010	Average rate Jan.-Dec. 2010
1 EUR in SEK	9.15	8.94	9.50	9.79	9.00	9.54
1 USD in SEK	6.31	6.38	7.77	7.39	6.80	7.20
1 TND in SEK	4.62	4.54	5.18	5.26	4.75	5.09
1 NOK in SEK	1.18	1.14	1.20	1.22	1.15	1.19
1 GBP in SEK	10.15	10.30	11.70	11.25	10.55	11.13
1 DKK in SEK	1.23	1.20	1.28	1.32	1.21	1.28

Find more information on
www.paresources.se

PA Resources at a glance

- An international oil and gas company with operations and assets in eight countries
- A total of 27 oil and gas licences, of which seven are in production, two are under development and 18 are in the exploration phase
- Operator of 12 licences; part-owner and partner in the other licences
- 46.0 million barrels 1P and 72.5 million barrels 2P in oil reserves
- One of the larger oil producers in Tunisia
- 135 employees in Tunisia, Sweden, the UK and the Republic of Congo
- PA Resources is domiciled and has its head office in Stockholm
- PA Resources shares (PAR) are listed on NASDAQ OMX Stockholm (Mid Cap), where the Company's convertible bond (PAR KV1) is also listed

FUTURE REPORTING DATES

Interim Report Q3 (January - September)	26 October 2011
Year-end Report (including Q4)	15 February 2012

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 2011 will be presented on 17 August at 10 a.m. (CET) via a webcast conference call. To participate, use the link at www.paresources.se or call:
Sweden: +46 (0)8 505 598 53, UK: +44 (0)203 043 24 36, USA: +1 866 458 40 87

An on-demand webcast is available on www.paresources.se 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 8:15 a.m. (CET) on 17 August 2011.

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 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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