

PA Resources discovers oil in the Lille John prospect

The oil and gas group PA Resources has made an oil discovery in the Miocene sandstone level in the Lille John prospect in License 12/06 offshore Denmark. The exploration well will now be sidetracked to a Chalk target.

The ongoing exploration well at the Lille John prospect has encountered approximately 5 meters of hydrocarbon pay in an overall Miocene sandstone/shale interval of 25 meters thickness at a depth of approximately 900 meters below mean sea level. Initial analyses of logs and samples confirm a sweet, light oil of 34-35 degrees API gravity with a gas:oil ratio of approximately 350 scf/bbl and no water. The Lille John well is located approximately 17 kilometres south of Gorm Field and 8 kilometres from PA Resources' gas and condensate discovery at the Broder Tuck prospect in July.

The Miocene sandstones in Lille John are well-imaged on seismic data as an extensive seismic amplitude anomaly which was interpreted pre-drill to reflect gas or oil in a sandstone reservoir. The Lille John well was drilled for a primary Chalk target and as a result was not optimally located at Miocene sandstone level, being just outside of the main part of the seismic anomaly and very close to the mapped limit of the Miocene sandstones. The well encountered modest reservoir development as expected at this location marginal to the seismic anomaly but has confirmed the anomaly to represent oil-bearing sandstone, with an apparent column height in excess of 300 meters.

The Lille John well was unable to penetrate the main Chalk target or the underlying Middle Jurassic secondary target due to an unexpected pore pressure regime and extensive fracturing at Chalk level. As a result, the well is now being sidetracked to a revised location with the aim to try again to penetrate the Chalk target and establish its fluid content and reservoir development.

The following companies participate in License 12/06: PA Resources UK Limited (64%), Nordsøfonden (Danish North Sea Fund) (20%), Danoil Exploration A/S (8%) and Spyker Energy APS (8%). PA Resources is operator of the license.

Bo Askvik, President and CEO at PA Resources, comments:

"We are as operator very pleased to have made this discovery of high quality oil, especially at such a shallow reservoir depth. The seismic imaging of the Miocene clearly reveals the distribution of the oil-bearing reservoir and shows additional prospectivity at the Miocene level elsewhere within License 12/06. This is a very encouraging result at a stratigraphic level which has not generally been explored in Denmark."

Stockholm, 17 October 2011

PA Resources AB (publ)

For more information, please contact:

Bo Askvik
President and CEO, PA Resources
Mobile: +46 (0)70 819 59 18
E-mail: info@paresources.se

PA Resources AB (publ) is an international oil and gas group which conducts exploration, development and production of oil and gas assets. The Group operates in Tunisia, Republic of Congo (Brazzaville), Equatorial Guinea, United Kingdom, Denmark, Greenland, Netherlands and Germany. PA Resources is one of the larger oil producers in Tunisia and is also producing oil in the Republic of Congo. The parent company is located in Stockholm, Sweden.

PA Resources' net sales amounted to SEK 2,227 million during 2010. The company is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Sweden (segment Mid Cap). For additional information, see www.paresources.se

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