

PA Resources confirms oil discovery on Lille John prospect

The oil and gas group PA Resources has now completed its sidetrack of the Lille John well to a Chalk target but did not encounter effective reservoir. The sidetrack provided a second penetration of the Miocene sandstone level encountered in the original well, again oil-bearing and with improved reservoir quality compared to the initial penetration.

The exploration sidetrack at the Lille John prospect in Danish Licence 12/06 has been drilled to a total depth of 1,307 meters below mean sea level. It encountered a modest thickness of highly-cemented Chalk with weak hydrocarbon indications, but no effective reservoir.

The sidetrack also penetrated the Miocene sandstones some 180 meters away from the Miocene interval that was found to be oil-bearing in the initial Lille John well in October. Again the Miocene sandstones were oil-bearing in the sidetrack at a depth approximately 930 meters below mean sea level, with improved reservoir quality compared to the original well which confirmed oil of gravity 34-35 degrees API. Both penetrations were primarily located for the Chalk target and as such lie outside of the well-imaged Miocene seismic amplitude anomaly interpreted to reflect better developed oil-bearing sandstone. The sidetrack was not located to allow the secondary Middle Jurassic target to be drilled and so is now being plugged and abandoned.

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 made in July of this year. The License 12/06 partners will formally declare both Broder Tuck and Lille John as discoveries, which triggers the commencement of further technical and commercial evaluation of the finds and allows a request for a licence extension to be submitted. A comprehensive re-evaluation of the nearby Miocene exploration prospectivity and the Chalk and Middle Jurassic potential which remains in the Lille John prospect will also be conducted using the new well results and reprocessed 3D data.

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

"We have now ended our successful Danish drilling campaign as operator, with two discoveries from two exploration wells. The sidetrack at Lille John has shown improved reservoir quality in the Miocene sandstone which gives us further encouragement that the Miocene seismic anomaly reflects yet better reservoir. We are very satisfied with this result of the campaign and have commenced a comprehensive evaluation to progress Broder Tuck towards development. Additional studies will be conducted to progress the further exploration of the Lille John area and appraisal of the exciting Miocene discovery, made at a reservoir level which has not been widely explored in Denmark."

The following companies participate in Licence 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 licence.

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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 producing oil in North Africa and West Africa. 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 in Stockholm, Sweden (segment Mid Cap). For additional information, see www.paresources.se

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