CORRAL PETROLEUM HOLDINGS AB (publ)

REPORT FOR THE FIRST QUARTER ENDED MARCH 31, 2016

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This report includes unaudited consolidated financial information of Corral Petroleum Holdings AB (publ) ("Corral Petroleum Holdings") and its consolidated subsidiaries, for the first quarter of 2016 and for the comparative period in 2015.

Financial highlights

- Sales revenue for the first quarter of 2016 amounted to 11,726 MSEK compared to 16,598 MSEK in the first quarter of 2015.
- EBITDA[1] for the first quarter of 2016 amounted to 1,022 MSEK compared to 1,550 MSEK in the first quarter of 2015.
- Adjusted EBITDA[1] for the first quarter of 2016 amounted to 873 MSEK compared to 1,266 MSEK in the first quarter of 2015.
- Operating profit for the first quarter of 2016 amounted to 775 MSEK compared to 1,316 MSEK in the first quarter of 2015.
- Net income for the first quarter of 2016 amounted to 395 MSEK compared to a net loss of 219 MSEK in the first quarter of 2015.
- Cash flow from operating activities for the first quarter of 2016 was 2,655 MSEK compared to cash flow from operating activities of 1,621 MSEK in the first quarter of 2015.
- Weighted business refining margin for the first quarter of 2016 was 4.19 $/bbl compared to 6.26 $/bbl in the first quarter of 2015.

Market Overview – First Quarter 2016

During the first quarter of 2016, the price of Dated Brent varied between a low of 26 $/bbl by the end of January and a high of 40 $/bbl by the end of March. The average price in the first quarter of 2016 was 34 $/bbl, compared to 44 $/bbl in the fourth quarter of 2015 and 54 $/bbl in the first quarter of 2015. Global crude oil production continued to outpace demand, during the first quarter of 2016, however as the quarter progressed the market started to raise expectations for a more balanced market during the later parts of 2016. These expectations increased willingness to spend money in the crude oil market and accordingly crude oil prices increased.

The price differential for Russian crude oil ("Urals") versus Dated Brent was on average -2.7 $/bbl in both the first quarter of 2016 and the fourth quarter of 2015 and was -1.7 $/bbl in the first quarter of 2015. Urals traded quite stably between -3 and -2.5 during the first quarter of 2016.

[1] For a reconciliation of our EBITDA and EBITDA to Adjusted EBITDA, please see the financial statements section on page 13.

European refining margins lost ground during the first quarter of 2016. The surplus of diesel firmly pushed the diesel margin down. The weak crude oil market and the unseasonably strong demand for gasoline continued to support the margins.

Gasoline margins remained at unseasonably high levels during the first quarter of 2016. The average gasoline margin versus Dated Brent was 14 $/bbl in the first quarter of 2016, compared to 13 $/bbl in the fourth quarter of 2015 and 12 $/bbl in the first quarter of 2015. Gasoline prices were supported by strong demand from markets outside Europe.

In the first quarter of 2016, the average diesel margin versus Dated Brent weakened to 9 $/bbl, compared to 12 $/bbl in the fourth quarter of 2015 and 17.5 $/bbl in the first quarter of 2015. The global refinery industry produced high volumes of gasoline to meet demand which resulted in diesel production becoming too high as compared against demand. Diesel prices in the market, especially the prompt market, were pushed down and a market structure where forward prices were higher than prompt prices was created. This type of market, known as contango incentivises market participants to store diesel surpluses.

The average margin for high sulphur fuel oil versus Dated Brent strengthened during the first quarter of 2016. The high sulphur fuel oil margin was on average -12 $/bbl, compared to -14 $/bbl in the fourth quarter of 2015 and -10 $/bbl in the first quarter of 2015. The arbitrage economics for fuel oil from the North West European region to the Mediterranean- and Far East markets kept the market relatively stable.

Key indicators

	January 1 - March 31	
	2016	**2015**
Weighted business refining margin, $/bbl	4.19	6.26
Average Brent Dated crude oil, $/bbl	34	54
Feedstock throughput, thousand bbls	29,392	30,449
SEK/USD average exchange rate	8.46	8.33

Sales and Results – First Quarter 2016

Sales revenue in the first quarter of 2016 amounted to 11,726 MSEK, a decrease of 4,872 MSEK, compared to 16,598 MSEK in the first quarter of 2015. The decrease in sales revenue is a result of lower crude and product prices compared to 2015.

Operating profit for the first quarter of 2016 amounted to a profit of 775 MSEK, a decrease of 541 MSEK, compared to 1,316 MSEK for the first quarter of 2015. Diesel product margins, or cracks, fell compared to the first quarter of 2015 which affected refining margins negatively, primarily at our Lysekil refinery. In the first quarter of 2016 we experienced lower margins and decreased production volumes. In the first quarter of 2015 a rising SEK/USD exchange rate contributed 303 MSEK to operating profit. This year the exchange rate has moved in the other direction, lowering the result by 65 MSEK.

MSEK	January 1 - March 31 2016	2015
Sales revenue	11,726	16,598
Gross profit	1,035	1,490
EBITDA[1]	1,022	1,550
Adjusted EBITDA[1]	873	1,266
Operating profit	775	1,316
Profit/loss before taxes	515	-269
Net profit/loss	395	-219

Segment reporting

Corral Petroleum Holdings and its consolidated subsidiaries (the "Group") divides its business into two segments – Supply & Refining and Marketing. The sales revenue and operating profit for both of these segments is shown below. In the below table, exchange rate differences included in operating profit/loss consist of foreign exchange gains or losses related to our inventory and our trade payables/receivables. Other expenses consist mainly of administrative and personnel-related expenses in our corporate cost center.

Sales Revenue

MSEK	January 1 - March 31 2016	2015
Supply & Refining	11,258	16,037
Marketing	3,073	3,613
Exchange rate differences	-23	119
Group eliminations	-2,582	-3,170
Total Sales Revenue	**11,726**	**16,598**

Operating profit

MSEK	January 1 - March 31 2016	2015
Supply & Refining	847	978
Marketing	128	138
Total Segment Operating profit	976	1,116
Exchange rate effects	-65	303
Other expenses	-136	-104
Total Operating profit	**775**	**1,316**

[1] For a reconciliation of our EBITDA and EBITDA to Adjusted EBITDA, please see page 13.

Supply & Refining

Our Supply & Refining segment reported an operating profit of 847 MSEK for the first quarter of 2016, a decrease of 131 MSEK, compared to 978 MSEK for the first quarter of 2015. The weighted business refining margin decreased to 4.19 $/bbl for the first quarter of 2016 compared to 6.26 $/bbl for the first quarter of 2015. The price gain in inventory reported in the first quarter of 2016 amounted to 214 MSEK compared to a price loss in inventory of 19 MSEK in the first quarter of 2015. Excluding price effects, operating profit amounted to a profit of 634 MSEK in the first quarter of 2016, a decrease of 364 MSEK, compared to 998 MSEK in the first quarter of 2015.

Marketing

Our Marketing segment reported an operating profit of 128 MSEK for the first quarter of 2016 compared to 138 MSEK for the first quarter 2015, a decrease of 10 MSEK. The decrease in operating profit is mainly attributable to higher selling expenses compared to very low expenses during the first quarter in the previous year. Sales volumes were 2% higher in the first quarter of 2016 compared to the first quarter of the previous year.

Depreciation

Total depreciation in the first quarter of 2016 amounted to 247 MSEK, an increase of 13 MSEK, compared to 234 MSEK in the first quarter of 2015.

Financing

Net financing expenses for the first quarter of 2016 amounted to 260 MSEK compared to net financing expenses of 1,585 MSEK for the first quarter of 2015. Other financial net amounted to 94 MSEK for the first quarter of 2016 compared to other financial net of -1,220 MSEK for the same period in 2015. Other financial net for the first quarter of 2016 was impacted by exchange rate gains of 157 MSEK in our loans denominated in USD and EUR, compared to exchange rate losses of 1,157 MSEK for the first quarter of 2015.

Total interest expense for the first quarter of 2016 amounted to 394 MSEK, of which depreciation of loan expenditures amounted to 44 MSEK, compared to 406 MSEK for the same period in 2015. Cash interest paid was 45 MSEK for the first quarter of 2016 compared to 87 MSEK for the first quarter of 2015. Interest expenses in the first quarter of 2016 were positively impacted by favorable foreign exchange rates compared to rates during the same period in 2015.

Cash flow

Income before taxes amounted to 515 MSEK in the first quarter of 2016 compared to a loss before taxes of 269 MSEK for the same period in 2015, an improvement of 784 MSEK compared to the previous year. Cash flow used in operating activities before changes in working capital increased by 1,045 MSEK, to 446 MSEK in the first quarter of 2016 compared to -599 MSEK for the first quarter of 2015. Adjustments for non-cash items had a negative impact of 69 MSEK for the first quarter of 2016 compared to 281 MSEK for the same period in 2015, a decrease of 212 MSEK. Please refer to page 10 of this report for further specification of items not included in cash flow. Taxes paid amounted to 0 MSEK for the first quarter of 2016 compared to 48 MSEK for the first quarter of 2015.

Cash flow from operating activities amounted to 2,655 MSEK for the first quarter of 2016 compared to cash flow from operating activities of 1,621 MSEK for the first quarter of 2015, an increase of 1,034 MSEK. Cash flow from operating liabilities amounted to 1,061 MSEK for the first quarter of 2016 compared to cash flow from operating liabilities of 1,414 MSEK for the same period in 2015, a decrease of 353 MSEK. In the first quarter of 2016, operating liabilities increased primarily due to higher volumes of unpaid crude oil as of March 31, 2016 compared to December 31, 2015. Cash flow from inventories amounted to 883 MSEK for the first quarter of 2016, primarily due to the difference in stock levels compared to December 31, 2015. In the first quarter of 2015, cash flow from inventories amounted to 488 MSEK.

Cash flow used in investing activities in 2016 amounted to 231 MSEK, an increase of 19 MSEK, compared to 212 MSEK for the first quarter of 2015.

Cash flow used in financing activities amounted to 2,722 MSEK for the first quarter of 2016 compared to cash flow used in financing activities of 2,291 MSEK for the first quarter of 2015. Cash flow used in financing activities is attributable to scheduled repayment of loans as well as (net) repayment of loans under Preem's revolving credit facility as a consequence of the positive cash flow from operating activities.

Financial Debt

On March 31, 2016, the Group's financial net debt amounted to 14,758MSEK, compared to 17,736 MSEK as of December 31, 2015, a decrease of 2,978 MSEK. The decrease in financial net debt was mainly a consequence of the positive cash flow from operating activities, as well as the net effect of continued revaluation caused by the strengthening of the SEK against the USD. The financial debt consisted primarily of Corral Petroleum Holdings' 15% senior notes due 2017, varying rate subordinated notes due 2019, a subordinated shareholder loan (described below) and Preem's 2011 credit facility. Cash and cash equivalents amounted to 124 MSEK at March 31, 2016, a decrease of 298 MSEK, compared with 422 MSEK at December 31, 2015. A breakdown of the Group's financial debt as of March 31, 2016 is included in the financial statements section on page 13.

Corral Petroleum Holdings AB (publ)

Corral Petroleum Holdings AB (publ) is wholly owned by Moroncha Holdings Co. Ltd and is the Parent Company of the Corral Petroleum Holdings Group. Corral Petroleum Holdings incurred losses before taxes of 189 MSEK for the first quarter of 2016 compared to 875 MSEK for the first quarter of 2015

Shareholder equity as at March 31, 2016 amounted to 391 MSEK compared to 37 MSEK as of December 31, 2015. Corral Petroleum Holdings had outstanding shareholder loans of 405 MUSD and 11 MEUR (3,403 MSEK) as at March 31, 2016. The shareholder loans are subordinated and bear interest at a rate of 5% per annum. The interest expense related to the shareholder loans is paid in kind semi-annually.

In February a capital contribution in the amount of 500 MSEK was made to Corral Petroleum Holdings AB by converting indebtedness of the same amount from the shareholder loans.

Recent Developments

During April, the refinery in Gothenburg was partially shut down for scheduled maintenance. The maintenance was completed in accordance with the scheduled plan, and the refinery was back in operation later in the month. Following the Gothenburg maintenance shutdown, selected Lysekil units have also been shut down in May for planned maintenance. In addition to the originally planned maintenance we have decided to expand the Iso-cracker workscope which will add another 42 days of downtime. We estimate that Preemraff Lysekil will operate at approximately 90% of normal production during the maintenance and expect that the overall impact to our annual results will not be material compared to our existing plans.

Since 2014, Preem has held put options to hedge the company against a sharp decline in oil prices. The put option most recently held had an expiry date of May 25, 2016 and has not been replaced.

A press release was published on May 16th, 2016 regarding a cooperation agreement signed with Beowulf Energy LLC to examine the possibilities of a new residue hydrocracker plant in Lysekil. The purpose of this cooperation agreement is to develop and conduct a preliminary study to assess the feasibility of this potential future project, and in parallel commence the process of obtaining the necessary permits and licenses. The press release was triggered by a requirement to communicate publicly as part of obtaining the necessary environmental permits. The analysis, detailing and permitting process is estimated to take 2 to 3 years, after which we believe it will be possible for an investment decision to be made. Until that time, our capital expenditure plans are not impacted.

On May 9, 2016, the Group completed a refinancing (the "Refinancing"). The Refinancing included the following elements:

- the issuance by Corral Petroleum Holdings of (i) €570,000,000 aggregate principal amount of euro-denominated 11.750% / 13.250% senior PIK toggle notes due 15 May 2021, and (ii) SEK 500,000,000 aggregate principal amount of Swedish krona-denominated 12.250% / 13.750% senior PIK toggle notes due 15 May 2021 (the "2021 Notes");

- the application of the proceeds of the 2021 Notes to, *inter alia*, redeem Corral Petroleum Holdings' previously outstanding euro and dollar denominated 15% senior notes due 2017;

- the amendment of existing subordinated shareholder loans and existing subordinated shareholder notes so as to, *inter alia*, extend the maturity of such subordinated shareholder debt to no earlier than the 181st day after the maturity of the 2021 Notes; and

- the entry into and becoming effective of an amendment and restatement of the credit facility and intercreditor agreement originally entered into on September 14, 2011 (as amended from time to time), pursuant to which a $1,542 million revolving credit facility (multi-currency) and approximately $68 million (equivalent) term facility is provided to Preem AB (publ).

Risk factors

For information on risks relating to our business and our capital structure, please see Corral Petroleum Holdings' Annual Report 2015, available at
http://www.preem.se/en/in-english/investors/corral/

Amendment in accounting principles and changes in legislations

The consolidated financial information in this report has been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 "Interim Financial Reporting". For further information regarding accounting principles applied, please see Corral Petroleum Holdings Annual Report 2015, available at
http://www.preem.se/en/in-english/investors/corral/

Additional information

An international conference call for investors and analysts will be held on May 31 2016 at 10:00 am CET. The call-in number is +46 8 5052 0110 meeting code: Preem.

The report for the second quarter and six months ending June 30, 2016 will be released on August 25, 2016.

London, May 26, 2016
On behalf of the Board of Directors

Richard Öhman
Managing Director

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	January 1 - March 31	
MSEK	**2016**	**2015**
Net sales	14,061	19,019
Excise duties	-2,335	-2,420
Sales revenue	11,726	16,598
Cost of goods sold	-10,691	-15,108
Gross profit	**1,035**	**1,490**
Selling expenses	-184	-163
Administrative expenses	-163	-108
Other operating income	86	97
Operating profit	**775**	**1,316**
Interest income	40	41
Interest expense	-394	-406
Other financial, net	94	-1,220
Profit/loss before taxes	**515**	**-269**
Taxes	-120	51
Net profit/loss	**395**	**-219**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	January 1 - March 31	
	2016	**2015**
Net profit/loss	395	-219
Other income	-	-
Comprehensive income	**395**	**-219**
Comprehensive income attributable to:		
Parent Company Shareholder	395	-219
Non-controlling Shareholders	-	-
	395	**-219**

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	March 31 2016	December 31 2015
ASSETS		
Goodwill and other intangable assets	425	392
Property, plant and equipment	8,494	8,546
Financial non-current assets	2,817	2,059
Total non-current assets	**11,736**	**10,997**
Inventories	5,445	5,883
Trade receivables	3,231	3,198
Other receivables	542	899
Prepaid expenses and accrued income	325	269
Cash and cash equivalents	124	422
Total current assets	**9,667**	**10,672**
Total assets	**21,403**	**21,669**
EQUITY AND LIABILITIES		
Share capital	1	1
Other paid-in capital	6,728	6,228
Retained loss	-7,514	-7,908
	-785	-1,679
Non-controlling interests	0	0
Total equity	**-785**	**-1,679**
Financial debts	14,882	18,157
Provision for deferred taxes	874	0
Other provisions	51	51
Trade payables	2,226	908
Other liabilities	1,458	1,385
Accrued expenses and deferred income	2,698	2,848
Total liabilities	**22,188**	**23,348**
Total equity and liabilities	**21,403**	**21,669**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	January 1 - March 31	
MSEK	**2016**	**2015**
Operating activities		
Profit/Loss before taxes	515	-269
Adjustments for items not included in cash flow [1)]	-69	-281
	446	-550
Tax paid	0	-48
	446	-599
Decrease(+)/Increase(-) in inventories	883	488
Decrease(+)/Increase(-) in operating receivables	265	317
Decrease(-)/Increase(+) in operating liabilities	1,057	1,414
Cash flow from operating activites	2,650	1,621
Investing activities		
Capital expenditure of intangible assets	-34	-13
Capital expenditure of property, plant and equipment	-198	-201
Disposal of property, plant and equipment	0	2
Decrease(+)/Increase(-) in financial assets	0	0
Cash flow used in investing activities	-231	-212
Financing activities		
New loans	465	659
Repayment of loans	-3,183	-2,950
Loan expenditures	-	-
Cash flow used in financing activities	-2,718	-2,291
CASH FLOW FOR THE PERIOD	-299	-882
Opening cash and cash equivalents	422	1,123
Cash and cash equivalents at the end of the period	**124**	**241**

[1)] Specification of items not included in cash flow

Depreciation of property, plant and equipment	247	234
Write-down of inventory(+)/Reversed inventory write-down(-)	-444	-1,168
Unrealized exchange losses(+)/gains(-)	-211	348
Unrealized losses(+)/gains(-) on derivatives	0	4
Capitalized loan expenditures deferred as interest expenses	44	44
Capitalized interest cost finacial debt	227	274
Gain on sale of fixed assets	2	-
Others	65	-17
	-69	**-281**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital *)	Other paid-in capital	Retained earnings	Total	Non-controlling interest	Total equity
Opening equity January 1, 2015	**1**	**5 228**	**-7 693**	**-2 464**	**0**	**-2 464**
Net loss	-	-	-219	-219	0	-219
Other comprehensive income[1]			-	0	0	0
Total comprehensive loss	-	-	-219	-219	0	-219
Shareholder contribution received	-	1 000	-	1 000	0	1 000
Closing equity March 31, 2015	**1**	**6 228**	**-7 912**	**-1 683**	**0**	**-1 683**
Opening equity January 1, 2016	1	**6 228**	**-7 908**	**-1 679**	**0**	**-1 679**
Net profit	-	-	395	395	0	395
Other comprehensive loss[1]	-	-	-	0	0	0
Total comprehensive profit	-	-	395	395	0	395
Shareholder contribution received	-	500	-	500	0	500
Closing equity March 31, 2016	**1**	**6 728**	**-7 514**	**-785**	**0**	**-785**

*) 5,000 shares were issued with a par value of 100 SEK.

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

MSEK	Share capital *)	Restricted reserves	Unrestricted reserves	Total equity
Opening equity January 1, 2016	1	-	37	38
Shareholder contribution received	-	-	500	500
Net loss	-	-	-147	-147
Closing equity March 31, 2016	1	**-**	**390**	**391**

*) 5,000 shares were issued with a par value of 100 SEK.

CONDENSED INCOME STATEMENT - PARENT COMPANY

	January 1 - March 31	
MSEK	**2016**	**2015**
Operating loss	**0**	**0**
Financial net	-189	-875
Loss before taxes	**-189**	**-875**
Taxes	43	192
Net loss	**-147**	**-682**

CONDENSED BALANCE SHEET - PARENT COMPANY

MSEK	**March 31 2016**	**December 31 2015**
ASSETS		
Participation in Group Companies	9,866	9,866
Deferred tax	1,085	1,043
Other receivables	11	12
Total assets	**10,962**	**10,921**
EQUITY AND LIABILITIES		
Restricted equity	1	1
Non-restricted equity	390	37
Total equity	**391**	**37**
Shareholder loans	3,403	3,974
Bond loans, subordinated notes	2,117	2,050
Bond loans, senior notes	4,769	4,803
Loan from subsidiary	55	55
Other short term liabilities	227	1
Total liabilities	**10,571**	**10,883**
Total equity and liabilities	**10,962**	**10,921**

Reconciliation of EBITDA to Adjusted EBITDA

We define Adjusted EBITDA as EBITDA adjusted to exclude inventory gains and losses and foreign currency gains and losses and reflect the adjustments permitted in calculating covenant compliance under Preem's 2011 Credit Facility. The following table presents a reconciliation of EBITDA to Adjusted EBITDA.

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

	January 1 - March 31		December 31
MSEK	**2016**	**2015**	**2015**
Operating profit	**775**	**1,316**	**3,193**
Depreciation	247	234	973
EBITDA	**1,022**	**1,550**	**4,166**
Add back:			
Inventory price gains(-)/losses(+)	-214	19	1,266
Foreign currency gains(-)/losses(+)	65	-303	-4
Adjusted EBITDA	**873**	**1,266**	**5,428**

Adjusted EBITDA is a non-IFRS measure. We present Adjusted EBITDA in this report because we believe that it and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Our Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. In particular, Adjusted EBITDA is not a measurement of our performance or liquidity under IFRS and should not be considered as an alternative to operating profit or net profit or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Financial debt breakdown

MSEK	March 31, 2016	December 31, 2015
Revolvning credit facility[1]	3,845	6,451
Term loan[1]	553	836
Bank overdraft[2]	251	135
Transaction expenses	-75	-115
Other liabilities, interest bearing	18	22
Total Financial Debt - Preem	**4,592**	**7,329**
Senior Notes	4,801	4,841
Subordinated Notes	2,117	2,050
Other loans from shareholder	3,403	3,975
Transaction expenses	-33	-37
Total Financial Debt - Corral	**10,289**	**10,829**
Total Financial Debt - Group	**14,882**	**18,158**
Cash and cash equivalents	-124	-422
Total Financial Net Debt	**14,758**	**17,736**

1 Of this amount, 4,398 MSEK was due within 12 months as at March 31, 2016.

2 Of this amount, 251 MSEK was due within 12 months as at March 31, 2016.

A captial contribution of 500 MSEK was made in the February 2016 by converting the same amount from the shareholder loans. The loans are in Euro and USD and they are revalued every month.