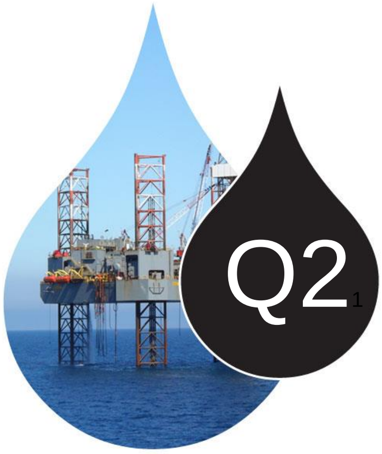
Interim Report

1 January – 30 June 2014



FIRST HALF YEAR

- Group revenue totalled SEK 359 million (625)
- EBITDA was SEK 220 million (-134)
- Profit after tax was SEK -74 million (-316)
- Earnings per share were SEK -0.66 (-12.97)

SECOND QUARTER

- Group revenue totalled SEK 181 million (266)
- EBITDA was SEK 106 million (-346)
- Profit after tax was SEK -26 million (-350)
- Earnings per share were SEK -0.23 (-12.89)

KEY EVENTS DURING THE QUARTER

- The farm-out in the 12/06 licence to Dana received governmental approval
- The 9/06 (Gita) licence was relinquished
- Mark McAllister and Jérôme Schurink were elected new members of the Board at the AGM and Jérôme Schurink was elected Chairman
- Continued uncertainty and delays in the Zarat farm-out process

SUBSEQUENT EVENTS

- The Didon transaction closed on 11 July

Financial key ratios

	Apr-Jun		Jan-Jun		Full year
	2014	2013	2014	2013	2013
Average production, barrels/day	3,200	5,400	3,300	6,100	5,000
Revenue, SEK million	181	266	359	625	1,049
EBITDA, SEK million	106	-346	220	-134	-494
EBITDA margin, %	59%	neg	61%	neg	neg
Operating profit, SEK million	67	-592	139	-475	-1,234
Profit for the period, SEK million	-26	-350	-74	-316	-1,219
Earnings per share after dilution, SEK	-0.23	-12.89	-0.66	-12.97	-21.54

CEO'S COMMENTS

This is my third quarter as CEO of PA Resources and although there have not been as many major announcements as in the previous two quarters, much progress has been made across our asset portfolio. The suite of strategic farm-outs that we announced at various times last year is almost completed. We have completed the transactions in Denmark and Congo and are making good progress towards drilling highly significant wells in both countries.

In Tunisia, we have at last been able to announce completion of the Didon transaction. This paves the way for EnQuest to join us in a major programme of rehabilitation for the mature Didon oil field. The final step of our farm-out campaign will be completion of our farm down of the Zarat permit in Tunisia, which contains both the Zarat and Elyssa fields. Before this can occur we must first receive formal approval for the final extension of the Zarat permit. This approval has been delayed as Tunisia comes to terms with the effect of its new Constitution on the hydrocarbon industry. A number of international companies have seen their licence approvals held up in the new Energy Committee of the Parliament as this body wrestles with the complex history of these licences and assures itself that previous extensions were correctly awarded and work programmes have been honoured. We have been working very closely with the state oil company, ETAP, and the regulator, DGE, to provide the Energy Committee with the information it requires. Although the delay in the Zarat licence extension award is frustrating it is not currently preventing us from progressing toward the development of the Zarat field.

These farm-outs are the beginning of a transition in PA Resources that we have called *finding our niche* in the international oil and gas business. I have examined the key strengths and the challenges facing PA and come to a number of conclusions. We have a set of assets which covers the full spectrum from early exploration through to mature production, with opportunities to create value balanced across our three core areas of North Sea, North Africa and West Africa. We have a very strong and experienced subsurface team which has proved its exploration skills and which we have recently strengthened for the development and production phases. We have also demonstrated our financial, commercial and legal expertise in the process of these transactions. These observations are pertinent not only to the optimization of our current asset portfolio but also as we grow the size and value of the business in the coming years.

With regard to the current portfolio, we expect to see appraisal drilling on the Lille John discovery later in 2014. If successful, we may have two near term developments in Denmark operated by Dana but with significant input to the key subsurface and commercial activities from PA. In 2015, we expect to drill the Boabab Marin prospect in Congo which has been worked up by the PA team and the well will be executed by SOCO. Although we have a small equity position in Block I in Equatorial Guinea, we are working closely with all the partners to ensure an optimum development plan for Diega and the acquisition and deployment of a new 3D seismic survey to further unlock the prospectivity of this licence.

In Tunisia, during the third quarter we will be installing an electrical submersible pump (ESP) to increase production from Didon as the first step of the rehabilitation programme. The Zarat development presents a complex challenge both technically and commercially. On the technical front we have been working very closely with ETAP to deliver a Plan of Development which is nearing completion. This Plan of Development needs to be agreed upon by the other interested parties in the Zarat development, including Joint Oil and Sonde. The relationship of the various parties in the development will be governed by a Unit Operating Agreement which we will have agreed upon before we submit a development plan to the Tunisian authorities.

The third quarter will see another important milestone in the development of PA Resources. Historically, our reserve reporting has been based on a blend of internal, operator and third-party estimates. For the first time, we have commissioned a review by the independent consultant firm ERC Equipoise, covering all of our reserves.
Building on the strengths I described above, we can continue to add to our asset portfolio through low entry cost opportunities based on our local knowledge in which we secure sufficient equity to allow some scope to farm-down ahead of major expenditure. In April, we submitted applications for new licences in the UK 28th Licensing Round and we also expect to participate in the Danish 7th Round later this autumn. The results of the UK Round are expected in the fourth quarter.

Clearly, funding this portfolio of developments is one of our major tasks in the near term and we have been working on a financing plan in parallel with our technical and commercial work. The farm-outs have significantly reduced the funding requirement and our current technical work is focused on optimising the balance between investment and return for the portfolio. When this work is complete, we expect to announce our finance plan for 2015 and onwards in the late third or early fourth quarter.

Mark McAllister
President and CEO

Operational review

DRILLING PROGRAMME

Country	Licence	Field/Prospect	Time	Well/number
Tunisia	Zarat	Elyssa*	2015	Appraisal/1
	DST		2015	Development/1
	Didon		2015	Production/1-2
Equatorial Guinea	Block I	Diega	2015	Appraisal/Development/1-2
Denmark	12/06	Lille John	2014	Appraisal/1
Republic of Congo (Brazza-ville)	MPS	Baobab Marin 1	2015	Exploration/1

* The well is subject to closing of the farm-out of the Zarat licence.
The drilling programme is revised continuously based on the capital expenditure budget and prioritised commitments.

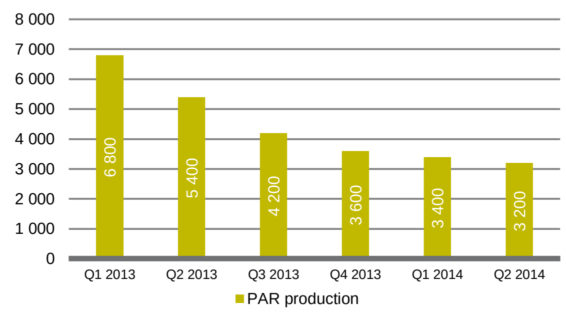
A long term drill stem test on the Diega accumulation in Block I in Equatorial Guinea was completed in Q1. An initial pilot well, I-8 encountered good quality oil. Subsequently the planned horizontal sidetrack I-8ST showed an oil pay of similarly good quality. The well was tested for one month at constrained rates up to approximately 7,300 barrels of oil per day and the well has been sus-pended for re-use as a future production well. Planning continues towards the drilling of a Lille John appraisal well in Denmark in the fourth quarter of 2014.

PRODUCTION AND SALES

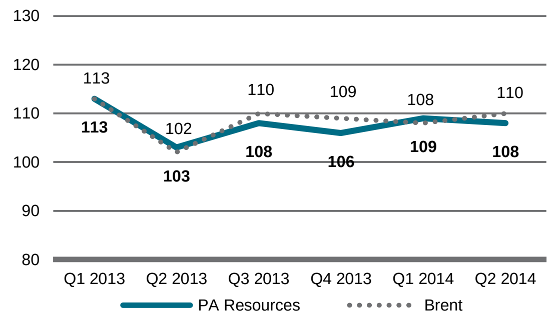
PA Resources' total oil production amounted to 287,000 barrels (435,100) during the second quarter. Average daily production was 3,200 barrels (5,400) per day. The Aseng field in the West Africa region produced 2,400 barrels per day, and four oil fields in the North Africa region produced 800 barrels per day. Aseng production has been impacted by gas compressor issues since mid April which led to slightly lower production levels in the quarter. Remedial work is ongoing and full gas compression capability is expected to be reinstated in the third quarter.

Production is based on working interest, which is PA Resources' share of total gross production before deductions for royalty and other taxes. Working interest in Didon was 100 percent until May 2013 thereafter 30 percent, subject to regulatory approval of the farm-out transaction to EnQuest.

Average production per quarter (barrels per day)



Average sales price per quarter (USD per barrel)



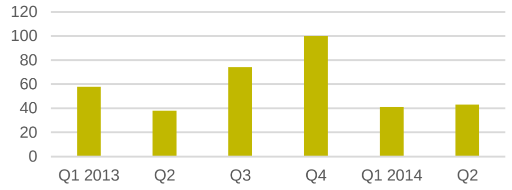
A total of 441,200 barrels of oil (310,800) were sold during the second quarter, excluding royalties. The high sales figure is a result of a lifting from the Didon field in the quarter. Liftings from Didon occurs only a few times per year. The average sales price was USD 108 per barrel (103), compared with an average price for Brent of USD 110 per barrel (102). The price difference reflects the weighted impact of the pricing of PA Resources' crude oil grades relative to the Brent price marker.

CAPITAL EXPENDITURES

Capital expenditures during the second quarter amounted to SEK 43 million and pertained mainly to continued investments in the drilling programme on Diega in Block I in Equatorial Guinea and seismic acquisition in Makthar in Tunisia. Investment costs in Diega are rapidly recovered from Aseng oil sales under the terms of the production sharing contract for Block I.

Capital expenditures for the full year 2014 are expected to amount to approximately SEK 200 million.

Capital Expenditures per quarter (SEK million)



RESERVES AND RESOURCES

At year-end, proven and probable (2P) oil and gas reserves totalled 21.6 million barrels (23.5) of oil equivalents on a working interest basis. Of these, 14.1 million barrels (15.9) were 1P reserves. This corresponds to 9.1 million barrels of 1P reserves and 14 million barrels of 2P reserves based on a net entitlement share. All numbers take in to account the farm-out of a 70 percent interest in the company's Tunisian off-shore assets. A full independent audit of the Group's reserve base will be completed in the third quarter.

Million barrels of oil equivalents	Working interest Total		Net Entitlement Total	
	1P/P90	2P/P50	1P/P90	2P/P50
Reserves as per 31/12/2013	14.1	21.6	9.1	14

The reserves are classified according to the 2007 Petroleum Resources Management System (SPE-PRMS 2007) guidelines and classification which is the standard of the Society of Petroleum Engineers (SPE), World Petroleum Congress (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

WEST AFRICA REGION

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

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

** 95% of the Alen field is located in Block O and 5% in Block I. PA Resources has a 5.7% working interest in Block I, which provides 0.28% in the field in total.

Exploration, appraisal and development

Republic of Congo (Brazzaville)

Mer Profonde Sud

SOCO has assumed responsibilities as operator of the MPS exploration area and the joint venture group has entered the third period of the licence, with formal ratification of third period entry expected shortly. Planning has commenced for the drilling of Baobab Marin 1 in 2015.

Equatorial Guinea

Block I

Planning for the Diega field development continued during the second quarter. Commitments were made to undertake a 3D seismic survey over the block which is expected to take place in the third quarter.

Production

Equatorial Guinea

Aseng production has been affected by gas compressor issues since mid April which have led to slightly lower production levels in the quarter. Remedial work is ongoing and full gas compression capability is expected to be reinstated in the third quarter. Production at Alen has been steady at around 27,000 barrels of condensate per day prior to a short planned maintenance period late in the second quarter. The Atwood Aurora jack-up rig arrived at Alen in June to sidetrack an existing production well in order to raise overall gas/condensate production capacity above 30,000 barrels per day.

NORTH AFRICA REGION

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

* Operatorship outsourced to Serept.
** ETAP has the right to take a 50% interest in the Jelma licence and 55% in the Makthar and Zarat licences once discoveries have been made on the respective licences and a development plan has been submitted. Until such time, ownership is shared as shown above.
*** ETAP is the sole licence holder, but has signed a production-sharing agreement with PA Resources and Chinook Energy.
**** Completion of farm-out to EnQuest Plc. is subject to a number of conditions precedents.

Exploration, appraisal and development

Zarat

In May 2013 PA Resources signed an agreement to farm-out 70 percent of its working interest in the company's Tunisian offshore assets and to transfer the operatorship to EnQuest. Discussions have continued with the Tunisian government authorities in support of achieving acceptance, but delays have been experienced due to the political situation in the country. Completion of the Didon transaction occurred shortly after the end of the quarter, on 11 July and notification has been sent to the Tunisian authorities. The cash consideration will be released to PA Resources once the Tunisian authorities have responded to the notification of transfer, which is expected to take place no later than in the fourth quarter. Completion of the Zarat transaction is now expected to occur in the fourth quarter, after the approval of Avenant 5, which will secure the extension of the Zarat permit.

Work continues to progress between the southern and northern tract partners to develop a legally and commercially robust Zarat Unitised Unit Operating Agreement (UUOA). Detailed work is ongoing between PA Resources and the state oil company ETAP to develop a full field life Unit Plan of Development (UPOD). Work is nearing completion on developing a Zarat development concept that provides the best technical and economic solution to optimise the Zarat Field's oil and gas recoverable reserves. It is anticipated that an agreed southern and northern tract Zarat UUOA and UPOD will both be ready for submission to the Tunisian government authorities for approval during third quarter of 2014.

Elyssa

The work to finalise a well target for the Elyssa 4 appraisal well has continued. Subject to both the Tunisian authority agreements and drilling rig availability, it is currently planned to drill this well during 2015.

Production

Didon

Production from the Didon field was stable during the period. The installation of the first Electrical Submersible Pump (ESP) previously scheduled for the second quarter of 2014 has been delayed due to the Hydraulic Workover Unit being retained longer than planned by other Tunisian operators. ESP installation is now anticipated to commence during July 2014. All preparatory work has been completed including a well bore inspection. Other opportunities to optimise production to compensate for the natural decline of the field and extend the field life are being planned and preparatory work has commenced. Incremental oil opportunities include the installation of a second ESP during the first quarter of 2015 in a well that has been shut-in for an extended time. Results from the ESP wells will help determine the best location for the drilling of a Didon infill well, which is currently planned for 2015.

Douleb, Semmama and Tamesmida (DST)

Production was steady during the period. An infrastructure upgrade programme has commenced.

NORTH SEA REGION

Country	Asset	Operator	Partners	On/offshore	Phase
United Kingdom	Block 22/19a	PA Resources (100%)		Offshore	Exploration
Denmark	Block 12/06	Dana Petroleum (40%)	PA Resources (24%), Nordsøfonden (20%), Spyker Energy (8%), Danoil (8%)	Offshore	Exploration
Netherlands	Block Q7	Tulip Oil (30%)	Energie Beheer (40%), PA Resources (30%)	Offshore	Exploration
	Block Q10a	Tulip Oil (30%)	Energie Beheer (40%), PA Resources (30%)	Offshore	Exploration
	Schagen	Tulip Oil (30%)	Energie Beheer (40%), PA Resources (30%)	Offshore	Exploration
Germany	B20008-73*	PA Resources (34%)	Dana Petroleum (56%), Danoil (10%)	Offshore	Exploration

* Completion of farm-out to Dana Petroleum is subject to government approvals. Prior to approval PA Resources interest is 90%. Operatorship will change prior to drilling.

Exploration, appraisal and development

Denmark

12/06

Licence 12/06 was extended by two years to May 2016, with various key decision points on Broder Tuck, Lille John and the exploration area of the licence during the extension period. PA Resources' divestment of a 40 percent interest and operatorship to Dana was completed in the second quarter and operatorship was handed over to Dana in June. Studies and host discussions continue to make good progress on Broder Tuck towards a decision later this year regarding further appraisal drilling or to continue to front end engineering design in 2015. Planning continues towards the drilling of the Lille John 2 appraisal well in the fourth quarter of 2014.

9/06 (Gita)

Following thorough review of the prospectivity, licence 9/06 was relinquished in the second quarter. An impairment charge was recognised for the carrying amount during 2013.

United Kingdom

22/19a

Technical studies to assess the economics of development and dialogue with possible host infrastructure continued during the second quarter.

Germany

B20008/73

Regulatory approval of PA Resources' divestment of a 56 percent interest to Dana is pending.

Netherlands

Q7/10a

The operator's evaluation of the Q7-FA gas discovery is now drawing to a close.

Schagen

Following the operator's decision to withdraw, PA Resources has sought regulatory approval to extend the licence and become operator. Discussions with the regulator on this matter are expected during the coming quarter.

Financial overview

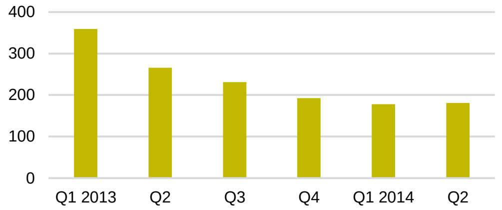
PA Resources decided in the first quarter 2014 to change the presentation format for the income statement and also to change certain accounting policies impacting revenue, production costs and income tax. The changed accounting policies do not impact the net result in any of the previous and current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

1 JANUARY – 30 JUNE 2014

Revenue and gross profit

Revenue amounted to SEK 359 million (625) and decreased mainly as a result of lower production compared with the corresponding period a year ago. Production costs including direct production taxes of SEK -6 million (-6) amounted to SEK -85 million (-242) and decreased mainly as a result of farmed out Tunisian assets in the second quarter of 2013 and the abandonment of the Azurite field in the fourth quarter of 2013. Depletion of oil and gas assets amounted to SEK -81 million (-134) and gross profit amounted to SEK 192 million (249). Both decreases were mainly due to lower production.

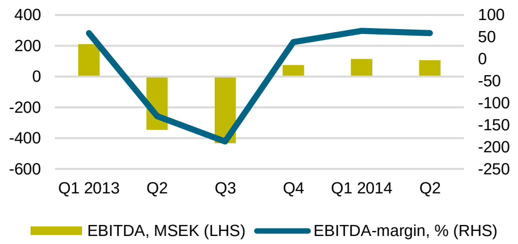
Revenue per quarter (SEK million)



EBITDA and operating profit

EBITDA amounted to SEK 220 million (-134) and the EBITDA margin was 61 percent (negative). Operating profit amounted to SEK 139 million (-475). The corresponding period in 2013 included non-cash, one-off costs totalling SEK -668 million.

EBITDA and EBITDA margin per quarter



Net financial items, tax and profit for the period

Net financial items for the Group amounted to SEK -177 million (-118) for the period. Interest expense was SEK -124 million (-137). Currency effects on net financial items amounted to SEK -40 million (42). Adjusted for currency effects net financial items amounted to SEK -136 million (-160). Reported tax amounted to SEK -37 million (277). Reported tax for the corresponding period a year ago was positively affected by a decrease in deferred taxes in combination with the farmed out Tunisian assets of SEK 345 million. Paid tax amounted to SEK -48 million (-84). Profit for the period amounted to SEK -74 million (-316) and earnings per share before and after dilution were SEK -0.66 (-12.97). The net impact after tax of impairment charges and capital losses was SEK -323 million in 2013.

Cash flow

The Group's operating cash flow for the period was SEK -7 million (-98). Operating cash flow included lifting proceeds from the Didon field in Tunisia of SEK 150 million and payments of SEK 70 million in connection with the abandonment of the Azurite field as well as interest payments of SEK 86 million. Cash flow from investing activities amounted to SEK -19 million (-96) and contained proceeds from the completed farm out transaction in Denmark of SEK 65 million. Total capital expenditures for the period amounted to SEK 84 million (96). Of these, SEK 49 million (64) pertained to the West Africa region, mainly related to activities in Block I. Cash flow from financing activities amounted to SEK -108 million (276) and included the repayment of the convertible bond loan and a scheduled partial repayment of the NOK bond loan.

Financial position

As per 30 June 2014 the Group had net borrowings of SEK 1,875 million and a debt/equity ratio of 101 percent. During the first quarter, PA Resources signed a one-year working capital facility of USD 50 million carrying a fixed interest rate of 7.5 percent and secured through a share pledge in Tunisian assets. During the second quarter USD 20 million was utilised. Cash and cash equivalents amounted to SEK 273 million compared with SEK 403 million at year-end 2013. Shareholders' equity increased by SEK 68 million during the period, to SEK 1,863 million, compared with SEK 1,795 million at year-end 2013.

Parent company

Operating profit amounted to SEK -16 million (-114). Operating profit for the corresponding period a year ago was negatively affected by an impairment loss of SEK -97 million. Net financial items for the period amounted to SEK -26 million (-1,116). Net financial items for the corresponding period a year ago were negatively affected by the impairment of receivables from subsidiaries and of shares in subsidiaries for a net value of SEK -1,244 million.

CURRENCY RATES

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

	Closing day rate 30 June 2014	Average rate Jan-Jun 2014	Closing day rate 30 June 2013	Average rate Jan-Jun 2013	Closing day rate 31 Dec 2013	Average rate Jan-Dec 2013
1 EUR in SEK	9.20	8.95	8.76	8.53	8.94	8.65
1 USD in SEK	6.74	6.53	6.71	6.50	6.51	6.51
1 TND in SEK	4.02	4.05	4.04	4.07	3.94	4.01
1 NOK in SEK	1.10	1.08	1.11	1.14	1.06	1.11
1 GBP in SEK	11.47	10.90	10.25	10.03	10.73	10.19
1 DKK in SEK	1.23	1.20	1.17	1.14	1.20	1.16

RISKS AND UNCERTAINTIES

A description of risks and uncertainties are provided in the 2013 Annual Report, in the section *Risks and Risk Management.* Due to the political situation in Tunisia, the completion of the farm-out transaction of Zarat to EnQuest may be subject to further delays.

SUBSEQUENT EVENTS

On 11 July PA Resources transferred ownership of 70 percent of its interest in the Didon concession to EnQuest. The cash consideration of USD 23 million, and an interim period adjustment from 1 January 2013, will be released to PA Resources once the Tunisian authorities have responded positively to the notification of transfer, which is expected to take place no later than in the fourth quarter. EnQuest will assume responsibility for Didon operations thereafter. The parties are currently implementing a transition plan to assure a seamless handover. The Zarat transaction is still pending.

Group – income statement

		Apr-Jun		Jan-Jun		Full Year
SEK 000,000s	**Notes**	**2014**	**2013**	**2014**	**2013**	**2013**
Revenue	2, 5	181	266	359	625	1,049
Production costs	2, 3, 5	-48	-121	-85	-242	-490
Depletion oil and gas properties	5	-39	-61	-81	-134	-197
Gross profit	2, 5	**94**	**84**	**192**	**249**	**362**
Other income	5	11	8	14	13	24
Capital loss	5	-	-462	-	-462	-462
Decommissioning costs	5	-	-	-	-	-469
Impairment losses	5	-	-185	-	-206	-542
General, administration and depreciation expenses	4, 5	-38	-37	-67	-70	-148
Operating profit	2, 5	**67**	**-592**	**139**	**-475**	**-1,234**
Financial income	6	1	4	2	49	111
Financial expenses	6	-87	-85	-178	-167	-316
Total financial items		**-87**	**-81**	**-177**	**-118**	**-205**
Profit before tax		**-19**	**-673**	**-38**	**-593**	**-1,439**
Income tax	2	-7	323	-37	277	220
Profit for the period		**-26**	**-350**	**-74**	**-316**	**-1,219**
Earnings per share before dilution		**-0.23**	**-12.89**	**-0.66**	**-12.97**	**-21.54**
Earnings per share after dilution		**-0.23**	**-12.89**	**-0.66**	**-12.97**	**-21.54**

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

Group – statement of comprehensive income

		Apr-Jun		Jan-Jun		Full year
SEK 000,000s	**Notes**	**2014**	**2013**	**2014**	**2013**	**2013**
Profit for the period		**-26**	**-350**	**-74**	**-316**	**-1,219**
Other comprehensive income						
Items that may be reclassified into profit or loss						
Exchange differences during the period		136	122	142	95	11
Total items that may be reclassified into profit or loss		***136***	***122***	***142***	***95***	***11***
Other comprehensive income for the period		**136**	**122**	**142**	**95**	**11**
Total comprehensive income for the period		**110**	**-229**	**68**	**-221**	**-1,208**

Group – statement of financial position

		30 June		31 Dec
SEK 000,000s	**Notes**	**2014**	**2013**	**2013**
ASSETS				
Exploration and evaluation assets	5	3,876	3,620	3,650
Oil and gas properties	5	848	925	894
Machinery and equipment	5	4	4	4
Financial assets	7	0	0	0
Deferred tax assets		50	104	50
Total non-current assets		**4,778**	**4,653**	**4,599**
Inventory		12	12	12
Accounts receivable and other receivables	7	390	833	440
Current tax assets		10	4	6
Cash and cash equivalents	7	273	141	403
Total current assets		**684**	**990**	**861**
TOTAL ASSETS		**5,462**	**5,643**	**5,460**
EQUITY				
Equity attributable to owners of the parent				
Share capital		1,415	1,415	1,415
Other capital contributions		5,050	4,240	5,050
Reserves		-935	-993	-1,078
Retained earnings and profit for the period		-3,666	-2,689	-3,592
Total equity		**1,863**	**1,973**	**1,795**
LIABILITIES				
Interest-bearing loans and borrowings	7	1,318	-	1,433
Deferred tax liabilities		338	394	343
Provisions		263	379	250
Total non-current liabilities		**1,919**	**773**	**2,026**
Provisions		1	2	2
Current tax liabilities		172	189	159
Current interest-bearing loans and borrowings	7	830	2,338	761
Accounts payable and other liabilities	7	677	368	716
Total current liabilities		**1,680**	**2,897**	**1,639**
TOTAL EQUITY AND LIABILITIES		**5,462**	**5,643**	**5,460**
PLEDGED ASSETS	9	**2,125**	**640**	**469**
CONTINGENT LIABILITIES	9	**14**	**14**	**14**

Group – statement of changes in equity

		Equity attributable to owners of the parent				
SEK 000,000s	**Notes**	**Share capital**	**Other capital contribution**	**Reserves**	**Retained earnings and profit for the period**	**Total**
Balance at 1 January 2013		709	4,342	-1,089	-2,372	1,590
Total comprehensive income for the period				95	-316	-221
Transactions with shareholders						
Rights issues		705	-102			604
Closing balance at 30 June 2013		**1,415**	**4,240**	**-993**	**-2,689**	**1,973**
Balance at 1 July 2013		1,415	4,240	-993	-2,689	1,973
Total comprehensive income for the period				-84	-903	-987
Transactions with shareholders						
Rights issues		891	-81			810
Reduction share capital		-1,118	1,118			-
Stock dividend		226	-226			-
Closing balance at 31 December 2013		**1,415**	**5,050**	**-1,078**	**-3,592**	**1,795**
Balance at 1 January 2014		1,415	5,050	-1,078	-3,592	1,795
Total comprehensive income for the period				142	-74	68
Closing balance at 30 June 2014		**1,415**	**5,050**	**-935**	**-3,666**	**1,863**

The share capital as per 30 June 2014 was distributed among 113,167,992 shares with a share quota value of SEK 12.50. No dividend was decided on for the 2013 financial year or previous financial years.
Reserves pertain to effects from translation of operations in foreign currency.

Group – statement of cash flows

		Jan-Jun		Full year
SEK 000,000s	**Notes**	**2014**	**2013**	**2013**
Cash flow from operating activities				
Income after financial items	2	-38	-593	-1,439
Adjustments for non-cash items				
Depreciation, amortisation and impairment losses		81	341	740
Capital loss	5	-	462	462
Decommissioning costs	5	-	-	469
Change over- / or underlift position	2	9	-81	87
Other items including accrued interest and exchange differences		88	58	51
Income tax paid		-48	-84	-152
Total cash flow from operating activities				
before changes in working capital		**92**	**103**	**217**
Cash flow from changes in working capital				
Change in receivables		39	45	-167
Change in liabilities		-138	-245	-429
Cash flow from operating activities		**-7**	**-98**	**-379**
Cash flow from investing activities				
Proceeds from farm-out		65	-	-
Investments in exploration and evaluation assets	5	-78	-39	-163
Investments in oil and gas properties	5	-6	-55	-105
Investments in machinery and equipment	5	0	-2	-2
Cash flow from investing activities		**-19**	**-96**	**-271**
Cash flow from financing activities				
Rights issues		-	604	1,413
Loans raised		129	38	764
Amortisation of debt		-237	-365	-1,182
Cash flow from financing activities		**-108**	**276**	**995**
Cash flow for the period		**-134**	**82**	**345**
Cash and cash equivalents at the beginning of period		403	58	58
Exchange rate difference in cash and cash equivalents		4	1	-
Cash and cash equivalents at end of period		**273**	**141**	**403**

Parent company – income statement

SEK 000,000s	Notes	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Other income	5	-	8	-	16	32
Impairment losses	5	-	-97	-	-97	-97
General, administration and depreciation expenses	5	-8	-20	-16	-32	-57
Operating profit		**-8**	**-109**	**-16**	**-114**	**-122**
Result from participations in Group companies		-	-1,244	-	-1,244	-2,234
Financial income and similar	6	102	195	135	268	237
Financial expenses and similar	6	-80	-72	-161	-140	-336
Total financial items		**22**	**-1,121**	**-26**	**-1,116**	**-2,333**
Profit before tax		**13**	**-1,230**	**-43**	**-1,229**	**-2,456**
Income tax		-	-	0	1	-103
Profit for the period		**13**	**-1,230**	**-42**	**-1,229**	**-2,559**

Parent company – statement of comprehensive income

SEK 000,000s	Notes	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Profit for the period		**13**	**-1,230**	**-42**	**-1,229**	**-2,559**
Other comprehensive income						
Total items that may be reclassified into profit or loss		-	-	-	-	-
Total comprehensive income for the period		**13**	**-1,230**	**-42**	**-1,229**	**-2,559**

Parent company – balance sheet

SEK 000,000s	Notes	30 June 2014	30 June 2013	31 Dec 2013
ASSETS				
Non-current assets	5	5,268	5,598	4,942
Current assets	5	391	767	526
TOTAL ASSETS		**5,659**	**6,365**	**5,468**
SHAREHOLDERS´ EQUITY AND LIABILITIES				
Total shareholder´s equity		1,488	2,051	1,530
Non-current liabilities		3,457	2,136	3,315
Current liabilities		715	2,177	623
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,659**	**6,365**	**5,468**
PLEDGED ASSETS	9	**18**	**18**	**18**
CONTINGENT LIABILITIES	9	**14**	**14**	**14**

Notes to the financial statements

NOTE 1. Company information

PA Resources AB (publ.), corporate identity no. 556488-2180, registered in Stockholm, Sweden, has been listed on the NASDAQ OMX Nordic Exchange in Stockholm since 2006 (Small Cap segment since January 2013).

NOTE 2. Accounting policies

The interim report for the period ended 30 June 2014 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January - June 2014 have, like the year-end accounts for 2013, been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Swedish Annual Accounts Act. The parent company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and guideline RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR).

Except from what is stated below under New accounting policies, the same accounting policies have been applied for the period as those applied for the 2013 financial year and as described in the 2013 Annual Report. The interim report does not contain all of the information and disclosures provided in the annual report; the interim report should therefore be read together with the notes in the 2013 Annual Report.

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

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

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

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

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

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

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

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

NOTE 3. Production costs

	Apr-Jun		Jan-Jun		Full year
SEK 000,000s	**2014**	**2013**	**2014**	**2013**	**2013**
Cost of operations	-45	-116	-80	-236	-473
Direct production taxes	-3	-4	-6	-6	-17
Total production costs	**-48**	**-121**	**-85**	**-242**	**-490**

The parent company has no production costs.

NOTE 4. General, administration and depreciation expenses

	Group				
	Apr-Jun		Jan-Jun		Full year
SEK 000,000s	**2014**	**2013**	**2014**	**2013**	**2013**
Other external expenses	-20	-19	-34	-38	-85
Personnel expenses	-18	-18	-33	-32	-63
Depreciation machinery and equipment	0	-	0	-1	-1
Total general, administration and depreciation expenses	**-38**	**-37**	**-67**	**-70**	**-148**

NOTE 5. Segment reporting

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

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

Revenue origins from external sales.

	Jan-Jun											
Income statement SEK 000,000s	**North Africa**		**West Africa**		**North Sea**		**Other/Group**		**Group elimination**		**Total**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Revenue	96	194	263	431	-	-	-	-	-	-	**359**	**625**
Production costs	-39	-70	-46	-171	-	-	-	-	-	-	**-85**	**-242**
Depletion oil and gas properties	-43	-92	-38	-43	-	-	-	-	-	-	**-81**	**-134**
Gross profit	14	32	178	217	-	-	-	-	-	-	**192**	**249**
Other income	5	11	4	-	11	7	-	16	-7	-20	**14**	**13**
Capital loss	-	-462	-	-	-	-	-	-	-	-	**-**	**-462**
Impairment losses	-	-	-	-21	-	-185	-	-	-	-	**-**	**-206**
General, administration and depreciation expenses	-10	-16	-16	-8	-31	-17	-19	-34	8	5	**-67**	**-70**
Operating profit	**10**	**-435**	**167**	**188**	**-19**	**-195**	**-19**	**-18**	**1**	**-16**	**139**	**-475**
Total financial items											**-177**	**-118**
Profit before tax											**-38**	**-593**
Income tax											**-37**	**277**
Profit for the period											**-74**	**-316**

Balance sheet SEK 000,000s	30 June North Africa		West Africa		North Sea		Other/Group		Group elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Exploration and evaluation assets	2,120	2,086	1,268	1,040	489	493	-	-	-	-	**3,876**	**3,620**
Oil and gas properties	365	421	483	504	-	-	-	-	-	-	**848**	**925**
Machinery and equipment	1	2	-	-	2	2	-	-	-	-	**4**	**4**
Other non-current assets	0	0	-	-	-	-	1,969	1,240	-1,919	-1,136	**50**	**104**
Current assets	160	156	76	557	56	9	391	269	-	-	**684**	**990**
Total assets	**2,646**	**2,665**	**1,827**	**2,101**	**548**	**504**	**2,360**	**1,508**	**-1,919**	**-1,136**	**5,462**	**5,643**
Total equity and liabilities											**5,462**	**5,643**
Investments in exploration and evaluation assets	23	5	48	9	7	20	-	6	-	-	**78**	**40**
Investments in oil and gas properties	4	0	1	55	-	-	-	-	-	-	**6**	**54**
Investments in machinery and equipment	0	0	-	-	0	2	-	-	-	-	**0**	**2**

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.

	Group Apr-Jun		Jan-Jun		Full Year
SEK 000,000s	**2014**	**2013**	**2014**	**2013**	**2013**
Interest income	1	4	2	7	11
Exchange gains	-	-	-	42	100
Other financial items	-	-	-	-	-
Total financial income (net)	**1**	**4**	**2**	**49**	**111**
Interest expense	-62	-67	-124	-137	-265
Exchange losses	-20	-3	-40	-	-
Other financial items	-6	-15	-13	-31	-51
Total financial expenses (net)	**-87**	**-85**	**-178**	**-167**	**-316**

NOTE 7. Reporting of financial instruments

As per 30 June 2014 and at the end of the comparison periods, the Group had no financial instruments measured at fair value on the balance sheet. The table below shows the carrying amount of the Group's financial instruments compared with their fair values. In cases where the fair value differs from the carrying amount, this is based on observable market data.

SEK 000,000s	30 June 2014		30 June 2013		31 Dec 2013	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	0	0	0	0	0	0
Accounts receivable and other receivables	390	390	833	833	440	440
Cash and cash equivalents	273	273	141	141	403	403
Total financial assets	**663**	**663**	**974**	**974**	**843**	**843**
Non-current interest-bearing loans and borrowings	1,318	1,266	-	-	1,433	1,422
Current interest-bearing loans and borrowings	830	824	2,338	2,259	761	753
Accounts payable and other liabilities	677	677	368	368	716	716
Total financial liabilities	**2,825**	**2,767**	**2,706**	**2,627**	**2,911**	**2,892**

NOTE 8. Related party transactions

No remuneration other than customary directors' fees that have been approved by the Annual General Meeting has been paid out. Gunvor S.A had a 29.98 percent interest as per 30 June 2014. The company serves as an off-taker of crude oil and PA Resources has a reserve-based lending (RBL) facility with the company. The trading of crude oil and the RBL facility are in accordance with the market terms.

NOTE 9. Pledged assets and contingent liabilities

As per 30 June 2014, pledged assets amounted to SEK 2,125 million for the Group and SEK 18 million for the parent company. Total contingent liabilities amounted to SEK 14 million for both the Group and parent company. Total pledged assets and contingent liabilities for the Group and the parent company as per 30 June 2014 compared with 31 December 2013 and 30 June 2013 is shown in the table below.

SEK 000,000s	Group			Parent		
	30 June 2014	30 June 2013	31 Dec 2013	30 June 2014	30 June 2013	31 Dec 2013
Shares in subsidiaries	2,125	640	469	18	18	18
Total pledged assets	**2,125**	**640**	**469**	**18**	**18**	**18**
Acquisition PA Energy Congo Ltd	14	14	14	14	14	14
Total contingent liabilities	**14**	**14**	**14**	**14**	**14**	**14**

Key ratios

QUARTERLY OVERVIEW

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

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

This Report has not been reviewed by the Company's auditors.

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, 18 July 2014

Jérôme Schurink
Chairman of the Board

Mark McAllister
President & CEO

Philippe R Probst
Director

Philippe R Ziegler
Director

Nils Björkman
Director

Paul Waern
Director

DEFINITIONS

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

WEBCAST

PA Resources' results for the second quarter of 2014 will be presented on 18 July 2014 at 09:00 am (CET) via a webcast conference call. To participate, please use the link at www.paresources.se or call:

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

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

FINANCIAL CALENDAR

Interim Report Q3 (January–September) 29 October 2014
Year-end Report 2014 (January–December) 4 February 2015

CONTACT

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DISCLOSURE

The information in this interim report is such that PA Resources AB is required to disclose pursuant to the Securities Market Act and Financial Instruments Trading Act. Submitted for publication at 07:30 a.m. (CET) on 18 July 2014.

PA Resources in brief

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