pertra

INTERIM REPORT

Q3 2006

Pertra ASA
Trondheim, 14 November 2006

CONTENT

Highlights Q3 2006

- Pertra submitted an application for award of new licenses in APA 2006. The applications include areas in the Norwegian Sea and in the North Sea. Pertra has applied both as operator and as partner in cooperation with other oil companies. The awards are expected to be announced in January 2007.

- Pertra entered into an agreement regarding the acquisition of Marathon's 30 % license interest in Production License (PL) 337 in exchange for a rig slot in 2009. Pertra ASA and Revus Energy ASA entered into a Sales and Purchase Agreement regarding the sale of Pertra's 20 % interest in PL 337 to Revus in exchange for a rig slot in 2008. The agreements were approved by the authorities in the end of October. Subsequent to these transactions Pertra holds a 45 % license interest in PL 337.

- Evaluation of a redevelopment of Frøy still proceeds as planned and with the aim of submitting a Plan for Development and Operation (PDO) in 2007. An Environmental Impact Assessment Program proposal was recently submitted to the authorities concerned and to central industrial organizations for comments.

- The PL 316 license partners have approved a redevelopment solution of the Yme Field consisting of a jack-up production platform.

- In Q3 Pertra's average daily production increased by 15 % from 525 barrels/day in Q2 to 604 barrels/day in Q3. A new production well, A-09A, was started in the period. A sidetrack to A-12A was drilled and a gas lift installed on all wells to further increase production in Q4. Average production in October amounted to 748 barrels/day.

- The Income Statement shows an operating loss of NOK 46.6 million due to comprehensive exploration activities. Total exploration costs in Q3 amount to NOK 60.4 million, of which acquisition of seismic data constitutes NOK 35.7 million.

- The Company has prepared capital offerings and an application for stock exchange listing. On 2 October the Company executed a private placement in the amount of NOK 60 million. The placement was oversubscribed and, following a book-building process, the subscription price was set at NOK 60 per share. On 3 November a retail offering of NOK 50 million was executed at the same subscription price. This offering was considerably oversubscribed, and more than 1,200 investors submitted applications for shares in the amount of NOK 230 mill. With these successful offerings Pertra has secured a sound financial basis for the Company's future exploration program on the Norwegian Shelf. The share was listed on Oslo Stock Exchange ("Oslo Børs") on 10 November 2006 with the ticker PERTRA.

License Portfolio

Licenses where Pertra is operator

License	Pertra's share
PL 321	40%
PL 337	45%
PL 364 Frøy	50%
PL 380 Midgard Vest	70%

Licenses where Pertra is partner

License	Pertra's share
PL 038 Varg	5%
PL 316 Yme	10%
PL 332	20%
PL 349	5%
P L356	50%
PL 383	50%

Pertra has interests in a total of ten licenses, and shares vary from 5 % to 70 %. Pertra is the operator for a total of four licenses. In Q3 Pertra entered into an agreement regarding the acquisition of Marathon's 30 % license interest in Production License (PL) 337 in exchange for a rig slot in 2009. Pertra ASA and Revus Energy ASA entered into a Sales and Purchase Agreement regarding the sale of Pertra's 20 % interest in PL 337 to Revus in exchange for a rig slot in 2008. The agreements were approved by the authorities in October. Subsequent to these transactions Pertra owns a 45 % license interest in PL 337.

Key Figures (NGAAP)

Figures in NOK million	Q3 2006	Q2 2006
Operating revenues	27,4	18,2
Exploration costs	60,4	68
EBITDA [1]	(42,9)	(62,1)
Operating profit/(loss)	(46,6	(65,0)
Income/(loss) before taxes	(47,8)	(69,6)
Net income/(loss)	(7,4)	(16,6)
Income/(loss) after taxes per share	(0,47)	(1,07)
Investments	30,6	2,4
Oil production (barrels)	55 590	47 868

[1] Profit/(loss) before depreciations and provisions for plugging and abandonment

In Q2 Pertra generated operating revenues in the amount of NOK 27.4 million, and the loss before taxes was NOK -47.8 million. The negative result in Q3 2006 is in accordance with the Company's plans and results from costs related to expenditures in geological data, exploration activities, and field development studies of Frøy.

Pertra still covers 50 % of the costs in PL 316 (Yme), limited upward to USD 35 million. In Q3 Yme's development costs have been capitalized. After Q3 USD 18.5 million remain of the total liability.

Petroleum Resources and Reserves

Pertra's total Risked Prospective Resources are divided into three categories: reserves, contingent resources, and prospective resources.

The recoverable volumes from Varg and Yme are classified as reserves, whereas the recoverable volumes proven in Frøy and in PL 332 are classified as contingent resources, as the development solution for Frøy is still in the process of being evaluated. The expected value of Pertra's share of these reserves and contingent resources (P50) is 40 million barrels, of which reserves constitute 5.9 million barrels. The total risked prospective resources in Pertra's portfolio amount to a total of 230 million barrels (reserves, contingent resources, and prospective resources). The reserve and resource estimate per Q2 2006 has been verified by an independent third party, AGR-RES, who has verified that the volume figures appear as a result of recognized industry practice. The acquisition of an additional 10 % license interest in PL 337 was approved in October and has not been taken into account in the resource estimate as of Q3.

Production

The Company's production revenue stems entirely from its 5 % license share in PL 038 – the Varg Field. In Q3 production amounted to 55,590 barrels, as compared to 47,868 barrels in Q2.

The increase in production is the result of an extensive workover program which was in progress throughout the entire third quarter. Total recoverable reserves from the field remain basically unchanged.

Varg crude oil has been sold at an average price of USD 67.28 per barrel, and 7,412 more barrels were sold than what was produced during the period. In Q3 the Company had a margin on sold quantity in the amount of NOK 18.9 million before depreciations from Varg.

The license has entered into a new production agreement with Petrojarl ASA on Varg. The revised agreement stipulates that production on Varg may continue until 2011, dependent upon oil prices and production rates. The termination clauses were revised and a minimum rate of USD 220,000 per day has been established. If production from the field exceeds approximately 21,000 barrels/day, a tariff of USD 6.30/barrel plus USD 90,000 sets in. Petrojarl's term of notice has been extended from three to twelve months, and Petrojarl may first terminate the contract so as to make it effective from July 2010, provided that regular production drops below 2,500 Sm3 (15,725 barrels) per day.

Potential Developments

Pertra is the operator of PL 364 and currently engaged in work aimed at a potential development of the Frøy Field. Work involving various development and operation concepts continues. A Plan for Development and Operation (PDO) is to be expected toward the end of Q2 2007.

In PL 316, where Pertra is a 10 % partner, the Yme Field is being evaluated with reference to a re-opening. A PDO is expected submitted by the end of 2006. The field is now regarded as having entered the development phase and developments costs are being capitalized. The redevelopment solution consists of a jack-up production platform and a seabed storage tank.

Exploration

Pertra shall create value by discovering and developing resources that are either not yet proven or in production. The Company regards the conditions for an explorationfocused growth strategy on the Norwegian Shelf as good. Pertra is investing considerable efforts in identifying interesting prospects that the Company will apply for in the annual licensing rounds, APAs.

Pertra continues to put down maximum effort in the operator licenses (PL 380, PL 337, and PL 321), and will put forward formal motions to drill several prospects in these licenses this year and next. Pursuant to the license's schedule Pertra has submitted a proposal to drill a prospect in PL 337. Pertra's plans involve drilling the prospect using “Mærsk Giant” in the summer of 2007.

Decisions whether to drill exploration wells in PL 380 and PL 337 are to be made by the end of 2006. These licenses will be relinquished if no drilling decisions have been made by December this year.

In PL 321 the acquisition of 800 km2 3D seismic has been concluded. This acquisition was performed by PGS and was concluded by the seismic vessel ”Ramform Explorer” in August this year. The processed data are expected to be ready at year-end. These data are pivotal with regard to estimating discovery probability in the mapped prospects in the license. A study assessing the prospective use of electromagnetic methods has concluded that the method is not applicable in this case.

By the end of 2006 a decision whether to drill or relinquish the license is to be made also in PL 349, operated by Marathon. If no decision has been reached by then, the license will be relinquished.

In PL 383, operated by DNO and with Pertra as a 50 % partner, electromagnetic data were acquired over three prospects in July to verify the possible presence of hydrocarbons. The study of these data will constitute a part of the drilling decision-making basis. PL 356 is also operated by DNO with Pertra as a 50 % partner. Processing of 3D seismic for PL 356 is in progress, and a possible drilling decision is expected in 2007.

PL 332 is operated by Talisman. An appraisal well is planned in 2007.

Investments
Investments in Q3 amounted to NOK 30.6 million, and total depreciations were NOK 2.8 million. The purchase amount of the share in PL 316 (Yme, etc.) related to development has been booked as an investment, whereas the remaining part, related to exploration, is being expensed.

Cash Flow and Capital Structure
Cash flows from operations in Q3 amounted to NOK -151.4 million. The Company's liquid assets as of 30.09.2006 constituted NOK 37.0 million.

Total assets as of 30.09.2006 amounted to NOK 359.2 million, and interestbearing liabilities were NOK 130.0 million. As of Q3 the equity ratio was 37.8 %.

Events after 30.09.2006
Preparations have been made in connection with capital offerings and stock exchange listing. The application for listing on Oslo Børs was submitted on 27 September. On 2 October the Company executed a private placement of NOK 600 million. The placement was oversubscribed and, following a book-building process, the subscription price was set at NOK 60 per share. On 3 November a retail offering of NOK 50 million was executed at the same subscription price. This offering was considerably oversubscribed as more than 1,200 investors submitted applications for shares in the amount of NOK

230 million. With these successful offerings Pertra has secured a financial basis for the Company's future exploration program on the Norwegian Shelf. In addition, on 3 November the Company executed an employee offering in the amount of NOK 5 million. The subscription price was NOK 48, which entails a 20 % discount. As a result of these offerings the number of shares has increased from 15,573,657 as of 30.09.2006 to 26,510,650 as of 14.11.2006. The share was listed on Oslo Børs on 10 November with the ticker PERTRA.

Pertra has entered into a loan agreement with Sparebanken Midt-Norge regarding a drawing facility of NOK 150 million, effective as of 1 November 2006, replacing the previous drawing facility. In Q4 the Company has redeemed all outstanding interest-bearing liabilities.

”Mærsk Giant” has completed its assignment on the Varg Field and left location on 3 November.

The authorities approved the agreements between Pertra and Marathon, and between Pertra and Revus Energy, all pertaining to PL 337, in late October 2006.

Outlook

The Company's added value is to a significant degree related to the development of the exploration portfolio. The Company expects that drilling decisions for two of the exploration licenses be made this year. As operator, Pertra plans to drill at least two exploration wells during 2007/2008. It is Pertra's ambition to participate in six to ten exploration wells by the end of 2008. The results of these, in addition to the outcome of drilling operations in licenses where the Company is partner, will have a significant impact on the development of the Company. The APA 2006 Licensing Round awards in January 2007 are of great importance to the Company's rate of growth.

Pertra has 40 million barrels in various discoveries on the Norwegian Shelf. Work aimed at completing a Plan for Development and Operation (PDO) for both Yme and Frøy is ongoing. A successful development process may result in production from these two fields in 2009/2010 and beyond.

Access to interesting exploration acreage in future APA Rounds as well as Pertra's ability to identify attractive prospects in the years to come will impact the Company's development significantly in the period after 2010. The Government has implemented incentives for the relinquishment of fallow acreage. Such relinquishments will have a positive effect on all participants' opportunities on the Norwegian Shelf in the future.

Pertra's production is expected to amount to approximately 800 barrels per day in Q4 2006. It is expected that production on Varg will decline gradually in the years to come, but work aimed at identifying additional resources in the license is ongoing.

Trondheim, 14 November 2006

The Board of Directors of Pertra ASA

Q3 2006 INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT

Income Statement

(All figures in NOK 1000)	Per 30.09.2006		31.12.	Q2	Q3	Q3
	2006	2005	2005	2006	2006	2005
Petroleum revenues	86 700	47 323	93 601	18 154	27 373	33 422
Other operating revenues	-11	778	884	0	0	778
TOTAL OPERATING REVENUES	**86 689**	**48 101**	**94 485**	**18 154**	**27 373**	**34 200**
Exploration costs	161 970	34 196	166 298	68 047	60 404	20 515
Change in inventories	4 063	507	-1 371	-1 921	2 750	-1 951
Production costs	31 280	14 601	27 703	13 904	6 751	11 430
Payroll and payroll-related expenses	365	279	582	18	218	235
Depreciation and amortisation expenses	14 806	5 901	19 941	2 097	2 838	4 355
Provisions for plugging and abandonment liabilities	6 750	2 671	10 104	799	872	2 136
Other operating expenses	427	119	188	230	130	70
TOTAL OPERATING EXPENSES	**219 661**	**58 273**	**223 445**	**83 173**	**73 963**	**36 790**
OPERATING PROFIT/(LOSS)	**-132 972**	**-10 173**	**-128 960**	**-65 019**	**-46 589**	**-2 590**
Interest income	709	322	1 033	146	245	147
Other financial income	2 550	1 516	3 767	-164	2 025	900
Interest expense	4 222	605	1 240	1 410	2 802	604
Other financial expenses	5 768	502	1 834	3 215	709	478
NET FINANCIAL ITEMS	**-6 731**	**731**	**1 726**	**-4 643**	**-1 242**	**-35**
INCOME /(LOSS) BEFORE TAXES	**-139 703**	**-9 441**	**-127 233**	**-69 662**	**-47 831**	**-2 625**
Taxes (+)/tax income (-) on ordinary income/(loss)	-103 758	1 822	-85 030	-53 018	-40 465	506
NET INCOME /(LOSS)	**-35 944**	**-11 263**	**-42 203**	**-16 644**	**-7 366**	**-3 131**
Time-weighted average number of shares outstanding	15 573 657	2 254 000	2 330 123	15 572 323	15 573 657	2 259 333
Earnings /(loss) after taxes per share (adjusted for split)	(2,31)	(1,00)	(3,62)	(1,07)	(0,47)	(0,28)

Balance Sheet

(All figures in NOK 1000)	Q3		31.12.	Q2
	2006	**2005**	**2005**	**2006**
ASSETS				
Deferred tax assets	15 159	40 366	2 796	7 986
Property, plant, and equipment	65 643	16 774	46 935	37 977
Calculated tax receivable	89 630			58 104
Long-term prepayment	37 340			44 197
TOTAL FIXED ASSETS	**207 772**	**57 140**	**49 732**	**148 263**
Inventories	701	2 886	4 764	3 451
Accounts receivable	7 934	18 912	9 692	10 062
Other receivables	23 581	20 012	10 482	12 234
Calculated tax receivable	82 234		82 234	82 234
Cash and cash equivalents	36 978	67 764	106 634	35 448
TOTAL CURRENT ASSETS	**151 427**	**109 574**	**213 805**	**143 428**
TOTAL ASSETS	**359 198**	**166 714**	**263 537**	**291 691**
Share capital	3 115	2 278	3 113	3 115
Share premium reserve	132 622	115 291	167 589	139 489
TOTAL EQUITY	**135 736**	**117 569**	**170 702**	**142 604**
Deferred tax	0	1 822		0
Pension liabilities	2 561		1 490	924
Provisions for plug- and abandonment obligations	16 854	2 671	10 104	15 981
TOTAL PROVISIONS	**19 415**	**4 493**	**11 594**	**16 906**
Short-term loan	130 000			80 000
Bank overdraft			15 271	
Accounts payable	15 197	19 274	17 794	6 621
Taxes withheld and public duties payable	1 218	1 048	2 291	1 821
Other current liabilities	57 632	24 330	45 885	43 739
TOTAL CURRENT LIABILITIES	**204 047**	**44 652**	**81 241**	**132 181**
TOTAL LIABILITIES	**223 462**	**49 145**	**92 835**	**149 087**
TOTAL EQUITY AND LIABILITIES	**359 198**	**166 714**	**263 537**	**291 691**

Cash Flow Statement

(All figures in NOK 1000)	Pr. 30.09.		31.12.
	2006	2005	2005
Cash flow from operating activities			
Income /(loss) before taxes	-139 703	-9 441	-127 233
Adjustment of previous period directly against equity	2 265		
Taxes paid			
Depreciation and amortisation expenses	14 806	5 901	19 941
Changes in plugging and abandonment liabilities	6 750	2 671	10 104
Discount shares to employees			857
Changes in inventories, accounts payable and receivable	3 225	-2 525	3 338
Changes in net current capital and in other current balance sheet items	-38 696	5 366	39 185
NET CASH FLOW FROM OPERATING ACTIVITIES	**-151 353**	**1 972**	**-53 809**
Cash flow from investment activities			
Acquisition of investment in and development of oil and gas fields	-30 440	-57 457	-60 866
Acquisition of investment in software, inventory etc.	-3 072	-5 583	-6 011
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**-33 512**	**-63 040**	**-66 877**
Cash flow from financing activities			
Paid-in share capital / capital increase	480	128 832	212 048
Short-term loan	130 000	0	
Bank overdraft	-15 271	0	15 271
NET CASH FLOW FROM FINANCING ACTIVITIES	**115 210**	**128 832**	**227 319**
Net change in cash and cash equivalents	**-69 656**	**67 764**	**106 634**
Cash and cash equivalents at start of period	106 634		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**36 978**	**67 764**	**106 634**
Specification of cash and cash equivalents at end of period			
Bank deposits, etc.	**36 978**	**67 764**	**106 634**

Notes to Q3 2006 Financial Statements

The Interim Account has been prepared in accordance with the Norwegian standard for interim reporting. The accounting principles are described in the 2005 Annual Report.

(All figures in NOK 1000)

Note 1 Property, plant and equipment

	Production license oil and gas fields	Capitalized drilling and development expenditures	Equipment, software, etc.	Total
Procurement cost 01.01.2006	45 002	15 864	6 011	66 877
Investments		30 440	3 072	33 512
Retirements		0	0	0
Procurement cost 30.09.2006	45 002	46 305	9 083	100 389
Accumulated depreciations 30.09.2006	22 051	9 884	2 812	34 747
Capitalized value 30.09.2006	22 951	36 421	6 271	65 643
Depreciations this year	8 340	4 713	1 753	14 806

Production license and capitalized drilling and development expenditures are depreciated in accordance with the production unit method. Fixtures and fittings, office machinery, software, etc. are depreciated linearly over the lifetime, 3-5 years.

Note 2 Tax

Taxes for the period appear as follows:

	30.09.2006
Calculated taxable income due to exploration-related losses	-89 630
Change deferred tax asset/liabilities	-14 129
Total taxes	**-103 758**

A complete calculation of tax has been performed in accordance with the same principle as described in the 2005 Annual Report. Calculated taxes receivable resulting from exploration activities in 2006 have been entered as a long-term item in the Balance Sheet. This is expected to be paid out toward the end of 2007.

Note 3 Equity

Changes in equity for the year	Share capital	Share premium reserve	Total
Equity at 01.01.2006	3 113	167 589	**170 702**
Capital increase June - bonus shares to employees	2	479	480
Adjustment of previous period		498	498
Income /(loss) at 30.09.2006		-35 944	**-35 944**
Equity at 30.09.2006	**3 115**	**132 622**	**135 736**

Adjustment of previous period applies to share of exploration costs that has been capitalized following new assessments.

Note 4 Long-term prepayment

Long-term prepayment applies to prepayment of rig contracts for the drilling of exploration wells in 2008.

Note 5 Stock Exchange expenses

In the period a total of NOK 1 980 has been charged as expensed related to stock exchange listing.

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