Investor Relations

QUARTERLY REPORT
Q3 2005

Pertra AS
Trondheim

1 November 2005

Table of Contents

1. HIGHLIGHTS Q3 2005

- Pertra AS was awarded the operatorship of PL 337 in August.
- A Sales and Purchase Agreement with Paladin Resources Norge AS and Paladin Resources (Norway) Ltd was signed 20 September and implemented 27 October. The purchase comprised a 10 percent share in PL 316, which also includes the Yme Field. An exploration well in the Aimee project was spudded 23 October, recovery probability is 30 percent.
- In connection with the purchase of the PL 316 share, Pertra established a combined deduction and guarantee facility in Sparebanken Midt-Norge, with a top limit of NOK 100 million.
- The average realized oil price for Q3 was USD 62.58 per barrel, up 30 percent from Q2.
- In cooperation with two other companies, the Company has applied for acreage in APA 2005 (Awards in Predefined Areas).
- The EOR-2 (Enhanced Oil Recovery) campaign, which also comprised a clean-out of existing wells, was completed when Maersk Giant left the field 15 October. During the period following start-up, production was approximately 40 000 barrels per day.

1.1 Profit and Key Figures Q3, Pro Forma

The takeover date of the Sales and Purchase Agreement with Talisman Production Norge AS was 1 January 2005, the implementation date being 1 June 2005. The Company's ordinary Profit and Loss Account has been prepared in accordance with generally accepted accounting principles in Norway (NGAAP) and indicates operating revenues and expenses in the five licenses from the implementation date 1 June. Operating revenues and expenses from 1 January are consequently entered into the Balance Sheet. The pro forma Profit and Loss Account below presents the Profit and Loss Account as if the takeover date and the implementation date were both 1 January. This implies that operating revenues and expenses in the 1 January – 1 June period have been incorporated in the Profit and Loss Account.

The pro forma Profit and Loss Account indicates that Pertra in Q3 generated total operating revenues amounting to NOK 34.2 million, vs. NOK 33.1 million in Q2 2005. The Company's profit before tax was NOK -11.5 million in Q3 2005, as compared to NOK 3.5 million in Q2.

Figures in NOK million	Q1 2005	Q2 2005	Q3 2005	As of 30 September 2005
Operating revenue	28.6	33.1	34.2	95.9
Oil production (bbls)	84 204	101 524	94 161	279 894
EBITDA	13.1	8.0	2.9	24.0
Exploration expenses	0.1	11.4	13.2	24.7
Profit (loss) before tax	8.6	3.5	-11.5	0.6
Investments	57.5	19.2	9.1	85.8

1.2 Key Figures Q3, Profit and Loss Account (NGAAP)

The profit and Loss Account has been prepared in accordance with generally accepted accounting principles in Norway (NGAAP) and indicates operating revenues and expenses in the five licenses from the implementation date 1 June. Operating revenues and expenses from 1 January are incorporated in the Balance Sheet. In Q3, Pertra generated operating revenues amounting to NOK 34.2 million, as compared to NOK 13.9 million in operating revenues in the month of June. The profit (loss) before tax was NOK –2.6 million. The negative result was principally caused by high exploration and well maintenance expenses during the period.

Figures in NOK million	Q1 2005	Q2 2005	Q3 2005	As of 30 September 2005
Operating revenue		13.9	34.2	48.1
Oil production (bbls)		26 535	94 161	120 696
EBITDA		-5.5	3.9	-1.6
Exploration expenses		11.5	13.2	24.7
Profit (loss) before tax		-6.8	-2.6	-9.4
Investments		52.9	9.1	63.0
Outcome per share		-3.61	-1.37	-4.94
No. of shares at end of quarter	1 000 000	2 250 000	2 277 945	2 277 945

1.3 Production

Production from the Varg Field has generally shown a positive trend in the period due to the effect of pressure support to Varg West from injection of water in well A-16, which was started up in the end of May. Beyond that, production has been low due to shut-down wells in connection with the drilling and well maintenance campaign. Two existing wells also had to be recompleted. Production well A-10 due to sand filling in the well, and A-5 due to a deadlocked plug. This has all been repaired, and production is progressing favorably.

In addition, a 9-day revision stop has been carried out on the Varg Field during the period, which has impacted produced volumes further.

There has been one serious HSE incident on the Varg Field during the period. During a clean-out of a well using a temporary sand filter a coupling failed, causing oil and gas to flow uncontrolled. The leakage was stopped after a few seconds, and did not result in personal injury or pollution. The incident was reported to the authorities.

1.4 Development Opportunities

Pertra sees no immediate development opportunities in any of our operator licenses. In partner-operated licenses, it is probable that activities aimed at a re-opening of the Yme Field in PL 316 will commence. A decision regarding this is expected during 2006.

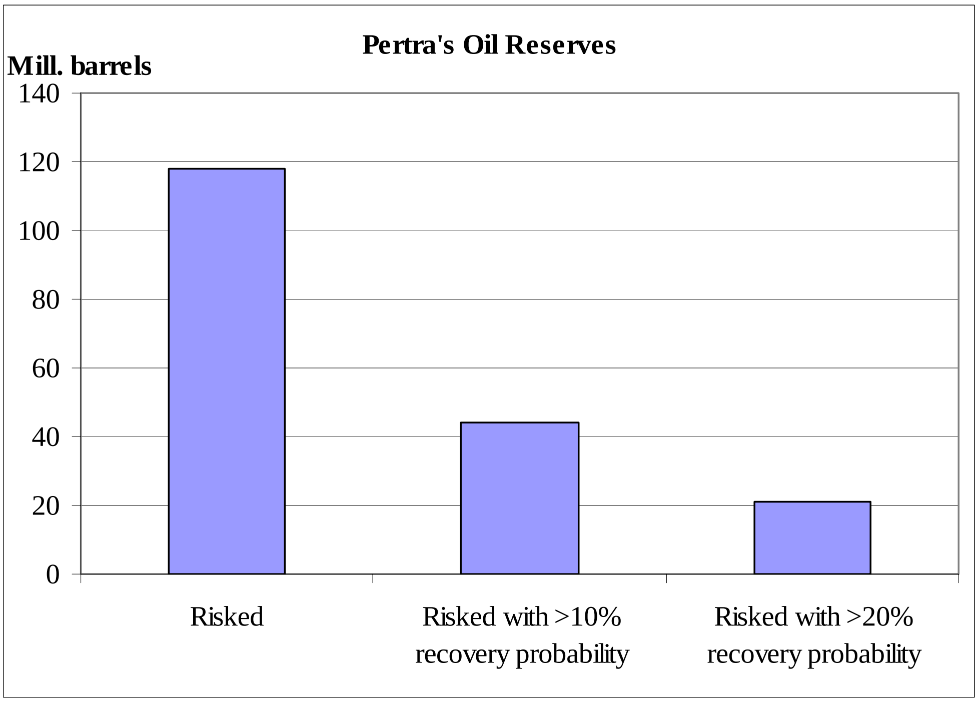
1.5 Exploration

Pertra is a company focused on exploration, and subsequent to its establishment focus is on developing the company's prospects in our operator licenses PL 337 and PL 321. The Company spent considerable resources on application activities related to APA 2005. The Company estimates that applying for the right acreage will have significant impact on the outcome of the application.

In the Profit and Loss Account exploration expenses are managed in accordance with the Successful Effort method. The method implies that purchase of seismic data and expenses related to seismic and geophysical explorations be expensed. Exploration wells are temporarily capitalized pending an evaluation of prospective discoveries of oil and gas reserves. Such expenses are charged to the Profit and Loss Account if commercial oil reserves are not proven.

1.6 Oil Reserves

Pertra's risked reserves are estimated to approximately 118 million barrels. This assessment has been made in accordance with common industry criteria related to oil migration, trap, reservoir presence, quality, and retention. Of these 118 million barrels, approximately 44 million barrels are in prospects with a recovery probability greater than 10 percent, and 21 million barrels are in prospects with a recovery probability exceeding 20 percent. It is not likely that Pertra will drill prospects with a less than 20 percent recovery probability. Pertra has 1.5 million barrel reserves in production on the Varg Field. Reserve development will be presented in coming quarterly reports.



1.7 Investments

So far this year, investments amounted to NOK 63 mill. This includes the acquisition of the license interests from Talisman Production Norge AS, shares of capitalized production wells on Varg, and investments in interpretation tools.

This Quarterly Report has not been the object of review by company auditors.

Trondheim, 1 November 2005
The Board of Directors of Pertra AS

2. PROFIT AND LOSS ACCOUNT AND BALANCE SHEET PER Q3 2005

2.1 Profit and Loss Account

(All figures in NOK 1000)	Note	Q1	Q2	Q3	YTD 2005
Petroleum revenues			13 901	33 422	47 323
Other operating revenues				778	778
Total operating revenues			**13 901**	**34 200**	**48 101**
Change in inventories			2 458	-1 951	507
Production expenses			3 147	11 354	14 501
Payroll and payroll-related expenses			1 097	5 872	6 969
Depreciation and amortisation exper	**1**		1 546	4 355	5 901
Change in plugging and abandonment liabilities			535	2 136	2 671
Exploration costs			11 469	13 275	24 744
Other operating expenses			1 230	1 749	2 979
Total operating expenses			**21 483**	**36 790**	**58 273**
OPERATING PROFIT (LOSS)			**-7 583**	**-2 590**	**-10 173**
Interest received			176	147	322
Other financial income			616	900	1 516
Interest paid			1	604	605
Other financial expenses			24	478	502
Profit/(loss) of financial items			**766**	**-35**	**731**
Profit (loss) before taxes			**-6 817**	**-2 625**	**-9 441**
Income taxes	**3**		1 315	506	1 822
Annual profit (loss)			**-8 132**	**-3 131**	**-11 263**

2.2 Balance Sheet

(All figures in NOK 1000)	Note	Q 1	Q 2	Q 3
ASSETS				
Intangible assets	**1**		43 525	40 366
Tangible assets	**1**		8 852	16 774
Total long term assets			**52 377**	**57 140**
Stock of oil			851	2 886
Accounts receivables			13 900	18 912
Other receivables			22 919	20 012
Cash and cash equivalents		1 000	59 351	67 764
Total current assets		**1 000**	**97 022**	**109 574**
TOTAL ASSETS		**1 000**	**149 399**	**166 714**
EQUITY AND LIABILITIES				
Share capital	**2**	**1 000**	**2 250**	**2 278**
Share premium reserve	**2**		**115 618**	**115 291**
TOTAL EQUITY	**2**	**1 000**	**117 868**	**117 569**
Deferred tax	**3**		1 315	1 822
Provisions for plug- and abandonment obligation			535	2 671
TOTAL PROVISIONS			**1 851**	**4 493**
Accounts payable			13 454	19 274
Taxes withheld and payable public duties			503	1 048
Other current liabilities			15 722	24 330
TOTAL CURRENT LIABILITIES			**29 680**	**44 652**
TOTAL LIABILITIES			**31 530**	**49 145**
TOTAL EQUITY AND LIABILITIES		**1 000**	**149 398**	**166 714**

2.3 Cash Flow Statement

(All figures in NOK 1000)	**Pr 30.09.2005**
Cash flows from operating activities	
Profit (loss) before taxes	-9 441
Taxes paid	
Depreciation and amortisation expenses	5 901
Changes in plugging and abandonment liabilities	2 671
Changes in inventories, accounts payable and receivable	-2 525
Changes in other current balance sheet items	5 366
Net cash flow from operating activities	**1 972**
Cash flows from investing activities	
Investment in and development of oil and gas fields	-57 457
Investment in software, inventory etc.	-5 583
Net cash flow from investing activities	**-63 040**
Cash flows from financing activities	
Paid-in share capital	128 832
Net cash flow from financing activities	**128 832**
Net change in cash and cash equivalents	**67 764**
Cash and cash equivalents at 1 January	
Cash and cash equivalents at 31 December	**67 764**
Specification of cash and cash equivalents	
Bank deposits	**67 764**

2.4 Accounting Principles

The interim account has been kept in accordance with regulations stated in the Accounting Act and with generally accepted accounting principles in Norway.

Revenue
Revenue from sales is recognized when ownership of petroleum products passes to the customer (delivery).

Expenses
Expenses are entered in the profit/(loss) account according to the matching principle, i.e., either juxtaposed with the corresponding income or identified as a period expense.

Classification and Assessment of Balance Sheet Items
Current assets and short-term liabilities comprise items that are due within one year, as well as items related to goods circulation. Other assets are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of acquisition cost and actual value. Short-term liabilities are capitalized to nominal amount at the time of establishment.

Fixed assets are valued at acquisition cost, but are depreciated to actual value if the decrease in value is not considered temporary. Long-term liabilities are capitalized to nominal amount at the time of establishment after deduction for paid installments.

Oil and Gas Assets
Drilling costs are capitalized if the development of proven reserves is reasonably certain. In accordance with the matching principle, expenses are capitalized even though operating time is less than three years. Depreciation of drilling expenses and production rights are computed in accordance with the production unit method. The relationship between this year’s production and secured developed reserves constitutes the basis for depreciations. Wells are included in the depreciation basis from the time of production start-up.

Oil and gas assets onshore are capitalized and depreciated linearly throughout the expected lifetime of assets if these are estimated to have a lifetime exceeding three years and a production cost exceeding NOK 15.000.

Exploration Costs
Exploration costs related to drilling of exploration wells are managed according to the Successful Effort method. The method implies that purchase of seismic data and expenses related to seismic and geophysical explorations will be expensed.

Exploration wells are temporarily capitalized pending an evaluation of prospective discoveries of oil and gas reserves. Such expenses are charged to the Profit and Loss Account if commercial oil reserves are not proven.

Shares in Jointly Venture Activities
The Company’s license shares on the Norwegian Continental Shelf are included in the Profit and Loss Account and capitalized in accordance with the gross method.

Inventory
The value of the petroleum inventory on board the FPSO Varg is estimated as the lower of total production cost and actual value. Spare parts are charged to expenses at time of procurement.

Provisions for plugging and abandonment
Costs relating to future plugging and abandonment of offshore petroleum installations are calculated based on the current technology and current price level. Provisions are entered in the Profit and Loss Account based on the unit of production method.

Taxes
The tax in the profit and loss account encompasses both taxes payable this period and changes in deferred tax liabilities. Deferred tax liabilities are calculated using a 28% tax rate and a 50% surtax rate, after deductions for non-taxable income related to effected investments, based on the temporary differences between accounting values and fiscal values 31.12.

The effect of tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period has been capitalized and entered as net in the Balance Sheet.
Net deferred tax assets are capitalized to the extent that it is probable it will be utilized.

Currency
Transactions in foreign currency are entered as monthly accounting rates being determined by market exchange rates. Money items in foreign currency are converted into the exchange rate of the Balance Sheet date.

Pensions
Pension costs and liabilities are calculated according to linear contribution based on discount rate, future wage regulations, pensions and National Insurance benefits, future return on pension resources, and actuary assumptions regarding mortality rates, voluntary retirement, etc. Pension assets are assessed at actual value and deducted in net pension liabilities in the balance. Altered liabilities caused by changes in pension plans are divided over expected remaining contribution time. The same applies to estimate deviations to the extent that these exceed 10% of the larger of pension liabilities and pension assets (corridor).

The Employer's social security contribution is expensed based on deposited pension premium for secured (collective) pension schemes, whereas it is periodized in accordance with changes in pension liabilities for unsecured pensions.

Cash Flow Analysis
The cash flow statement is based on the indirect method, and the Company's bank inventory is indicated as means of payment.

Share based Compensation
When allotting shares to employees at a discount, the difference between market value and the price as salary is expensed.

Comparison Figures
All changed principles and changes in presentation (classification) are incorporated in comparison figures from previous years.

2.5 Notes to Profit and Loss Account

(All figures in NOK 1000)

Note 1 Capitalized drilling expenses/production license and tangible fixed assets

Oil and gas fields	**Capitalized exploration costs**	**Capitalized drilling expenses**	**Equipment, software, etc.**	**Total**
Investments	45 002	12 455	5 583	63 040
Retirements				
Procurement cost 30.09.2005	45 002	12 455	5 583	63 040
Cumulative depreciations 30.09.2005	4 636	691	574	5 901
Capitalized value 30.09.2005	**40 366**	**11 764**	**5 010**	**57 140**
Depreciations this year	4 636	691	574	5 901

Intangible fixed assets are depreciated according to the production unit method.	
Expected economic life	3-5 years
Depreciation plan	linear

Note 2 Equity, share capital, and shareholder information

Changes in equity year to date	**Share capital**	**Share premium reserve**	**Uncovered loss / other equity**	**Total**
Equity at opening	**1 000**			**1 000**
Equity payd during the period	**1 278**	**125 698**	**857**	**127 832**
Profit/ (loss) this year		-10 406	-857	**-11 263**
Equity 30.09.05	**2 278**	**115 291**		**117 569**

The share capital is NOK 2 277 945 consisting of 2 250 000 A shares and 27 945 B shares, face value NOK 1,- paid in full. The B shares have no privileges.

Note 3 Taxes

Taxes	**30.09.2005**
Taxes payable	
Deferred tax liabilities related to losses carried forward	4 203
Change deferred tax liabilities	-2 381
Total taxes	**1 822**