Interim Report Q4 2005

Pertra ASA
Trondheim

6 March 2006

Highlights Q4 2005

- **Pertra was awarded shares in four production licenses in the North Sea and the Norwegian Sea, whereof two operatorships in APA 2005, and was thus awarded all the licenses the Company had applied for.**
- **Proven and probable resources (2P) have increased from 6,8 to 31,8 million barrels, of which 0,1 mill. barrels have been produced during the period.**
- **Total potential risked resources have increased from 118 million barrels to 190 million barrels.**
- **Operating revenues of MNOK 46,4. Loss before taxes: MNOK 118.**
- **The average realized oil price for Q4 was USD 58,85 per barrel, down 6 % from Q3. Oil production was 1 381 barrels per day, up from 1 023 per day in Q3.**
- **An equity offering in the amount of MNOK 85 was finalized in December.**
- **The drilling of Well 9/3-2 in PL 316 was completed and declared dry, and fully depreciated.**
- **To implement the anticipated exploration program, Pertra has entered into two rig contracts, one with Maersk Contractors and the other with Dolphin AS.**
- **No serious or critical HSE incidents occurred in the period.**

License Portfolio

The Company owns shares in a total of 10 licenses. The shares vary from 5 % to 70 %. Pertra is the operator for a total of four licenses. We find it appropriate to divide the prospects into six resource classes, cf. Attachment 1, which also relates Pertra's resources and reserves according to the NPD's system of resource classification.

Pertra owns a 5 % share of one producing field (Varg in PL 038). Pertra owns shares in two licenses where work aimed at submitting a PDO has been initiated, PL 316 – where the Yme Field is located, and PL 364, comprising the Frøy Field. Three discoveries in PL 332 are expected to be of commercial interest provided that additional resources in the area are discovered. Of the total number of 36 mapped prospects not yet drilled in our licenses, plans for drilling have been made for only one prospect. It is expected that the decision to drill one additional prospect in a Pertra-operated license will be made during 2006. The decision to drill further two prospects in partner-operated licenses may be made in 2006, and possible also executed this year.

Pertra's license shares are all located in well-known petroleum provinces in the North Sea and the Norwegian Sea. Four licenses are in the Norwegian Sea, and six in the North Sea. The operatorships are equally distributed, with two in each area. Attachment 1 illustrates the Company's portfolio.

Key Figures (NGAAP)

All figures in NOK million	Q1 2005	Q2 2005	Q3 2005	Q4 2005	**The year 2005**
Operating revenues		13,9	34,2	46,4	**94,5**
Oil production (barrels)		26 535	94 161	127 078	**247 774**
EBITDA		(5,5)	3,9	(97,3)	**(98,9)**
Exploration costs		11,5	13,2	141,6	**166,3**
Profit (loss) before taxes		(6,8)	(2,6)	(117,8)	**(127,2)**
Investments		52,9	9,1	4,0	**66,9**
Earnings per share NOK		-3,61	-1,37	-9,94	**-13,56**
No. of shares outstanding 31 December 2005	1 000 000	2 250 000	2 277 945	3 113 130	**3 113 130**

The interim 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.

For 2005, Pertra generated operating revenues in the amount of NOK 94,5 mill. The loss before tax was NOK 127,2 mill. In Q4, Pertra generated operating revenues amounting to NOK 46,4 million, as compared to NOK 34,2 million in Q3, a 36 % increase. The loss before tax was NOK -117,8 mill. as compared to NOK -2,6 mill in Q3. The negative result was principally caused by the fact that Pertra in practice covered 50 % of the costs related to the well Aimee as settlement for the purchase of a 10 % share of PL 316. The well has been expensed and affects the profit and loss account substantially in a negative direction. The cost is part of the settlement for the purchase of the 10 % share in PL 316 by carrying up to USD 35 mill. for Paladin's 40 % share in the license. PL 316 comprises the Yme field, and converted into the purchase amount of the proven reserves in the license, this corresponds to a purchase amount of approximately 1,4 USD/barrel after tax. The decision to drill the Aimee prospect had been made when Pertra entered into the Sales and Purchase Agreement, and our request for a share of PL 316 was independent of the outcome of this well.

Key Figures (Pro Forma)

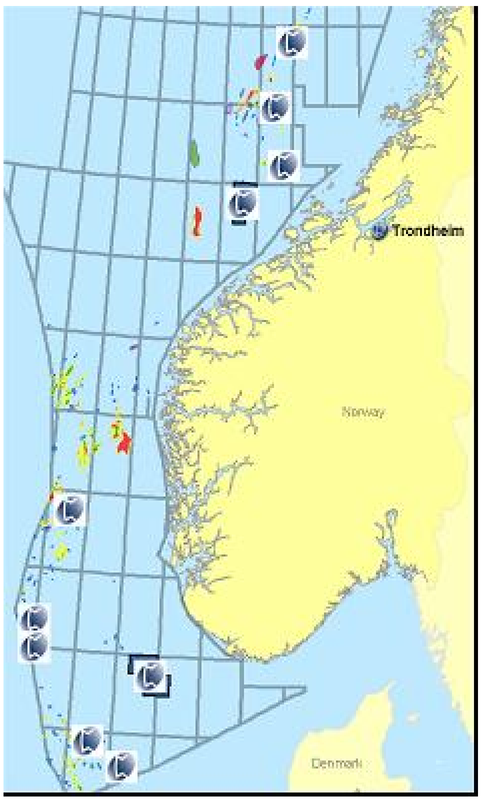
Pro forma All figures in NOK million	Q1 2005	Q2 2005	Q3 2005	Q4 2005	**The year 2005**
Operating revenues	28,6	33,1	34,2	46,4	**142,3**
Oil production (barrels)	84 204	101 524	94 161	127 078	**406 967**
EBITDA	13,1	8,0	2,9	(97,3)	**(73,3)**

Exploration costs	0,1	11,4	13,2	141,6	**166,3**
Profit before taxes	8,6	3,5	-11,5	(129,7)	**(129,1)**
Investments	57,5	19,2	9,1	4,0	**89,8**

The acquisition 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 accounts for 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 presents the Profit and Loss Account as if the acquisition date and the implementation date were both 1 January. This implies that comparable operating revenues and expenses in the 1 January – 1 June period have been incorporated in the Profit and Loss Account.

According to the pro forma Profit and Loss Account, Pertra generated total operating revenues amounting to NOK 142,3 million and profit (loss) before tax of NOK - 129,1 mill. in 2005. For Q4, the pro forma figures show total operating revenues of NOK 46,4 mill., vs. NOK 34,2 mill. in Q3. The Company's profit (loss) before tax was NOK -129,7 mill. in Q4 2005, as compared to NOK – 11,5 mill. in Q3.

Oil Resources and Reserves

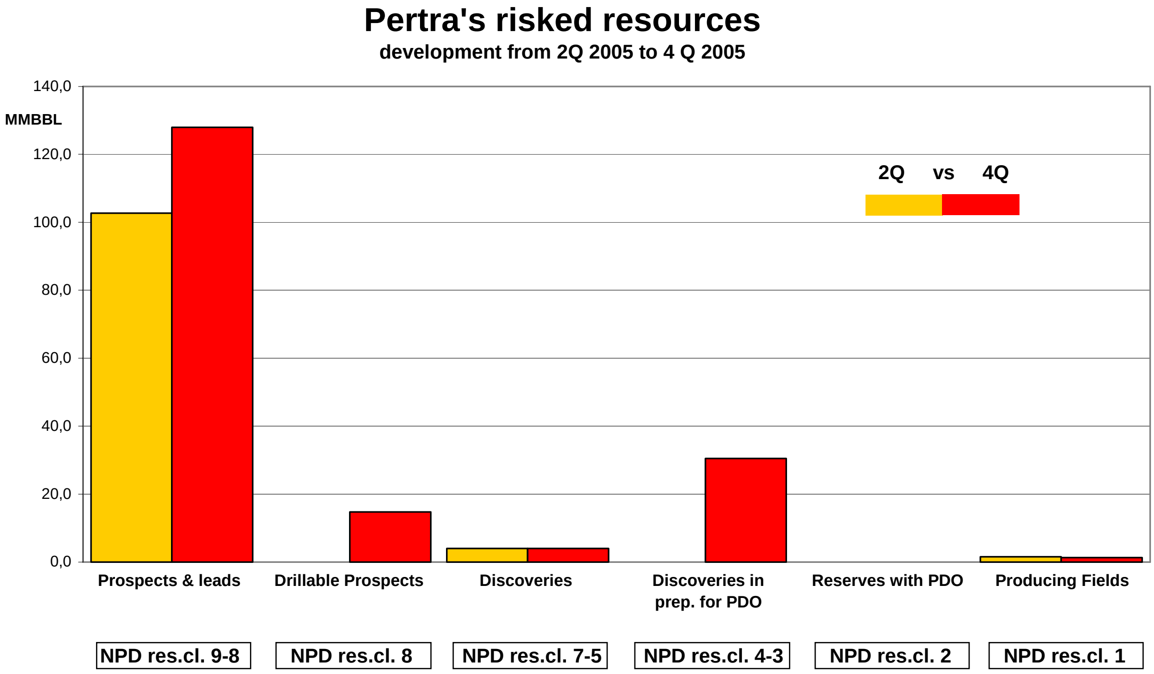


Definitions and methods*: Pertra employs the NPD's definitions with regard to resource classification. Here, reserves are defined in accordance with SPE's classification. Estimations of present volumes are based on the NPD's prospect definitions and are mapped on 3D seismic for all our prospects. Discovery probabilities have been assessed based on criteria common to the industry of oil migration, traps, presence of reservoirs, reservoir quality, and retention. For discoveries where PDO has been submitted, the recovery rate and production profile defined in the PDO has been utilized. For all other discoveries and prospects where we do not have access to concrete information stating otherwise, a recovery rate of 40 % has been used. This is lower than the recovery rate the industry envisages for the future, but as Pertra's portfolio is anticipated to be weighted toward small fields, we expect an average recovery rate lower than what the large companies base their estimates on, despite the fact that we utilize modern methods and technology.*

At 1 January 2005 Pertra had no license interests; the entire portfolio has consequently been established during a period of less than one year. Pertra's risked resources have been estimated at 190 million barrels as compared to 118 million barrels after Q3. The APA Awards in December 2005 resulted in an increase of 72 million barrels risked resources in the form of prospects and discoveries.

Pertra's share of resources under assessment constitutes 31 million barrels in Yme and Frøy, an increase of 25 million barrels since Q3.

Pertra has 1,3 million barrels reserves in production on the Varg Field, as compared to 1,5 after Q3. The decrease is caused by production during the period, an altered production profile, and correction following third-party verification of reserves.



Graph indicating how Pertra in one year has established a significant portfolio and during Q4 matured resources toward production. Resource classifications are based on NPD's definitions. The resource estimate as of Q4 2005 is compared to the estimate as of Q2 2005.

Production

The Company has interests in one producing field in PL 038 – the Varg Field. The remaining licenses are exploration licenses. In Q4, production amounted to 127 078 barrels, as compared to 94 161 barrels in Q3. The increase is due to a successful workover campaign.

Production has been stable throughout the period, with the exception of one week in December, when a leakage occurred in the production manifold on board Petrojarl Varg. Focus has been on maintaining the regularity of the water injection system, as this provides pressure support to Varg Vest, the source of the main portion of production. A gas lift has been planned for production wells A-10 and A-15 in the campaign that was completed in January 2006. An installation for recycling of hydrocarbon gas has been tested and commissioned.

A minor gas leakage occurred in the period, which was reported to the authorities. There have been no serious or critical HSE incidents on the Varg Field in the period.

The production on Varg is expected to continue until 2011-12, dependent upon oil prices and access to production capacity. The production agreement entered into with PGS Production AS in 1999, and most recently revised in 2004, remains unaltered.

Potential Developments

It is currently of major importance to Pertra that we focus on a potential development of the Frøy Field in PL 364, where we are the operator. In March/April new 3D seismic data will be acquired across the field. The contract was awarded to Fugro-Geoteam. The existing seismic is now in the process of being reprocessed, and will be co-processed with the new data to achieve the best possible examination of the reservoir.

Work involving various development and operation concepts has been initiated, and a decision to continue is expected in December 2006. A Plan for Development and Operation (PDO) is to be expected in 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 in 2006. Talisman has taken over the operatorship of PL 316.

Exploration

The company Pertra focuses on exploration, and will subsequent to the establishment of the Company give priority to exploration of the prospects in the operator licenses PL 380, PL 337, and PL 321.

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

A contract has been signed with Maersk Contractors Norge AS regarding the use of the jackup drilling rig Maersk Giant to drill one exploration well during the summer of 2007.

In addition, a rig consortium consisting of six oil companies has been established, and the consortium has negotiated a three-year agreement regarding the use of the semi-submersible drilling rig Bredford Dolphin. At present, the rig is drilling on the U.K. Shelf and is expected to be ready for operations on the Norwegian Shelf in the fall of 2007. Of the three-year contract, Pertra has the right of use for a total of 115 days.

In PL 321, there is a work commitment involving 500 km^2 of 3D seismic. However, the license has initiated an acquisition of 800 km^2 of 3D seismic, of which approximately 300 km^2 still remain, scheduled for acquisition by PGS in the summer of 2006. The decision whether to drill or drop will be made during the first six months of 2007.

In PL 380, a work commitment stipulates that we perform a probability study of the use of SBL (electromagnetic surveying). The study has been carried out and produced a negative conclusion. A decision whether to drill will be made this year.

In PL 337 Pertra, as operator, will present proposed drilling objectives by the summer of 2006. No additional data acquisition has been planned.

Investments

Investments in 2005 amounted to NOK 66,9 mill., of which NOK 4,0 mill. in Q4.

The amount includes the purchase of license interests from Talisman Production Norge AS in Q2, shares of capitalized production wells on Varg, and investment in interpretation tools. The purchase amount of the share in PL 316 (Yme, etc.) has not been booked as an investment, but is being expensed.

Cash Flow and Capital Structure

For 2005, cash flows from operations amounted to NOK -53,8 mill. Net change in cash and cash equivalents was NOK 106,6 mill,, which also constituted the Company's liquid assets as of 31 December 2005. In the course of the year NOK 212,0 mill. has been paid in as equity.

Total assets as of 31 December 2005 amounted to NOK 263,5 mill. The Company's interest-bearing liabilities were NOK 15,3 mill. At 31 December 2005, the equity ratio was 64,8 %.

The Company implemented two major equity offerings in May (NOK 125 mill.) and in December (NOK 85 mill.). In addition, a private placement was effected in September, of NOK 2,8 mill. in the form of B shares offered at a discount to employees and members of the Board.

The Company's shares were listed on The Norwegian Securities Dealers Association's A list in December 2005. The last quoted price in 2005 was NOK 200. In 2006, the share has been traded at between NOK 300 and NOK 390. There is low liquidity in the share.

Events after 31.12.2005

- In Q1 2006, Pertra has entered into a loan agreement with Sparebanken Midt-Norge, providing Pertra with a drawing facility of NOK 130 mill.
- The Company has been converted from AS into ASA.
- An office has been established in Stavanger.
- Five new employees have been recruited, principally within the area of geology and geophysics.

Outlook

Pertra's share of production on Varg is expected to be approximately 1.200 barrels per day in 2006. It is anticipated that production on Varg will decline gradually in the years to come. The production on Varg may continue till 2011-12, depending on oil prices and access to production capacity.

The Company’s prospects the next two years are to a significant degree related to the development of the Yme Field (PL 316) and the Frøy Field (PL 364). Work aimed at completing a Plan for Development and Operation (PDO) for Yme by 2006 and for Frøy by 2007 is ongoing. A successful development may result in production from these two fields in 2008-2009 and onwards.

It is Pertra’s ambition to participate in six to ten exploration wells by the end of 2008. To secure capacity in Pertra-operated licenses, Pertra has entered into an agreement with Maersk Contractors regarding the lease of ”Mærsk Giant” for a well in 2007. Pertra, in cooperation with several other operators, has also signed an agreement with Fred Olsen Energy regarding the lease of ”Bredford Dolphin” for three years from the fall of 2006. No exploration wells have been planned for the Company’s operator licenses in 2006. Presently, two exploration wells have been planned for 2007.

The Government has recently announced the APA (Awards in Predefined Areas) 2006, with a total of 192 blocks. Pertra will instigate work aimed at obtaining awards in APA 2006.

Trondheim, 6 March 2006

The Board of Directors of Pertra AS

Q4 2005 PROFIT AND LOSS ACCOUNT, BALANCE SHEET AND CASH FLOW STATEMENT

Q4 2005 Profit and Loss Account

(All figures in NOK 1000)	Q1	Q2	Q3	Q4	11.02.2005 - 31.12.2005
Petroleum revenues		13 901	33 422	46 278	93 601
Other operating revenues			778	106	884
TOTAL OPERATING REVENUES		**13 901**	**34 200**	**46 384**	**94 485**
Exploration costs		11 469	13 275	141 554	166 298
Change in inventories		2 458	-1 951	-1 878	-1 371
Production costs		3 147	11 354	13 201	27 703
Payroll and payroll-related expenses		1 097	5 872	-6 388	582
Depreciation and amortisation expenses		1 546	4 355	14 040	19 941
Provisions for plugging and abandonment liabilities		535	2 136	7 433	10 104
Other operating expenses		1 230	1 749	-2 792	188
TOTAL OPERATING EXPENSES		**21 483**	**36 790**	**165 171**	**223 445**
OPERATING PROFIT/(LOSS)		**-7 583**	**-2 590**	**-118 787**	**-128 960**
Interest received		176	147	711	1 033
Other financial income		616	900	2 251	3 767
Interest paid		1	604	635	1 240
Other financial expenses		24	478	1 332	1 834
NET FINANCIAL ITEMS		**766**	**-35**	**995**	**1 726**
PROFIT (LOSS) BEFORE TAXES		**-6 817**	**-2 625**	**-117 792**	**-127 233**
Taxes (+)/taxable income (-) on ordinary profit/(loss)		1 315	506	-86 852	-85 030
ANNUAL PROFIT (LOSS)		**-8 132**	**-3 131**	**-30 940**	**-42 203**
Transferred from other paid-in equity					-857
Transferred from share premium reserve					-41 346
TOTAL TRANSFERRED					**-42 203**

Balance Sheet

(All figures in NOK 1000)	Q1	Q2	Q3	Q4
ASSETS				
Deferred tax				2 796
Tangible assets		52 377	57 140	46 935
TOTAL TANGIBLE ASSETS		**52 377**	**57 140**	**49 732**
Inventories		851	2 886	4 764
Accounts receivables		13 900	18 912	9 692
Other receivables		22 919	20 012	10 482
Calculated tax receivable				82 234
Cash and cash equivalents	1 000	59 351	67 764	106 634
TOTAL CURRENT ASSETS	**1 000**	**97 022**	**109 574**	**213 805**
TOTAL ASSETS	**1 000**	**149 399**	**166 714**	**263 537**
EQUITY AND LIABILITIES				
Share capital	1 000	2 250	2 278	3 113
Share premium reserve		115 618	115 291	167 589
TOTAL EQUITY	**1 000**	**117 868**	**117 569**	**170 702**
Deferred tax		1 315	1 822	
Pension liabilities				1 490
Provisions for plug- and abandonment obligations		535	2 671	10 104
TOTAL PROVISIONS		**1 851**	**4 493**	**11 594**
Bank overdraft				15 271
Accounts payable		13 454	19 274	17 794
Public deductions and taxes		503	1 048	2 291
Other current liabilities		15 723	24 330	45 885
TOTAL CURRENT LIABILITIES		**29 680**	**44 652**	**81 241**
TOTAL LIABILITIES		**31 531**	**49 145**	**92 835**
TOTAL EQUITY AND LIABILITIES	**1 000**	**149 399**	**166 714**	**263 537**

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Cash Flow Statement

(All figures in NOK mill.)	11.02.2005 - 31.12.2005
Cash flow from operating activities	
Profit/(loss) before taxes	-127 233
Taxes paid	
Depreciation and amortisation expenses	19 941
Change in plugging and abandonment liabilities	10 104
Discount shares to employees	857
Changes in inventories, accounts payable and receivable	3 338
Changes in net current capital and in other current balance sheet items	39 185
NET CASH FLOW FROM OPERATING ACTIVITIES	**-53 809**
Cash flows from investing activities	
Acquisition of investment in and development of oil and gas fields	-60 866
Acquisition of investment in software, inventory etc.	-6 011
NET CASH FLOW FROM INVESTING ACTIVITIES	**-66 877**
Cash flow from financing activities	
Paid-in share capital	212 048
Deductions bank overdraft	15 271
NET CASH FLOW FROM FINANCING ACTIVITIES	**227 319**
Net change in cash and cash equivalents	**106 634**
Cash and cash equivalents at 11.02	
CASH AND CASH EQUIVALENTS AT 31.12	**106 634**
Specification of cash and cash equivalents at 31.12	
Bank deposits, etc.	**106 634**

Accounting Principles

The interim report has been prepared in accordance with the Company's accounting principles. For a description of these, we refer to the "2005 Interim Accounts and Opening Balance Sheet" as published in connection with the conversion of Pertra from AS to ASA.

Notes to Q4 Profit and Loss Account

Notes for 2005 are presented in the "2005 Interim Accounts and Opening Balance Sheet" published in connection with the conversion of Pertra from AS to ASA.

This report has not been subject to review by the company's auditors.

Attachment 1

License	Share	Prospect NPD Res. class 8	Prospects ready to be drilled NPD Res. class 8	Discoveries NPD Res. class 7-5	Resources under assessment NPD Res. class 4-3	Reserves with PDO NPD Res. class 2	Reserves in production NPD Res. class 1
PL 038	5%	X					Varg
PL 316	10%	X			Yme		
PL 321 (O)	40%	Frøyhøgda					
PL 332	20%	X		X			
PL 337 (O)	35%	X					
PL 349	5%	X					
PL 356	50%	X					
PL 364 (O)	50%	X			Frøy		
PL 380 (O)	70%		Midgard Vest				
PL 383	50%	X