



Annual Statement of Reserves

Classification of Reserves and Contingent Resources

The reserve and contingent resource volumes have been classified in accordance with the NPD classification system (http://www.npd.no/regelverk/r2002/Ressursklassifisering_n.htm) and are consistent with Oslo Stock Exchange's guidelines for the disclosure of hydrocarbon reserves and contingent resources.

	Potential Resources		Contingent Resources				Reserves		
NPD category	9	8	7	6	5	4	3	2	1
Description	Leads. Conceptual ideas of possible prospects	Prospects. A mapped rock volume believed to contain hydrocarbons	Discoveries under evaluation	Discoveries where development is unlikely	Discoveries where development is likely	Discoveries where development is being planned	Fields where PDO has been concluded by the Licensees	Fields under development, PDO approved	Fields in production

Fig.: NPD classification system used by Pertra

Reserves, Developed and Undeveloped

The Varg Field (PL 038) is the only field in production where Pertra has a license interest (NPD Category 1). Talisman is the operator and Pertra owns a 5 % share. Estimates of proved reserves (1P/P90) include 90 % of the expected volume from existing wells, assuming no new wells being drilled and abandonment of the field at 1 July 2010. This is the earliest possible date on which the "Petrojarl Varg" owner has the right to remove the production vessel from the field. Estimates of proved plus probable reserves (2P/P50) are based on the same cut-off date but contain the total volumes and production profile from the base case provided by the operator. All proved and probable reserves are considered "developed reserves".

The PDO for the reactivation of the Yme Field (PL 316) was decided by the license in December 2006 but the PDO was not submitted to MPE before 9 January 2007. Approval by the authorities is expected during the spring of 2007. Talisman is the operator and Pertra's share is 10 %. The reserves are consequently classified as "development committed" (Category 3). The reserve estimates are consistent with the PDO assessment, which is based on extensive geological and geophysical studies, dynamic reservoir simulation, and history matching. A range of sensitivities has been addressed reflecting uncertainties in various parameters and form the basis for the Low Case (1P/P90) and the Base Case (2P/P50) estimates of remaining recoverable reserves.

Pertra's share of production from the Varg Field during 2006 amounts to 0.3 mmmboe. There have been no acquisitions or disposals of reserves during the year.

Table 1 – Reserves by field

Reserves <small>mmbbl = million barrels</small>										
Developed assets (Category 1)										
As of 31.12.2006	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (mmbbl)	Gas (bcm)	mmboe	Interest %	Net mmboe	Liquids (mmbbl)	Gas (bcm)	mmboe	Interest %	Net mmboe
PL 038 - Varg	10.0	0.0	10.0	5 %	0.5	20.0	0.0	20.0	5 %	1.0
Total					0.5					1.0
Under development (Category 2)										
As of 31.12.2006	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (mmbbl)	Gas (bcm)	mmboe	Interest %	Net mmboe	Liquids (mmbbl)	Gas (bcm)	mmboe	Interest %	Net mmboe
Total					0					0
Development decided (Category 3)										
As of 31.12.2006	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (mmbbl)	Gas (bcm)	mmboe	Interest %	Net mmboe	Liquids (mmbbl)	Gas (bcm)	mmboe	Interest %	Net mmboe
PL 316 Yme	45.0	0.0	45.0	10%	4.5	60.0	0.0	60.0	10%	6.0
Total					4.5					6.0

Net to Petra listed in Total. Source: Talisman, Petra.

Contingent Resources

The Frøy Field (PL 364) is operated by Petra (50 % license interest) and work is ongoing to assess a possible redevelopment. The field was in production from 1995 to 2001 and produced 35 million barrels (6 MSm³) with Elf as operator. Based on a comprehensive evaluation of the reservoir and production history, the best estimate is that the recovery factor can be increased from the original 18 % to minimum 40 %, increasing recovered volumes by 50 million barrels (8 MSm³). Petra's share of 25 million barrels (4 MSm³) is classified as contingent resources "in planning phase" (Category 4).

The 2/2-2 gas discovery (PL 332) is currently being remapped based on new seismic data. The viability of drilling an appraisal well, and, if successful, use it as a production well for tie-in to the Gyda Field to provide injection gas, is currently being assessed. Talisman is the operator and Petra has an interest of 20 %. Petra's share of the gas volumes equates to 8 million bbl (1.3 MSm³) oil equivalents, classified as contingent resources "development likely" (Category 5).

Table 2 – Aggregate reserves, production, developments and adjustments

Table 2

Reserves development						
Net attributed mmboe. Calendar years, reporting as of year end.	Developed assets		Under development		Development Decided	
	1P / P90	2P / P50	1P / P90	2P / P50	1P / P90	2P / P50
Balance as of 31.12.2005	0.6	1.3	0	0	0	0

Production	0.3	0.3				
Acquisitions/disposals						
Extensions and discoveries						
New developments					4.5	6.0
Revisions of previous estimates	0.2					
Balance as of 31.12. 06	0.5	1.0	0	0	4.5	6.0

Management's Discussion and Analysis

The assessment of Reserves and Resources is performed by experienced professionals in the Pertra staff based upon input from the Operators, partners, and our own interpretation. The calculations are, however, associated with significant uncertainties. The P90 and P10 estimates give the most likely interval. The methods used for subsurface mapping do not expose all essential parameters for neither the actual oil in place nor the producibility of the hydrocarbons. The actual results may therefore be both lower than the P90 and higher than the P10 estimates. A significant change in oil prices may also impact the reserves. Very low oil prices may even force the Licensee to close down producing fields and cancel ongoing developments.

Pertra's reserves are limited to the Norwegian Continental Shelf. Pertra's equities and license terms are listed on the NPD website. The operator will annually, in cooperation with the partners, report Reserves to NPD. Only two fields in Pertra's portfolio have been classified as Reserves, both operated by Talisman. The reserves given in this report are consistent with the figures agreed to by the partners in the two licenses and reported to the authorities. No third-party assessment has been undertaken.

The Varg field is being produced by the FPSO "Petrojarl Varg", which is leased from Teekay Petrojarl ASA. Within the tieback distance from Varg several exploration projects have been undertaken, including Pertra's operated PL 337, where an exploration will be spudded during third quarter 2007. A potential tie-in of additional reserves to Varg will extend the lifetime and increase the reserves from that field. The PL 038 license expires in June 2011. However, extension has been applied for.

The Yme PDO is expected to be approved by the Norwegian Government in April 2007. The Yme field is expected to be on stream in 2009. The field will be produced by a leased facility delivered by SBM and operated by Talisman.

Contingent Reserves listed in this report are related to license PL 332 and PL 364. We are confident that at the oil prices we see today, these resources have commercial value. The volumes in these accumulations are firmly mapped on good quality 3D seismic in addition to well information. The Frøy field has even been in production and demonstrated its production characteristics. The timing of the development of these reserves is uncertain. However, in PL 364, the Frøy field, the Licensees must make a formal decision to submit a PDO no later than 6 January 2008.



Erik Haugane, CEO