

CORRAL PETROLEUM HOLDINGS AB (publ)

INTERIM REPORT FOR SIX MONTHS ENDED JUNE 30, 2009

Nr. of pages 11

FOR IMMEDIATE RELEASE

Date: August 24, 2009

Stockholm

This report includes unaudited consolidated financial information of Corral Petroleum Holdings AB (publ) ("Corral"), for the second quarter of 2009 and for the comparative period in 2008.

Financial highlights

- Sales revenue for the second quarter of 2009 amounted to 16,061 MSEK compared to 25,866 MSEK in the second quarter of 2008.
- EBITDA for the second quarter of 2009 amounted to 2,016 MSEK compared to 2,642 MSEK in the second quarter of 2008.
- Operating income for the second quarter of 2009 amounted to 1,772 MSEK compared to 2,405 MSEK in the second quarter of 2008.
- Net income for the second quarter of 2009 amounted to 1,599 MSEK compared to 1,494 MSEK in the second quarter of 2008.
- Cash flow from operating activities for the second quarter of 2009 was 2,027 MSEK compared to cash flow from operating activities of 369 MSEK in the second quarter of 2008.
- Weighted business refining margin for the second quarter of 2009 was 4.52 \$/bbl compared to 8.70 \$/bbl in the second quarter of 2008.

Market overview

Oil prices continued to strengthen during the second quarter of 2009. The price on Dated Brent was relatively stable during April, averaging 50 \$/bbl and topping out at approximately 52 \$/bbl. In May, prices increased to an average of 57 \$/bbl and ended at close to 65 \$/bbl. Prices remained stable in June with an average of over 68 \$/bbl for Dated Brent. During the second quarter of 2009, the market was in a clear contango (prompt price lower than forward price) which led to huge volumes being stored around the world. The cost for Very Large Crude Oil Carrier (VLCC) vessels was low, allowing them to be used for floating storage.

The market for Gasoline continued to be strong in the second quarter of 2009 compared with the same period 2008. Not only was the demand for gasoline in the US stronger but also European demand was quite healthy. The average gasoline crack

reached 12.8 \$/bbl for the second quarter of 2009 compared to 6.3 \$/bbl for the second quarter of 2008. The market was mostly in backwardation (prompt price higher than forward).

The situation for diesel was quite the contrary. The market suffered from high inventory levels and reduced demand caused by the global economic recession. During the quarter, the diesel crack sank to the lowest level in five years. The average diesel crack was 10.0 \$/bbl for the second quarter of 2009 compared to 38.0 \$/bbl for the second quarter of 2008.

The market for heavy fuel oil remained at a comparatively strong level during the second quarter of 2009. The improved market conditions were supported by a lower supply of heavy crude globally and an increased demand for high sulphur fuel oil (HSFO) in both the US and the Far East. The difference between 1% fuel oil and HSFO was in average as low as 10 \$/mt during the second quarter 2009 compared to an average of 63 \$/mt during the same period in 2008. The average low sulphur fuel oil crack was negative 7.3 \$/bbl for the second quarter of 2009 compared to negative 27.2 \$/bbl for the second quarter of 2008.

The refining margins during the second quarter 2009 were lower than for the same period 2008, due to the weakness in the gasoil and diesel demand. The weak demand resulted in the contango structure and the relatively poor cracks.

Key indicators

	April 1 - June 30	
	2009	2008
Preem's weighted business refining margin, USD/bbl	4.52	8.70
Average Brent Dated crude oil, USD/bbl	59.13	121.18
Feedstock throughput, thousand bbls	28,499	28,435
USD/SEK average exchange rate	7.93	5.99

Sales and results for the second quarter

Sales revenue for the second quarter 2009 amounted to 16,061 MSEK, a decrease of 9,805 MSEK, or approximately 38%, compared to 25,866 MSEK in the second quarter of 2008. The decrease in sales revenues is almost entirely an effect of the significant fall in market prices for refined products compared to the same period last year.

Operating income amounted to 1,772 MSEK, a decrease of 633 MSEK, or approximately 26%, compared to 2,405 MSEK for the second quarter of 2008. The decrease in operating income is primarily a result of lower price gains on inventories and lower refining margins compared to the same period last year.

MSEK	April 1- June 30		Change
	2009	2008	%
Sales revenue	16,061	25,866	-37.9%
Gross profit	1,951	2,539	-23.2%
EBITDA	2,016	2,642	-23.7%
Operating income	1,772	2,405	-26.3%
Income before taxes	2,170	2,075	4.6%
Net income	1,599	1,494	7.0%

Segment reporting

Corral and its consolidated subsidiaries (the “Group”) have two lines of business – Supply & Refining and Marketing. Exchange rate differences consist of foreign exchange gains or losses related to our inventory and our accounts payable/receivable. Other expenses consist mainly of administrative and personnel-related expenses for our corporate cost center.

Sales Revenue

MSEK	April 1 - June 30	
	2009	2008
Supply & Refining	15,638	25,428
Marketing	3,306	4,651
Exchange rate differences	-31	-11
Group eliminations	-2,852	-4,202
Total Sales Revenue	16,061	25,866

Operating Income

MSEK	April 1 - June 30	
	2009	2008
Supply & Refining	2,020	2,488
Marketing	66	2
Total Segment Operating income	2,086	2,490
Exchange rate differences	-239	-15
Other expenses	-75	-70
Total Operating income	1,772	2,405

Supply & Refining

Our Supply & Refining segment reported an operating income of 2,020 MSEK for the second quarter of 2009, a decrease of 468 MSEK, or approximately 19%, compared to an operating income of 2,488 MSEK for the second quarter of 2008.

The normalized operating income (i.e., excluding price effects on oil inventory) for the second quarter of 2009 was 565 MSEK, a decrease of 429 MSEK, or approximately 43%, compared to 994 MSEK in the second quarter of 2008.

The decrease was primarily an effect of lower average refining margins compared to the same period last year.

The average business refining margin reached 4.52 \$/bbl for the second quarter of 2009 compared to 8.70 \$/bbl for the second quarter of 2008.

Marketing

Our Marketing segment reported an operating income of 66 MSEK for the second quarter of 2009, an increase of 64 MSEK, compared to 2 MSEK in the second quarter of 2008. The enhanced results came partly from increased sales margins on fuel oil and heating oil in our business-to-business division. In addition, our retail division continues to improve results by increased margins on gasoline and higher volumes on both gasoline and diesel.

Depreciation

Total depreciation in the second quarter of 2009 amounted to 244 MSEK, an increase of 7 MSEK, compared to 237 MSEK in the second quarter of 2008.

Financing

Net financing expense for the second quarter of 2009 amounted to positive 398 MSEK compared to net financing expense of 330 MSEK for the second quarter of 2008. Net financing expenses in the second quarter of 2009 were positively affected by revaluation gains of approximately 740 MSEK on US dollar and EURO-denominated loans, compared to a negative effect for the second quarter of 2008 of approximately 60 MSEK.

First six months ended June 30

- Sales revenue for the first six months 2009 amounted to 30,413 MSEK compared to 44,684 MSEK for the first six months 2008.
- EBITDA for the first six months 2009 amounted to 3,831 MSEK compared to 3,979 MSEK for the first six months 2008.
- Operating income for the first six months 2009 amounted to 3,345 MSEK compared to 3,497 MSEK for the first six months 2008.
- Net income for the first six months 2009 amounted to 1,956 MSEK compared to 2,427 MSEK for the first six months 2008.
- Cash flow from operating activities for the first six months 2009 amounted to 1,715 MSEK compared to 1,595 MSEK for the first six months 2008.
- Weighted business refining margin for the first six months 2009 was 4.99 \$/bbl compared to 6.92 \$/bbl for the first six months 2008.

Cash flow

Cash flow from operating activities before changes in working capital decreased by 1,304 MSEK, from 3,078 MSEK in the first six months 2008 to 1,715 MSEK in the first six months 2009. Cash flow from operating activities after changes in working capital was 1,715 MSEK for the first six months of 2009 compared to 1,595 MSEK for the first six months 2008, an increase of 120 MSEK.

The increase in cash flow after changes in working capital is attributable to a lower increase in inventory compared to the same period previous year. The crude oil price increased during the first six months 2009, but not in same proportion compared to the same period in the previous year. The increase in inventory of 995 MSEK for the first six months 2009 is attributable to an increase in oil prices which have, to some extent, been offset by lower inventory volumes. The increases in oil prices have also resulted in higher accounts payable, which accounts for the main part of the 994 MSEK in higher liabilities.

Cash flow used in investing activities for the first six months of 2009 was 304 MSEK, a decrease of 35 MSEK, compared to 339 MSEK for the first six months of 2008.

Cash flow used in financing activities was 590 MSEK for the first six months of 2009, a decrease of 148 MSEK, compared to 738 MSEK for the first six months of 2008.

At the close of the second quarter of 2009, the Group's financial net debt amounted to 19,211 MSEK, as compared to 20,651 MSEK as of December 31 2008, a decrease of 1,440 MSEK or approximately 7%. Cash and cash equivalents amounted to 1,896 MSEK at the end of the period, an increase of 821 MSEK compared with an opening balance of 1,075 MSEK.

Recent Developments

As previously announced, on April 8th, 2009, Preem entered into a waiver agreement and agreed with the Syndicated Bank Group to amendments to the certain covenants contained in the Syndicated Bank Credit Facility.

As a consequence of this waiver agreement, Corral's ability to service cash interest payments or other cash needs is considerably restricted as described in the 2008 Annual Report. Currently, Preem would not be permitted to pay a dividend and due to the volatile nature of our business we make no forecast for the remainder of the year.

As part of the restructuring, Preem also reduced its overall availability from the Syndicated Bank Group by U.S. \$250 Million. Further details are given in the Annual Report 2008 for Corral.

In connection with the interest payment due April 15, and July 15, 2009, for Corral's €355 million Floating Rate Split Coupon Notes due 2010 and \$350 million Floating Rate Split Coupon Notes due 2010, Corral's ultimate shareholder, Mr. Mohammed Hussein Al-Amoudi, made an equity contribution of \$2.4 million and €3.9 million for the payment due April 15, and \$2.5 million and €2.8 million for the payment due July 15.

Parent company

The parent company had no revenues for the first six months of 2009 and 2008. Operating income for the first six months amounted to 1 MSEK in 2009 compared to 1 MSEK in 2008 and the loss before taxes amounted to 219 MSEK in 2009 compared to 120 MSEK in 2008.

Shareholders' equity as of June 30, 2009, amounted to 24 MSEK compared to 70 MSEK as of December 31, 2008.

Risk factors

Our results of operations from refining are influenced by the relationship between market prices for crude oil and refined products. In recent years, both crude oil and refined product prices have fluctuated substantially. Consequently, our inventory of crude oil and refined products is exposed to fluctuations in price. These fluctuations have an impact on our results. During periods of rising/falling crude oil prices, the cost of replenishing our crude oil inventories increases/decreases and, thus, our working capital requirement similarly increases/decreases.

Prices of crude oil and refined products depend on numerous factors, including global and regional demand for, and supply of, crude oil and refined products, and regulatory, legislative and emergency actions of national, regional and local agencies and governments. Decreases in the supply of crude oil or demand for refined products may adversely affect our liquidity and capital resources.

For additional information on risks relating to our business, please see the Annual Report 2008 for Corral.

Accounting principles

The financial information in this quarterly report has been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 "Interim Financial Reporting". For further information regarding accounting principles applied, please see the Annual Report 2008 for Corral.

Additional information

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

An international conference call for investors and analysts will be held on August 24, 2009 at 3:00 pm Sweden. The call-in number is as follows: + **46 8 5052 01 10** meeting code: Preem.

The report for January – September 2009 will be released on November 20, 2009.

The Board of Directors and the Managing Director certify that the three month financial report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, August 24, 2009

Richard Öhman
Director, Managing Director

John P. Oswald
Director

Bassam Aburdene
Director

For further information, please contact:

Magnus Heimborg
Tel: +46-10-450 10 44
Email: magnus.heimborg@preem.se

CORRAL PETROLEUM HOLDINGS AB INTERIM REPORT, 1 JANUARY – JUNE 30, 2009
Unaudited

CONSOLIDATED INCOME STATEMENT

MSEK	April 1 - June 30		Jan 1 - June 30	
	2009	2008	2009	2008
Revenues	18,531	28,087	35,140	48,908
Excise duties	-2,470	-2,221	-4,727	-4,224
Sales revenue	16,061	25,866	30,413	44,684
Cost of goods sold	-14,110	-23,327	-26,744	-40,967
Gross profit	1,951	2,539	3,669	3,717
Selling expenses	-166	-154	-324	-283
Administrative expenses	-107	-110	-213	-201
Other operating income	94	130	213	264
Operating income	1,772	2,405	3,345	3,497
Interest income	44	48	92	94
Interest expense	-347	-312	-789	-728
Other financial, net	701	-66	6	508
Income before taxes	2,170	2,075	2,654	3,371
Income taxes	-571	-581	-698	-944
Net income	1,599	1,494	1,956	2,427
Attributable to:				
Parent Company Shareholders	1,599	1,494	1,954	2,425
Minority Shareholders	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
	1,599	1,494	1,956	2,427

Consolidated statement of comprehensive income:

Net income	1,599	1,494	1,956	2,427
Other income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Comprehensive income	1,599	1,494	1,956	2,427

CORRAL PETROLEUM HOLDINGS AB INTERIM REPORT, 1 JANUARY – JUNE 30, 2009
Unaudited

CONSOLIDATED BALANCE SHEET

MSEK	June 30 2009	December 31 2008
ASSETS		
Goodwill	308	308
Tangible assets	9,796	9,979
Financial assets	3,220	3,222
Total fixed assets	13,324	13,509
Inventories	7,316	5,223
Accounts receivable	3,413	3,327
Other receivables	673	1,145
Prepaid expenses and accrued income	328	263
Cash and cash equivalents	1,896	1,075
Total current assets	13,626	11,034
Total assets	26,950	24,542
EQUITY AND LIABILITIES		
Share capital	1	1
Other paid-in capital	1,520	1,407
Retained loss	<u>-4,056</u>	<u>-6,011</u>
	-2,535	-4,603
Minority interests	10	11
Total equity	-2,525	-4,592
Financial debts	21,107	21,726
Provision for deferred taxes	808	111
Other provisions	115	116
Accounts payable	4,425	4,104
Other liabilities	1,688	2,125
Accrued expenses and deferred income	1,332	952
Total liabilities	29,475	29,134
Total equity and liabilities	26,950	24,542

CORRAL PETROLEUM HOLDINGS AB INTERIM REPORT, 1 JANUARY – JUNE 30, 2009
Unaudited

CONSOLIDATED CASH FLOW STATEMENT

MSEK	April 1 - June 30		Jan 1 - June 30	
	2009	2008	2009	2008
Continuous operation				
Income before taxes	2,170	2,075	2,654	3,371
Adjustments for non-cash items	-353	448	-599	125
	1,817	2,523	2,055	3,496
Taxes paid	-2	-115	-281	-418
Cash flow from operating activities before changes in working capital	1,815	2,408	1,774	3,078
Cash flow in working capital				
Decrease(+)/Increase(-) in inventories	-639	-827	-995	-3,152
Decrease(+)/Increase(-) in current receivables	246	-1,567	-58	-155
Decrease(-)/Increase(+) in liabilities	605	355	994	1,824
Cash flow from operating activities	2,027	369	1,715	1,595
Capital investments operation				
Investment in tangible fixed assets	-172	-182	-305	-295
Sale of tangible fixed assets	1	5	1	6
Decrease(+)/Increase(-) in financial fixed assets	-	-50	-	-50
Cash flow used in investing activities	-171	-227	-304	-339
Financing operation				
Raising of loan	745	469	2,165	1,055
Amortization of borrowings	-1,290	-224	-2,861	-1,792
Shareholders contribution received	114	-	114	-
Dividends paid to minority	-3	-1	-3	-1
Loan expenditures	-5	-	-5	-
Cash flow used in/from financing activities	-439	244	-590	-738
CASH FLOW FOR THE PERIOD	1,417	386	821	518
Cash and cash equivalents at the beginning of the period	479	967	1,075	835
Cash and cash equivalents at the end of the period	1,896	1,353	1,896	1,353

CHANGES IN EQUITY, GROUP

MSEK	Capital stock *)	Other paid-in capital	Retained profit/loss	Minority interest	Total equity
Equity January 1	1	1,407	-6,011	11	-4,592
Shareholders contribution	-	114	-	-	114
Dividends paid	-	-	-	-3	-3
Net income	-	-	1,954	2	1,956
Equity June 30	1	1,521	-4,057	10	-2,525

*1) 5,000 shares were issued with a par value of 100 SEK.

CHANGES IN EQUITY, PARENT COMPANY

MSEK	Capital stock	Restricted reserves	Unrestricted reserves	Total equity
Equity January 1	1	-	70	70
Shareholders contribution	-	-	114	114
Net income	-	-	-161	-161
Equity June 30	1	-	23	24

*1) 5,000 shares were issued with a par value of 100 SEK.