CORRAL PETROLEUM HOLDINGS AB (publ)

REPORT FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2012

No. of pages 13

FOR IMMEDIATE RELEASE
Date: March 21, 2013
London

This report includes unaudited consolidated financial information of Corral Petroleum Holdings AB (publ) (“Corral Petroleum Holdings”) and its consolidated subsidiaries, for the fourth quarter and year ended December 31, 2012 and for the comparative periods in 2011. Corral Petroleum Holdings’ annual report for the year ended December 31, 2012 will be released on April 26, 2013 and will be available at www.preem.se/english/corral.

Financial highlights

- Sales revenue for the fourth quarter of 2012 amounted to 25,136 MSEK compared to 24,301 MSEK in the fourth quarter of 2011.
- EBITDA for the fourth quarter of 2012 amounted to 72 MSEK compared to -58 MSEK in the fourth quarter of 2011.
- Adjusted EBITDA[1] for the fourth quarter of 2012 amounted to 625 MSEK compared to 310 MSEK in the fourth quarter of 2011.
- Operating loss for the fourth quarter of 2012 amounted to 180 MSEK compared to an operating loss of 309 MSEK in the fourth quarter of 2011.
- Net loss for the fourth quarter of 2012 amounted to 174 MSEK compared to a net loss of 490 MSEK in the fourth quarter of 2011.
- Cash flow used in operating activities for the fourth quarter of 2012 was 3,199 MSEK compared to cash flow used in operating activities of 319 MSEK in the fourth quarter of 2011.
- Weighted business refining margin for the fourth quarter of 2012 was 4.76 $/bbl compared to 3.43 $/bbl in the fourth quarter of 2011.

Market Overview – Fourth Quarter 2012

During the fourth quarter of 2012 Dated Brent varied from a high of 116 $/bbl in the first half of October to a low of 106 $/bbl in early November and the average price was 110 $/bbl, which is very close to the average for the third quarter of 2012. Continued slow global economic growth and concerns related to the sovereign debt crisis in the Eurozone limited oil price increases. Another factor contributing to the lack of oil price increases is the increase in crude oil production in the United States, which has contributed to a change in the global crude oil balance. Low oil inventories, especially of refined products, as well as geopolitical risks continued to give support to oil prices. The year 2012 ended at a price for Dated Brent of 110 $/bbl compared to 107 $/bbl for year-end 2011.

[1] For a reconciliation of our EBITDA to Adjusted EBITDA, please see the financial statements section on page 13.

The price differential for Russian crude oil (“Urals”) versus Dated Brent was on average -1.1 $/bbl in the fourth quarter of 2012, compared to -0.7 $/bbl for the third quarter of 2012. The price differential for Urals was traded in a fairly stable range of -1.8 $/bbl to -0.2 $/bbl during the fourth quarter of 2012. In the fourth quarter of 2011, the average Urals differential was -0.3 $/bbl.

Refining margins trended lower in the fourth quarter in line with increased refinery utilisation when refineries returned to operation after scheduled maintenance. The off-line crude capacity remained high in October, which strengthened the diesel margins. The generally low product inventories continued to give some support to refining margins. However, as utilisation rates increased later in the fourth quarter, product margins fell to lower levels in December.

Gasoline demand weakened during the fourth quarter and supply increased. The gasoline margin fell to 13 $/bbl in October compared to 20 $/bbl in September. The fall continued throughout the fourth quarter; the gasoline margin was on average approximately 8.5 $/bbl in the fourth quarter of 2012 compared to 18 $/bbl in the third quarter of 2012. In the fourth quarter of 2011, the average gasoline margin was 8 $/bbl.

The tight supply/demand balance for diesel continued, especially during the early part of the fourth quarter of 2012. Low inventory levels and an extensive maintenance program at European refineries resulted in the strongest diesel month of the year for October. The average margin in October was 26.5 $/bbl. As supply increased during the quarter, the diesel margin fell and the average margin was 22.5 $/bbl during the fourth quarter of 2012 compared to 23 $/bbl in the third quarter of 2012. In the fourth quarter of 2011, the average diesel margin was 22 $/bbl.

Fuel oil margins weakened during the fourth quarter of 2012 due to changes in the supply/demand balance. The price spread between high sulphur and low sulphur fuel oil narrowed during the fourth quarter of 2012. The demand for low sulphur fuel oil weakened more than for high sulphur. The supply of low sulphur fuel oil increased when some off-line capacity once again became available. The average high sulphur margin was about -18 $/bbl in the fourth quarter of 2012 compared to about -12 $/bbl in the third quarter of 2012. In the fourth quarter of 2011, the high sulphur margin was about -12 $/bbl.

	October 1 - December 31	
	2012	**2011**
Weighted business refining margin, $/bbl	4.76	3.43
Average Brent Dated crude oil, $/bbl	110.08	109.35
Feedstock throughput, thousand bbls	30,302	27,987
SEK/USD average exchange rate	6.66	6.75

Sales and Results – Fourth Quarter 2012

Sales revenue in the fourth quarter of 2012 amounted to 25,136 MSEK, an increase of 835 MSEK, compared to 24,301 MSEK in the fourth quarter of 2011. The increase in sales revenue is mainly due to higher volumes in the fourth quarter of 2012, compared to the same period in 2011.

Operating loss for the fourth quarter of 2012 amounted to 180 MSEK, a decrease of 129 MSEK, compared to an operating loss of 309 MSEK for the fourth quarter of 2011. The refining margins were higher in the fourth quarter of 2012 compared to the fourth quarter of 2011 but the higher margins were more than offset by price losses in inventory which amounted to 484 MSEK in the fourth quarter of 2012 compared to a price loss in inventory of 44 MSEK, or a change of 440 MSEK compared to the fourth quarter of 2011. The fourth quarter of 2011 was impacted by a one-time write down of 306 MEK, which related to the termination of the Hydro Cracker Project.

	October 1 - December 31		**Change**
MSEK	**2012**	**2011**	**%**
Sales revenue	25,136	24,301	3.4%
Gross profit	46	254	-81.9%
EBITDA	72	-58	N/A
Operating loss[2]	-180	-309	-41.7%
Loss before taxes	-493	-655	-24.7%
Net loss	-174	-490	-64.5%

Segment reporting

Corral Petroleum Holdings and its consolidated subsidiaries (the "Group") have two lines of business – Supply & Refining and Marketing. Exchange rate differences included in operating profit/loss consist of foreign exchange gains or losses related to our inventory and our trade payables/receivables. Other expenses consist mainly of administrative and personnel-related expenses in our corporate cost center.

Sales Revenue

	October 1 - December 31	
MSEK	**2012**	**2011**
Supply & Refining	24,749	23,846
Marketing	5,188	5,441
Exchange rate differences	4	31
Group eliminations	-4,805	-5,017
Total Sales Revenue	**25,136**	**24,301**

Operating profit/loss

	October 1 - December 31	
MSEK	**2012**	**2011**
Supply & Refining	-65	7
Marketing	95	119
Total Segment Operating profit	30	126
Exchange rate effects	-70	-18
Other expenses[2]	-141	-417
Total Operating loss	**-180**	**-309**

2 The Hydro Cracker project was terminated in the fourth quarter of 2011 resulting in an expense of 306 MSEK, which negatively impacted operating expenses.

Supply & Refining

Our Supply & Refining segment reported an operating loss of 65 MSEK for the fourth quarter of 2012, a decrease of 72 MSEK compared to an operating profit of 7 MSEK for the fourth quarter of 2011. The average refining margin was higher in the fourth quarter 2012 compared to the same period 2011 but was more than offset by price losses in inventory in the fourth quarter of 2012 which amounted to 484 MSEK compared to 44 MSEK in the fourth quarter of 2011.

Operating profit, excluding price effects on oil inventory, in the fourth quarter of 2012 was 420 MSEK, an increase of 369 MSEK, compared to an operating profit of 51 MSEK in the fourth quarter of 2011. The increase was due to improved refining margins and higher throughput. The weighted business refining margin reached 4.76 $/bbl for the fourth quarter of 2012 compared to 3.43 $/bbl for the fourth quarter of 2011.

Marketing

Our Marketing segment reported an operating profit of 95 MSEK for the fourth quarter of 2012 compared to 119 MSEK for the fourth quarter 2011. The decrease in operating profit was mainly attributable to lower volumes in our Business-to-Business division in the fourth quarter of 2012 compared to the same period in 2011.

Depreciation

Total depreciation in the fourth quarter of 2012 amounted to 252 MSEK, an increase of 1 MSEK, compared to 251 MSEK in the fourth quarter of 2011.

Financing

Net financing expenses for the fourth quarter of 2012 amounted to 313 MSEK compared to net financing expenses of 346 MSEK for the fourth quarter of 2011. The decrease is due to lower interest expense in Preem AB as a result of lower average net debt during the period and a lower interest rate on debt denominated in SEK. Other financial expenses amounted to 22 MSEK for the fourth quarter of 2012 compared to other financial expenses of 16 MSEK for the same period 2011.

Total interest expense for the fourth quarter of 2012 amounted to 323 MSEK, of which depreciation of loan expenditures amounted to 44 MSEK, compared to 356 MSEK, for the same period in 2011. Cash interest paid was 89 MSEK for the fourth quarter of 2012 compared to 128 MSEK for the fourth quarter of 2011.

Year ended December 31, 2012

- Sales revenue in 2012 amounted to 105,089 MSEK compared to 91,554 MSEK in 2011.
- EBITDA in 2012 amounted to 3,762 MSEK compared to 1,963 MSEK in 2011.

- Adjusted EBITDA[3] in 2012 amounted to 4,158 MSEK compared to 1,124 MSEK in 2011.
- Depreciation in 2012 amounted to 993 MSEK compared to 989 MSEK in 2011.
- Operating profit in 2012 amounted to 2,770 MSEK compared to 974 MSEK in 2011.
- Net profit in 2012 amounted to 1,872 MSEK compared to net loss of 617 MSEK in 2011.
- Cash flow used in operating activities in 2012 amounted to 221 MSEK compared to cash flow used in operating activities of 1,616 MSEK in 2011.
- Weighted business refining margin in 2012 was 5.94 $/bbl compared to 2.89 $/bbl in 2011.

Cash flow

Profit before taxes amounted to 2,283 MSEK in 2012 compared to loss before taxes of 828 MSEK in 2011, an increase of 3,111 MSEK. Cash flow from operating activities before changes in working capital increased by 1,930 MSEK, to 3,439 MSEK in 2012 compared to 1,509 MSEK in 2011. Adjustments for non-cash items were 1,429 MSEK in 2012 compared to 2,536 MSEK in 2011, a decrease of 1,107 MSEK. Please refer to page 10 for further specification of items not included in cash flow. Taxes paid amounted to 273 MSEK in 2012 compared to 199 MSEK in 2011.

Cash flow used in operating activities after changes in working capital amounted to 221 MSEK in 2012 compared to cash flow used in operating activities of 1,616 MSEK in 2011, or an increase of 1,395 MSEK. The increase is attributable to an increase of cash flow generated from operating activities before changes in working capital as a result of higher income in 2012 compared to the same period 2011. Cash flow used in operating liabilities amounted to 4,544 MSEK in the year 2012 compared to cash flow from operating liabilities in 2011 of 136 MSEK, or a change of 4,680 MSEK. In 2012 operating liabilities decreased by 4,544 MSEK primarily due to lower volumes of unpaid crude oil as of December 31, 2012 compared to December 31, 2011. Cash flow from inventories amounted to 826 MSEK for the year of 2012, primarily due to lower volumes. In 2011 cash flow used in inventories amounted to 2,955 MSEK, primarily due to higher market prices for crude oil and higher volumes held compared to December 31, 2010.

Cash flow used in investing activities in 2012 was 569 MSEK, a decrease of 376 MSEK, compared to 945 MSEK in 2011. This decrease in 2012 compared to 2011 is attributable to the planned maintenance turnaround at Preemraff Gothenburg in September 2011.

Cash flow from financing activities was 1,081 MSEK in 2012 compared to cash flow from financing activities of 2,312 MSEK in 2011. Loans (net) amounted to 1,204 MSEK in 2012 compared to repayment of loans (net) of 1,145 MSEK in 2011. No loans from shareholder were received in 2012 compared to 4,091 MSEK received in 2011.

At December 31, 2012, the Group's financial net debt amounted to 18,834 MSEK, compared to 17,680 MSEK at December 31, 2011, an increase of 1,154 MSEK, mainly as a consequence of the negative cash flow generated from operating liabilities. The financial debt consists primarily of Corral Petroleum Holdings' 15% Senior Notes due 2017, Varying Rate

[3] For a reconciliation of our EBITDA to Adjusted EBITDA, please see the financial statements section on page 13.

Subordinated Notes due 2019, a subordinated shareholder loan (described below) and Preem's credit facility. Cash and cash equivalents amounted to 646 MSEK at December 31, 2012, an increase of 291 MSEK compared with 355 MSEK at December 31, 2011. A breakdown of the Group's financial debt as at December 31, 2012 is included in the financial statements section on page 13.

Corral Petroleum Holdings AB (publ)

Corral Petroleum Holdings AB (publ) is wholly owned by Moroncha Holdings and is the parent company of the Corral Petroleum Holdings Group and had no revenues in 2012 and 2011. Operating loss in 2012 amounted to 3 MSEK compared to an operating loss of 2 MSEK in 2011 and the loss before taxes amounted to 68 MSEK for the year of 2012 compared to a loss before taxes of 974 MSEK for the year of 2011.

Shareholder equity as at December 31, 2012 amounted to 1,682 MSEK compared to 1,923 MSEK as of December 31, 2011. Corral Petroleum Holdings had outstanding shareholder loans of 649 MUSD and 9 MEUR (4,307 MSEK) as at December 31, 2012. Of this amount, 600 MUSD was used to repay a portion of Preem's existing credit facility and a portion of Corral Petroleum Holdings' Varying Rate Senior Secured Notes due 2011, including related transaction costs. The shareholder loans are subordinated and bear an interest rate of 5% per annum. The interest expense related to the shareholder loans is paid in kind semi-annually.

Recent Developments

In February of 2013 the refinery in Lysekil was forced to shut down its CDU (Crude Distillation Unit) and VDU (Vacuum Distillation Unit) units for approximately 8 days in order to replace leaking heat exchanger bundles in the crude preheat train. The shutdown and repair works were successfully implemented, without incident. The decrease in operating income from the shutdown has been estimated at approximately 75 MSEK.

Risk factors

For information on risks relating to our business and our capital structure, please see Corral Petroleum Holdings' Annual Report 2012, available at www.preem.se/english/corral from April 26, 2013.

Accounting principles and changes in legislations

The financial information in this 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 for Corral, dated April 26, 2013.

In December 2012 the Swedish Parliament adopted a new tax rate for corporate taxation in Sweden. The tax rate will decrease from current 26.3% to 22.0% starting from January 1, 2013. The decrease in tax rate has an impact on the deferred tax provision as of December 31, 2012. In the fourth quarter of 2012 the decrease had a positive effect on taxes in the consolidated income statement for 2012 amounting to 198 MSEK.

Additional information

An international conference call for investors and analysts will be held on March 21, 2013 at 4:00 pm CET. The call-in number is +46 8 5052 0110 meeting code: Preem.

The report for the first quarter of 2013 will be released on May 23, 2013.

London, March 21, 2013
On behalf of the Board of Directors

Richard Öhman
Managing Director

For further information, please contact:

Magnus Heimburg
Tel: +46-10-450 10 44
Email: magnus.heimburg@preem.se

CONDENSED CONSOLIDATED INCOME STATEMENTS

	October 1 - December 31		January 1 - December 31	
MSEK	**2012**	**2011**	**2012**	**2011**
Net sales	27,700	26,910	114,947	101,747
Excise duties	-2,564	-2,608	-9,859	-10,193
Sales revenue	25,136	24,301	105,089	91,554
Cost of goods sold	-25,090	-24,048	-101,514	-89,470
Gross profit	**46**	**254**	**3,575**	**2,084**
Selling expenses	-181	-217	-694	-716
Administrative expenses	-168	-143	-559	-497
Other operating income	123	104	447	409
Other operating expenses	-	-306	-	-306
Operating profit/loss	**-180**	**-309**	**2,770**	**974**
Interest income	46	44	175	173
Interest expense	-323	-356	-1,366	-1,498
Other financial, net	-35	-33	704	-477
Profit/loss before taxes	**-493**	**-655**	**2,283**	**-828**
Taxes	319	165	-411	211
Net profit/loss	**-174**	**-490**	**1,872**	**-617**
Attributable to:				
Parent Company Shareholder	-174	-490	1,871	-618
Non-controlling Shareholders	-	-	1	1
	-174	**-490**	**1,872**	**-617**

Consolidated statement of comprehensive income:

Net profit/loss	-174	-490	1,872	-617
Other income	-	-	-	-
Comprehensive income	**-174**	**-490**	**1,872**	**-617**

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	December 31 2012	December 31 2011
ASSETS		
Goodwill	308	308
Property, plant and equipment	8,503	8,958
Financial assets	3,771	3,615
Total non-current assets	**12,582**	**12,880**
Inventories	10,069	11,137
Trade receivables	5,015	5,102
Other receivables	742	657
Prepaid expenses and accrued income	221	313
Cash and cash equivalents	646	355
Total current assets	**16,693**	**17,565**
Total assets	**29,274**	**30,445**
EQUITY AND LIABILITIES		
Share capital	1	1
Other paid-in capital	4,178	4,178
Retained loss	-730	-2,601
	3,449	1,578
Non-controlling interests	9	9
Total equity	**3,458**	**1,587**
Financial debts	19,480	18,035
Provision for deferred taxes	1,011	1,098
Other provisions	64	79
Trade payables	2,497	4,906
Other liabilities	1,769	1,679
Accrued expenses and deferred income	995	3,061
Total liabilities	**25,816**	**28,858**
Total equity and liabilities	**29,274**	**30,445**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	October 1 - December 31		January 1 - December 31	
MSEK	**2012**	**2011**	**2012**	**2011**
Operating activities				
Profit/loss before taxes	-493	-655	2,283	-828
Adjustments for items not included in cash flow [1]	782	573	1,429	2,536
	289	-82	3,712	1,708
Tax paid	-220	-52	-273	-199
Cash flow from/used in operating activites before changes in working capital	68	-133	3,439	1,509
Cash flow from changes in working capital				
Decrease(+)/Increase(-) in inventories	1,383	-1,508	826	-2,955
Decrease(+)/Increase(-) in operating receivables	786	-563	58	-306
Decrease(-)/Increase(+) in operating liabilities	-5,437	1,885	-4,544	136
Cash flow used in operating activites	-3,199	-319	-221	-1,616
Investing activities				
Capital expenditure of property, plant and equipment	-187	-353	-575	-948
Disposal of property, plant and equipment	8	16	8	16
Decrease(+)/Increase(-) in financial assets	-1	-	-2	-13
Cash flow used in investing activities	-179	-337	-569	-945
Financing activities				
New loans	5,291	1,131	8,622	6,099
Repayment of loans	-1,513	-763	-7,418	-7,244
Loan from shareholder	-	-	-	4,091
Dividend paid	-	-	-1	-1
Loan expenditures	-122	-4	-122	-633
Cash flow from financing activities	3,657	364	1,081	2,312
CASH FLOW FOR THE PERIOD	278	-290	291	-248
Opening cash and cash equivalents	368	647	355	603
Cash and cash equivalents at the end of the period	**646**	**355**	**646**	**355**

[1] **Specification of items not included in cash flow**

Depreciation of property, plant and equipment	252	251	993	989
Write-down of inventory(+)/Reversed inventory write-down(-)	259	-18	242	35
Unrealized exchange losses(+)/gains(-)	53	-148	-612	310
Unrealized losses(+)/gains(-) on derivatives	0	-15	12	-9
Capitalized loan expenditures deferred as interest expenses	44	44	177	328
Interest income not received in cash	-39	-39	-157	-157
Capitalized interest cost - financial debts	188	181	742	691
Others	24	317	32	349
	782	**573**	**1,429**	**2,536**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital *)	Other paid-in capital	Retained earnings	Total	Non-controlling interest	Total equity
Equity January 1, 2012	1	4,178	-2,601	1,578	9	1,587
Net profit	-	-	1,871	1,871	1	1,872
Dividend	-	-	-	-	-1	-1
Equity December 31, 2012	**1**	**4,178**	**-730**	**3,449**	**9**	**3,458**

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

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

MSEK	Share capital *)	Restricted reserves	Unrestricted reserves	Total equity
Equity January 1, 2012	1	-	1,922	1,923
Net loss	-	-	-241	-241
Equity December 31, 2012	**1**	**-**	**1,681**	**1,682**

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

CONDENSED INCOME STATEMENT - PARENT COMPANY

	January 1 - December 31	
MSEK	**2012**	**2011**
Operating loss	**-3**	**-2**
Financial net	-65	-973
Loss before taxes	**-68**	**-974**
Taxes	-173	173
Net loss	**-241**	**-802**

CONDENSED BALANCE SHEET - PARENT COMPANY

MSEK	**December 31 2012**	**December 31 2011**
ASSETS		
Participation in Group Companies	9,866	9,611
Other receivables	18	18
Total assets	**9,884**	**9,629**
EQUITY AND LIABILITIES		
Restricted equity	1	1
Non-restricted equity	1,681	1,922
Total equity	**1,682**	**1,923**
Shareholder loans	4,307	4,354
Bond loans, subordinated notes	1,251	1,150
Bond loans, senior notes	2,737	2,487
Other liabilities	-92	-284
Total liabilities	**8,203**	**7,706**
Total equity and liabilities	**9,884**	**9,629**

Reconciliation of EBITDA to adjusted EBITDA

We define Adjusted EBITDA as EBITDA adjusted to exclude inventory gains and losses and foreign currency gains and losses and reflect the adjustments permitted in calculating covenant compliance under Preem's 2011 Credit Facility. The following table presents a reconciliation of EBITDA to Adjusted EBITDA.

	October 1 - December 31		January 1 - December 31	
MSEK	**2012**	**2011**	**2012**	**2011**
EBITDA	**72**	**-58**	**3,762**	**1,963**
Add back:				
Inventory price gains(-)/losses(+)	484	44	85	-878
Foreign currency gains(-)/losses(+)	70	18	311	-267
Exceptional item (Disposal of HOP project)	-	306	-	306
Adjusted EBITDA	**625**	**310**	**4,158**	**1,124**

Adjusted EBITDA is a non-IFRS measure. We present Adjusted EBITDA in this report because we believe that it and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Our Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. In particular, Adjusted EBITDA is not a measurement of our performance or liquidity under IFRS and should not be considered as an alternative to operating income or net profit or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Financial debt breakdown

MSEK	**December 31, 2012**	**December 31, 2011**
Credit Facility Preem[1]	11,603	10,503
Loan expenditures	-586	-745
Other liabilities, interest bearing[2]	262	399
Total Financial Debt - Preem	**11,279**	**10,158**
Senior Notes	2,737	2,487
Subordinated Notes	1,251	1,150
Other loans from shareholder	4,307	4,354
Loan expenditures	-94	-112
Total Financial Debt - Corral	**8,202**	**7,878**
Total Financial Debt - Group	**19,480**	**18,035**
Cash and cash equivalents	-646	-355
Total Financial Net Debt	**18,834**	**17,680**

[1] Of this amount, 1,428 MSEK is due within 12 months of December 31, 2012.
[2] Of this amount, 158 MSEK is due within 12 months of December 31, 2012.