

CORRAL FINANS AB (publ)

INTERIM REPORT FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

Nr. of pages 12

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Organizational Structure

Corral Finans AB (publ) was established in March 2007 and is a wholly-owned subsidiary of Moroncha Holdings Co. Ltd., which is, in turn, wholly-owned by Mr. Mohammed Hussein Al-Amoudi. On March 29, 2007, Corral Finans purchased all of the issued and outstanding shares of Corral Petroleum Holdings AB from Moroncha Holdings Co. Ltd. The acquisition was mainly financed by EURO 355,000,000 floating rate split coupon notes and USD 350,000,000 floating rate split coupon notes on April 12, 2007. The operating company, Preem Petroleum AB, is wholly-owned directly by Corral Petroleum Holdings AB. In February 2006, Corral Petroleum Holdings AB sold all of the shares of Corral Morocco Holdings AB to Corral Morocco Gas & Oil AB, a wholly-owned subsidiary of Moroncha Holdings Co. Ltd.

This report includes unaudited financial information of Corral Petroleum Holdings AB for the third quarter of 2006. Because Corral Finans AB (publ) did not exist during the comparative period of 2006, in order to give an informative presentation of the historical performance of our business operations, we present the unaudited pro forma consolidated financial statements of Corral Petroleum Holdings AB for the third quarter 2006 as if the results of operations of Corral Morocco Holdings AB had not been consolidated with those of Corral Petroleum Holdings AB. No other adjustments have been made to the pro forma information.

Financial highlights

- Sales revenue for the third quarter of 2007 amounted to 15,154 MSEK compared to pro forma 17,257 MSEK in the third quarter of 2006
- Operating income for the third quarter of 2007 amounted to 606 MSEK compared to pro forma 148 MSEK in the third quarter of 2006
- Net income for the third quarter of 2007 amounted to 456 MSEK compared to pro forma loss of 111 MSEK in the third quarter of 2006
- Cash flow from operating activities in the third quarter of 2007 was negative 1,489 MSEK compared to pro forma 1,557 MSEK in the third quarter of 2006
- Weighted business refining margin for the third quarter of 2007 declined to 3.97 USD/bbl compared to 5.70 USD/bbl in the third quarter of 2006

Market overview

During the three months ending September 30, 2007, the price of Brent crude oil fluctuated from a low of 67.4 USD/bbl on August 22 to a high of 81.1 USD/bbl on September 30. The strong trend in crude oil prices continued in the third quarter except for a short dip in early August. The high crude oil prices, together with falling gasoline prices in July, forced less sophisticated refineries to cut back production. The fundamentals showed, however, that the market was tight, and falling inventories again pushed the crude oil price upwards.

The gasoline market was very strong in the second quarter of 2007 but turned around in July, when the gasoline crack (the difference in price between gasoline and crude oil) fell from 19 \$/bbl to 7 \$/bbl in just two weeks. The gasoline crack improved somewhat in August but fell again during September and ended the quarter at 6 \$/bbl. The sharp fall in the gasoline crack was caused by stable and even increasing inventory levels. In addition, many market participants had taken long positions in the gasoline crack, speculating on a repeat of the previous couple of years' very tight gasoline market. When it appeared the stocks would be sufficient for the whole driving season the long gasoline crack positions were liquidated.

The demand for diesel continued to be strong and the diesel cracks improved in August and September after a dip in July. Decreased supply from Russia and an extensive refinery maintenance program in North West Europe contributed to strong prices. Inventories were decreasing and the market went into backwardation (future prices lower than prompt). In spite of the release of products from inventories the market strengthened further with diesel cracks increasing from 12 \$/bbl in July to over 20 \$/bbl in September. Especially the 10 ppm sulphur diesel was in short supply with increasing prices relative to both 50 ppm diesel and to heating oil.

The heavy fuel oil cracks also improved in August due to increased demand from Asia. Inventories were decreasing and the market went into backwardation.

Refinery margins were low in July, improved in August and fell back slightly in September.

Key indicators

| | July 1 - September 30 | |
|--|------------------------------|-------------|
| | 2007 | 2006 |
| Preem Petroleum's weighted business refining margin, USD/b | 3.97 | 5.70 |
| Average Brent Dated crude oil, USD/bbl | 74.74 | 69.60 |
| Feedstock throughput, thousand bbls | 22 623 | 27 513 |
| USD/SEK average exchange rate | 6.72 | 7.24 |

Sales and results for the third quarter

Sales revenue for the third quarter 2007 amounted to 15,154 MSEK, a decrease of 2,103 MSEK, or approximately 12%, compared to pro forma 17,257 MSEK in the third quarter of 2006. Excluding currency translation effects, sales revenue decreased with approximately 6%. Higher prices for refined products were more than offset by lower sales volumes due to the planned turnaround at Preemraff Lysekil and to negative currency translation.

Operating income amounted to 606 MSEK compared to pro forma 148 MSEK for the third quarter of 2006. The enhanced operating income is primarily attributable to price gains on inventory of crude oil and refined products during the third quarter 2007.

| MSEK | July 1 - September 30 | | Change |
|---------------------|------------------------------|-------------|---------------|
| | 2007 | 2006 | % |
| Sales revenue | 15 154 | 17 257 | -12,1% |
| Gross profit | 788 | 373 | 111.3% |
| EBITDA | 871 | 422 | 106.4% |
| Operating income | 606 | 148 | 309.4% |
| Income before taxes | 632 | -141 | - |
| Net income | 456 | -111 | - |

Segment reporting

The Group has 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 income (expense) consists mainly of administrative and personnel-related expenses for our corporate cost center.

Sales Revenue

| MSEK | July 1 - September 30 | |
|----------------------------|------------------------------|---------------|
| | 2007 | 2006 |
| Supply & Refining | 15 050 | 16 953 |
| Marketing | 2 932 | 3 253 |
| Exchange rate differences | -59 | -7 |
| Group eliminations | -2 769 | -2 941 |
| Total Sales Revenue | 15 154 | 17 257 |

Operating Income

| MSEK | July 1 - September 30 | |
|---------------------------------------|------------------------------|-------------|
| | 2007 | 2006 |
| Supply & Refining | 1 076 | 218 |
| Marketing | -19 | -41 |
| Total Segment Operating income | 1 057 | 177 |
| Exchange rate differences | -328 | 48 |
| Other expenses | -123 | -77 |
| Total Operating income | 606 | 148 |

Supply & Refining

Our Supply & Refining segment reported an operating income of 1,076 MSEK for the third quarter of 2007, an increase of 858 MSEK, compared to 218 MSEK for the third quarter of 2006. The increase in operating income was primarily driven by higher price gains on inventory of crude oil and refined products.

The normalized operating income (i.e., excluding price effects on oil inventory for the third quarter of 2007) was 243 MSEK, a decrease of 758 MSEK, from 1,001 MSEK in the third quarter of 2006. The lower normalized operating income was mainly due to the planned turnaround at Preemraff Lysekil, lower total refining margin and the weaker USD exchange rate.

The average business refining margin for the third quarter of 2007 amounted to 3.97 USD/bbl compared to 5.70 USD/bbl for the third quarter of 2006. Increased product prices have failed to keep up with price increases on crude and put some pressure on the refining margin. The narrower price difference between Brent and Russian crude also had a negative impact on the refining margin.

From September 3 until November 5, 2007, Preemraff Lysekil was shut down for a planned turnaround. Both operating income and the refining margin have been negatively impacted by the planned turnaround. All units at the refinery are now fully operational. The turnaround included all units in the refinery and lasted nearly 8 weeks, which is approximately 2 weeks longer than previously communicated.

A combination of factors accounted for the extension of the turnaround. There were severe weather conditions during the first two weeks, certain key units needed a bigger overhaul than anticipated and furthermore certain key improvement projects have been carried out to further improve the performance of the refinery.

We expect that the planned turnaround at Preemraff Lysekil will negatively affect the results of operations in the fourth quarter of 2007.

Marketing

Our Marketing segment reported an operating loss of 19 MSEK for the third quarter of 2007, an improvement of 22 MSEK, compared to an operating loss of 41 MSEK in the third quarter of 2006. The decrease in operating loss was driven primarily by enhanced margins and cost reduction within the business-to-business division.

The station and consumer division also contributed to the improved results within the Marketing segment. The negative impact from the ongoing aggressive price competition in the Swedish retail market was more than offset by lower sales and administrative expenses.

Depreciation and amortization

Total depreciation and amortization in the third quarter of 2007 amounted to 266 MSEK, a decrease of 9 MSEK, or approximately 3%, compared to pro forma 275 MSEK in the third quarter of 2006.

Out of the total depreciation and amortization in the third quarter of 2007, depreciation on tangible assets amounted to 233 MSEK, an increase of 8 MSEK, or approximately 3% over pro forma 241 MSEK in the third quarter of 2006. Amortization of intangible assets amounted to 33 MSEK, a decrease of 1 MSEK, or approximately 3%, compared to pro forma 34 MSEK in the third quarter of 2006.

Financing

At the close of the third quarter of 2007, the Group's net debt amounted to 18,791 MSEK, as compared to pro forma 11,925 MSEK on December 31, 2006, an increase of 6,866 MSEK, or approximately 58%. The increase in net debt during the first nine months of the year is primarily due to the acquisition of Corral Petroleum Holdings AB. On April 12, 2007, Corral Finans AB issued EURO 355,000,000 (3,264 MSEK) floating rate split coupon notes and USD 350,000,000 (2,405 MSEK) floating rate split coupon notes.

Net financing expense for the third quarter of 2007 amounted to positive 26 MSEK compared to a pro forma net financing expense of 289 MSEK for the third quarter of 2006. Increased interest expenses, as a result of the higher net debt, were more than offset by revaluation gains on US dollar-denominated loans during the third quarter of 2007.

Cash flow

Cash flow from operating activities in the third quarter of 2007 was negative 1,489 MSEK, a decrease of 3,046 MSEK, compared with pro forma 1,557 MSEK in the third quarter of 2006. Cash flow from operating activities was negatively affected by the increase in inventory and accounts receivable driven by higher prices of crude oil and refined products. In addition, cash flow from operating activities was also negatively affected by a decrease in accounts payable as a result of the planned turnaround in Preemraff Lysekil. During a turnaround period, purchases of crude oil decreases and in the same period, earlier purchases of crude oil need to be paid.

Cash flow from investing activities in the third quarter of 2007 was 403 MSEK, an increase of 337 MSEK, compared with pro forma 66 MSEK in the third quarter of 2006. The increase was primarily attributable to investments in our refining operations, including the costs for the planned turnaround of our refinery in Preemraff Lysekil.

Cash flow from financing activities was 1,513 MSEK in the third quarter 2007, primarily financed with short-term loans, compared to negative 1,711 MSEK in the third quarter of 2006.

Liquid funds and investments amounted to 589 MSEK at the end of the third quarter of 2007, a decrease of 379 MSEK, or approximately 39%, compared with an opening pro forma balance of 968 MSEK.

Parent company

The parent company had no revenues in the period from its formation on March 13, 2007 to September 30, 2007. Operating loss for the period amounted to 0 MSEK and loss before taxes amounted to 132 MSEK.

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 crude oil prices, the cost of replenishing our crude oil inventories increases and, thus, our working capital requirements similarly increases.

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 product may adversely affect our liquidity and capital resources.

Accounting principles

The financial information in this half-year report has been prepared in accordance with generally accepted accounting principles in Sweden. The accounting principles are the same as in 2006. Corral Finans AB will change its accounting principles for external reporting to International Financial Reporting Standards (IFRS) as approved by the European Commission for application within the EU starting in the financial year 2008.

Other events

Corral Petroleum Holdings AB and its subsidiary Preem Petroleum AB (the "Borrowers") are parties to a syndicated bank credit facility. Under the credit facility, the Borrowers must maintain certain agreed financial ratios, such as adjusted net debt to EBITDA, as well as equity and debt service cover ratios, each as calculated in the reference to the consolidated financial statements of Corral Petroleum Holdings AB. As of September 30, 2007 the debt service cover ratio was not met. The breach is explained by a considerable increase in working capital during the third quarter 2007. The increase in working capital is the result of increased inventory and accounts receivables driven by higher prices of crude oil and refined products. In addition, working capital was also negatively affected by a decrease in accounts payable as a result of the planned turnaround in Preemraff Lysekil. During a turnaround period, purchases of crude oil decreases and in the same period, earlier purchases of crude oil need to be paid.

The Borrowers have received a temporary waiver to the default of September 30, 2007 and management is in discussion with the syndicated bank group to obtain a permanent waiver.

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 November 30 2007 at 3:00 pm Sweden.

The call-in number is as follow: **+46 8 672 81 51** meeting code: Preem.

The January-December 2007 report will be released on April 30, 2008.

The Board of Directors and the Managing Director certify that the nine months 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, November 30, 2007

Richard Öhman
Director, Managing Director

John P. Oswald
Director, Chairman of the Board

Bassam Aburdene
Director

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CORRAL FINANS AB HALF YEAR REPORT, 1 JANUARY – 30 SEPTEMBER 2007
Unaudited

CONSOLIDATED INCOME STATEMENT

| MSEK | July 1 - Sept 30 | | January 1 - Sept 30 | |
|---|-------------------------|----------------|----------------------------|----------------|
| | 2007 | 2006 *1 | 2007 *2 | 2006 *3 |
| Revenues | 17 062 | 19 182 | 51 368 | 58 018 |
| Excise duties | -1 908 | -1 925 | -5 691 | -6 028 |
| Sales revenues | 15 154 | 17 257 | 45 677 | 51 990 |
| Cost of goods sold | -14 366 | -16 884 | -42 147 | -48 980 |
| Gross profit | 788 | 373 | 3 530 | 3 010 |
| Selling expenses | -146 | -177 | -498 | -521 |
| Administrative expenses | -127 | -128 | -363 | -413 |
| Other operating income | 91 | 80 | 264 | 280 |
| Operating income | 606 | 148 | 2 933 | 2 356 |
| Interest income | 50 | 73 | 145 | 144 |
| Interest expense | -396 | -237 | -988 | -1 006 |
| Other financial, net | 372 | -125 | 368 | 134 |
| Income before taxes and minority interests | 632 | -141 | 2 458 | 1 628 |
| Income taxes | -175 | 30 | -717 | -489 |
| Minority interest | -1 | - | -2 | -2 |
| Net income | 456 | -111 | 1 739 | 1 137 |

*1) Represents the consolidated financial information of Corral Petroleum Holdings AB.

*2) Includes the consolidated financial information for Corral Finans AB for the second and the third quarter together with the first quarter information of the consolidated financial information of Corral Petroleum Holdings AB.

*3) Represents proforma information including Corral Petroleum Holdings AB's consolidated financial information but excluding the shareholding in Corral Morocco Holdings AB.

CORRAL FINANS AB HALF YEAR REPORT, 1 JANUARY – 30 SEPTEMBER 2007
Unaudited

CONSOLIDATED BALANCE SHEET

| MSEK | September 30 2007 | December 31 2006 *1 |
|---|------------------------------|--------------------------------|
| ASSETS | | |
| Goodwill | 209 | 308 |
| Other fixed assets | 13 546 | 13 143 |
| Total fixed assets | 13 755 | 13 451 |
| Inventories | 7 071 | 6 631 |
| Receivables total | 4 854 | 4 365 |
| Liquid funds and investments | 589 | 1 285 |
| Total current assets | 12 514 | 12 281 |
| Total assets | 26 269 | 25 732 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| Restricted equity | 0 | 1 109 |
| Non-restricted equity | -1 456 | 789 |
| Total equity | -1 456 | 1 898 |
| Minority interests | 10 | 8 |
| Financial debts | 19 380 | 13 210 |
| Other debts | 8 335 | 10 616 |
| Total liabilities | 27 725 | 23 834 |
| Total shareholders' equity and liabilities | 26 269 | 25 732 |

*1) Represents the consolidated financial statements of Corral Petroleum Holdings AB.

CORRAL FINANS AB HALF YEAR REPORT, 1 JANUARY – 30 SEPTEMBER 2007
Unaudited

CONSOLIDATED CASH FLOW STATEMENT

| MSEK | July 1 - Sept 30 | | January 1 - Sept 30 |
|--|-------------------------|----------------|----------------------------|
| | 2007 | 2006 *1 | 2007 *2 |
| Continuous operation | | | |
| Profit after financial items | 632 | 695 | 2 458 |
| Adjustments for non-cash items | -59 | 319 | 170 |
| | 573 | 1 014 | 2 628 |
| Taxes paid | - | -3 | -536 |
| Cash flow from operating activities before changes in working capital | 573 | 1 011 | 2 092 |
| Cash flow in working capital | | | |
| Decrease(+)/Increase(-) in inventories | -534 | 402 | -80 |
| Decrease(+)/Increase(-) in current receivables | -509 | 32 | -500 |
| Decrease(-)/Increase(+) in liabilities | -1 019 | 112 | -2 299 |
| Cash flow from operating activities | -1 489 | 1 557 | -787 |
| Capital investments operation | | | |
| Acquisition of subsidiary | - | - | -6 193 |
| Investment in tangible fixed assets | -412 | -170 | -1 009 |
| Sale of tangible fixed assets | 10 | 0 | 12 |
| Decrease(+)/Increase(-) in financial fixed assets | -1 | 104 | -192 |
| Cash flow from investing activities | -403 | -66 | -7 382 |
| Financing operation | | | |
| Raising of loan | 2 038 | - | 7 721 |
| Amortization of borrowings | -525 | -1 711 | -1 348 |
| Shareholder's contribution | - | - | 1 407 |
| Group contributions paid | - | - | - |
| Dividends paid | - | - | - |
| Cash flow from financing activities | 1 513 | -1 711 | 7 780 |
| CASH FLOW FOR THE PERIOD | | | |
| Liquid funds at the beginning of the year | -379 | -220 | -389 |
| | 968 | 1 199 | 978 |
| Liquid funds at the end of the period | 589 | 979 | 589 |

*1) Represents the consolidated financial information of Corral Petroleum Holdings AB.

*2) Includes the consolidated financial information for Corral Finans AB for the second and the third quarter together with the first quarter information of the consolidated financial information of Corral Petroleum Holdings AB.

CORRAL FINANS AB HALF YEAR REPORT, 1 JANUARY – 30 SEPTEMBER 2007
Unaudited

CHANGES IN EQUITY, GROUP

| MSEK | Capital stock | Restricted reserves | Unrestricted reserves | Total equity |
|----------------------------|--------------------------|--------------------------------|----------------------------------|-------------------------|
| Equity January 1 | - | - | - | 0 |
| Shares issued March 13 *1 | 0 | - | - | 0 |
| Acquisition of subsidiary | - | - | -4 443 | -4 443 |
| Shareholder's contribution | - | - | 1 407 | 1 407 |
| Net income | - | - | 1 580 | 1 580 |
| Equity September 30 | 0 | 0 | -1 456 | -1 456 |

*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 | - | - | - | 0 |
| Shares issued March 13 *1 | 0 | - | - | 0 |
| Shareholder's contribution | - | - | 1 407 | 1 407 |
| Net income | - | - | -132 | -132 |
| Equity September 30 | 0 | 0 | 1 275 | 1 275 |

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