

CORRAL FINANS AB (publ)

INTERIM REPORT FOR NINE MONTHS ENDED SEPTEMBER 30, 2008

Nr. of pages 11

FOR IMMEDIATE RELEASE
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Stockholm

This report includes unaudited consolidated financial information of Corral Finans AB (publ) ("Corral Finans"), for the third quarter of 2008 and for the comparative period in 2007.

In order to give an informative presentation of the historical performance of our business operations, we also present the unaudited consolidated financial statements of Corral Finans for the nine months ended September 30, 2008. Because Corral Finans did not exist for the full comparative period in 2007, we present pro forma consolidated financial information of Corral Finans, which is based on the consolidated financial information of Corral Petroleum Holdings AB for the first quarter of 2007 combined with the consolidated financial information of Corral Finans for the second and third quarter 2007.

Financial highlights

- Sales revenue for the third quarter of 2008 amounted to 24,822 MSEK compared to 15,154 MSEK in the third quarter of 2007
- Operating income for the third quarter of 2008 amounted to negative 739 MSEK compared to 638 MSEK in the third quarter of 2007
- Net income for the third quarter of 2008 amounted to negative 1,656 MSEK compared to 478 MSEK in the third quarter of 2007
- Cash flow used in operating activities for the third quarter of 2008 was 338 MSEK compared to 1,455 MSEK in the third quarter of 2007
- Weighted business refining margin for the third quarter of 2008 increased to 7,84 \$/bbl compared to 3,97 \$/bbl in the third quarter of 2007

Market overview

The very strong upward price trend of Brent crude oil ended in the beginning of the third quarter of 2008. The quarter started at 141 \$/bbl and peaked at 146 \$/bbl two days later. The lowest quote was 87 \$/bbl in mid-September and the quarter finished at 94 \$/bbl.

The gasoline market was unusually weak in July but recovered in August. The price level was at record high but only because of the high crude prices. The average gasoline crack was the same as in the second quarter at about 6 \$/bbl on average but

in July only 1 \$/bbl. Decreasing consumption both in the United States and Europe contributed to the weakness and European gasoline had to move to more distant locations in Africa and Asia. In September, the hurricanes in the Gulf of Mexico had a large impact on the market as several refineries in the area had to shut down, resulting in increased gasoline imports to the US.

The demand for diesel continued to be strong. Absolute prices levels were at record levels, although diesel cracks decreased slightly. The diesel crack averaged 32 \$/bbl during the third quarter. The highest price for 10 ppm diesel was 1,354 \$/ton on July 11. The market for light heating oil was also strong and followed the diesel up to a price of 1,325 \$/ton.

The heavy fuel oil market improved considerably during the third quarter of 2008. The low sulphur heavy fuel oil crack went from minus 28 \$/bbl to minus 16 \$/bbl. The market for high sulphur fuel oil improved even further as the price spread between low and high sulphur heavy fuel oil decreased from 63 \$/ton to 26 \$/ton and at the end of September the price of high sulphur heavy fuel oil was higher than the price of low sulphur heavy fuel oil.

Refinery margins were good during the whole quarter, mainly due to the good diesel and gasoil cracks. In September the refinery margins improved further due to the improved market for both gasoline and heavy fuel oil.

Key indicators

	July 1 - September 30	
	2008	2007
Preem Petroleum's weighted business refining margin, USD/bbl	7.84	3.97
Average Brent Dated crude oil, USD/bbl	115.09	74.74
Feedstock throughput, thousand bbls	28,568	22,623
USD/SEK average exchange rate	6.34	6.72

Sales and results for the third quarter

Sales revenue for the third quarter 2008 amounted to 24,822 MSEK, an increase of 9,668 MSEK, or approximately 64%, compared to 15,154 MSEK in the third quarter of 2007. Negative currency translation effects were more than offset by higher prices for refined products. Results in the third quarter of 2007 had also been negatively affected by the planned turnaround at the Lysekil refinery.

Operating income amounted to negative 739 MSEK compared to 638 MSEK for the third quarter of 2007. Enhanced refining margins were more than offset by price losses on inventory of crude oil and refined products during the third quarter 2008.

MSEK	July 1 - September 30		Change
	2008	2007	%
Sales revenue	24,822	15,154	63.8%
Gross profit	-594	788	-175.4%
EBITDA	-493	872	-156.5%
Operating income	-739	638	-215.8%
Income before taxes	-2,217	665	-433.4%
Net income	-1,656	478	-446.4%

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 expenses consists mainly of administrative and personnel-related expenses for our corporate cost center.

Sales Revenue

MSEK	July 1 - September 30	
	2008	2007
Supply & Refining	24,132	15,050
Marketing	4,505	2,932
Exchange rate differences	253	-59
Group eliminations	-4,068	-2,769
Total Sales Revenue	24,822	15,154

Operating Income

MSEK	July 1 - September 30	
	2008	2007
Supply & Refining	-798	1,076
Marketing	5	-19
Total Segment Operating income	-793	1,057
Exchange rate differences	139	-328
Other expenses	-85	-91
Total Operating income	-739	638

Supply & Refining

Our Supply & Refining segment reported an operating loss of 798 MSEK for the third quarter of 2008 compared to an operating income of 1,076 MSEK for the third quarter of 2007. The decrease in operating income was driven by price losses 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 2008 was 1,007 MSEK, an increase of 764 MSEK, compared to 243 MSEK in the third quarter of 2007. The improved results within the Supply & Refining operations in 2008 were due to higher refining margins and full utilization of the refineries. During September 2007, the Lysekil refinery was shut down due to the planned turnaround.

The average business refining margin reached 7.84 \$/bbl for the third quarter of 2008 compared to 3.97 \$/bbl for the third quarter of 2007. This was primarily the result of a very strong diesel and gasoil market.

Marketing

Our Marketing segment reported an operating income of 5 MSEK for the third quarter of 2008, an increase of 24 MSEK, compared to an operating loss of 19 MSEK in the third quarter of 2007. The increase in operating income was driven primarily by the business-to-business division. The enhanced results were the effect from increased margins on fuel oil and reduced administrative spending. In addition, the retail division continues to improve results with improved volumes on diesel and improved margins on gasoline.

Depreciation

Total depreciation in the third quarter of 2008 amounted to 245 MSEK, an increase of 12 MSEK, compared to 233 MSEK in the third quarter of 2007.

Financing

Net financing expense for the third quarter of 2008 amounted to 1,478 MSEK compared to net financing income of 27 MSEK for the third quarter of 2007. Net financing expenses were negatively affected by revaluation losses on USD and EUR-denominated loans of 925 MSEK and financial expenses, related to the refinancing of the Senior Credit Facility, of approximately 230 MSEK.

On 29 September 2008, the syndication of new SEK 7,200,000,000 and USD 2,283,100,000 million term loan and revolving credit facilities was closed and funded among Preem AB (formerly Preem Petroleum AB), as borrower, Corral Petroleum Holdings AB, as borrower and guarantor, Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ) and Merchant Banking, Skandinaviska Enskilda Banken AB (publ), Danske Bank, Nordea, Swedbank, DnB NOR Bank ASA as mandated lead arrangers, certain financial institutions, as lenders, and Merchant Banking, Skandinaviska Enskilda Banken AB (publ) as facility and security agent.

First nine months ended September 30

- Sales revenue for the first nine months 2008 amounted to 69,506 MSEK compared to pro forma 45,677 for the first nine months 2007
- Operating income for the first nine months 2008 amounted to 2,758 MSEK compared to pro forma 3,032, for the first nine months 2007
- Net income for the first nine months 2008 amounted to 771 MSEK compared to pro forma 1,840 for the first nine months 2007
- Cash flow from operating activities for the first nine months 2008 amounted to 1,257 MSEK compared to pro forma negative 787 MSEK for the first nine months 2007.
- Cash flow for the period for the first nine months 2008 amounted to 1,482 MSEK compared to pro forma negative 389 MSEK for the first nine months 2007.

Cash flow

Cash flow from operating activities for the first nine months increased to 1,257 MSEK compared to pro forma negative 787 MSEK for the same period of the previous year. In 2008, cash flow from operating activities was positively impacted by adjustment for non-cash items amounting to approximately 1,070 MSEK. Non-cash items are mainly attributable to unrealized currency losses, write-down of inventory and amortization of loan expenditures. Cash flow from operating activities was positively impacted by timing effects in current liabilities, i.e. late acquired inventory, but more than off set by the increase in inventory, due to higher prices of crude oil and refined products as well as higher inventory volumes.

Cash flow used in investing activities for the first nine months of 2008 was 485 MSEK, a decrease of 5,490 MSEK, compared with pro forma 5,975 MSEK for the first nine months of 2007. During the first nine months of 2007, cash flow from investing activities was negatively impacted by the acquisition of Corral Petroleum Holdings AB. Other investing activities amounted to pro forma 1,192 MSEK for the nine months of 2007.

At the close of the third quarter of 2008, the Group's net debt amounted to 17,103 MSEK, as compared to 17,124 MSEK on December 31, 2007, a decrease of 21 MSEK. Cash flow from financing activities was 710 MSEK for the first nine months 2008, a decrease of 5,663 MSEK, compared to pro forma 6,373 MSEK for the first nine months of 2007. The amount pro forma in 2007 reflects mainly the borrowings in connection with the acquisition of Corral Petroleum Holdings AB.

Cash and cash equivalents amounted to 2,317 MSEK at the end of the period, an increase of 1,482 MSEK compared with an opening balance of 835 MSEK.

Parent company

The parent company had no revenues for the third quarter of 2008. Operating income for the period amounted to 0 MSEK and loss before taxes amounted to 564 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/falling crude oil prices, the cost of replenishing our crude oil inventories increases/decreases and, thus, our working capital requirement similarly increases/decreases.

Since September 30, 2008, there has been a significant drop in the crude oil price, product prices and the Swedish krona leading to significant price losses on our inventory.

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.

For additional information on risks relating to our business, please see the Annual Report 2007 for Corral Finans.

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 the effects from the transition to IFRS, done as of January 1, 2007, and accounting principles applied, please see the Annual Report 2007 for Corral Finans.

Additional information

On October 10, 2008, the name of Preem Petroleum AB was changed to Preem AB.

The merger of Corral Petroleum Holdings AB into Preem AB received final approval from the Swedish Companies Registration Office on 30 October 2008.

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

An international conference call for investors and analysts will be held on November 20, 2008 at 3:00 pm Sweden.

The call-in number is as follows: **+46 8 56 619 338** meeting code: Preem.

The January-December 2008 annual report will be released on April 30, 2009.

The Board of Directors and the Managing Director certify that the nine 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, November 20, 2008

Richard Öhman
Director, Managing Director

John P. Oswald
Director, Chairman of the Board

Bassam Aburdene
Director

For further information, please contact:

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

CORRAL FINANS AB INTERIM REPORT, 1 JANUARY – SEPTEMBER 30, 2008
Unaudited

CONSOLIDATED INCOME STATEMENT

MSEK	July 1 -Sept 30		Jan 1 - Sept 30	
	2008	2007	2008	2007 *1
Revenues	26,961	17,061	75,869	51,368
Excise duties	-2,139	-1,907	-6,363	-5,691
Sales revenues	24,822	15,154	69,506	45,677
Cost of goods sold	-25,416	-14,366	-66,383	-42,147
Gross profit	-594	788	3,123	3,530
Selling expenses	-147	-147	-430	-498
Administrative expenses	-114	-94	-315	-264
Other operating income	116	91	380	264
Operating income	-739	638	2,758	3,032
Interest income	51	50	145	145
Interest expense	-369	-396	-1,097	-988
Other financial, net	-1,160	373	-652	368
Income before taxes	-2,217	665	1,154	2,557
Income taxes	561	-187	-383	-717
Net income	-1,656	478	771	1,840
Attributable to:				
Parent Company Shareholders	-1,657	477	768	1,838
Minority Shareholders	1	1	3	2
	-1,656	478	771	1,840

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

CORRAL FINANS AB INTERIM REPORT, 1 JANUARY – SEPTEMBER 30, 2008
Unaudited

CONSOLIDATED BALANCE SHEET

MSEK	September 30 2008	December 31 2007
ASSETS		
Goodwill	308	308
Tangible assets	9,952	10,244
Financial assets	3,217	3,173
Total fixed assets	13,477	13,725
Inventories	10,550	8,179
Accounts receivable	5,883	4,945
Other receivables	532	497
Prepaid expenses and accrued income	507	394
Cash and cash equivalents	2,317	835
Total current assets	19,789	14,850
Total assets	33,266	28,575
EQUITY AND LIABILITIES		
Share capital	0	0
Other paid-in capital	1,407	1,407
Retained loss	-1,890	-2,658
	-483	-1,251
Minority interests	11	9
Total equity	-472	-1,242
Financial debts	19,420	17,959
Provision for deferred taxes	1,583	1,600
Other provisions	146	155
Accounts payable	6,859	5,268
Other liabilities	2,138	2,153
Accrued expenses and deferred income	3,592	2,682
Total liabilities	33,738	29,817
Total equity and liabilities	33,266	28,575

CORRAL FINANS AB INTERIM REPORT, 1 JANUARY – SEPTEMBER 30, 2008
Unaudited

CONSOLIDATED CASH FLOW STATEMENT

MSEK	July 1 - Sept 30		Jan 1 - Sept 30	
	2008	2007	2008	2007 *1
Continuous operation				
Income before taxes	-2,217	665	1,154	2,557
Adjustments for non-cash items	1,767	-126	1,892	71
Taxes paid	-450	539	3,046	2,628
Cash flow from operating activities before changes in working capital	-186	-1	-604	-536
	-636	538	2,442	2,092
Cash flow in working capital				
Decrease(+)/Increase(-) in inventories	477	-534	-2,675	-80
Decrease(+)/Increase(-) in current receivables	-714	-509	-869	-500
Decrease(-)/Increase(+) in liabilities	535	-950	2,359	-2,299
Cash flow from operating activities	-338	-1,455	1,257	-787
Capital investments operation				
Acquisition of subsidiary	-	-	-	-4,786
Investment in tangible fixed assets	-149	-412	-444	-1,009
Sale of tangible fixed assets	3	10	9	12
Decrease(+)/Increase(-) in financial fixed assets	-	-14	-50	-192
Cash flow used in investing activities	-146	-416	-485	-5,975
Financing operation				
Raising of loan	13,453	2,017	14,508	7,721
Amortization of borrowings	-11,613	-525	-13,405	-1,348
Loan expenditures	-392	-	-392	-
Dividends paid	-	-	-1	-
Cash flow used in/from financing activities	1,448	1,492	710	6,373
CASH FLOW FOR THE PERIOD				
Cash and cash equivalents at the beginning of the period	964	-379	1,482	-389
Cash and cash equivalents at the end of the period	1,353	968	835	978
	2,317	589	2,317	589

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

CHANGES IN EQUITY, GROUP

MSEK	Capital stock *)	Other paid-in capital	Retained profit/loss	Minority interest	Total equity
Equity January 1	0	1,407	-2,658	9	-1,242
Dividends paid	-	-	-	-1	-1
Net income	0	-	768	3	771
Equity September 30	0	1,407	-1,890	11	-472

*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	-	-	1,037	1,037
Net income	-	-	-552	-552
Equity September 30	0	0	485	485

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