

Corral Petroleum Holdings, AB (publ)

Notice

2009-04-17

Preem AB (publ) Receives a Bank Waiver for Certain Covenants

Corral Petroleum Holdings, AB (publ), announced today that its wholly-owned subsidiary, Preem, AB (publ), has entered into a waiver and amendment agreement with its Syndicated Bank Group.

As previously announced, Preem refinanced its outstanding indebtedness in a Syndicated Bank Credit Facility in September 2008. Shortly thereafter, there was a precipitous drop in oil prices from approximately \$92 per barrel at the time of the execution of the agreement to approximately \$37 per barrel as of December 31, 2008. As a consequence of the falling world market prices, 2008 was characterized by significant inventory losses on crude oil and refined products. The operating profit excluding inventory losses was, however, one of the best in the company's history. The inventory losses resulted in a reduction of equity at Preem. Although some of this loss has been recovered as the price of oil has increased through the first three months of 2009, it was clear to management in January that there could be a default as of year-end 2008. As a result, Preem entered into negotiations with the Syndicated Bank Group in January to obtain certain waivers. On April 8th, 2009, Preem entered into a waiver agreement and has agreed with the Syndicated Bank Group to amendments to the certain covenants contained in the Syndicated Bank Credit Facility.

In consideration of these waivers and amendments, the Syndicated Bank Group obtained an undertaking from Corral's parent, Moroncha Holdings, Co., Ltd., to make up any equity shortfall under the revised covenants as of 30 September, 2009. In addition, Moroncha provided security for this undertaking, by having its wholly-owned subsidiary, Petroswede, AB, pledge the shares in its wholly-owned subsidiary, Svenska Petroleum Exploration, AB. The security will be released upon satisfaction of any equity shortfall that exists at September 30, 2009 and certain other conditions.

As part of the amendments, Preem agreed to suspend the additional entitlements that it was granted last year to declare dividends and make loans up to Corral in order to service the cash interest portion of the floating rates split coupon notes due 2010 and the administrative costs of Corral. This suspension will be lifted upon the restoration of equity to certain levels as agreed in the amendment. As a consequence, the ultimate shareholder of Corral has financed the cash portion of interest payments due April 15, 2009.

As part of the restructuring, Preem has also reduced its overall availability from the Syndicated Bank Group by U.S. \$250 Million. Further details, along with the financial results for 2008, will be given in the annual report which is due to be published April 30, 2009.