

WEBCAST PRESENTATION – 27<sup>th</sup> MAY 2015

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# Q1 2015 RESULTS



## DISCLAIMER

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ATLANTIC PETROLEUM

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# Q1 PERFORMANCE



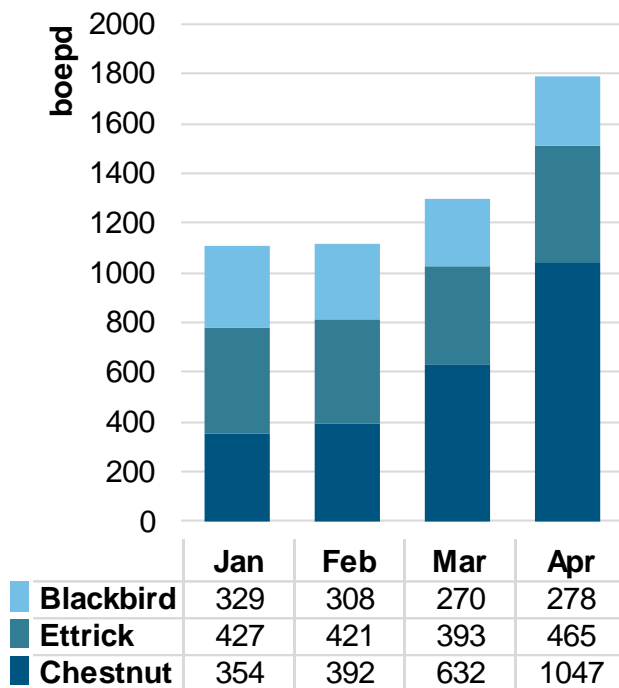
## HIGHLIGHTS AND EVENTS

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- Production for the first 3 months was 106,000 boe corresponding to an average of 1,178 boepd net
- Revenue for 1Q 2015 was DKK 39.1MM and this was impacted by the lower than expected production and lower oil price.
- Net loss for 1Q 2015 was DKK 11.7MM.
- EBITDAX for the first 3 months was negative with DKK 28.2MM.
- Net assets/shareholders equity DKK 453.5MM.
  
- Pegasus West
- Norway PL602



# PRODUCTION



## Ettrick & Blackbird

- Q1 Production impacted by a planned well intervention

## Chestnut

- Q1 production impacted by scale squeezes

*Revised Production Target 2015 520,000 Boe*



# CONSOLIDATED INCOME STATEMENT

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| DKK 1,000                                      |  |  | 3 months<br>to 31 <sup>st</sup> March<br>2015 | 3 months<br>to 31 <sup>st</sup> March<br>2014 | Full year<br>2014 |
|--|--|--|---|---|-------------------|
| Revenue  |  |  | 39,143  | 112,706                                       | 343,146           |
| Cost of sales                                  |  |  | -53,246                                       | -73,894                                       | -530,002          |
| <b>Gross loss/profit</b>                       |  |  | <b>-14,102</b>                                | <b>38,812</b>                                 | -186,856          |
| Exploration expenses                           |  |  | -1,434  | -81,333                                       | -214,862          |
| Pre-licence exploration cost                   |  |  | -654  | -3,451  | -12,631           |
| General and administration cost                |  |  | -12,117                                       | -14,188                                       | -41,548           |
| Depreciation PPE & Intangible assets           |  |  | -2,834  | -3,860  | -16,675           |
| Other operating cost/income                    |  |  | -12,457                                       | 0   | 18,500            |
| <b>Operating loss</b>                          |  |  | <b>-43,598</b>                                | <b>-64,020</b>                                | -454,073          |
| Interest expenses/income and finance cost/gain |  |  | -11,535                                       | -4,463  | -30,142           |
| <b>Loss before taxation</b>                    |  |  | <b>-55,133</b>                                | <b>-68,483</b>                                | -484,215          |
| Taxation                                       |  |  | 43,433  | 55,796  | 265,958           |
| <b>Loss after taxation</b>                     |  |  | <b>-11,700</b>                                | <b>-12,687</b>                                | -218,257          |
| Earnings per share (DKK):                      |  |  |   |   |                   |
| Basic  |  |  | -3.16   | -3.43   | -59.03            |
| Diluted  |  |  | -3.16   | -3.43   | -59.03            |



# CONSOLIDATED BALANCE SHEET

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| DKK 1,000                                    | At 31 <sup>st</sup> March<br>2015 | At 31 <sup>st</sup> March<br>2014 | At 31 <sup>st</sup> December<br>2014 |
|--|-----------------------------------|-----------------------------------|--------------------------------------|
| <b>Non-current assets</b>                    |                                   |                                   |                                      |
| Goodwill                                     | 55,617                            | 55,111                            | 51,917                               |
| Intangible assets                            | 14,740                            | 28,332                            | 16,576                               |
| Intangible exploration and evaluation assets | 311,628                           | 235,484                           | 258,653                              |
| Tangible development and production assets   | 411,764                           | 613,886                           | 369,079                              |
| Property plant and equipment                 | 1,925                             | 2,625                             | 2,036                                |
| Tax repayable                                | 27,483                            | 79,608                            | 0                                    |
|  | <b>823,157</b>                    | 1,015,046                         | 698,261                              |
| <b>Current assets</b>                        |                                   |                                   |                                      |
| Inventories                                  | 26,929                            | 31,106                            | 17,019                               |
| Trade and other receivables                  | 71,377                            | 90,470                            | 81,398                               |
| Tax repayable                                | 151,555                           | 44,443                            | 145,374                              |
| Financial assets                             | 7,777                             | 0                                 | 19,027                               |
| Cash and cash equivalents                    | 61,762                            | 173,165                           | 111,989                              |
|  | <b>319,401</b>                    | 339,185                           | 374,808                              |
| <b>Total assets</b>                          | <b>1,142,558</b>                  | 1,354,230                         | 1,073,068                            |
| <b>Current liabilities</b>                   |                                   |                                   |                                      |
| Exploration finance facility                 | 151,555                           | 41,280                            | 146,238                              |
| Short term bank debt                         | 19,500                            | 19,500                            | 19,500                               |
| Short term liabilities                       | 0                                 | 0                                 | 40                                   |
| Trade and other payables                     | 91,732                            | 170,157                           | 92,198                               |
| Financial liabilities                        | 0                                 | 739                               | 0                                    |
| Current tax payable                          | 4,430                             | 1,129                             | 4,104                                |
|  | <b>267,217</b>                    | 232,805                           | 262,080                              |
| <b>Non-current liabilities</b>               |                                   |                                   |                                      |
| Exploration finance facility                 | 24,344                            | 0                                 | 0                                    |
| Long term bank debt                          | 39,000                            | 58,500                            | 39,000                               |
| Long term provisions                         | 203,282                           | 174,998                           | 187,381                              |
| Deferred tax liability                       | 155,181                           | 293,062                           | 161,426                              |
|  | <b>421,808</b>                    | 526,560                           | 387,807                              |
| <b>Total liabilities</b>                     | <b>689,025</b>                    | 759,365                           | 649,887                              |
| <b>Net assets</b>                            | <b>453,533</b>                    | 594,865                           | 423,181                              |
| <b>Equity</b>                                |                                   |                                   |                                      |
| Share capital                                | 369,786                           | 369,786                           | 369,786                              |
| Share premium account                        | 233,444                           | 233,470                           | 232,444                              |
| Share based bonus schemes - LTIP             | 6,690                             | 3,737                             | 5,766                                |
| Futures Contracts Value                      | 0                                 | -739                              | 0                                    |
| Translation reserves                         | 91,443                            | 19,171                            | 50,316                               |
| Retained earnings                            | -247,830                          | -30,560                           | -236,131                             |
| <b>Total equity shareholders' funds</b>      | <b>453,533</b>                    | 594,865                           | 423,181                              |



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# Exploration & Appraisal



# EXPLORATION



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| EXPLORATION |                            | 2015 |           |    |    | 2016 |    |               |    | 2017            |               |                 |    |  |
|-------------|----------------------------|------|-----------|----|----|------|----|---------------|----|-----------------|---------------|-----------------|----|--|
|             |                            | 1Q   | 2Q        | 3Q | 4Q | 1Q   | 2Q | 3Q            | 4Q | 1Q              | 2Q            | 3Q              | 4Q |  |
| NORWAY      | PL705 NAPOLEON / SURNA     |      |           |    |    |      |    | Possible Well |    |                 |               |                 |    |  |
|             | PL602 ROALD RYGG           |      | Firm Well |    |    |      |    |               |    |                 |               |                 |    |  |
| UK          | P1610 MAGNOLIA / LIBERATOR |      |           |    |    |      |    |               |    |                 |               | Possible Well   |    |  |
|             | P1906 GREATER YORK         |      |           |    |    |      |    |               |    |                 | Possible Well |                 |    |  |
|             | P2082 SKERRYVORE           |      |           |    |    |      |    | Firm Well     |    |                 |               |                 |    |  |
|             | P2126 AURORA               |      |           |    |    |      |    |               |    |                 |               | Contingent Well |    |  |
|             | P2128 ANDROMEDA            |      |           |    |    |      |    |               |    | Contingent Well |               |                 |    |  |



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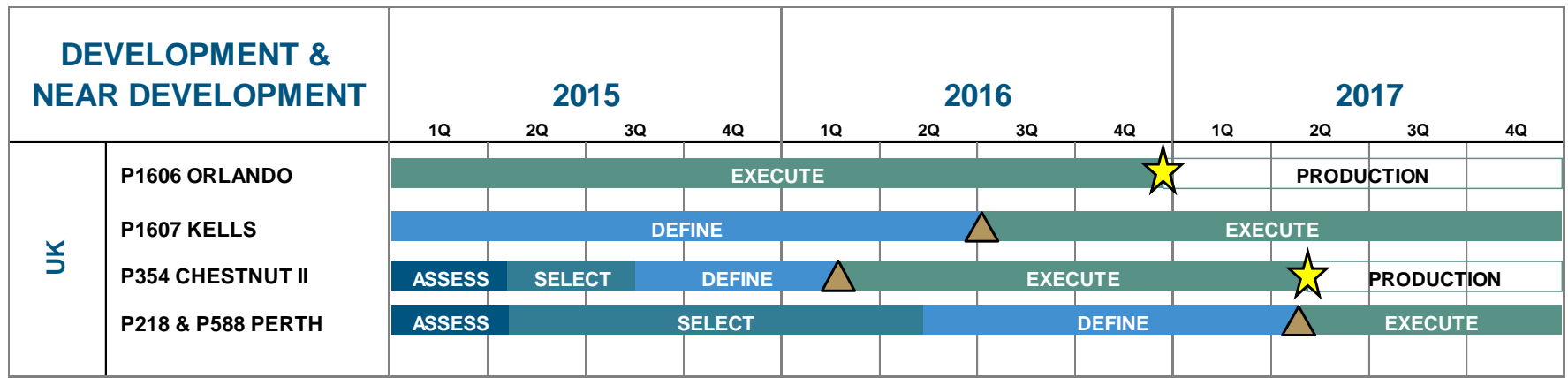
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# Developments



# DEVELOPMENT AND NEAR DEVELOPMENT

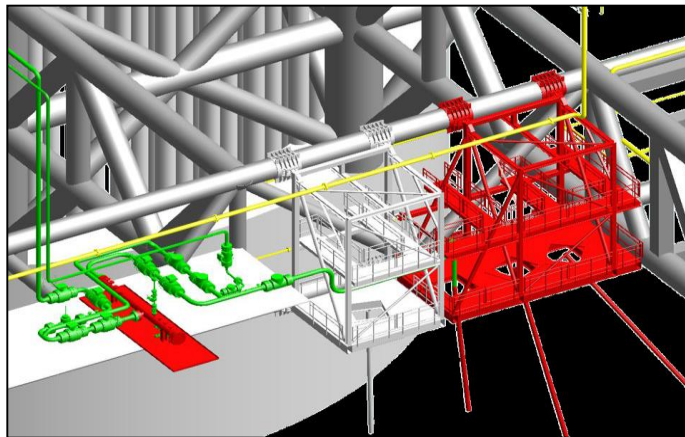
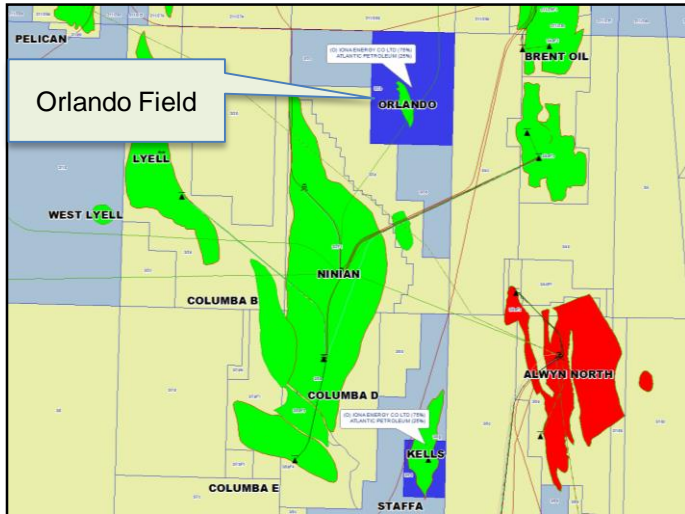
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Final Investment Decision

First Hydrocarbons

## ORLANDO – ON TRACK FOR 2016 FIRST OIL – LOW COST BARRELS



Planned Location of Orlando Riser Hang-off structure on Ninian Central Platform

### JV partners & equities

- Iona Energy 75% (Operator), Atlantic Petroleum 25%

### CPR estimates

- Orlando net 2P reserves of 3.8 MMboe
- Orlando initial rates expected at 10,000+ bopd

### Development Progress

- Infrastructure agreements signed in October 2014 for first oil late 2016
- Brown-field modifications to Ninian Platform being rapidly progressed
- Line-pipe and tree manufacture substantially complete
- Several other key contract awards imminent. Costs are being managed without compromising first oil date

### Robust Project – Low OPEX barrels

- Opex per boe estimated at USD15
- Capex per boe to first oil estimated at USD 14 - 16

*Orlando provides production growth by end 2016 of low cost barrels*



# NEAR DEVELOPMENTS – KELLS & PERTH

## KELLS – P1607 3/8d

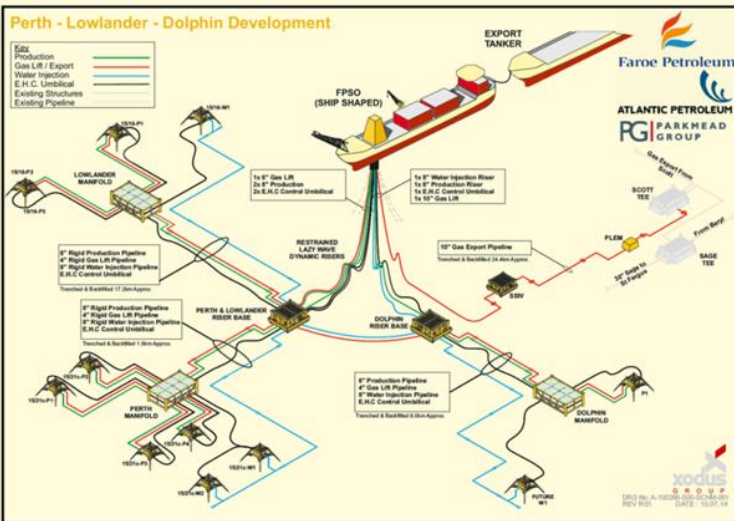
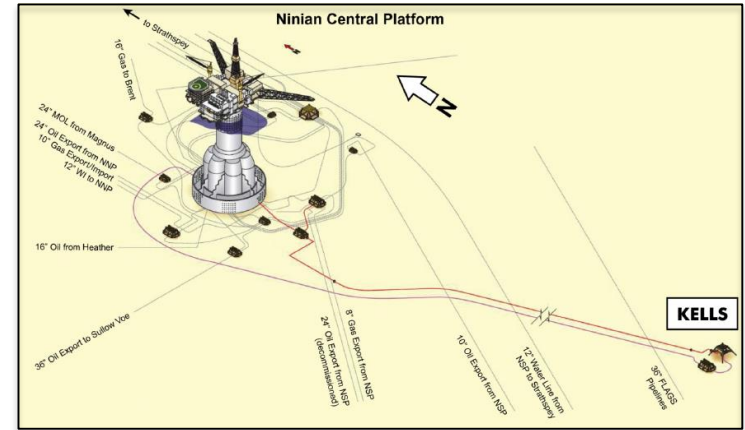
Iona Energy (Operator) 75%, Atlantic Petroleum 25%

### CPR estimates

- Kells net 2P reserves of 2.25 MMboe
- Kells initial rates expected at 7,000+ bopd
- First production expected 2017

### Development plan

- Subsea tieback to Ninian Central Platform



## PERTH – P588 15/21b & 15/21c

Parkmead Group (Operator) 52.13%, Faroe Petroleum 34.62%, Atlantic Petroleum 13.35%

### CPR Estimates

- 6.4MMBbl 2C contingent resources

### Development Plans

- Joint development now could include Perth & Dolphin (AP 13.35%) and Lowlander
- Offers combined potential resource base greater than 80MMboe
- Heads of Agreement for the Joint Development of the fields signed

*Kells provides production growth following Orlando*



## CHESTNUT & CHESTNUT RE-DEVELOPMENT

### Comments

#### Chestnut – P354, Block 22/2a

- Located in the UK sector of the Central North Sea

#### JV partners and interests:

- Centrica Energy Upstream (Operator) 69.875%
- Dana Petroleum (E&P) Limited 15.125%
- Atlantic Petroleum 15.000%

#### Wells

- 2 production wells, 1 water injector
  - 22/2a -11X started production in September 2008
  - 22/22a-16Y tied to Chestnut facilities and started production in 2009 (water injection well in 2011)

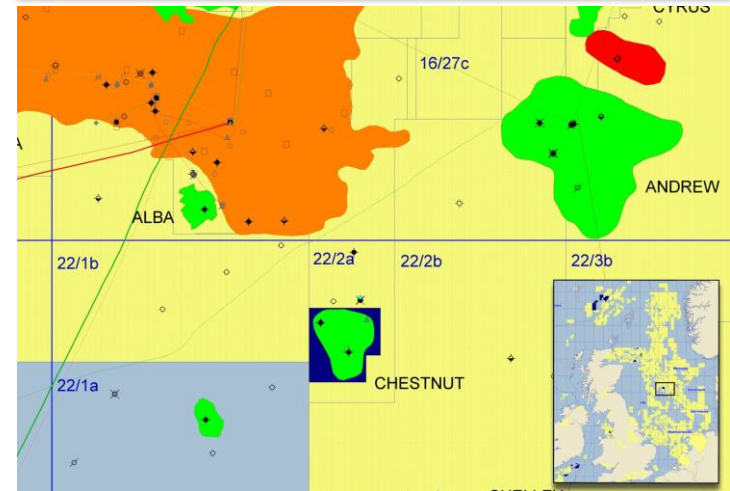
#### Production and facilities

- Leased FPSO “Hummingbird” from Teekay
- The contract for the Teekay Hummingbird FPSO has been extended to allow the field to produce to end 1Q 2017 and further extensions will be sought when field production performance and expectation allows the commitment to be made

#### 2P Reserves

- 0.65 MMBoe (Net to AP)

### Map



### Production history

- Production to date c. 16 MMBLS
- FDP based on 8 MMBLS
- Over-performance has led to operator re-looking at field model and future predictions
- Up to 14 MMBLS remaining potential if redevelopment undertaken

*Operator working towards redevelopment investment decision in Q1 2016*



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# Pegasus - Value Unlocked

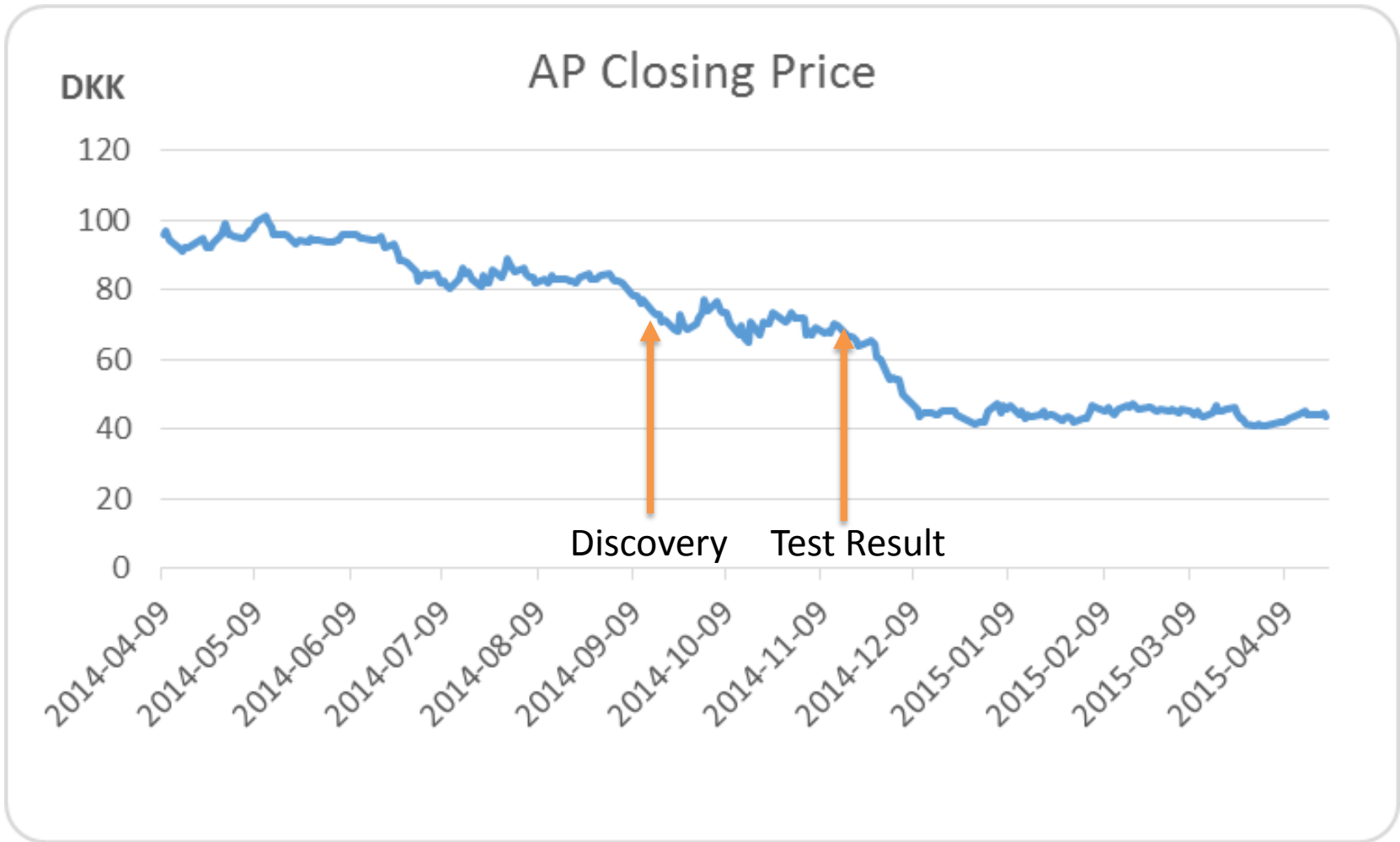
## GAS DISCOVERY ON PEGASUS WEST



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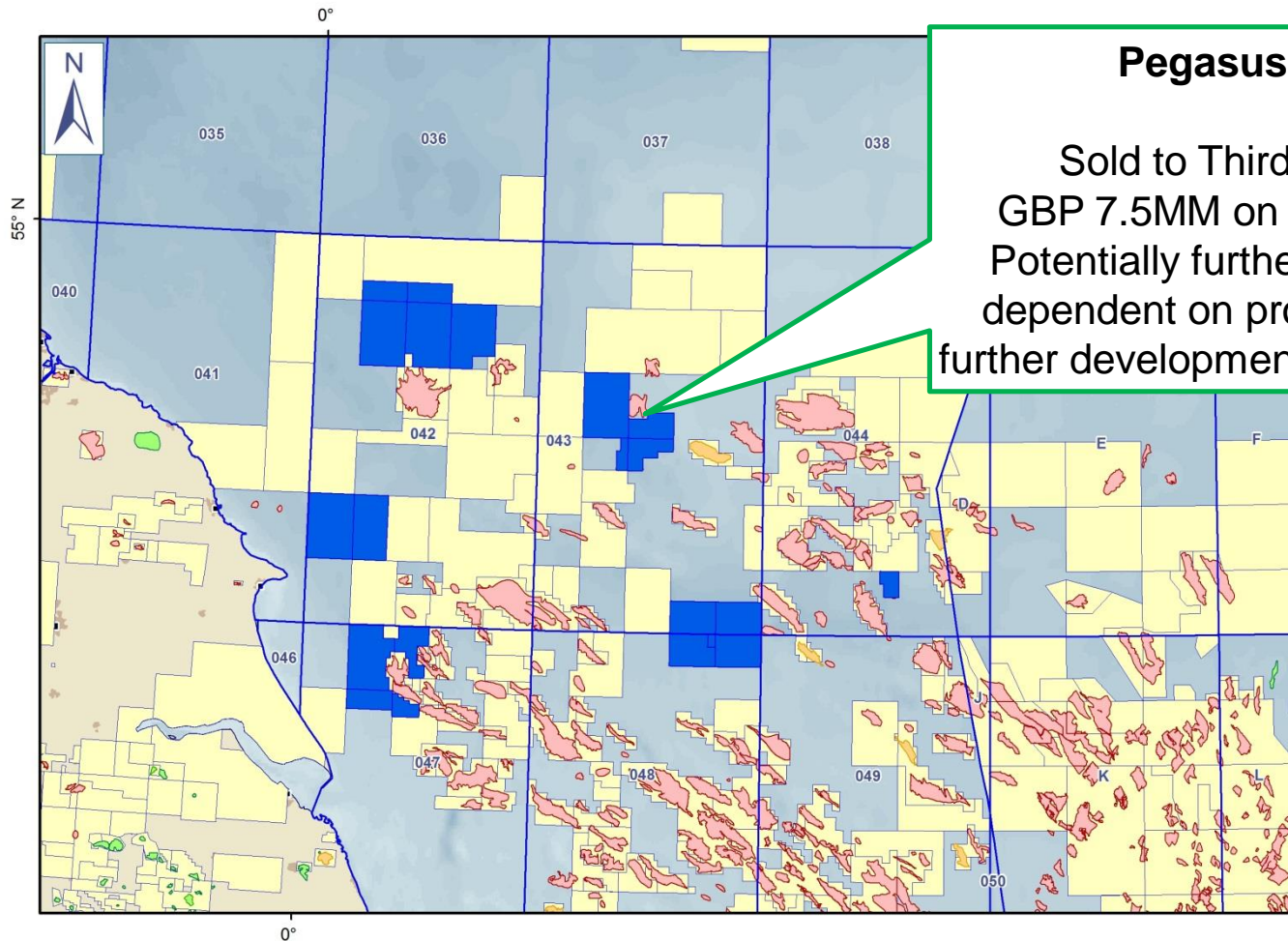


*Did the market react?*



# GAS DISCOVERY ON PEGASUS WEST

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**Pegasus area**

Sold to Third Energy.  
GBP 7.5MM on completion.  
Potentially further GBP 9MM  
dependent on production and  
further development on the blocks

- Licences
- Company Blocks (Apr 15)
- Block Assets (84)
- ATLANTIC PETROLEUM (op)
- ATLANTIC PETROLEUM (non-op)



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# Summary & Outlook



# TARGETS 2015

## PRODUCTION

520,000 BOE

## FINANCIAL

EBITDAX POSITIVE

## EXPLORATION

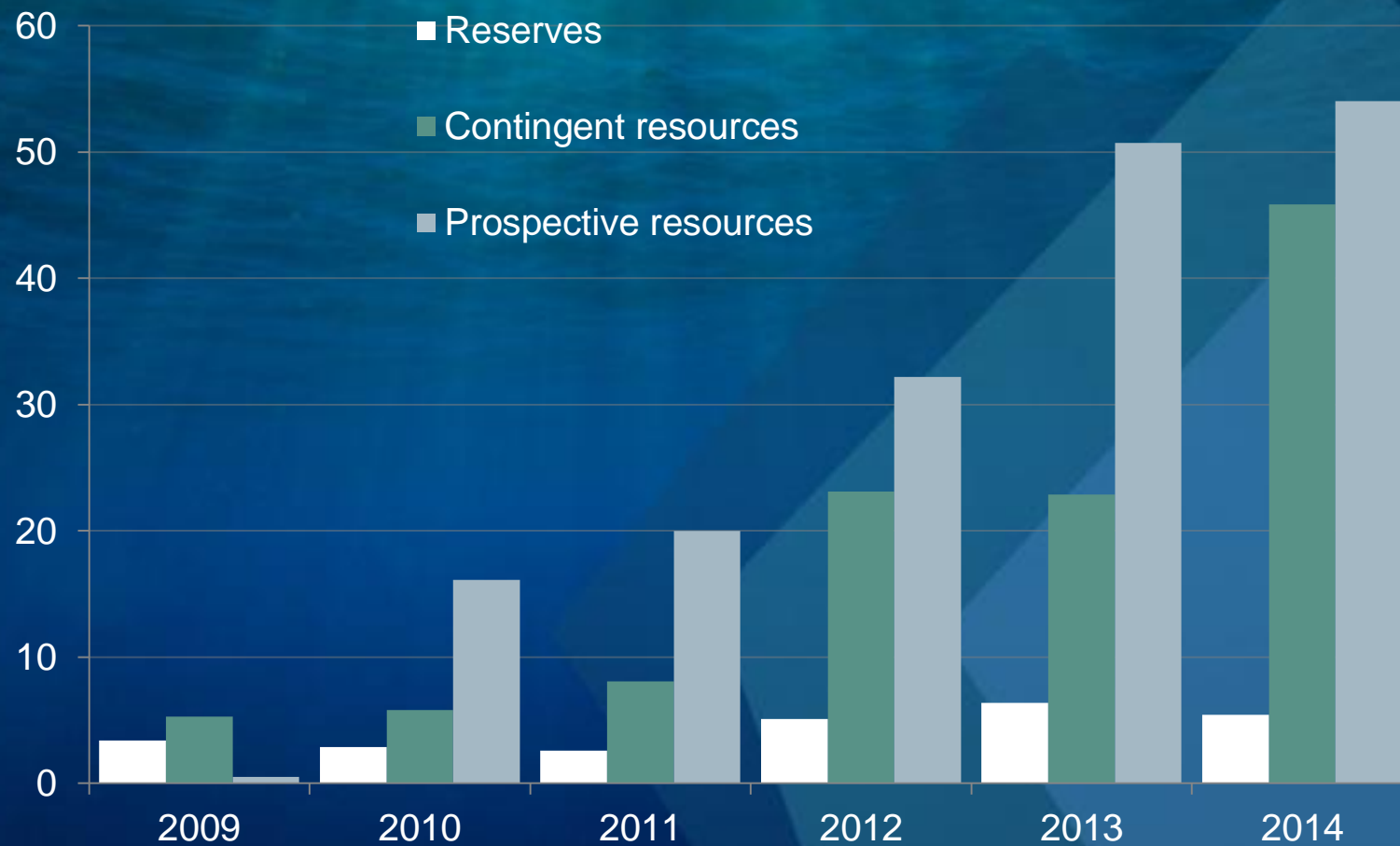
DRILL NORWAY ROALD RYGG



## RESERVES (CPR NUMBERS)

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MMBoe

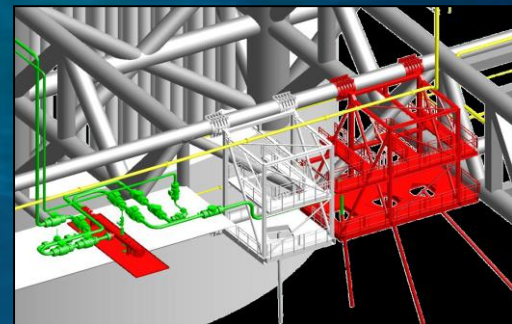


1) Source: Competent Person's Reports by Fugro Robertson (year 2009-2012) & GCA (year end 2013 & 2014)



## THE WAY FORWARD

- Capital discipline is key
- Prioritise development & production Capex in the short term to get to first oil on Orlando in 2016. Production is set to more than double in 2016
- Build and protect exploration portfolio for drilling activity in 2016 and onwards for longer term growth
- A wide range of funding options and ways to realise the value of AP's assets are being pursued. Removing funding uncertainty unlocks value





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**Q&A**



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