

WEBCAST PRESENTATION – 14<sup>th</sup> MARCH 2014

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# 4Q 2013 RESULTS



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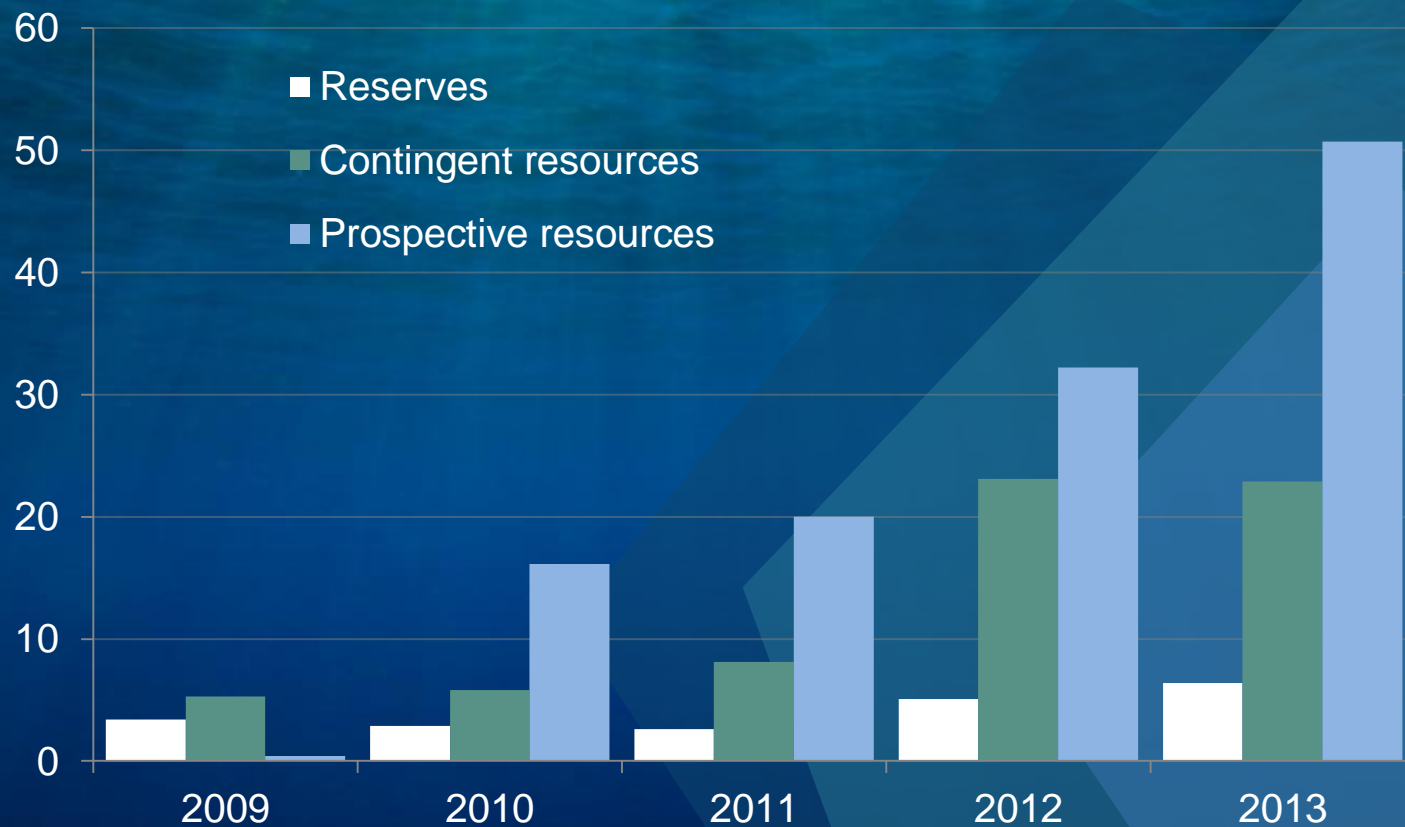


ATLANTIC PETROLEUM

# 4Q 2013 PERFORMANCE



MMBoe





## SIGNIFICANT ACHIEVEMENTS IN 2013

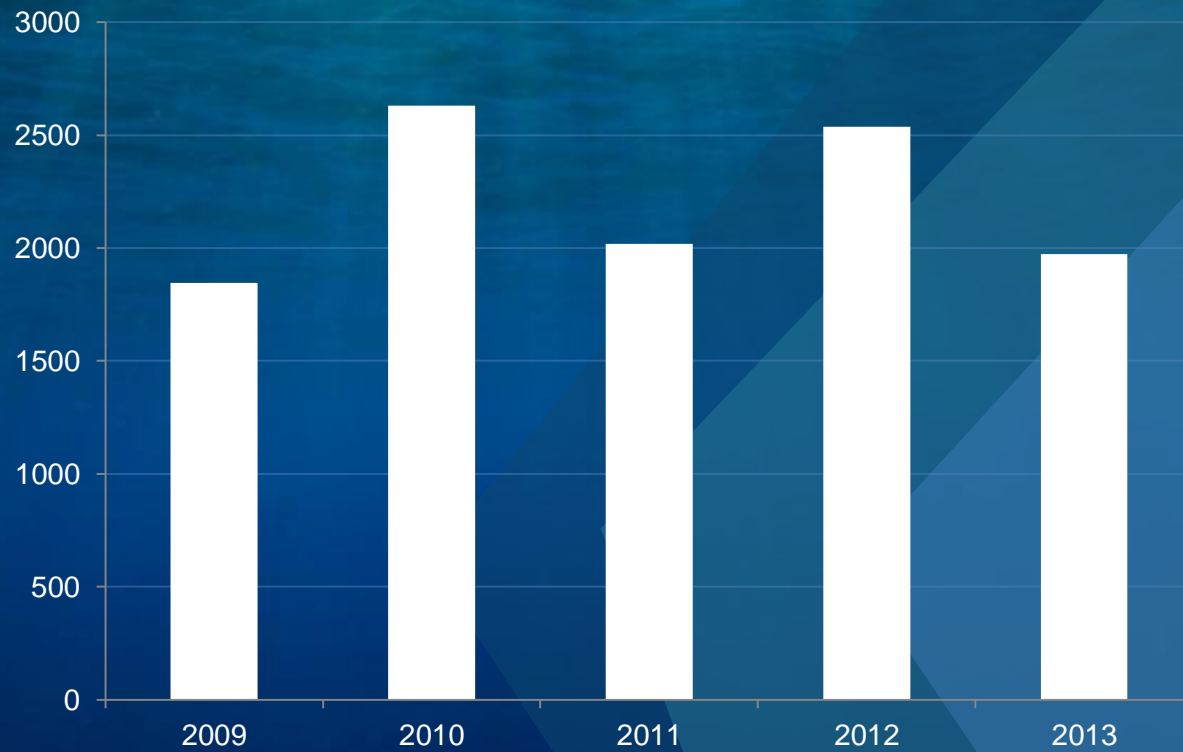
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- **Successful completed acquisition** of 25% working interest in UK licences P1606 and P1607 containing the development assets Orlando and Kells. Orlando development was approved by DECC in 2013.
- **UK 27th Licensing Round** – awarded 12 blocks in 4 licences bringing the total number of 27th Licensing Round blocks up to 23 in 8 licences
- **Norwegian 22nd Licensing Round & Norwegian APA round** – awarded 10 blocks in 4 licences
- **Successfully farmed** into two Norwegian licences PL 659 containing the Langlitinden and PL 528 containing the Ivory prospect
- **Ettrick & Blackbird** extending field life by drilling two in-fill wells on producing assets - one drilled on the Ettrick field and one committed on the Blackbird field
- **Listed on the Oslo Stock Exchange** attracting increased attention from investor base and analyst coverage
- **Completed equity raise** with net proceeds of DKK 115MM to boost balance sheet and pursue exploration
- Set up **exploration debt facility** with DNB in Norway of NOK 300MM





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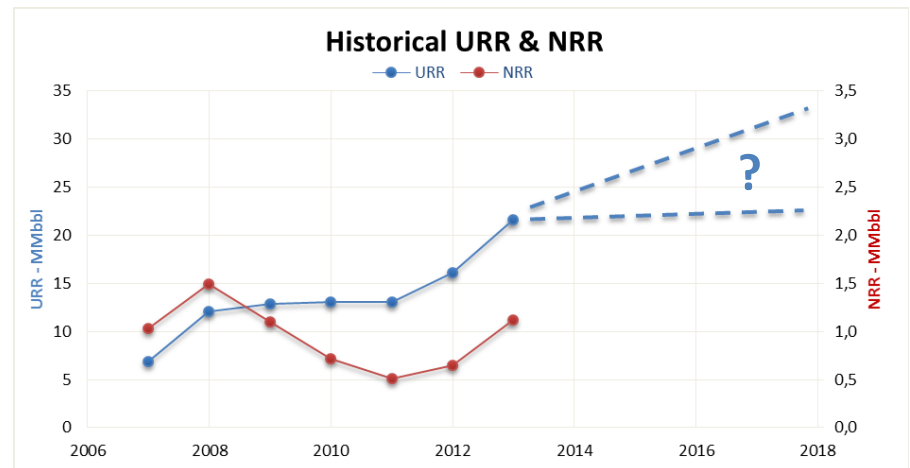
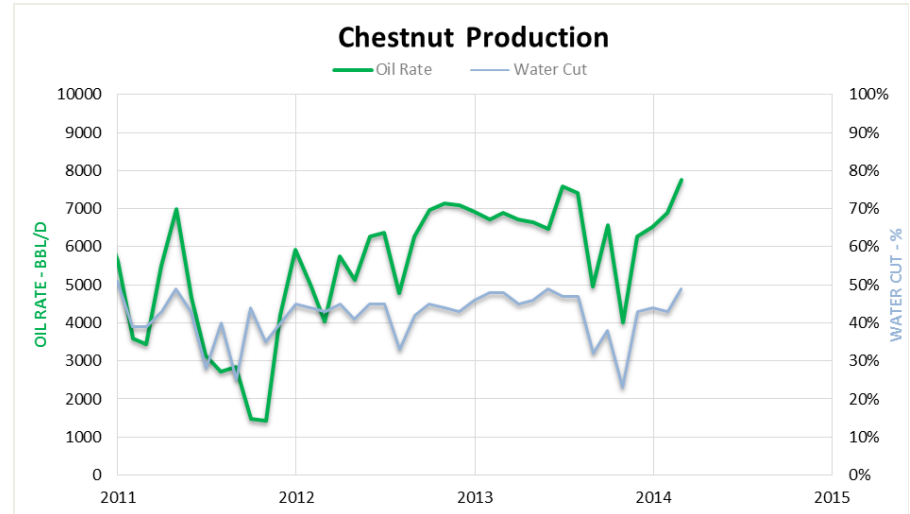


## EXCELLENT CHESTNUT PERFORMANCE

- **Production** has increased over the last three years due to opening of the chokes
- **Water Cut** has stabilised just below 50%
- **Ultimate Remaining Reserves (URR)** have consistently increased over field life (from annual CPR reports) and have the potential for further increase
- **Net Remaining Reserves (NRR)** are at same level as in 2007 (from annual CPR reports) and have the potential for further increase

### Centrica / JV Actions

- Reservoir model being re-examined
- Hummingbird FPSO contract extensions
- Examining further extensions and/or other development options





## INCOME STATEMENT – 4Q 2013

DKK MM	4Q 2013
Revenue	89.1
Cost of sales	-63.2
<b>Gross profit</b>	<b>26.0</b>
Exploration expenses	-5.8
Pre-licence exploration cost	-2.4
General and administration cost	-16.4
<b>Operating profit</b>	<b>1.2</b>
Interest income and finance gain	-2.8
Interest expenses and other finance cost	-2.4
<b>Loss/profit before taxation</b>	<b>-3.8</b>
Taxation	-2.2
<b>Loss/profit after taxation</b>	<b>-1.6</b>

- **4Q Revenue** affected by lower production due to unplanned shutdown on Chestnut & weather
- **Net production to Atlantic Petroleum for 2013 was 720K boe**
- **Full year EBITDAX DKK 224MM**





## INCOME STATEMENT – 2013

DKK MM	2013	2012
Revenue	417.4	596.7
Cost of sales	-221.8	-274.9
<b>Gross profit</b>	<b>195.7</b>	<b>321.9</b>
Exploration expenses	-119.6	-27.2
Pre-licence exploration cost	-11.1	-8.0
General and administration cost	-66.6	-39.9
<b>Operating loss/profit</b>	<b>-1.6</b>	<b>246.8</b>
Interest income and finance gain	1.5	2.6
Interest expenses and other finance cost	-11.4	-21.7
<b>Loss/profit before taxation</b>	<b>-11.6</b>	<b>227.7</b>
Taxation	-14.1	-161.0
<b>Loss/profit after taxation</b>	<b>-25.7</b>	<b>66.7</b>

- **Revenue** decreased due to lower production, lower oil price and an unplanned shutdown on Chestnut
- **Exploration expense** increased due to high exploration activity & non cash impairments
- **General and administration** cost higher on a pre tax basis reflecting activity in Norway



## BALANCE SHEET AND CASH FLOW – 2013

Balance sheet DKK MM	2013	2012
<b>Total assets</b>	<b>1,237.2</b>	1,121.8
– Cash and cash equivalents	184.6	242.5
<b>Equity</b>	<b>597.3</b>	537.1
Bank debt	103.1	78.0
– Long term	44.6	19.5
– Short term	58.5	58.5
Cash flow DKK MM	2013	2012
Net cash from operating activities	219.1	367.6
Net cash from investing activities	-408.8	-213.6
Net cash from financing activities	135.4	-27.0

- **Total assets** increased by DKK 115.2MM
- **Cash position** year end DKK 184.6MM
- **Tax repayable** from Norwegian Government DKK 43.5MM
- **Debt** increase DKK 25.1MM reflect draw-down on Norwegian exploration facility
- **Equity** increased DKK 60.2MM reflecting equity raise and despite significant exploration write-down
- **Operating cash flow** still strong despite lower production and oil price
- Cash to **investing activities** DKK 408.8MM including UK development assets securing future cash flow



# TARGETS

2014

**EXPLORATION**

Drill 4 exploration/appraisal wells targetting 86MMboe of net unrisksed resources

**PRODUCTION**

Production in 2014 average per day between 1,650 – 1,900 boepd net for the year

**FINANCIAL**

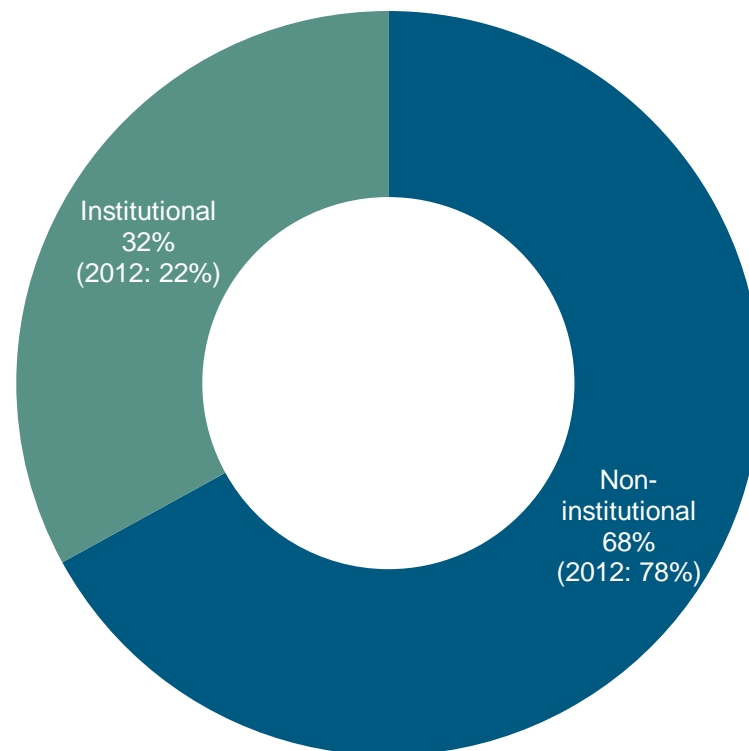
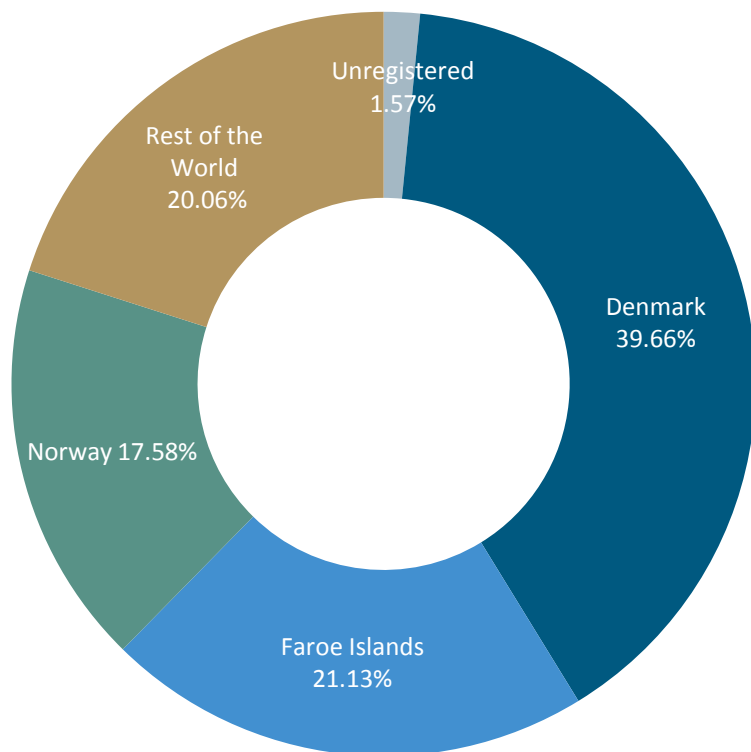
EBITDAX in the range DKK 125MM - 175MM (Earnings Before Interest, Taxes, Depreciation, Amortisation and Exploration Expenses)

Estimated 2014 Opex: DKK 155MM

Estimated 2014 Capex: DKK 135MM



## YEAR END 2013 – SHAREHOLDER DISTRIBUTION





## NCS PORTFOLIO GROWTH

Atlantic Petroleum will grow its portfolio through licensing rounds and farm ins. The company was awarded two new licenses in the latest APA 2013 round, both near existing fields and discoveries.

In December 2013 the company farmed into two licenses with 2014 wells, PL 659 in the Barents Sea and PL 528 in the Norwegian Sea.

The company's portfolio has grown to 8 licenses\* on NCS since the company entered Norway in November 2012.

2013 APA-awards:

**PL270 B** 35/2,3

**Atlantic 15%**

- VNG is operator (85%)
- Same work program as PL270

**PL 763** 6606/2,3

**Atlantic 30%**

- Repsol 40% (Op), Rocksource 30%
- WP: purchase 3D, reprocess 3D, DoD after 2 years

Farm-ins:

**PL659** 7221/12, 7222/10,11,12, parts of 7121/3, 7122/1, 2

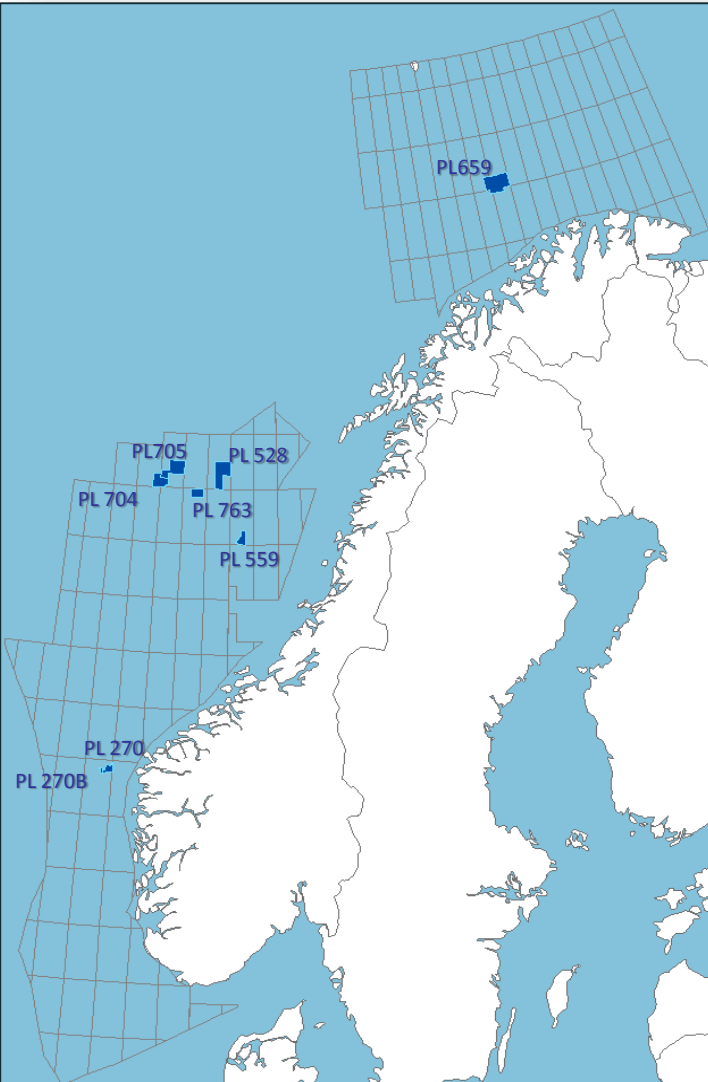
**Atlantic 10%**

- Det Norske 20% (Op), Petoro 30%, Lundin 20%, Tullow 15%
- Well drilled Q1 2014, new 3D seismic acquisition

**PL 528** 6707/8,9,11 and part of 6707/10

**Atlantic 5-15%**

- Centrica 40% (Op.), Statoil 35%, Rocksource 10-20%
- Spud date Q3-Q4 2014



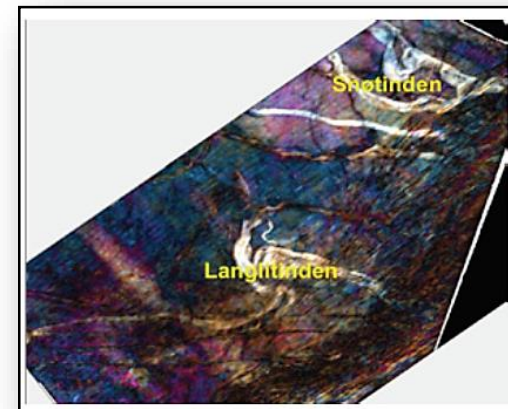
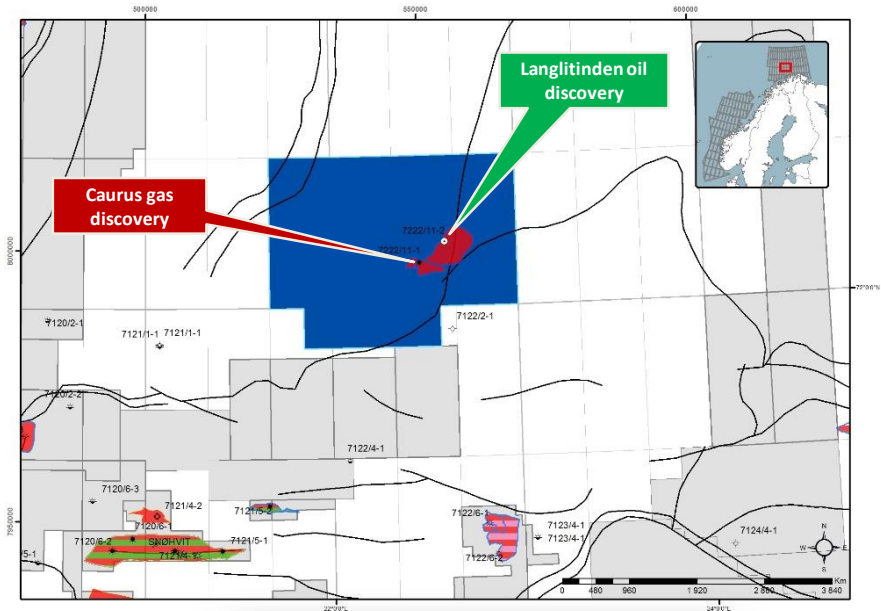
\*Farm in to PL659 and PL528 awaiting final ministry approval



## PL 659 BARENTS SEA - LANGLITINDEN

Blocks 7221/12, 7222/10,11,12, and parts of 7121/3, 7122/1,2  
Det Norske 20% (Op), Petoro 30%, Lundin 20%, Tullow 15%,  
Rocksourc 5%, **Atlantic 10%**

- Well 7222/11-2 was spudded January 14<sup>th</sup> and completed on 27<sup>th</sup> February 2014. The well was drilled with Transocean Barents within budget.
- The well encountered oil filled Triassic Kobbe Fm sands as prognosed. Core data, wireline logs and MDT fluid sampling proved the channel to be oil bearing, but the flow properties are lower than the expectations. The reservoir properties were also considered the main risk before drilling.
- APN's preliminary assessment suggest oil *in-place* above 200 MMbbls for the main target in Langlitinden. The license also contains the Caurus gas discovery in the Snadd Formation.
- Commerciality and remaining prospectivity of the licence, is being evaluated using the acquired well data and a new 3D seismic acquisition program is scheduled for this summer.







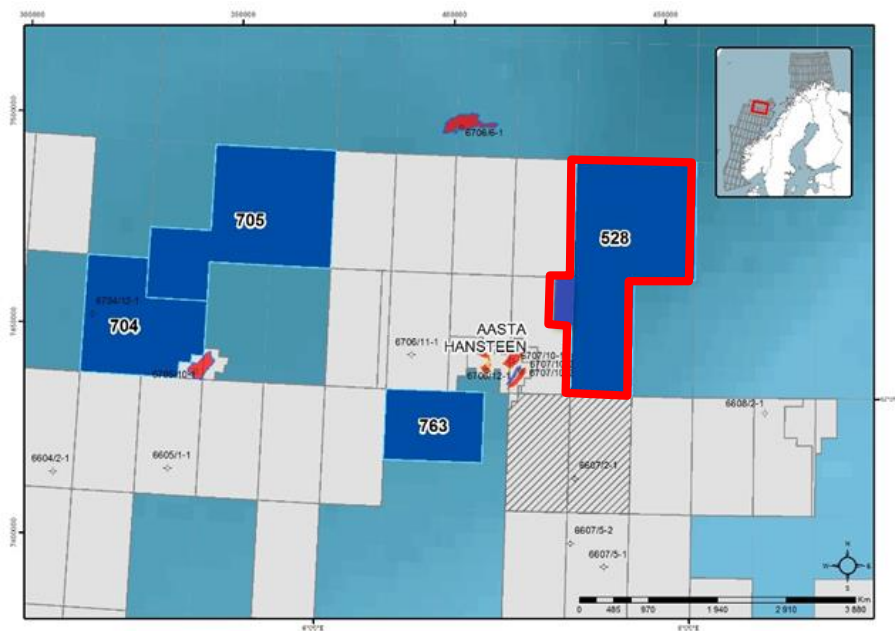
## PL528/528B NORWEGIAN SEA - IVORY

Blocks 6707/8,9,11 and 6707/10 (part)

Centrica 40% (Op.), Statoil 35%, Rocksource \*20% (10-25%)

**Atlantic \*5% (5-15%)**

- Gross recoverable resources up to 306 mmboe
- Gas prone area with possibility for oil
- Adjacent to Aasta Hansteen field (2017 first gas)
- Seismic and EM DHI support
- Additional prospects within the license also with DHI support
  
- Earliest spud: Q3 2014 (West Navigator)



\*Atlantic Petroleum evaluates it's option to increase equity up to 15%.



## CAPTURING ACREAGE CLOSE TO NEAR-FUTURE INFRASTRUCTURE

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Following up with our strategy to capture good quality exploration acreage close to near-future infrastructure, we recently secured the PL763 license (APA 2013 award).

### PL 763 Karius (Blocks 6606/2,3)

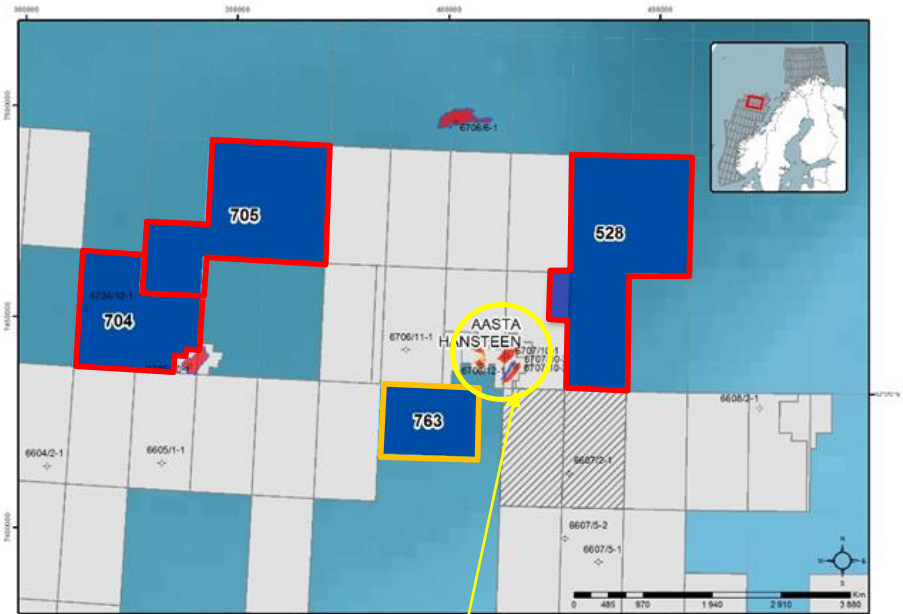
Repsol 40% (Op), Rocksource 30%, **Atlantic 30%**

Work commitments: purchase 3D, reprocess 3D, DoD after 2 years

Similar play as proven gas bearing in the Aasta Hansteen discovery wells.

Several prospects and leads, and the main target is a robust structure associated with EM DHI.

Short distance (15km) to the Aasta Hansteen SPAR.

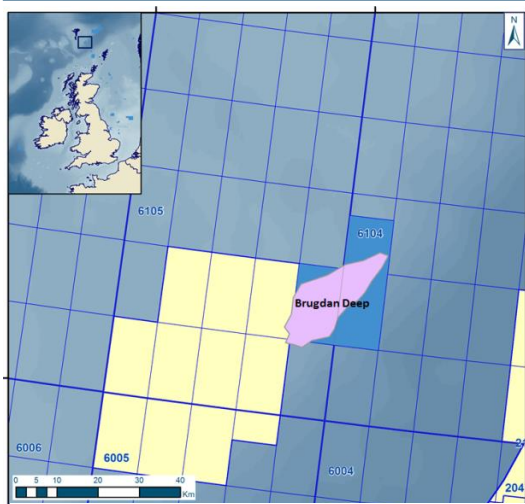


Aasta Hansteen SPAR

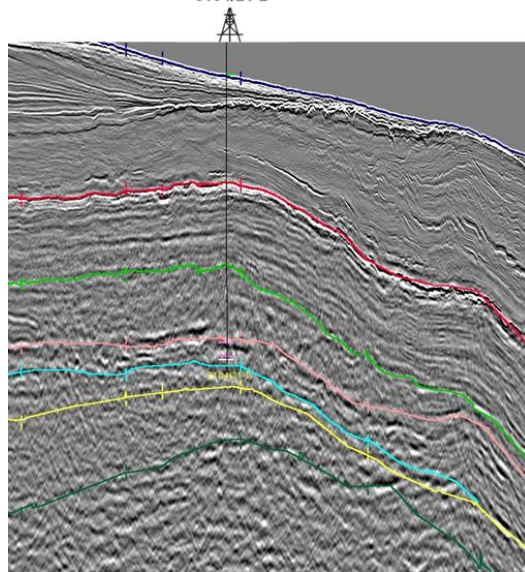
Gas export through the Polarled pipeline planned to be in operation from Aasta Hansteen to Nyhamna late 2016.



## FAROES L006 - BRUGDAN



Brugdan 2  
6104/21-2



### JV partners & equities:

- Statoil (operator) 35%
- ExxonMobil 49%
- OMV 15%
- Atlantic Petroleum 1%

### Area:

- Faroe Shetland Basin
- Extremely large four way dip closure with prognosed Palaeocene Vaila Formation reservoir

### History:

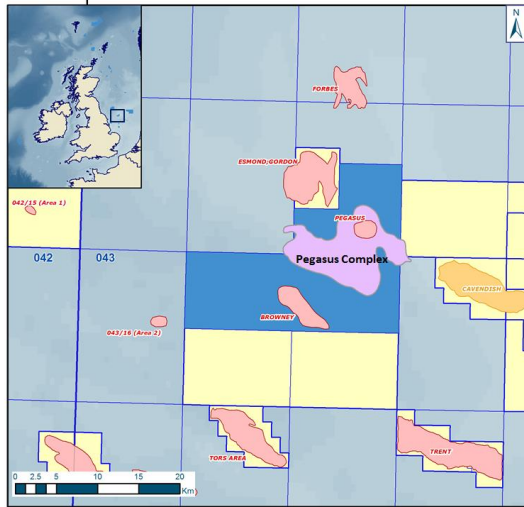
- Brugdan I drilled in 2006:
  - Failed to reach Vaila target
- Brugdan II drilled in 2012:
  - Suspended due to anticipated bad weather

### Resources:

- Operator P50: 4.6 TCF
- CoSg 14%



## UK P1724 - PEGASUS



### JV partners & equities:

- Centrica (operator) 55%
- Viking UK Gas (Third Energy) 35%
- Atlantic Petroleum (Volantis) 10%

### Area:

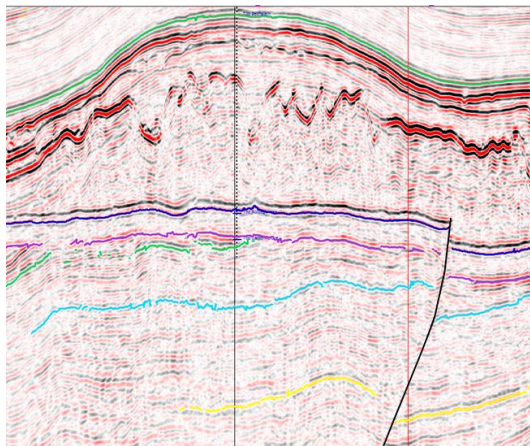
- Southern North Sea, close to Cavendish Field
- Intra-Carboniferous structures, reservoirs & seals

### History:

- Pegasus North well drilled 2011 & discovered gas in Carboniferous Namurian sandstones
- Pegasus West well due to spud MaY 2014

### Resources:

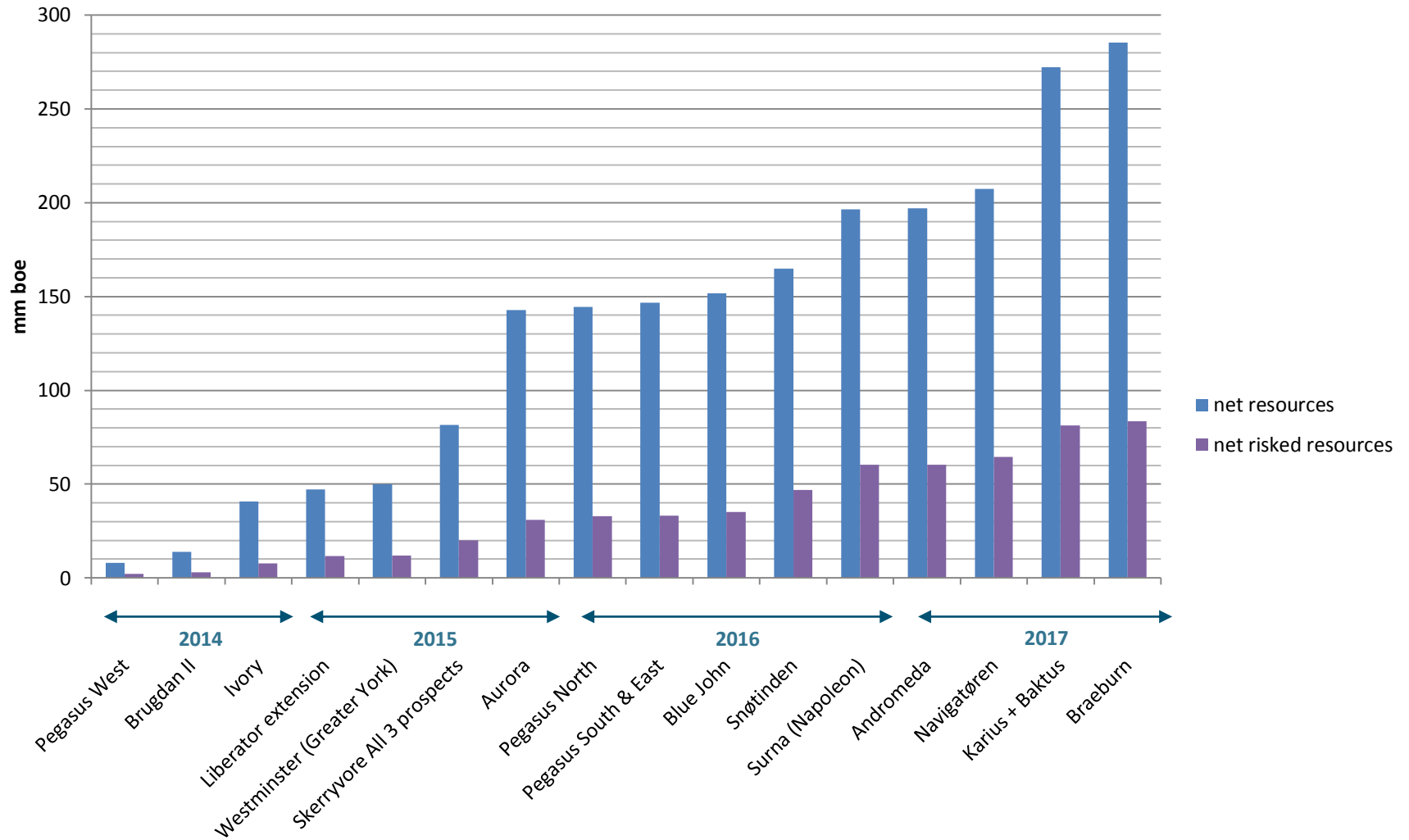
- Operator P50 for Pegasus complex: 198 BCF
- CoSg 30%





# EXPLORATION PORTFOLIO (4 YEAR PROJECTION)

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LICENCE				2014			
				1Q	2Q	3Q	4Q
Exploration	UK	P1724 Pegasus West (Committed)	Exploration well				
	Norway	PL528 Ivory (Committed)	Exploration well				
		PL659 Langlitinden (Committed)	Exploration well				
	Faroe Islands	L006 Brugdun II (Committed)	Exploration well				
Production	UK	P317, P273, & P1580 Blackbird (Committed)	Production well				





ATLANTIC PETROLEUM

## CONTACT

### Headquarters, Faroe Islands

P/F Atlantic Petroleum  
Yviri við Strond 4  
P.O.Box 1228  
Faroe Islands  
Tel +298 350100

### Norway office, Bergen

Atlantic Petroleum Norge AS  
Edvard Griegsvei 3c  
5059 Bergen  
Norway  
Tel +47 99205989

### UK office, London

Atlantic Petroleum (UK) Limited  
26/28 Hammersmith Grove  
London W6 7BA  
United Kingdom  
Tel +44 20 8834 1045

### Ben Arabo, CEO

Tel +298 350 100

E-mail: [ben.arabo@petroleum.fo](mailto:ben.arabo@petroleum.fo)

