

PARETO CONFERENCE PRESENTATION – 11<sup>th</sup> SEPTEMBER 2014 ATLANTIC PETROLEUM

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# DELIVERING ON GROWTH





## DISCLAIMER

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# A BALANCED E&P COMPANY





## THIS IS ATLANTIC PETROLEUM

### NW Europe exploration and production company

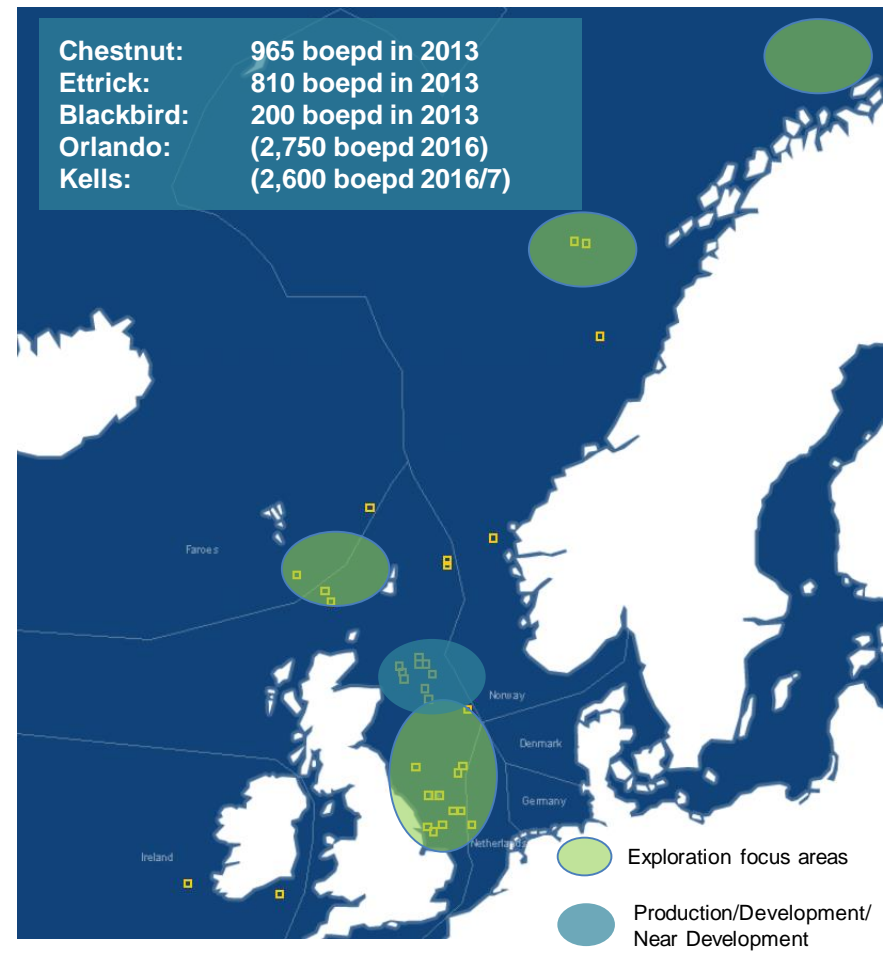
- 42 licenses on UK, Norwegian, Faroese, Irish and Dutch continental shelves
- Three producing fields – 1,762 boepd in 1H 2014
- 1H 2014 revenue of DKK 198 MM
- One field under development; two approaching development sanction
- Total reserves of 8.7 MMBoe<sup>1</sup>
- Nimble organisation – 28 employees
- Maturing and highgraded exploration portfolio - set to deliver
- Production company with development & exploration upside

### Listed on NASDAQ OMX Copenhagen & Oslo Stock Exchange

- Market cap. DKK ~310MM
- Total Assets DKK 1,373MM
- Shareholders Equity DKK 587MM

<sup>1</sup>) Source: GCA Competent Person's Report (CPR) End 2013

### Licence overview



**Low gearing, solid production base with significant exploration upside**

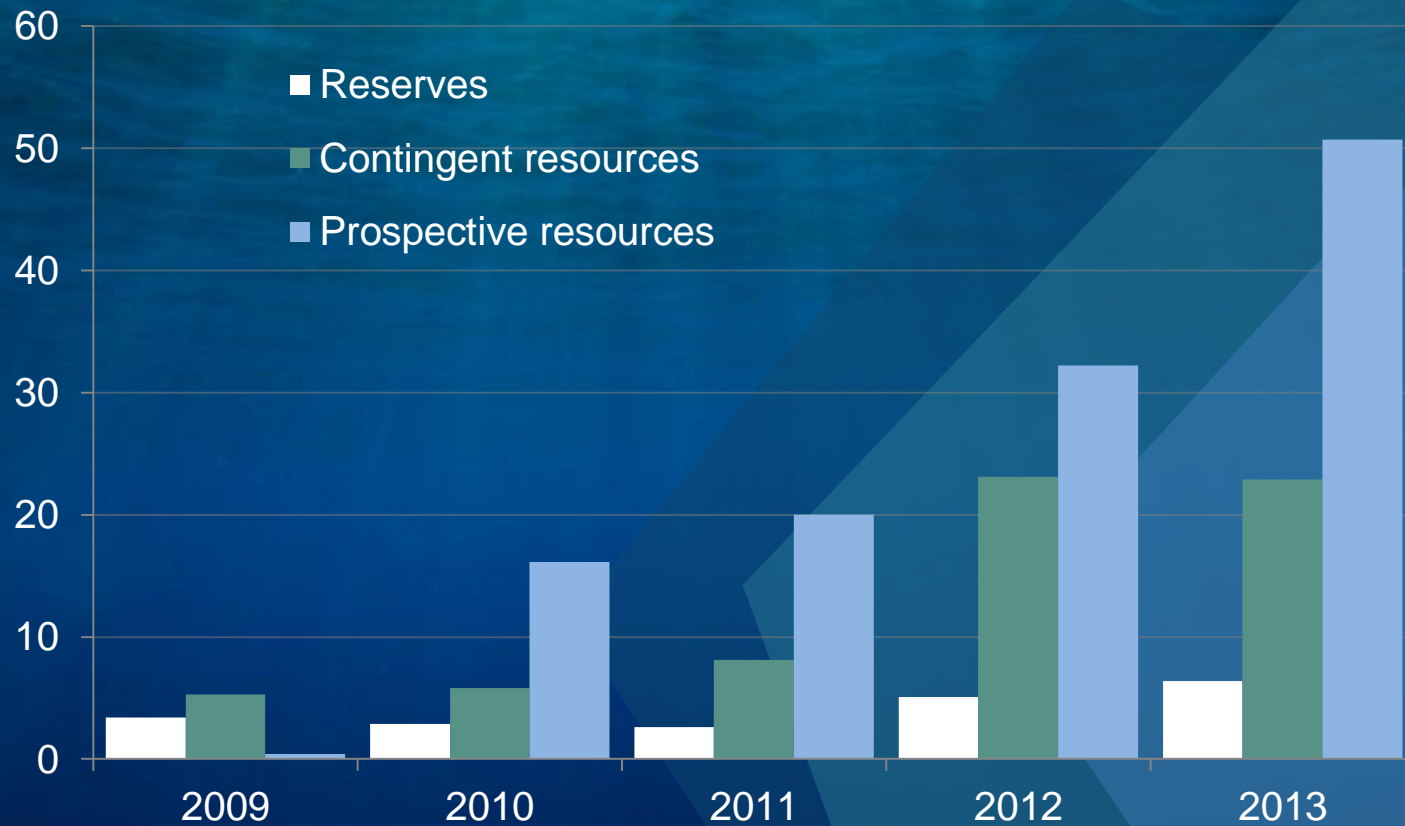


## RESERVES GROWTH DELIVERED

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### RESERVES (CPR NUMBERS)

MMBoe



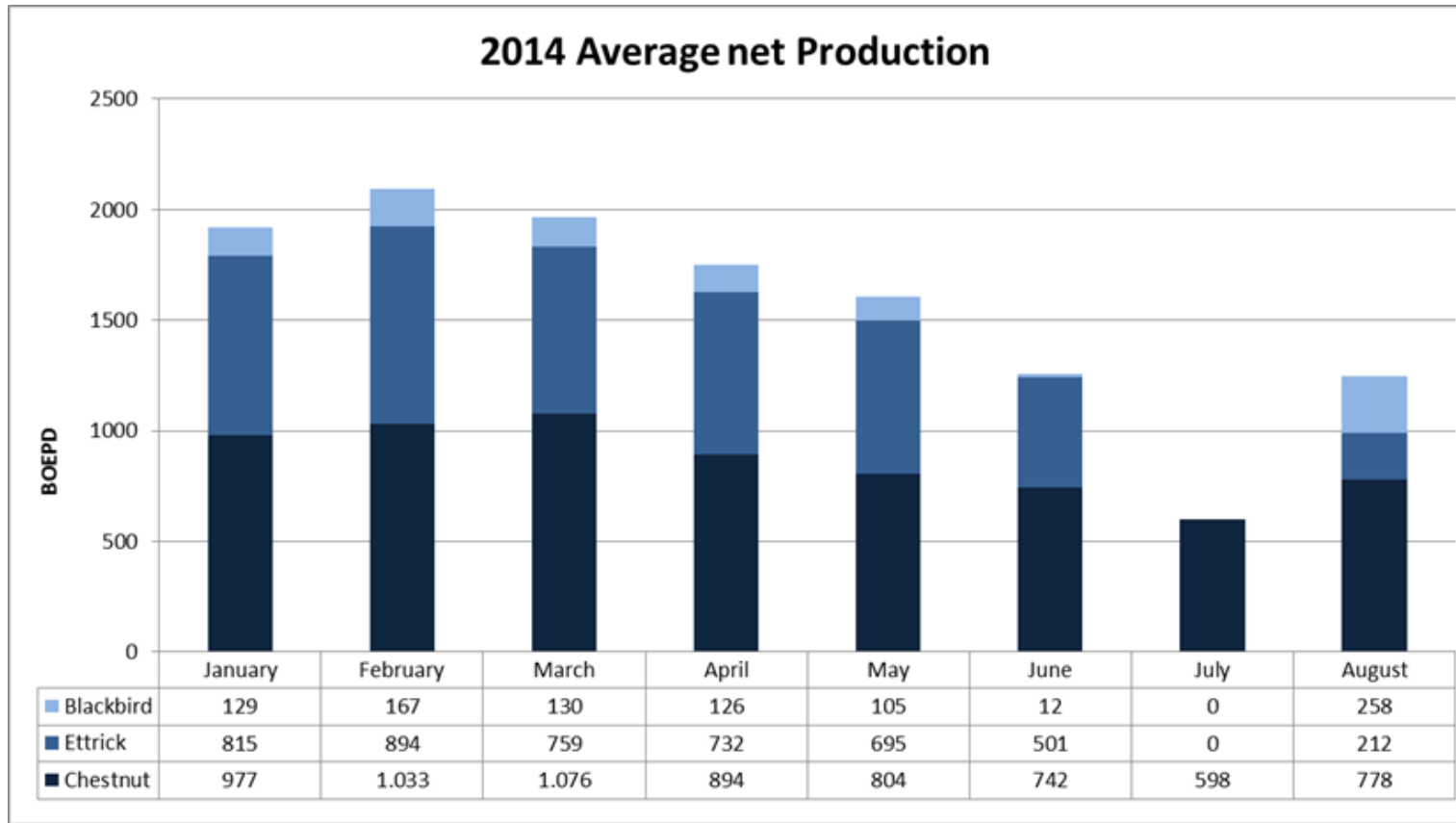
1) Source: Competent Person's Reports by Fugro Robertson (year 2009-2012) & GCA (year end 2013)



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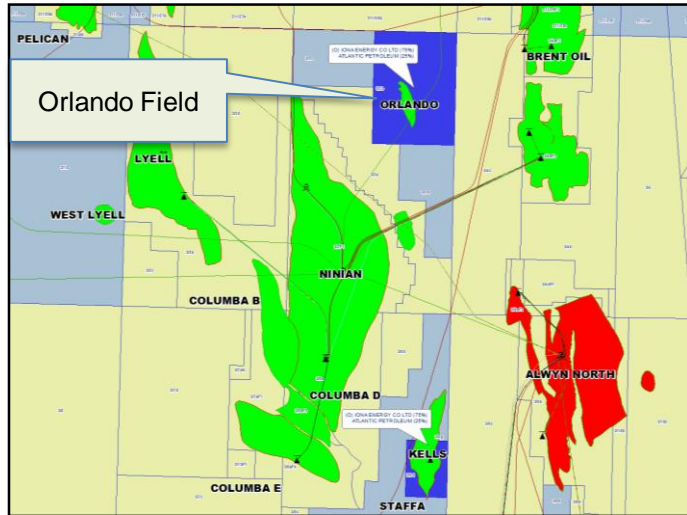
# PRODUCTION & DEVELOPMENT



**YTD Production**

- Annual production guidance 1,650-1,900 boe/d
- Current average production 1,762 boe/d

*Production is expected to be within guidance*



## 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

- Re-entry of the existing 3/3b-13z well and completed as a horizontal producer with dual ESP's
- 10km subsea tie-back to Ninian Central Platform

## Progress

- Continue working towards end 2016 first oil
- Line-pipe and tree manufacture substantially complete
- Negotiations for access to infra-structure nearing completion

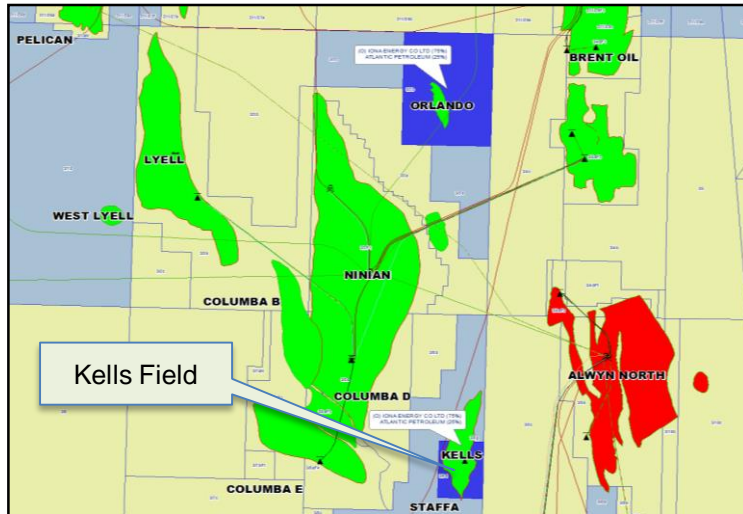


*Orlando provides production growth in 2016 of high value barrels*





## KELLS FIELD DEVELOPMENT



### JV partners & equities:

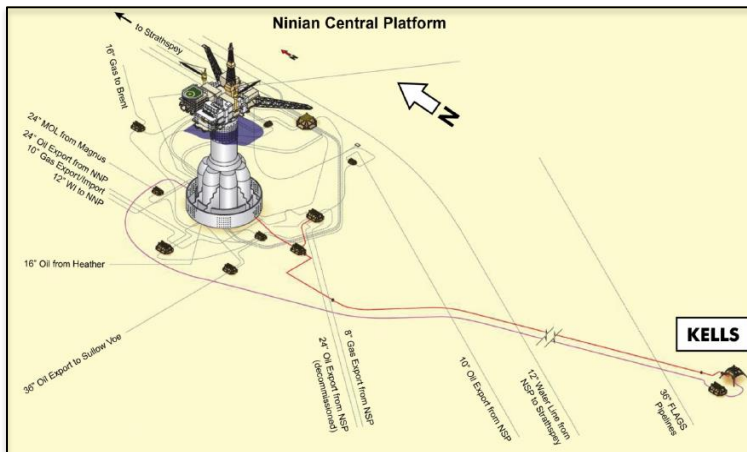
- Iona Energy 75% (Operator)
- Atlantic Petroleum 25%

### 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 of one or two wells to Ninian Central Platform
- Utilises existing topside equipment and shares Orlando modifications
- Flow assurance issues addressed by pipeline insulation (pipe in pipe)



*Kells provides production growth following Orlando*



# PERTH – Developing an integrated plan

## Perth – P588 15/21b & 15/21c

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

## CPR Estimates

- 5.1MMBbl 2C contingent resources

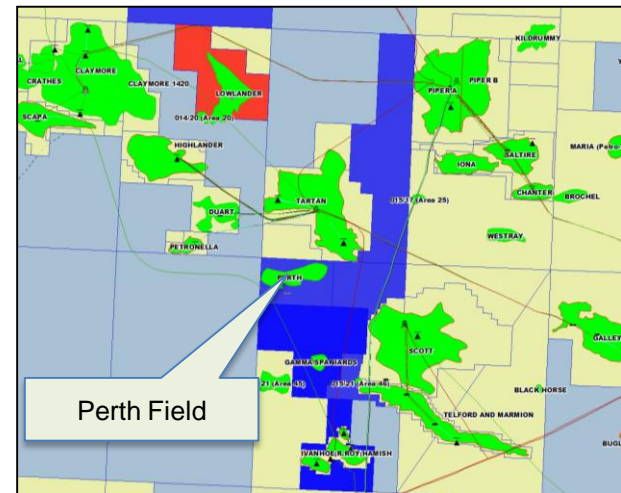
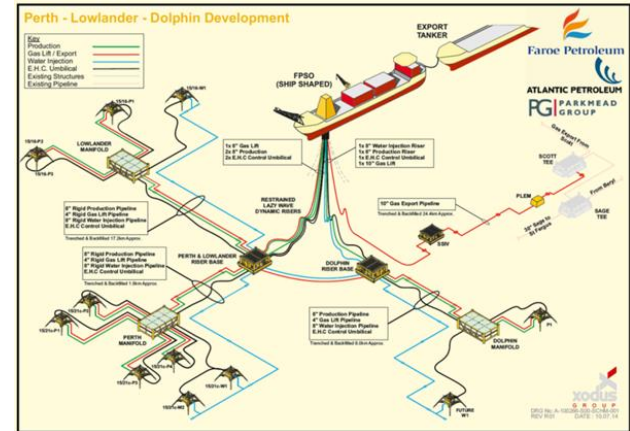
## Development Plans

A joint development concept through new infrastructure is being investigated

- Joint development now could include Perth & Dolphin (AP 13.35%) and Lowlander
- Offers combined potential resource base greater than 80mboe
- Creates an enhanced economic opportunity from combining three fields
- Upside through other undeveloped discoveries

## Owners have agreed the commercial and ownership framework

- Heads of Agreement for the Joint Development of the fields signed, covers;
  - Equity alignment or “Unitisation” process
  - Budget and management of the joint near term work programme
  - Plans for securing finance for the project



**Development of a three field oil hub has the potential to add significant value**



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# EXPLORATION

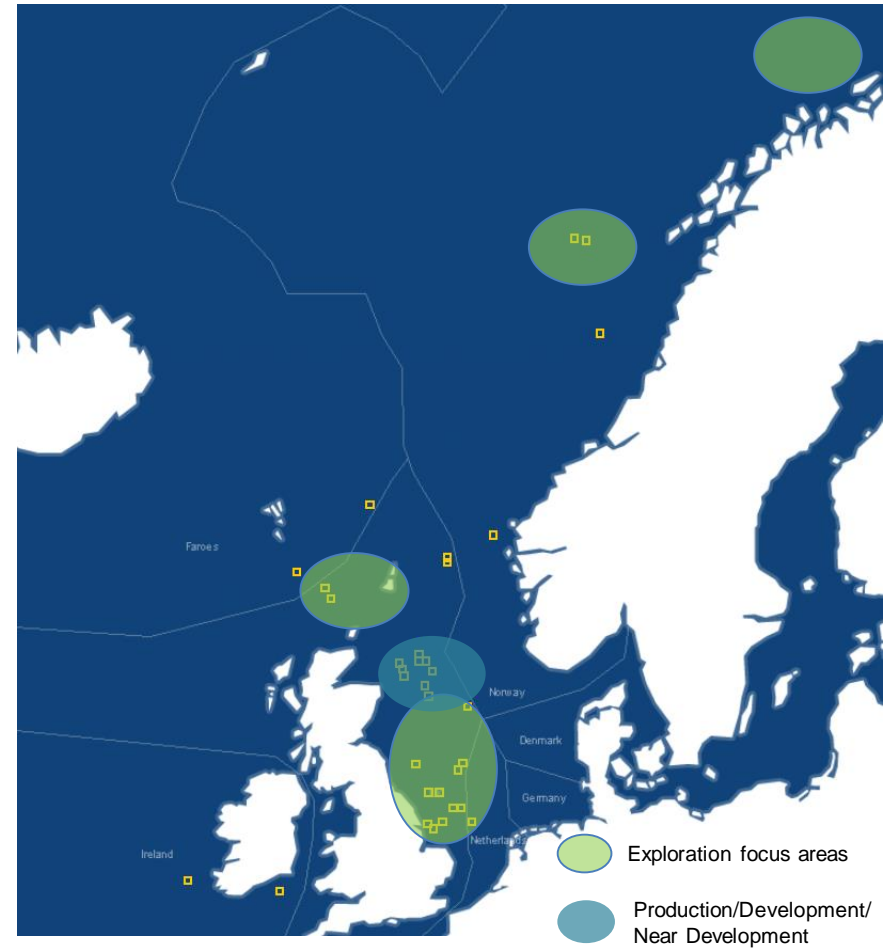


## ATLANTIC PETROLEUM EXPLORATION FOCUS

### NW Europe exploration portfolio focusing in 5 key areas.

- Frontier / Emerging
  - West of Shetland and Barents Sea positions being built on back of in-house knowledge.
  - Attractive volumes to mid-caps and majors
- Emerging
  - Mid Norway position built around Aasta Hansten and Asterix discoveries.
  - Near term development potential on back of new infrastructure
- Emerging / Mature
  - Strong UK Gas Basin position built with particular focus on Carboniferous.
  - Portfolio built with key strategic relationship with Centrica chasing potential already demonstrated e.g. by Breagh, Cygnus
- Mature
  - UK CNS focus on oil plays with near term development potential

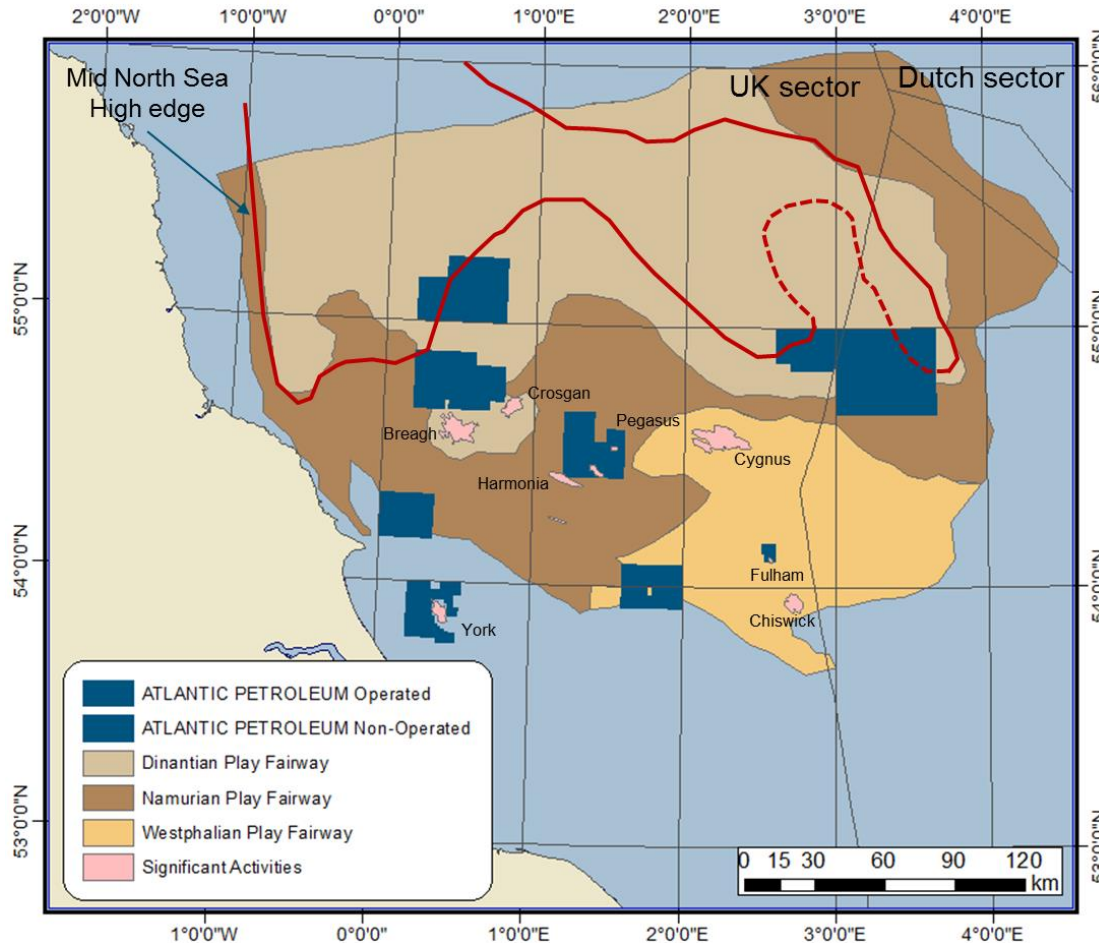
### Licence overview



*Exploration portfolio built on strong in house knowledge*



## SNS CARBONIFEROUS PLAY FAIRWAY

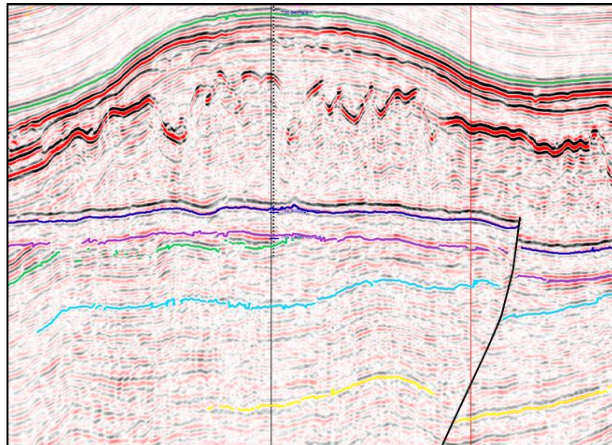
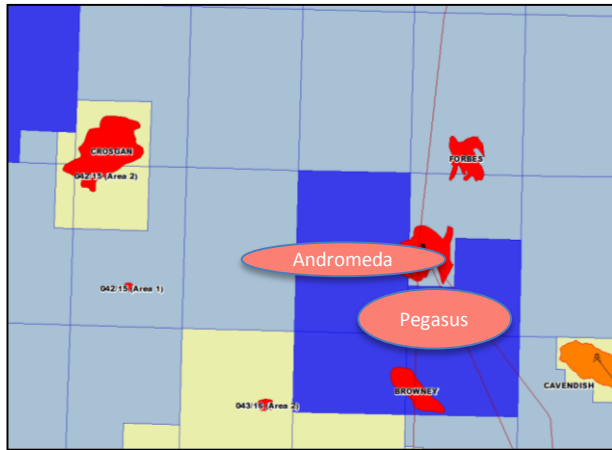


- Atlantic Petroleum accessed considerable expertise and exposure to SNS, especially the emerging Carboniferous play fairway through its purchase of Volantis
- Several TCF of gas have been discovered in the Carboniferous play in recent years including the Pegasus (AP10%), Breagh, Crosgan and Cygnus discoveries
- AP has built a significant position in recent years to access the best opportunities to exploit this play

*The Carboniferous play is relatively underexplored and offers volume potential*



## UK P1724 - PEGASUS



### JV partners & equities:

- Centrica 55% (operator)
- Third Energy 35%
- Atlantic Petroleum 10%

### Area:

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

### Appraisal of 2011 Discovery:

- Pegasus North well drilled 2011 & discovered gas in Carboniferous Namurian sandstones
- **Pegasus West well drilling ahead and now nearing reservoir target**
- Drilled as a keeper well and tested, if successful

### Resources:

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

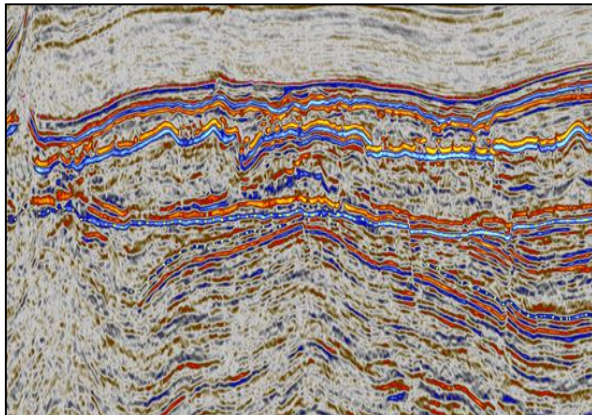
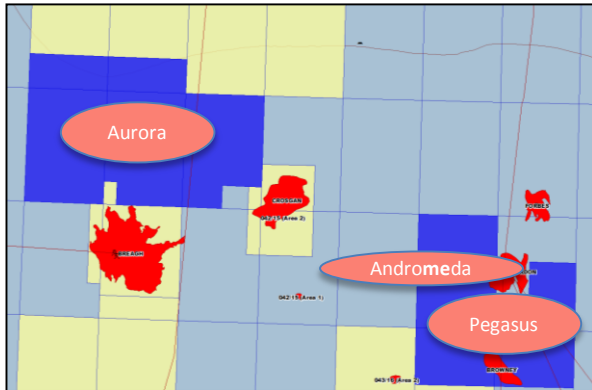
### Net Dry Hole Cost Exposure to AP

- DKK15MM (50% of our costs are carried by Centrica)

*The Pegasus area offers the potential for near term gas production*



## UK P2126 - AURORA



### JV partners & equities:

- Centrica 45% (operator)
- GDF Suez 45%
- Atlantic Petroleum 10%

### Area:

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

### Large untested prospect:

- Very large intra-carboniferous prospect identified on 2D data just north of Breagh Field
- Upside in newly identified Permian reef play
- New 3D shot in 2013
- Currently being interpreted
- Prospect upside is multiple TCF gross

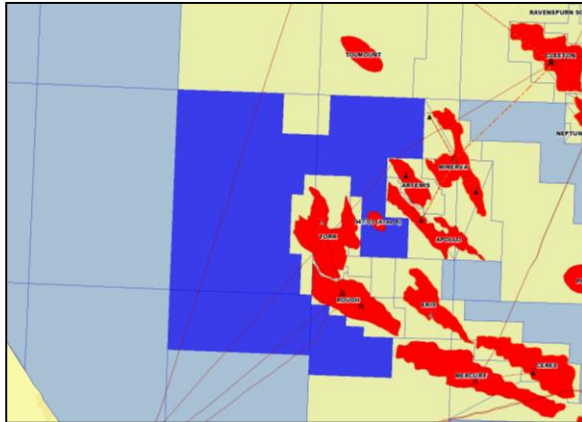
### Commitment:

- Contingent well commitment
- Possible drilling end 2015 / early 2016

*The Aurora prospect offers multi-TCF potential in an emerging area*



## UK P1906 - YORK AREA



### JV partners & equities:

- Centrica 52.5% (operator)
- Serica Energy 37.5%
- Atlantic Petroleum 10% - 5% carried

### Area:

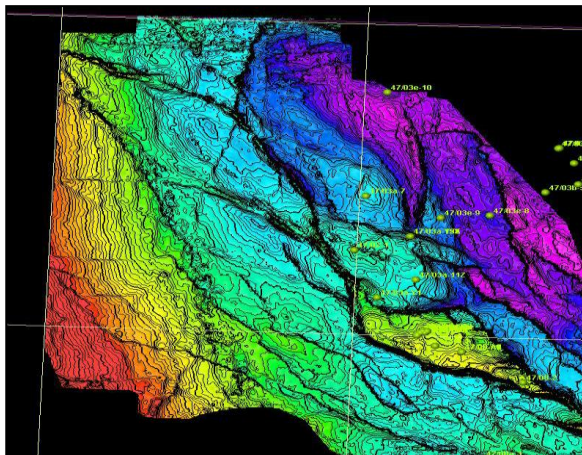
- Southern North Sea, close to York Field
- Rotliegend & Intra-Carboniferous structures, reservoirs & seals

### Large untested prospect:

- Several structures identified on trend with York & Rough fields, never previously covered by 3D seismic
- New 3D shot in 2013
- Currently being interpreted

### Commitment:

- Drill or Drop well
- Possible drilling end 2015 / early 2016

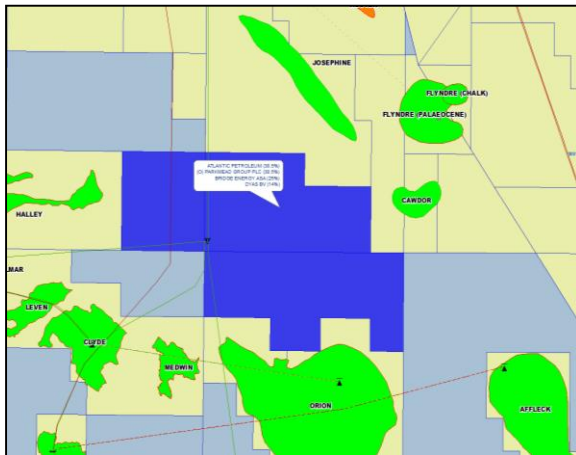


*The York Area prospects offers early production potential through tie-back to York Field*





## UK P2082 - SKERRYVORE

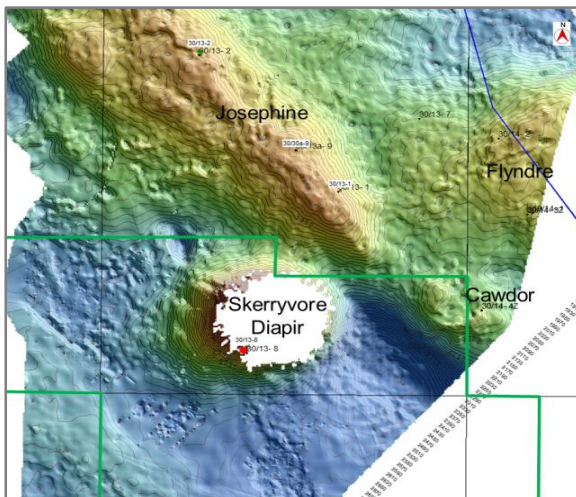


### JV partners & equities:

- Parkmead 30.5% (operator)
- Atlantic Petroleum 30.5%
- Bridge Energy 25%
- Dyas 14%

### Area:

- Central North Sea, close to Orion, Talbot, Cawdor & Flyndre
- Adjacent to salt diapir



### Multiple target levels:

- Two stacked prospects at the Palaeocene and Chalk level
- The Skerryvore Palaeocene prospect is thought to be similar to the recent Talbot discovery to the north
- The deeper Skerryvore Tor prospect shows a similar seismic response to the neighbouring Cawdor discovery
- Skerryvore is a commitment well which is expected to be drilled in 2H 2015
- GCA CPR gives unrisked 25MMboe net to AP in two targets

*The Skerryvore prospect offers the potential for near term oil production*



## BUILDING A POSITION AROUND NEW INFRASTRUCTURE

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### PL528/528B Ivory (Blocks 6707/8,9,11 and 6707/10 part) – Farm in 2013

Centrica 40% (Op.), Statoil 35%, Rocksource 10%, Atlantic Petroleum 9%\*, Repsol 6%\*

### PL763 Karius (Blocks 6606/2,3) – APA 2013 award

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

### PL705 Napoleon North (Blocks 6705/7 (part),8,9,10(part)) – 22nd Round award

Repsol 40% (Op), EON 30%, Atlantic Petroleum 30%

### PL704 Napoleon South (Blocks 6705/10 & 6704/12) – 22nd Round award

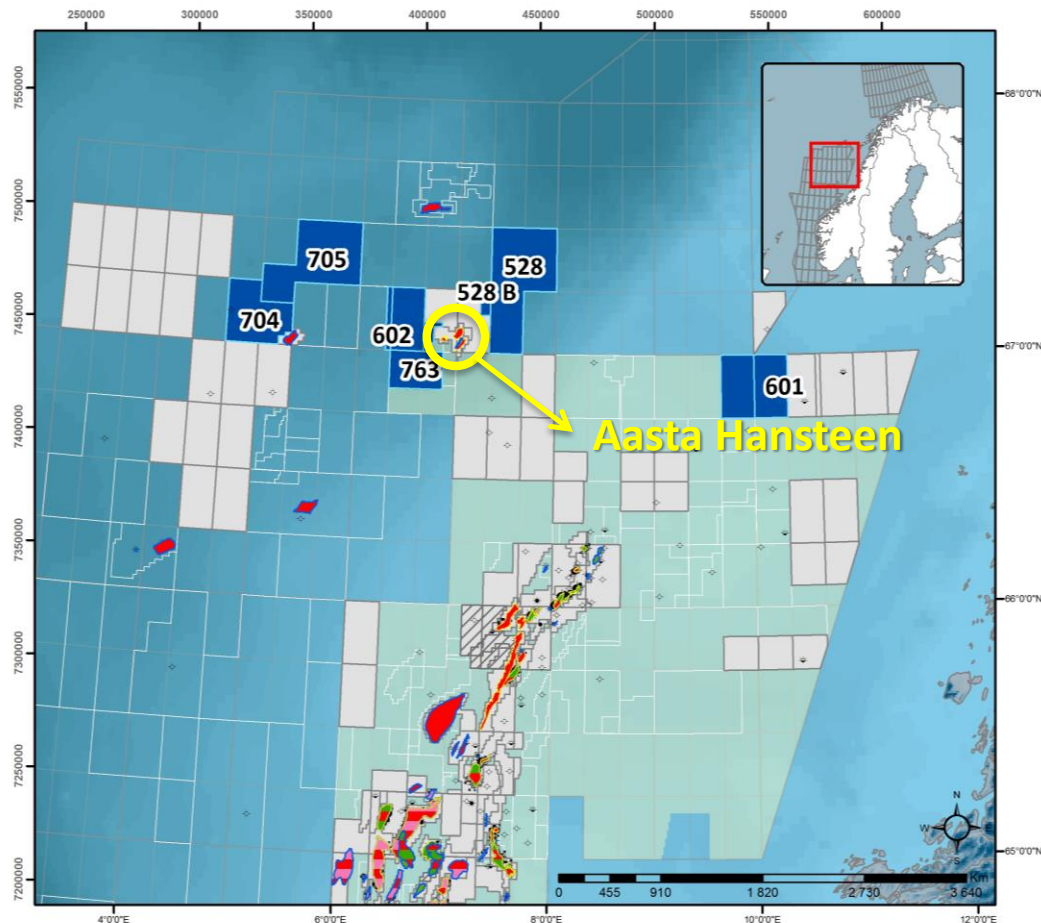
EON 40% (Op), Repsol 30%, Atlantic Petroleum 30%

### PL602 (Blocks 6706/10, 11, 12) – Farm-in 2014\*

Statoil 40% (Op), Petoro 20%, Centrica 20%  
Rocksource 10%, Atlantic Petroleum 10%

### PL601 (Blocks 6609/3, 6610/1) – Farm-in 2014\*

Wintershall 40% (Op), Edison 20%, North Energy 20%,  
Rocksource 10%, Atlantic Petroleum 10%



\*) Subject to government approval

**Significant prospect inventory with multi TCF potential in vicinity of new infra-structure**



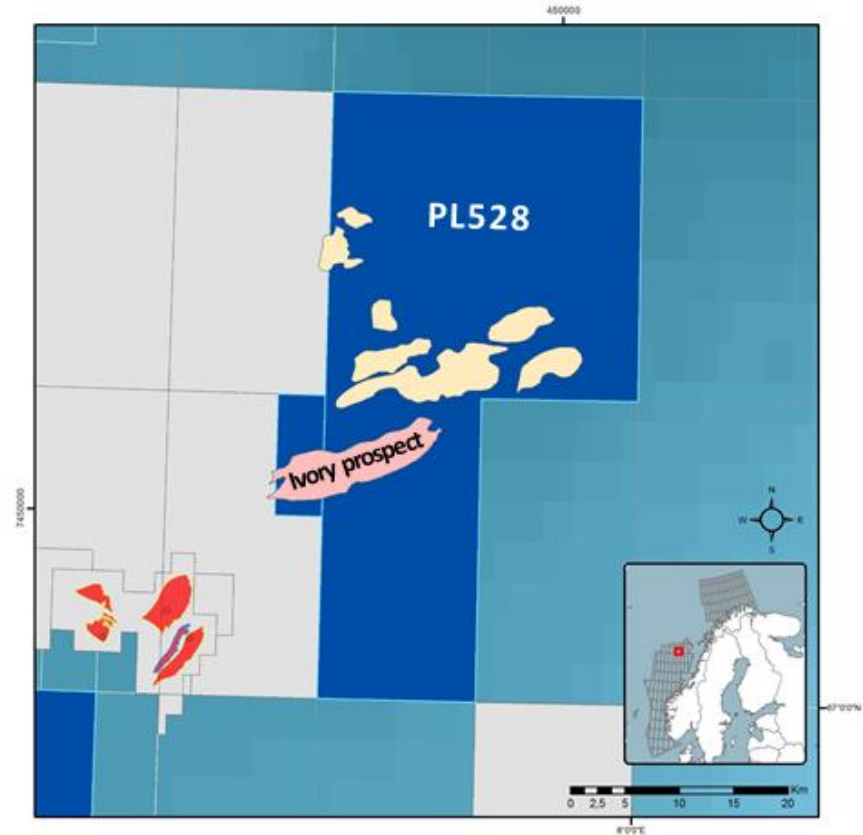
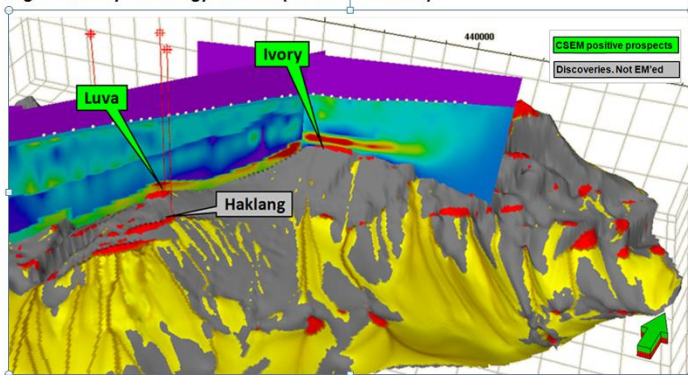
## PL528/528B IVORY - NORWEGIAN SEA

### JV partners & equities:

Centrica 40% (Op.), Statoil 35%, Rocksource 10%, Atlantic Petroleum Norge 9%\*, Repsol 6%\*

- 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
- Several other large prospects within the license with DHI support
- Earliest spud: September 2014 (West Navigator)

Figure from Rystad Energy BD Atlas (source Rocksource)



*\*) Subject to government approval*

**High impact exploration well with significant follow on potential**



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# SUMMARY & OUTLOOK



# TARGETS 2014

## PRODUCTION

Production in 2014 average between 1,650–1,900 boepd net

□ 1H 2014: 1,762 boepd

## FINANCIAL

EBITDAX in the range DKK 125MM - 175MM

□ 1H 2014: 81.2MM

## EXPLORATION

Drill 4 exploration/appraisal wells targeting 86MMboe of net un-risked resources

□ 1H 2014: 2 wells drilled



## SUMMARY

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- **AP is a small-cap with a large exploration portfolio and production**
  - Large exploration upside
  - Strong short term cashflow
  - Near term production under development
  
- **Robust programme with several potential near term triggers:**
  - UK Pegasus West well – currently drilling
  - Norway Ivory well – to be spudded imminently
  - Resolution of topsides issues on Orlando development
  - Kells Approval & finalization of debt funding
  - 2015 drilling programme – Aurora, Skerryvore, York Area + 1 yet to be named well



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**Q&A**



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