

Chairman's Statement 2012

Annual General Meeting

April 2013



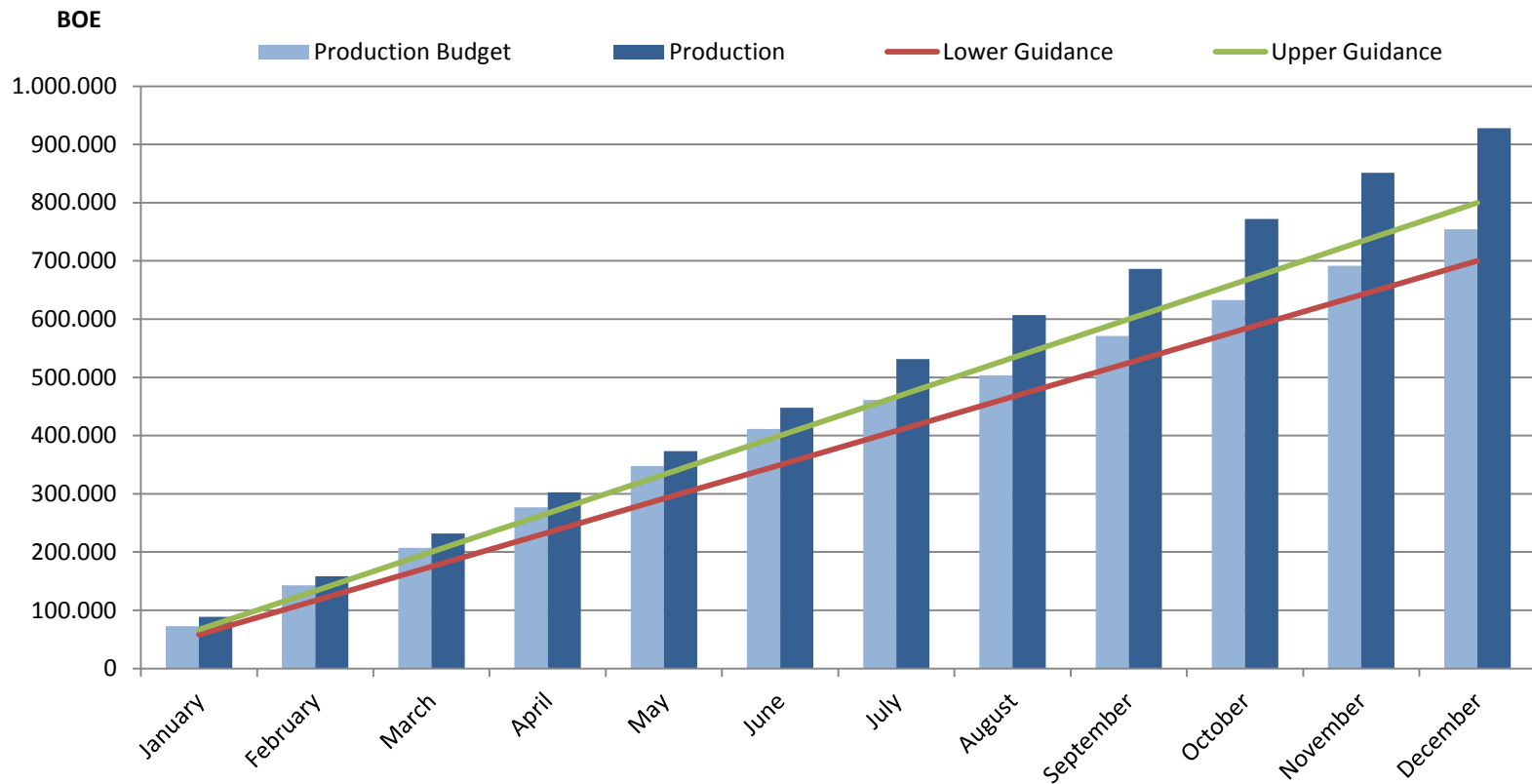
ATLANTIC PETROLEUM

Agenda

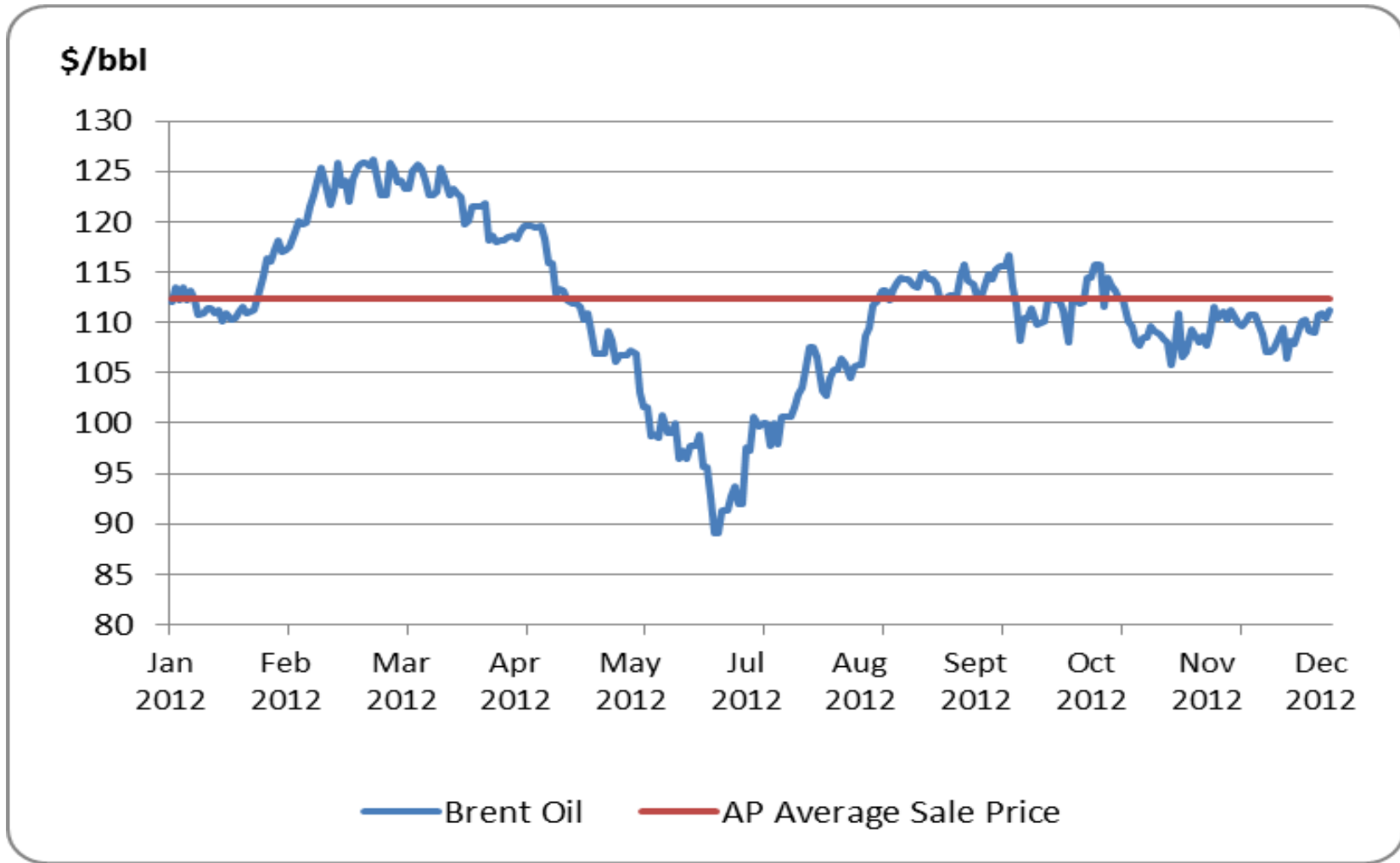
- 2012 – a good year for Atlantic Petroleum
 - Strong oil production and high prices ensured a decent financial result in 2012
 - Two major milestones were reached
 - Production is secured beyond 2014-15
 - Atlantic Petroleum entered Norway to participate in high impact exploration
- Focus on Shareholder Value
 - Historical performance
 - Steps to maximise Shareholder Value in Atlantic Petroleum

Oil Production in 2012

Atlantic Petroleum Production 2012



Oil Prices in 2012



Analysts Update – March 18, 2013

Atlantic Petroleum

Industry (GICS): Oil, Gas & Consumable Fuels
Sector (Nordea): Energy and Oil

Buy

Target price (0-12M): DKK 218
Share price (close): DKK 176

Key info	
Country	Denmark
Bloomberg	ATLA.DC
Reuters	ATLA.CO
Free float	90%
Market cap. (bn)	EUR 0.06/DKK 0.46
Company website	http://www.petroleum.no
Next report date	29 May 2013

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	-1M	-3M	YTD
Absolute	-1.1%	-7.6%	-4.6%
Relative	-5.6%	-18.7%	-15.1%

Source: FactSet

Estimate changes			
Year	2013E	2014E	2015E
Total revenue	4%	32%	na.
EBITDA	13%	62%	na.
PIF	19%	70%	na.
EPS	19%	70%	na.

Assets remain undervalued

Atlantic reported slightly weaker Q4 results than expected, while 2013 guidance was in line with our expectations. The oil reserves report showed a significant improvement in oil reserves (both for producing assets and contingent resources), which means that the company is standing on a much stronger platform when looking ahead. We keep our Buy rating and DKK 218 per share target price.

Upgrade of oil reserves provide a stronger platform

Positively, the updated oil reserves (from producing assets) of 5.1 million boe is a significant improvement on last year's oil reserves of 2.9 million boe. The improvement is explained by the sanctioning of the Orlando field and an upgrade of oil reserves at the Chestnut field, which is producing above expectations. In addition, the contingent resource has quadrupled over the past 12 months.

2013 oil production guidance slightly better than expected

In 2013, Atlantic expects net oil production to be in the range of 700,000-800,000 barrels. We increase our estimate to 750,000 barrels (from 700,000 barrels).

Interesting exploration pipeline could accelerate the share Atlantic will participate in four exploration wells in 2013. We expect Magnolia, Burgdan II, Pegasus and Perth to be spudded this year. If the outcome of any of these drillings is positive, we argue that it will provide significant upside to the share price

Share price does not reflect underlying values

We adjust our NAV to account for the updated oil reserves and recent movements in the oil price and currency. We also include Orlando and Kells in our NAV. We maintain our target price of DKK 218 per share, which reflects 77% of our NAV estimate of DKK 284 per share.

Full-year results and estimates				
	2012	2013E	2014E	2015E
DKKkm				
Total revenue	597	479	568	690
EBITDA	388	297	321	367
- margin	65.0%	62.0%	56.4%	53.1%
EBIT	247	179	220	238
- margin	41.4%	37.3%	38.7%	34.5%
Pre-tax profit	228	179	220	238
Net profit from cont oper	67	89	110	381
Shareholders' equity	537	627	736	832
Net debt	-165	-65	-144	-249
Net gearing	-31%	-10%	-20%	-30%
Net debt/EBITDA	-0.4	-0.2	-0.4	-0.7
Free cash flow	154	-100	80	104
No. of shares (m)	2.6	2.6	2.6	2.6

Source: Company data and Nordea Markets

Per share data and multiples				
	2012	2013E	2014E	2015E
DKK				
EPS (adj.)	25.38	34.03	41.84	145.40
- growth	0%	34%	23%	248%
DPS	0.00	0.00	0.00	0.00
BVPS	204.5	238.5	280.4	316.6
P/E (adj.)	7.2	5.2	4.2	1.2
EV/Sales	0.5	0.8	0.6	0.3
EV/EBITDA	0.8	1.3	1.0	0.6
EV/EBIT	1.3	2.2	1.4	0.9
P/BV	0.9	0.7	0.6	0.6
Div. Yield	0.0%	0.0%	0.0%	0.0%
FCF Yield	31.9%	-21.6%	17.3%	22.6%
ROE after tax	13.6%	15.4%	16.1%	12.1%
ROIC after tax	12.6%	10.6%	11.1%	34.9%

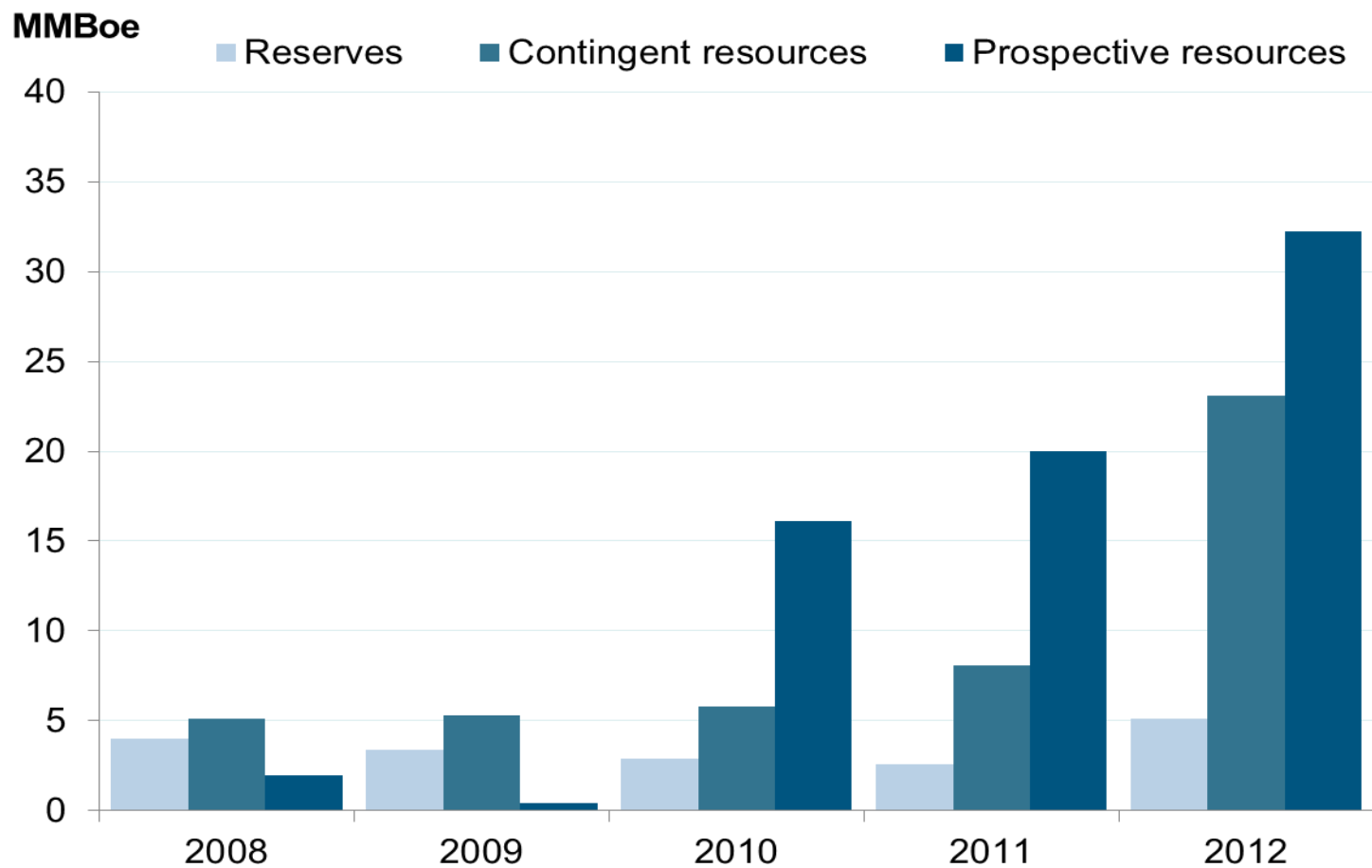
Source: Company data and Nordea Markets

Assets Remain undervalued

- Upgrade of oil reserves provide a stronger platform
- 2013 oil production guidance slightly better than expected
- Interesting exploration pipeline could accelerate the shares
- Share price does not reflect underlying values
- Estimated NAV: 302
- Target Price: 218
- Market reaction: down 10%!



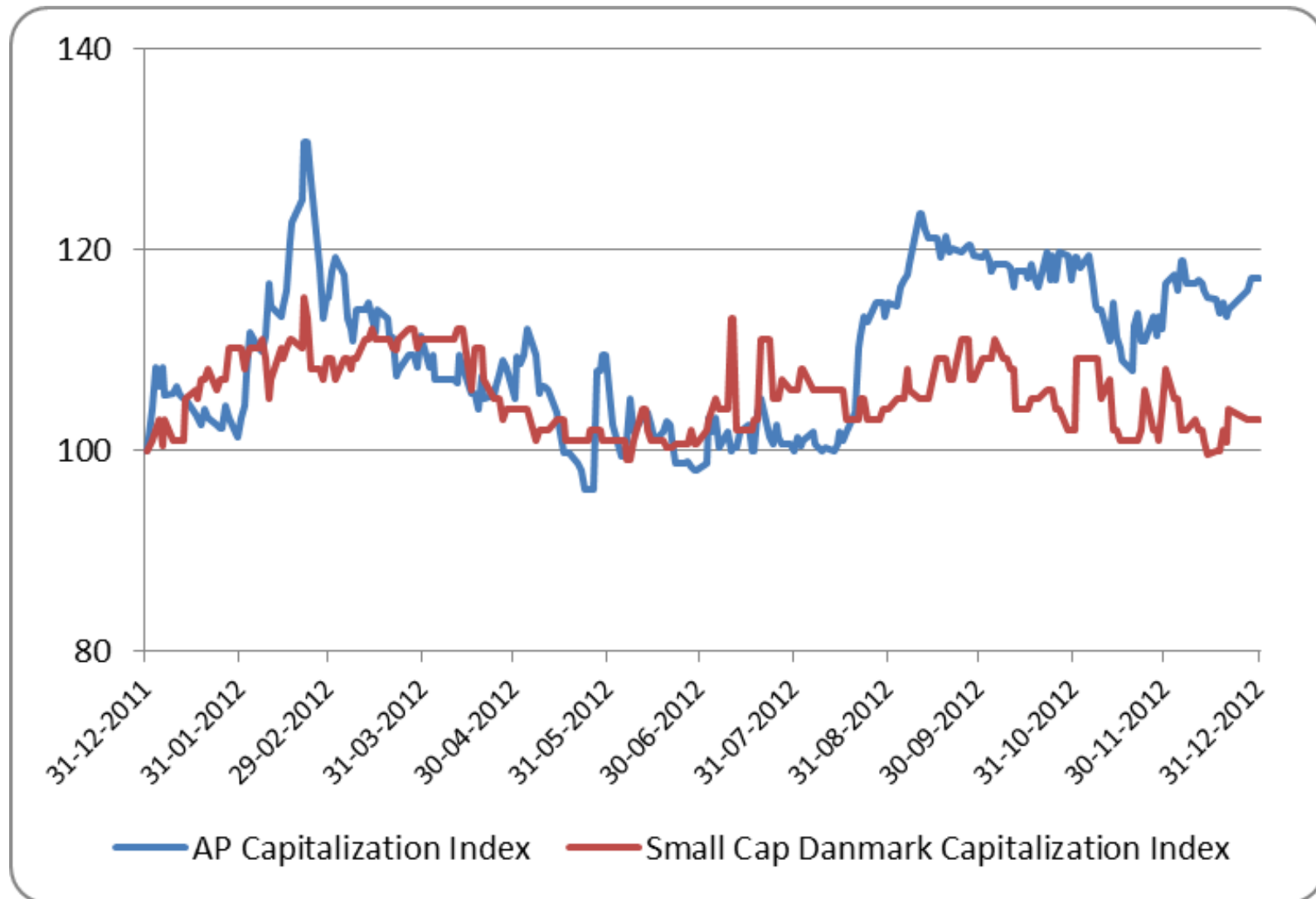
Reserves and Resources



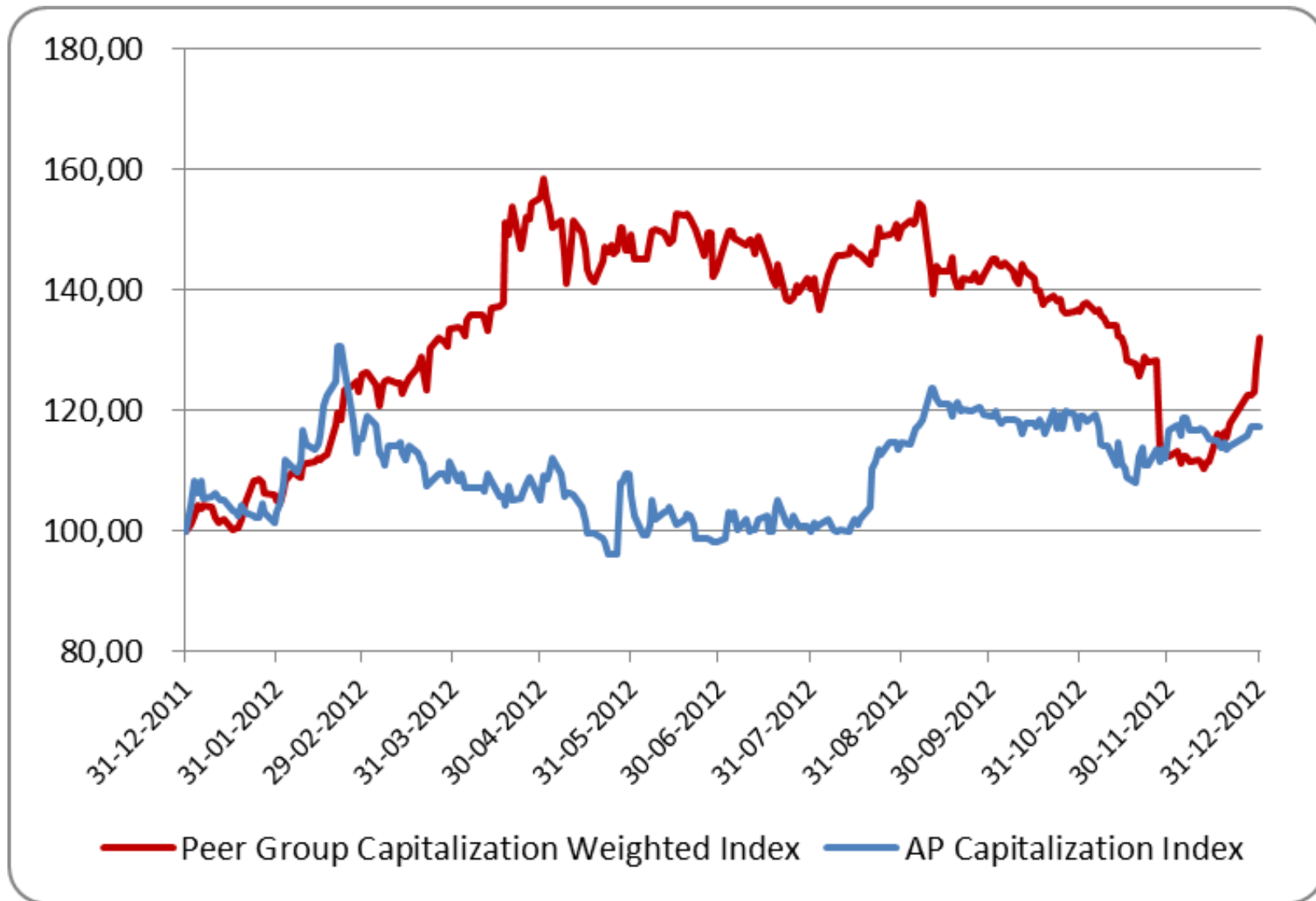
The Market Value of Atlantic Petroleum



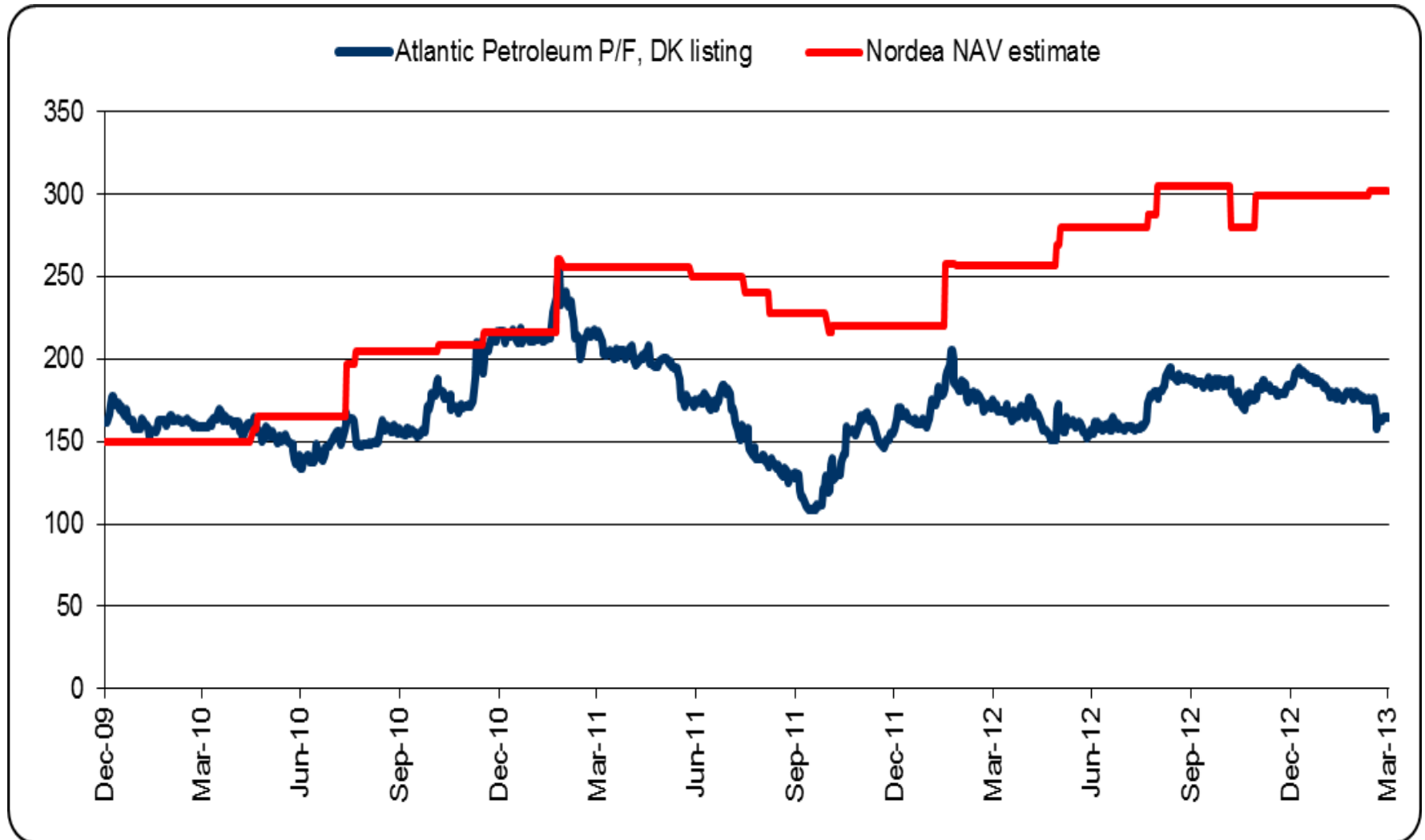
Market Value Relative to Small Cap Denmark



Market Value Relative to Peer Group



Shareholder Value?



Strategy to maximise Shareholder Value

- Targets
 - 1) Get the share price closer to analysts fair value (Nordea: 218, Others: 195)
 - 2) Eliminate Small Cap premium: (estimated to be 25 – 30% in Denmark)

- Shorter term actions
 - Increase analyst coverage
 - Increase Investor Relations
 - Increase media coverage

- Long terms strategy is unchanged
 - Run profitable production to finance the addition of new oil reserves
 - Drill wells in UK, Norway and The Faroe Islands
 - Acquire assets that add value to Atlantic Petroleum

Faroese Shareholders are fading...

