



ATLANTIC PETROLEUM

**Chairman's Statement
Annual General Meeting
April 24, 2015**

Lower Oil Prices in 2014



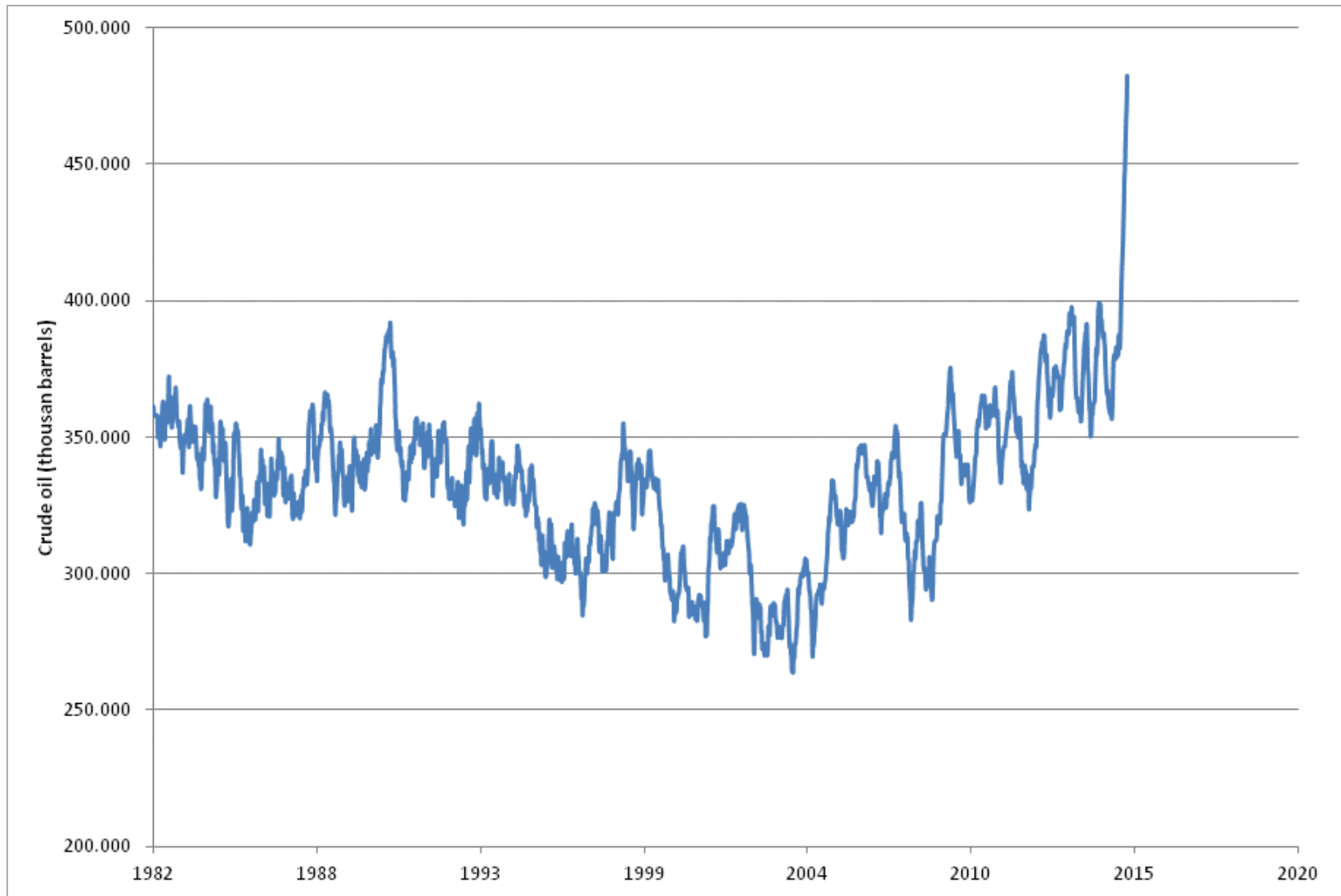
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Too much Production of Oil – Inventories are Soaring



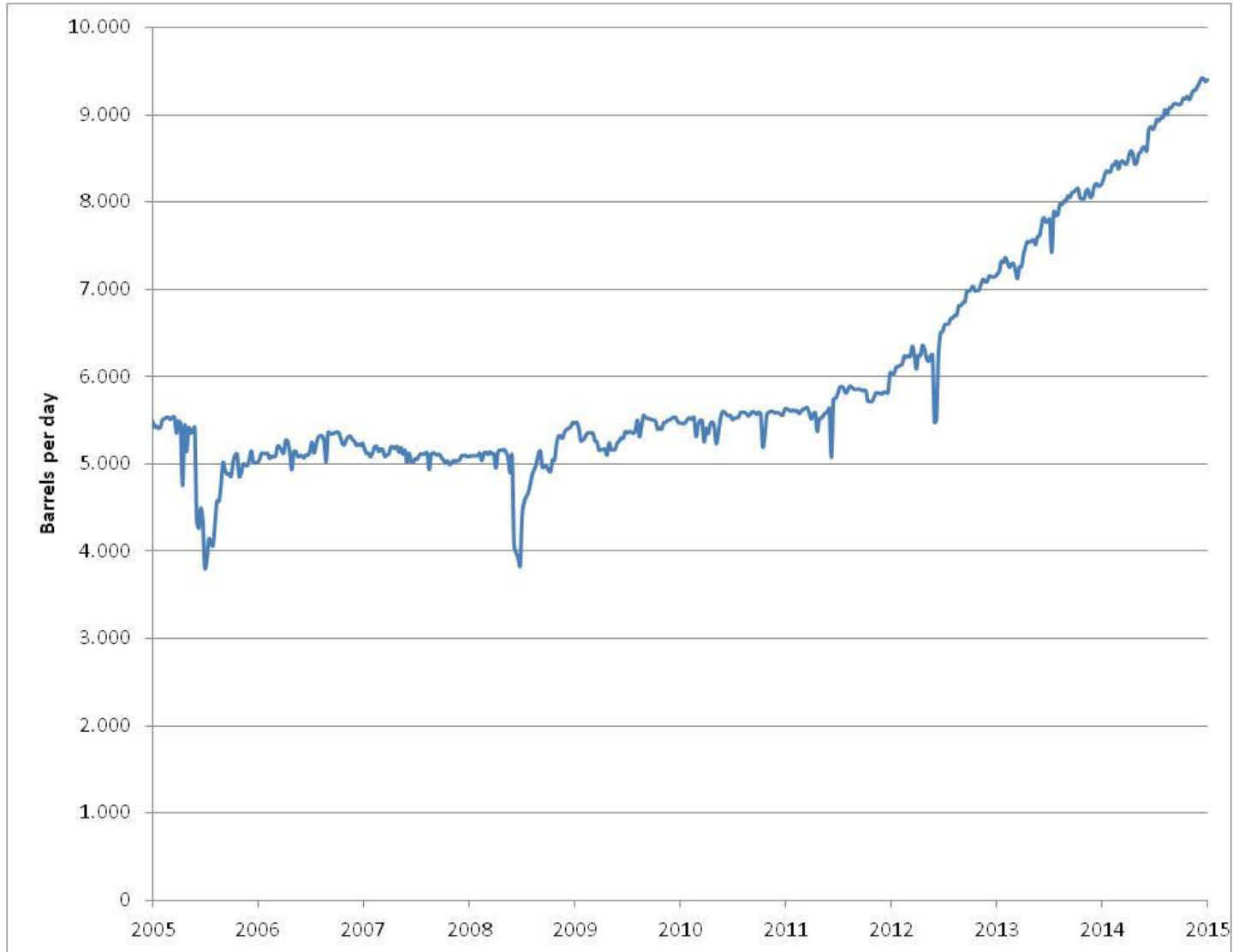
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Production of Crude Oil in the US



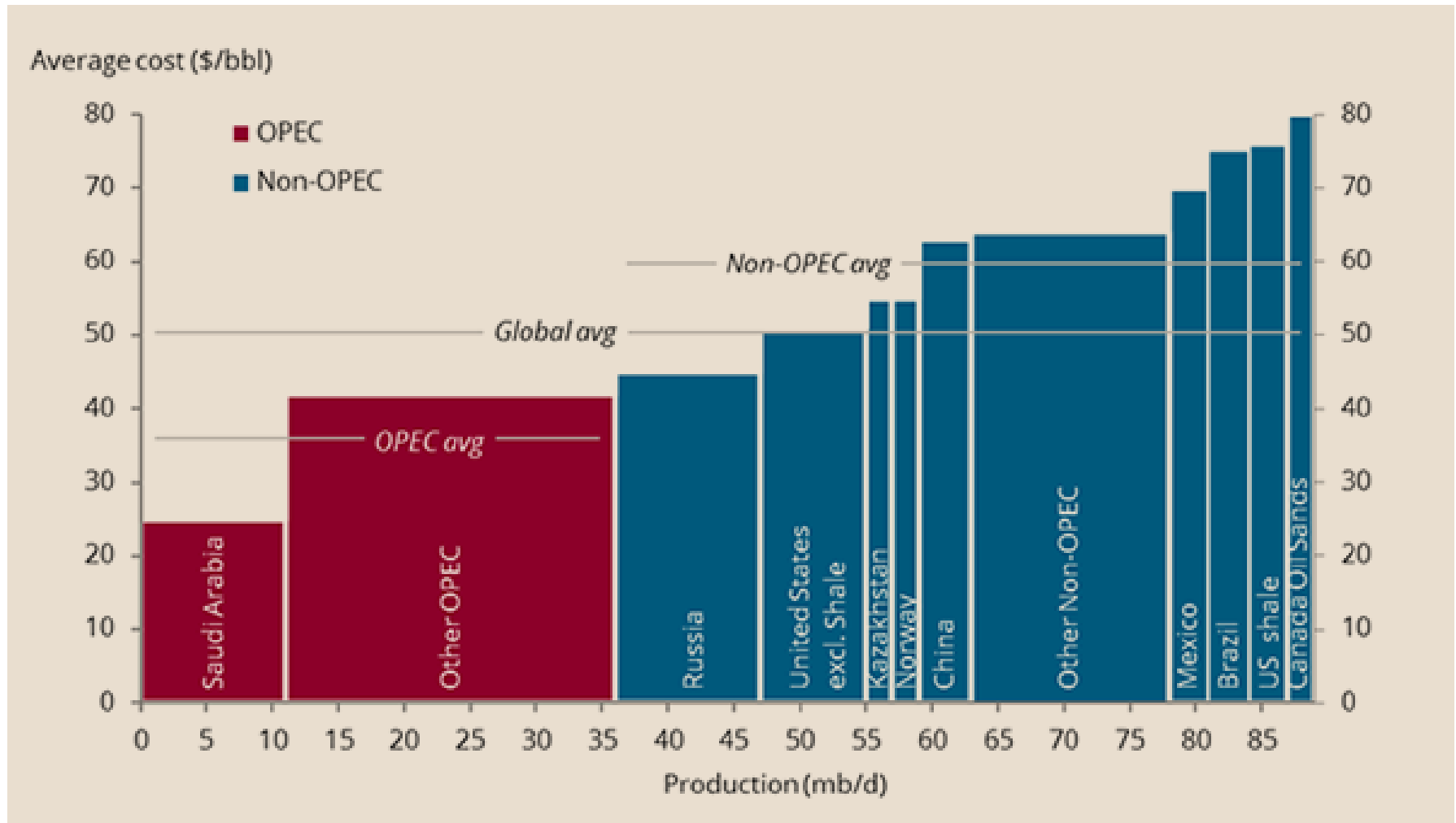
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Oil – Cost of Production



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In Norway and UK cost of production on average is app. \$50 – 70 per barrel

What does this mean for Atlantic Petroleum?



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- The situation
 - Most new projects are not profitable
 - Production is not generating cash

- The response from Atlantic Petroleum
 - Reducing costs
 - Sales of assets

- The purpose?
 - To survive the present glut in the market
 - To protect the values created in the company
 - Preparing for the next upturn in the oil & gas market

Oil Prices will Increase, but When and by How Much?



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- Only 2/3 of global oil production today is profitable at \$60 per barrel
- Less than 1/3 of the future pipeline is profitable at \$70 per barrel (Goldman)
- US rig counts is in free fall...will affect production later this year





- **The Short-term Challenge**
 - To stay in the game until the market regains normality

- **Strengths**
 - Low debt ratio
 - Flexible cost base
 - Sellable assets

- **The Long-term Challenge**
 - Securing finance for future production (Orlando)
 - Securing finance for future exploration (Norway and UK)

- **Final Reminder regarding Atlantic Petroleum**
 - Lots of oil and gas in the ground
 - Attractive exploration portfolio
 - Strong organisation

AGM PRESENTATION – 24th APRIL 2015

2014 RESULTS



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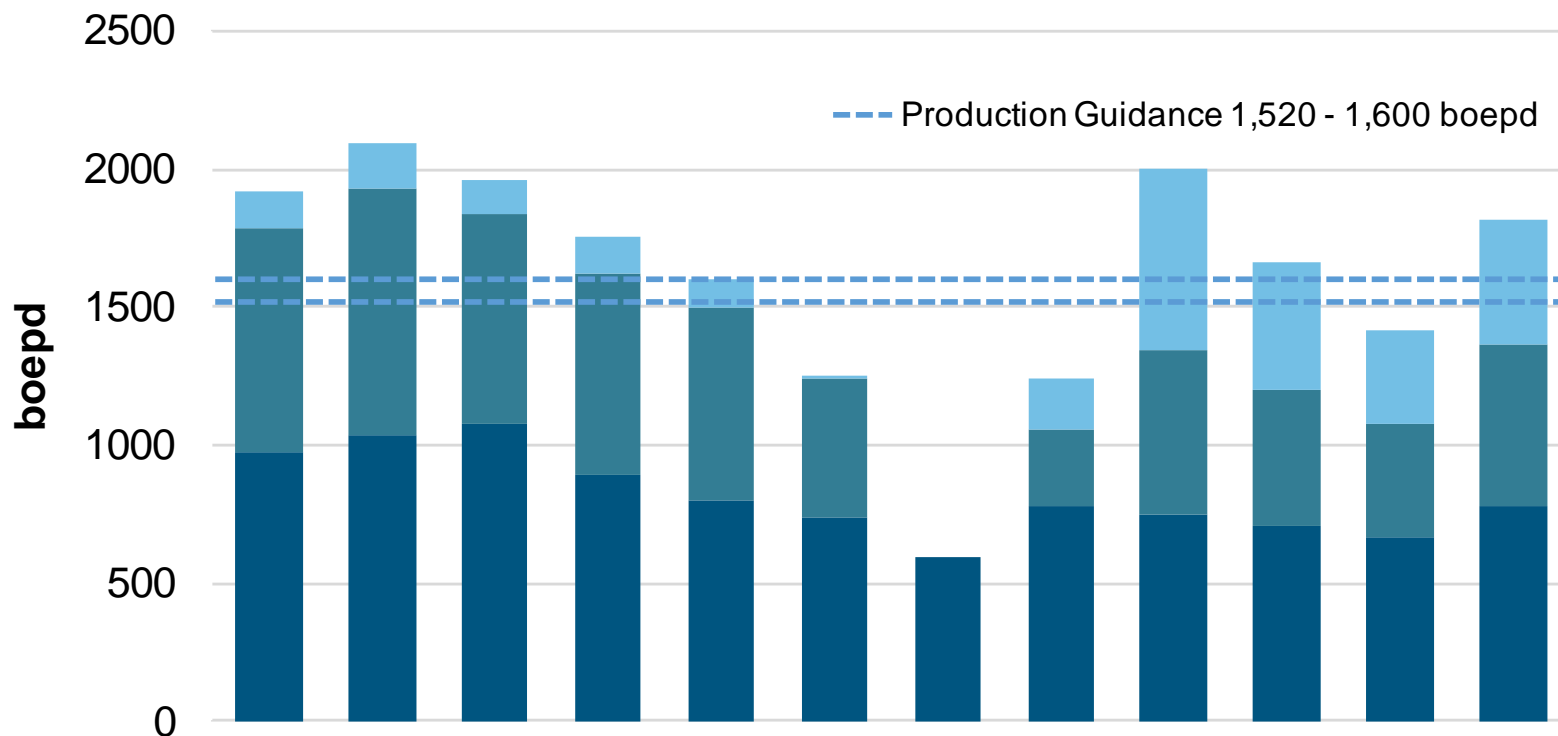
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2014 PERFORMANCE



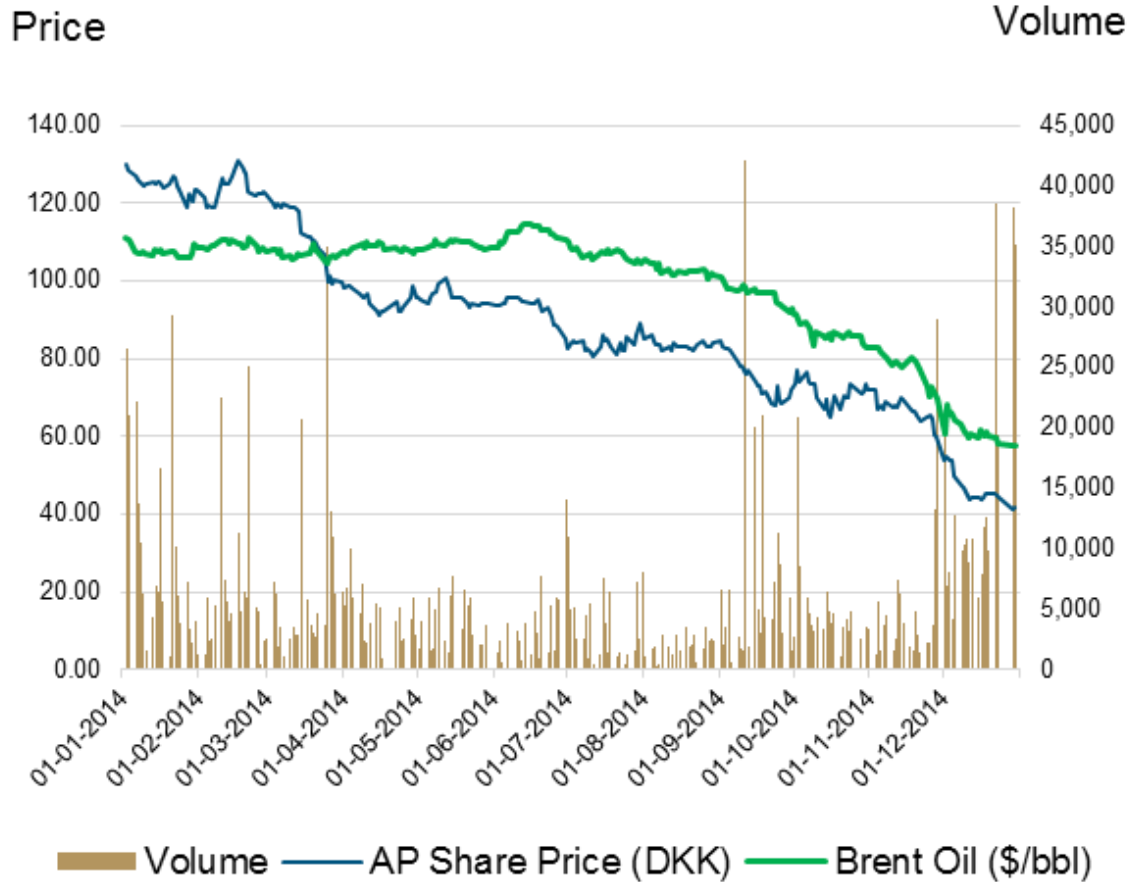
HIGHLIGHTS

- Produced 586,000 boe (1605 boepd)
 - Commercial gas discovery on Pegasus West in September 2014 – Tested at over 90MMscf/d (15,000 boepd)
 - Gas discovery on Norway PL528/PL528B Ivory – Results being analysed; assessing commerciality
 - EBITDAX of DKK 124MM
 - Operating Cashflow DKK96.8MM from a realized oil price of USD101 per bbl
 - Net Result after taxation loss of DKK218.3MM largely due to impairments (DKK209.1MM) of the producing assets caused by the recent oil price decline
 - Total equity shareholders' funds at year end DKK 423.2MM
 - Cash and Cash Equivalents at year end DKK112MM
 - Contract extensions and future opportunities identified on Etrick and Chestnut
 - Net 2C Contingent oil resources have more than doubled from 20.7MMboe to 43.6MMboe
-



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Blackbird	129	167	130	126	105	12	0	186	654	460	339	453
Ettrick	815	894	759	732	695	501	0	275	593	487	412	586
Chestnut	977	1033	1076	894	804	742	598	778	753	712	666	776

Total production in 2015 was 586,00 boe – 1,605 boepd

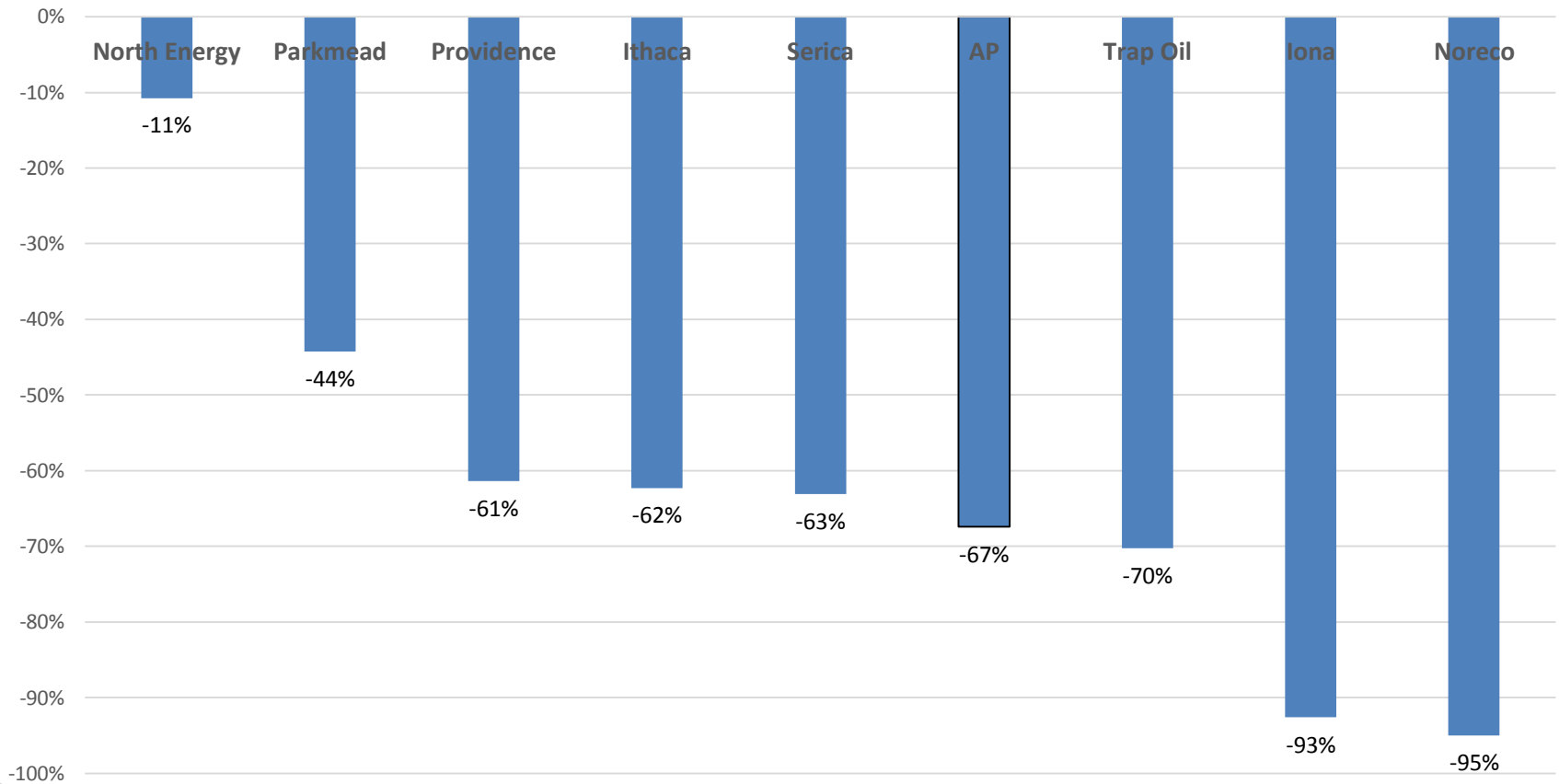




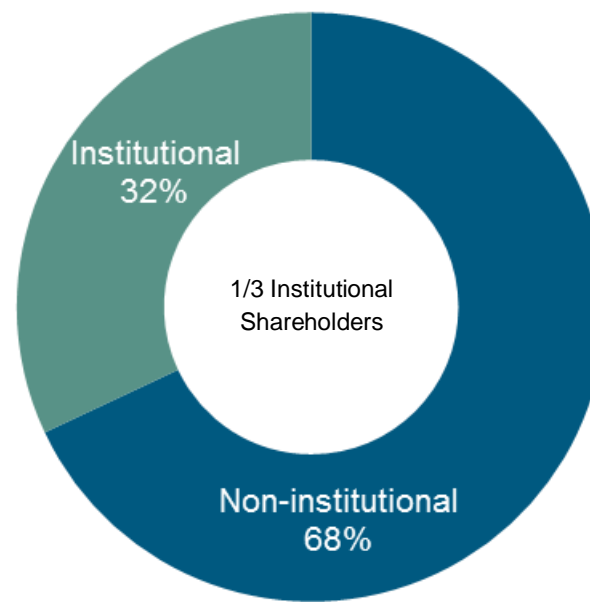
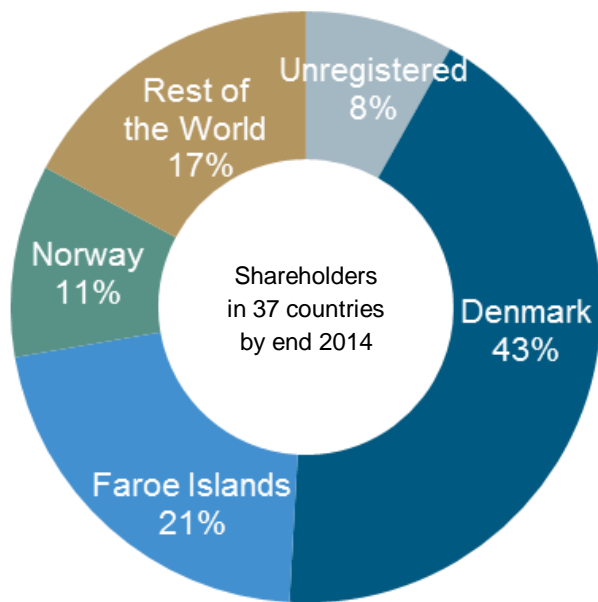
SHARE PRICE PERFORMANCE

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Share Price performance 2014 (%)



A challenged segment





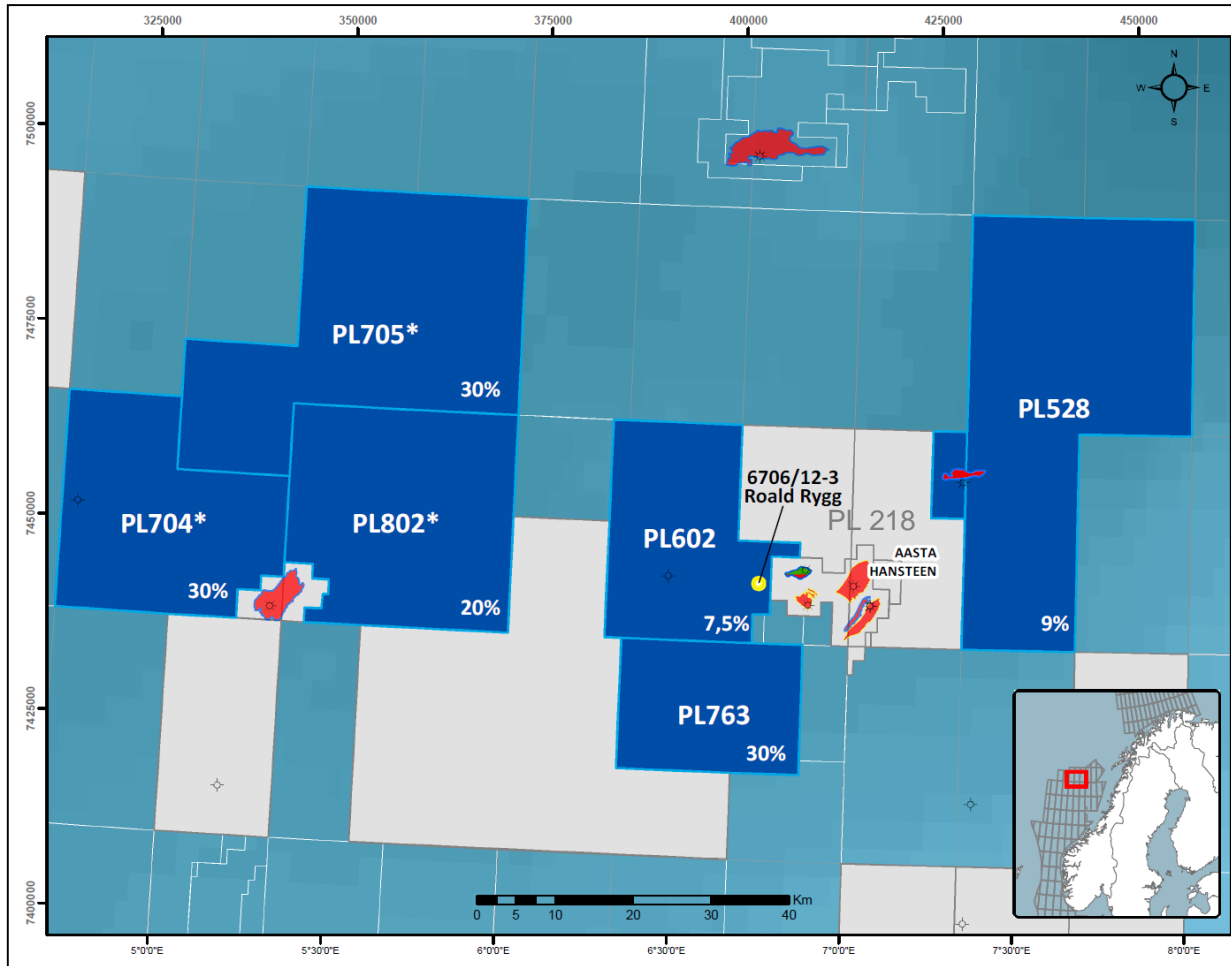
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Exploration & Appraisal



BUILDING A SOLID POSITION IN THE AASTA HANSTEEN AREA

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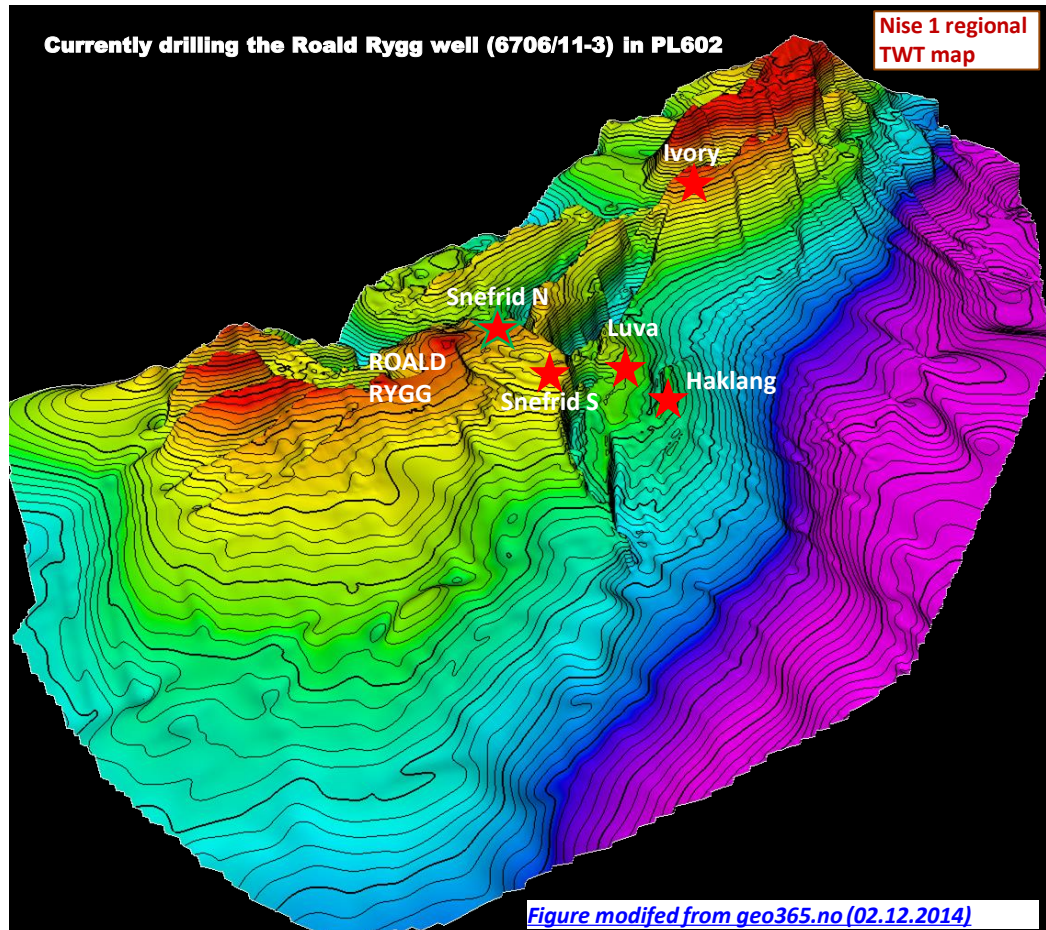
- Aug -14** PL 528 farm down 6% to Repsol
PL 602 take over 10% from Ithaca
- Oct -14** PL 528 spud of Ivory
- Dec -14** PL 528: The Ivory well proved 2-8 BSM³gas in the Kvitnos Formation
- Jan -15** PL 802: Awarded 20% in APA 2014
- Feb -15** PL 704, 705, 802: Signed option agreement with Statoil
PL 602: Signed farm down agreement with Statoil (2.5%)
PL 602: Drill decision
- Mar -15** PL 218: Snefrid North discovery
PL 602: Spud of Roald Rygg
- Apr -15** PL 602: Roald Rygg discovery
- Q2-15?** PL 705 drill or drop decision
- Q3-15?** PL 763 drill or drop decision



ROALD RYGG DISCOVERY



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- PL 602 located in the Vøring Basin, next to Aasta Hansteen development. The waterdepth is c. 1300 m.
- Ownership: Statoil: 42.5 %* (Op), Centrica 20%, Petoro 20%, Wintershall 10%, Atlantic Petroleum 7.5 %*
- First well, 6706/11-3 Roald Rygg spudded 22. March 2015. Result announced 13. April 2015.
 - The well encountered a total gas column of c 38 m in the Nise Formation of which c 30 m was in sandstones with very good reservoir quality. Preliminary volume estimates suggest that the discovery is between 2 and 7 billion Sm³ (c 70-250 bcf), very much in line with Atlantic Petroleum's pre-drill estimates. The licence owners will consider the discovery in light of other nearby discoveries with respect to a tie back to the Aasta Hansteen field.
- PL 602 contains several other prospects and leads with significant follow up potential, both in proven and new geological play models

DISCOVERY IN AN AREA WITH DEVELOPING INFRASTRUCTURE

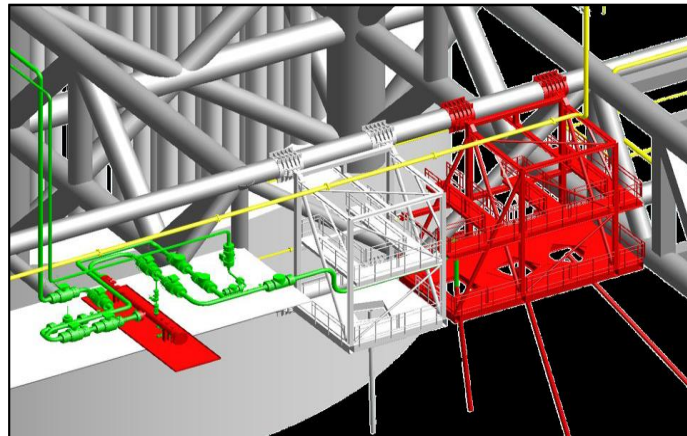
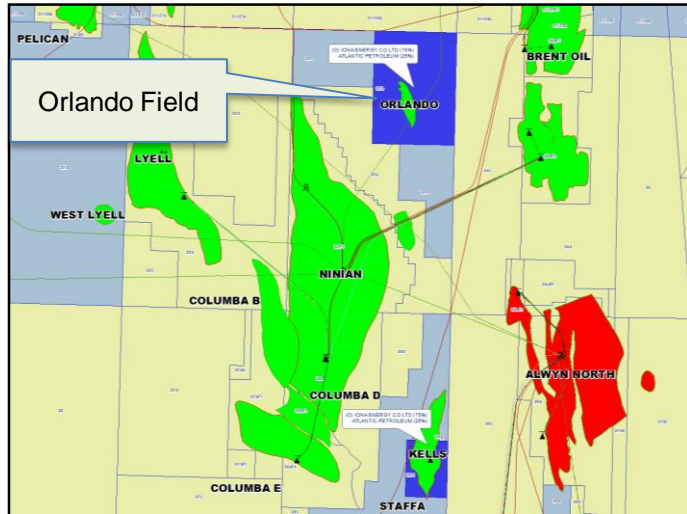


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Developments



ORLANDO FIELD DEVELOPMENT



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

Robust project in current environment with low operating costs



PEGASUS FIELD DEVELOPMENT – a significant gas discovery

JV partners & equities:

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

CPR estimates

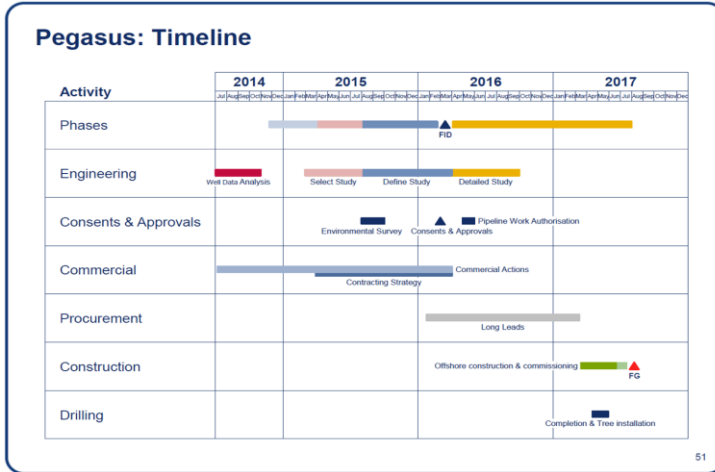
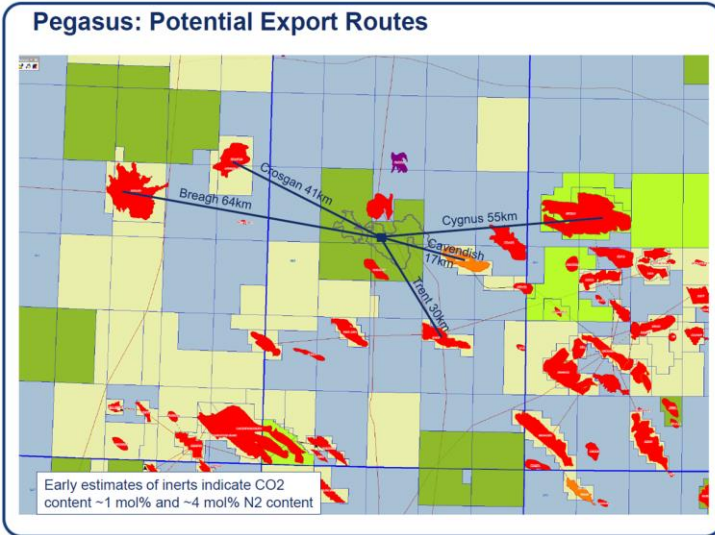
- 176BCF in Pegasus & Pegasus North discovered and tested resource is economic

History

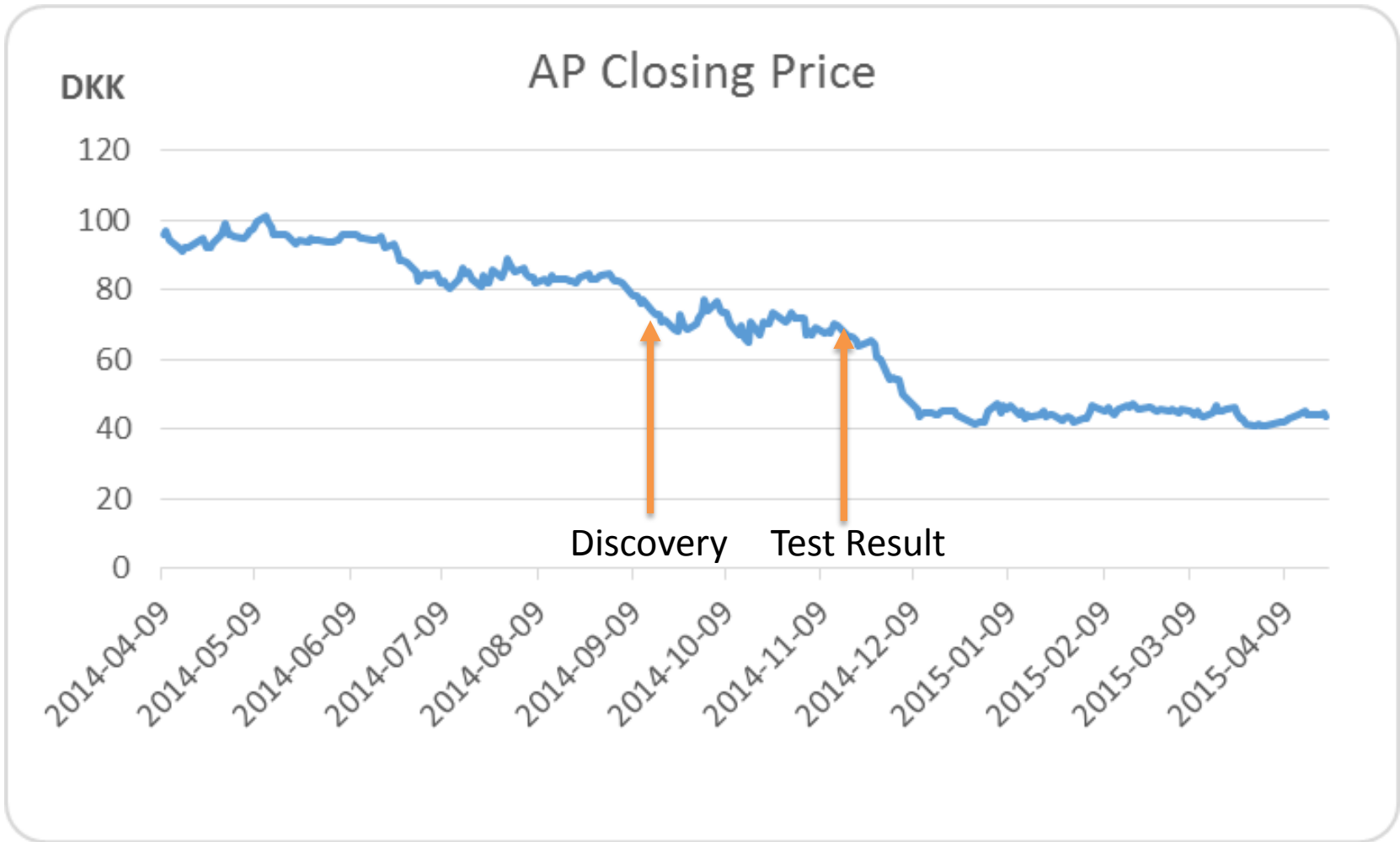
- Original discovery well drilled in 2010 found gas in Carboniferous sands
- Pegasus West well drilled in 2014 and tested at rates over 91 MMscf/d. Completed as future producer

Development plan

- Options being analyzed by operator Centrica
- Development FID planned for Q1 2016
- First gas could be as early as Q3 2017
- Significant follow on potential from existing discoveries and other satellites e.g. Andromeda, Browney



Currently identified GIIP of up to 1TCF



Did the market react?



NEAR DEVELOPMENTS – KELLS & PERTH

KELLS – P1607 3/8d

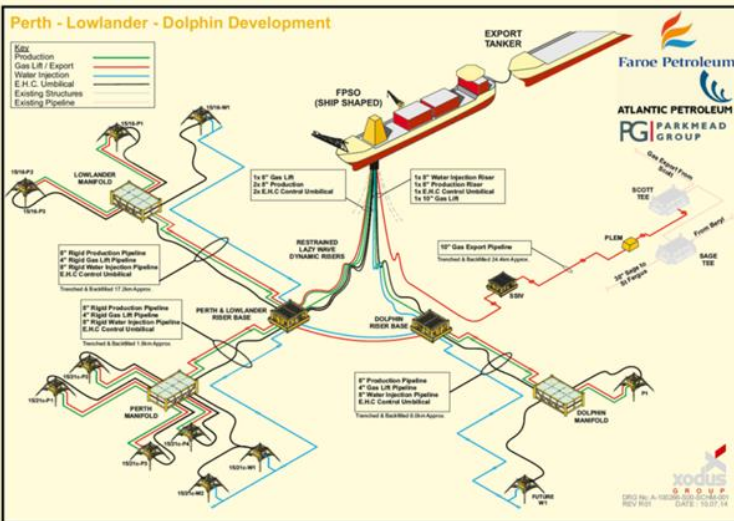
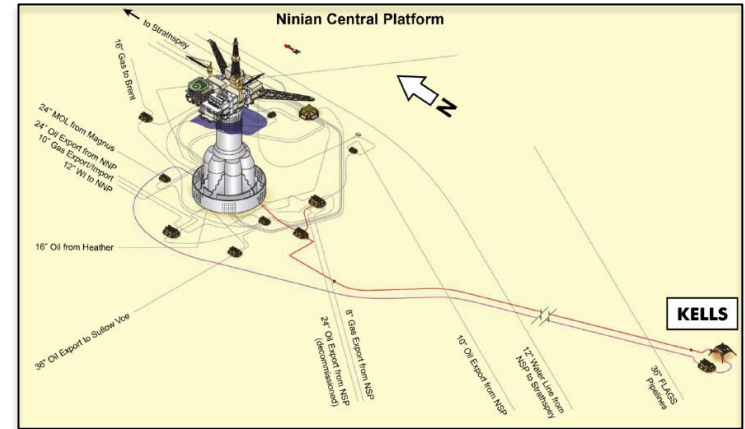
Iona Energy (Operator) 75%, Atlantic Petroleum 25%

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



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Summary & Outlook



TARGETS 2015

PRODUCTION

560,000 BOE

FINANCIAL

EBITDAX POSITIVE

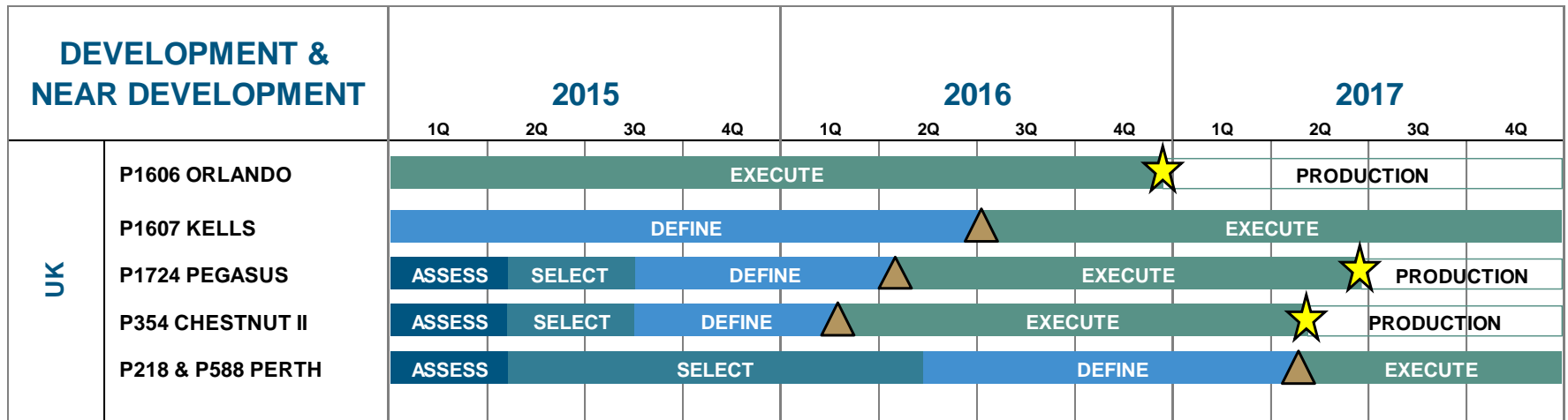
EXPLORATION

DRILL NORWAY ROALD RYGG



DEVELOPMENT AND NEAR DEVELOPMENT

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Final Investment Decision

First Hydrocarbons



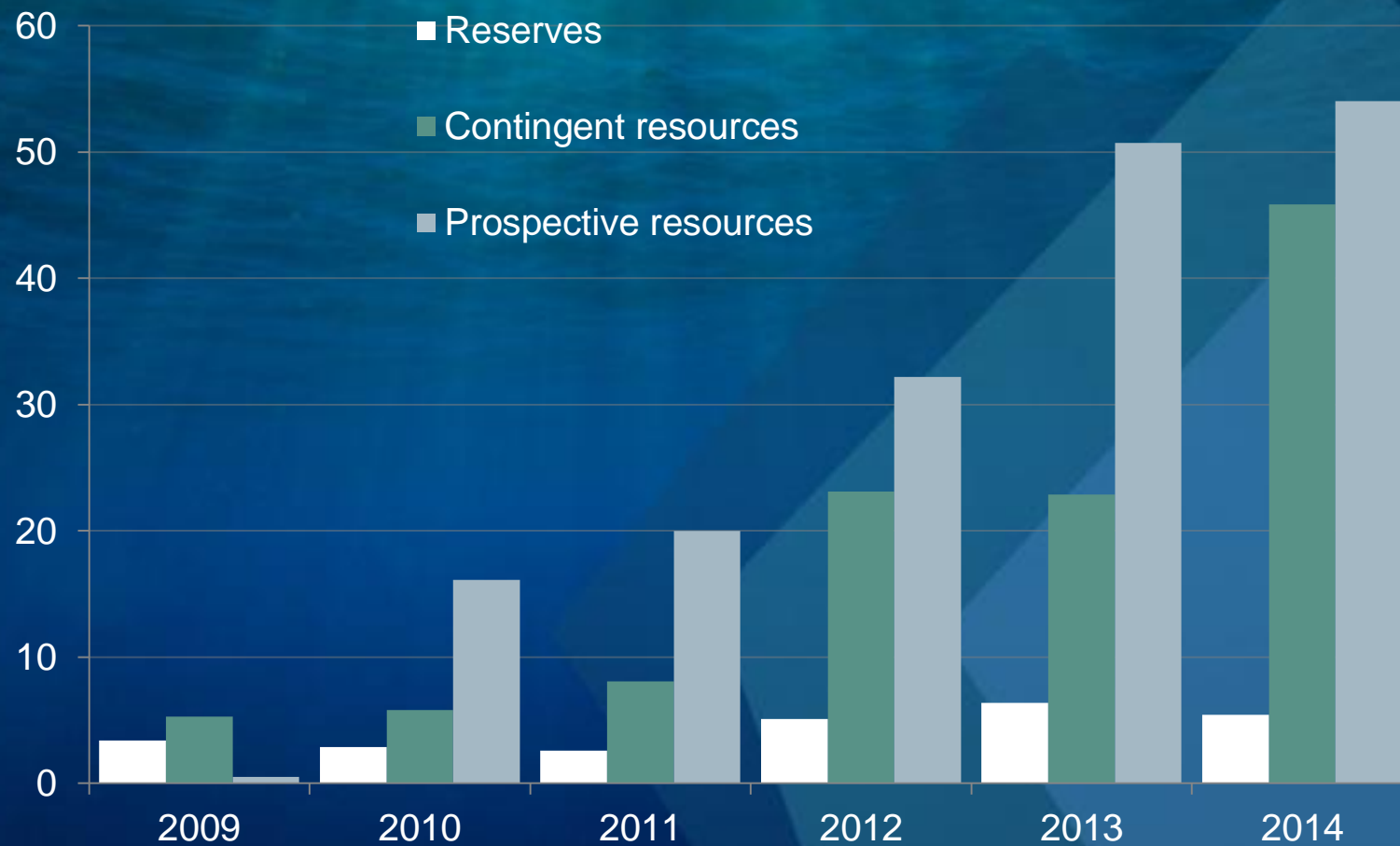
EXPLORATION		2015				2016				2017			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
NORWAY	PL705 NAPOLEON / SURNA							Possible Well					
	PL602 ROALD RYGG		Firm Well										
UK	P1610 MAGNOLIA / LIBERATOR											Possible Well	
	P1906 GREATER YORK								Possible Well				
	P2082 SKERRYVORE							Firm Well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



RESERVES (CPR NUMBERS)

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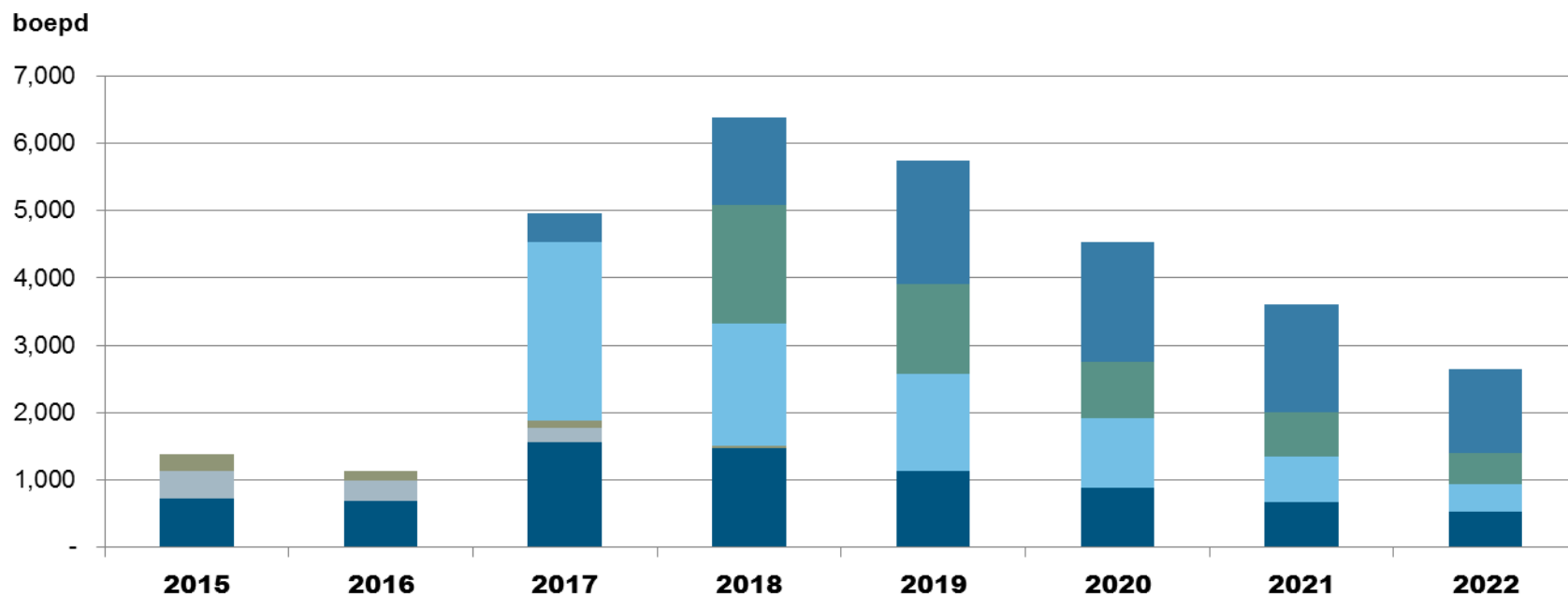
MMBoe



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



POTENTIAL PRODUCTION PROFILE



The building blocks are in place for a mid-size NW Europe E&P company

THE OPPORTUNITY SET



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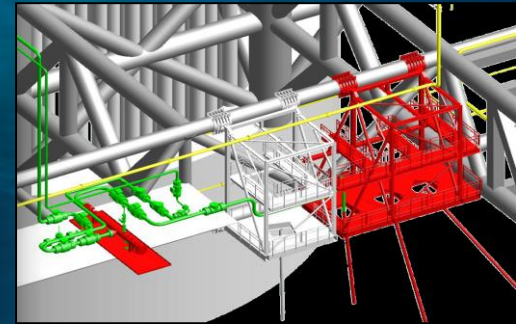
Development of current UK projects can deliver 5,000-7,000 boe/d production in 2017/18:

- Three oil projects – additional equity may be available to Atlantic Petroleum
- One oil with substantial gas project
- One gas project
- 2 projects are with Centrica as operator.
- The projects are early phase and will benefit from the falling cost of oilfield services

Current baseline **Production** of 1,500bopd from three UK fields operated by Centrica & Nexen

Substantial **Exploration** portfolio in Norway and UK SNS

- Current debt levels low (gross debt \$9mm)
- Demonstrated strong growth in reserves and resources over the past years
- Funding for opportunities will be key focus in 2015





CONSOLIDATED INCOME STATEMENT

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DKK 1,000	Note	2014	2013
Revenue	3	343,146	417,421
Cost of sales	4	-530,002	-221,767
Gross loss/profit		-186,856	195,655
Exploration expenses	5	-214,862	-119,647
Pre-licence exploration cost		-12,631	-11,064
General and administration cost	6,7,8,10, 25	-41,548	-58,410
Depreciation PPE & Intang Assets		-16,675	-8,162
Other operating income	9	18,500	0
Operating loss		-454,073	-1,629
Interest revenue and finance gains	11	1,181	1,454
Interest expenses and other finance cost	11	-31,323	-11,448
Loss before taxation		-484,215	-11,623
Taxation	12	265,958	-14,051
Loss after taxation		-218,257	-25,674
Earnings per share (DKK):			
Basic	14	-59.03	-9.54
Diluted	14	-59.03	-9.67

Norwegian exploration subject to
78% cash tax refund



CONSOLIDATED BALANCE SHEET

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DKK 1,000	Note	2014	2013
Non-current assets			
Goodwill	15,32	51,917	54,354
Intangible assets	16	16,576	26,482
Intangible exploration and evaluation assets	17	258,653	216,682
Tangible development and production assets	18	369,079	621,504
Property plant and equipment	19	2,036	2,782
		698,261	921,804
Current assets			
Inventories	21	17,019	38,759
Trade and other receivables	22	81,398	48,493
Tax repayable		145,374	43,509
Financial asset	27	19,027	0
Cash and cash equivalents	24,27	111,989	184,613
		374,808	315,375
Total assets		1,073,068	1,237,179
Current liabilities			
Exploration facility	24,27	146,238	25,058
Short-term debt	24,27	19,500	19,500
Short term liabilities		40	116
Trade and other payables	23	92,198	94,836
Current tax payable		4,104	1,117
Financial liabilities	27	0	914
		262,080	141,541
Non-current liabilities			
Deferred tax liability	28	161,426	267,003
Long-term debt	24,27	39,000	58,500
Long-term provisions	26	187,381	172,790
		387,807	498,293
Total liabilities		649,887	639,834
Net assets		423,181	597,345
Equity			
Share capital	29	369,786	367,670
Share based payment schemes		5,766	3,123
Value of futures contracts		0	-914
Share premium account		233,444	232,903
Translation reserves		50,316	12,435
Retained earnings		-236,131	-17,873
Total equity shareholders' funds		423,181	597,345

Norwegian
Exploration



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Q&A