

# WEBCAST PRESENTATION

## Q1 2012 RESULTS

30<sup>th</sup> May 2012



ATLANTIC PETROLEUM

# Disclaimer

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# 1Q 2012 Highlights

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- EBIT in 1Q 2012 was DKK 65.3MM, which is the highest ever
- EBITDAX in 1Q 2012 was DKK 104.4MM
- Cash and cash equivalents at end 1Q 2012 was DKK 169MM, compared to DKK 114MM at the end of 4Q 2011. Cash and equivalents at 30<sup>th</sup> May 2012 was DKK 225.5MM
- Total production in 1Q 2012 amounted to 232,000 boe corresponding to an average of 2,550 boepd
- Perth field evaluation is on-going as planned, with a revised field development plan (FDP) submitted to the UK authorities in February 2012
- The 29/1c-9 Orchid well was spudded on UK licence P.1556, Block 29/1c on the 10<sup>th</sup> March. The well discovered oil. Further evaluation is ongoing.
- On 30<sup>th</sup> December 2011, Atlantic Petroleum was offered award of 5 new UK licences. Formal acceptance of these licences has been on-going in 1Q 2012

# Income Statement

1st Quarter 2012

DKK	3 months 1st Quarter 2012	3 months 1st Quarter 2011
Revenue	135,678,585	112,025,840
Cost of sales	-59,998,243	-79,097,469
<b>Gross profit</b>	<b>75,680,341</b>	<b>32,928,371</b>
Exploration expense	-427,341	0
Pre-licence exploration costs	-1,049,991	-215,711
General and administration costs	-8,956,624	-6,001,069
Other operating income	13,545	0
<b>Operating profit</b>	<b>65,259,930</b>	<b>26,711,591</b>
Interest Income and finance gains	3,244,125	3,574,851
Interest expenses and other finance costs	-7,411,603	-14,104,093
<b>Profit before taxation</b>	<b>61,092,452</b>	<b>16,182,349</b>
Taxation	-37,686,747	-1,325,502
<b>Profit after taxation</b>	<b>23,405,705</b>	<b>14,856,847</b>

# Balance Sheet and Cash Flow

1st Quarter 2012

DKK MM

<b>Balance Sheet</b>	<b>1Q 2012</b>	<b>4Q 2011</b>
Total assets	828.9	791.5
- Cash and cash equivalents	169.0	114.3
Equity	451.8	444.5
Bank debt	105.3	105.0
- Long term	78.0	65.0
- Short term	27.3	40.0

<b>Cash Flow</b>	<b>1Q 2012</b>	<b>1Q 2011</b>
Net cash from operating activities	98.9	108.2
Net cash from investing activities	-44.4	-6.3
Net cash from financing activities	0.3	-21.8



# Production Assets – Ettrick & Blackbird P.317, P.273 & P.1580, Blocks 20/2a, 20/3a, & 20/3f



## JV partners and Interests:

- Nexen (Operator) 79.73% / 90.60% in Blackbird. Dana Petroleum 12% / 0% in Blackbird. AP 8.27% / 9.40% in Blackbird
- During 1Q 2012 the Ettrick field has produced on average 14,730 boepd, 1,220 boepd net to Atlantic Petroleum.
- A new water injection well has been completed and will begin injection in May 2012.
- A work over program will be undertaken in 2Q to stimulate new production and remedy minor issues with 3 production wells.
- Blackbird field produced as expected in 1Q 2012 with average production of around 6,200 boepd, 580 boepd net to Atlantic Petroleum.
- Field development will continue as planned in 2Q-3Q 2012 with the drilling and completion of a water injection well.

# Production Assets – Chestnut, P.354, Block 22/2a

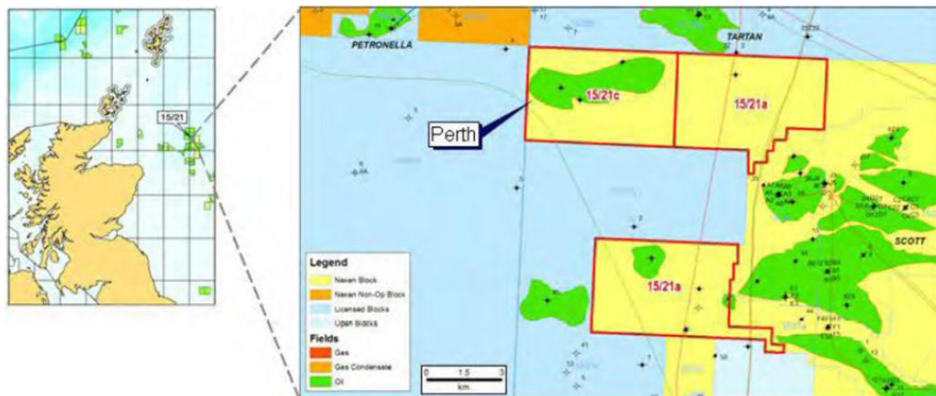


## JV partners and Interests:

- Centrica Energy Upstream (Operator) 69.88%, Dana Petroleum (E&P) Limited 15.12%, Atlantic Petroleum 15.00%
- The Chestnut field is currently producing at between 5,000 - 6,000 barrels of oil per day, net 825 bopd to Atlantic Petroleum.
- In 1Q 2012 the field produced on average 5,000 barrels per day or 750 barrels per day net to Atlantic Petroleum.
- Operator Centrica has been undertaking a work program to maximise the late life recovery from the field including production trials to assess the possibility of modifying choke settings on the production wells.



# Development Assets



## Perth, Licences P.218 & P.588, Block 15/21a,b,c,f

### JV partners and Interests:

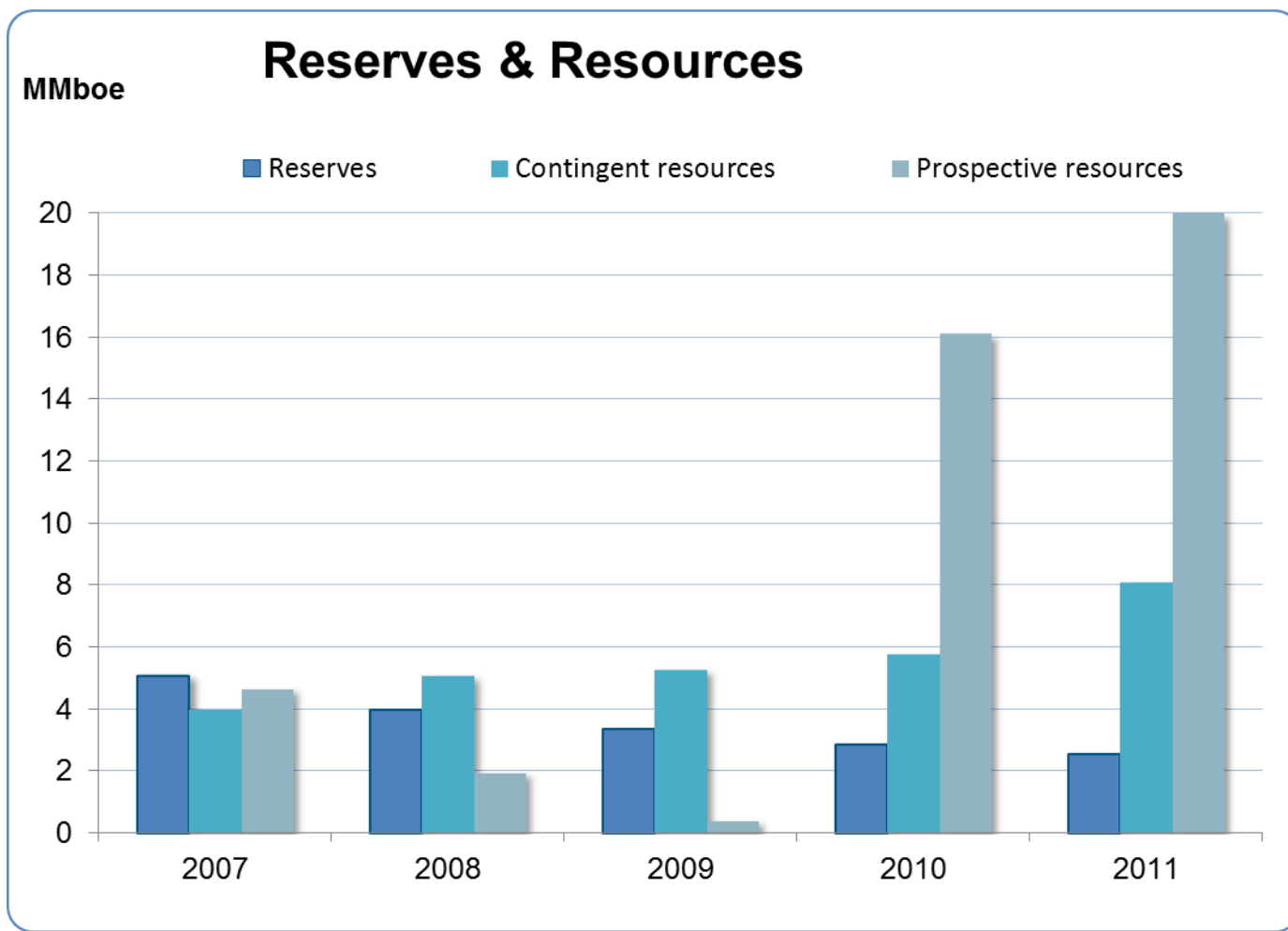
- DEO (Operator) 52.03%
- Faroe Petroleum 34.62%
- Atlantic Petroleum 13.35%

- Development planning for the Perth field is progressing.
- Operator DEO submitted an Environmental Statement and Revised Field Development Plan to the authorities for approval in 1Q 2012.
- Approval, if granted, is expected in summer 2012.
- Parkmead offer for DEO.

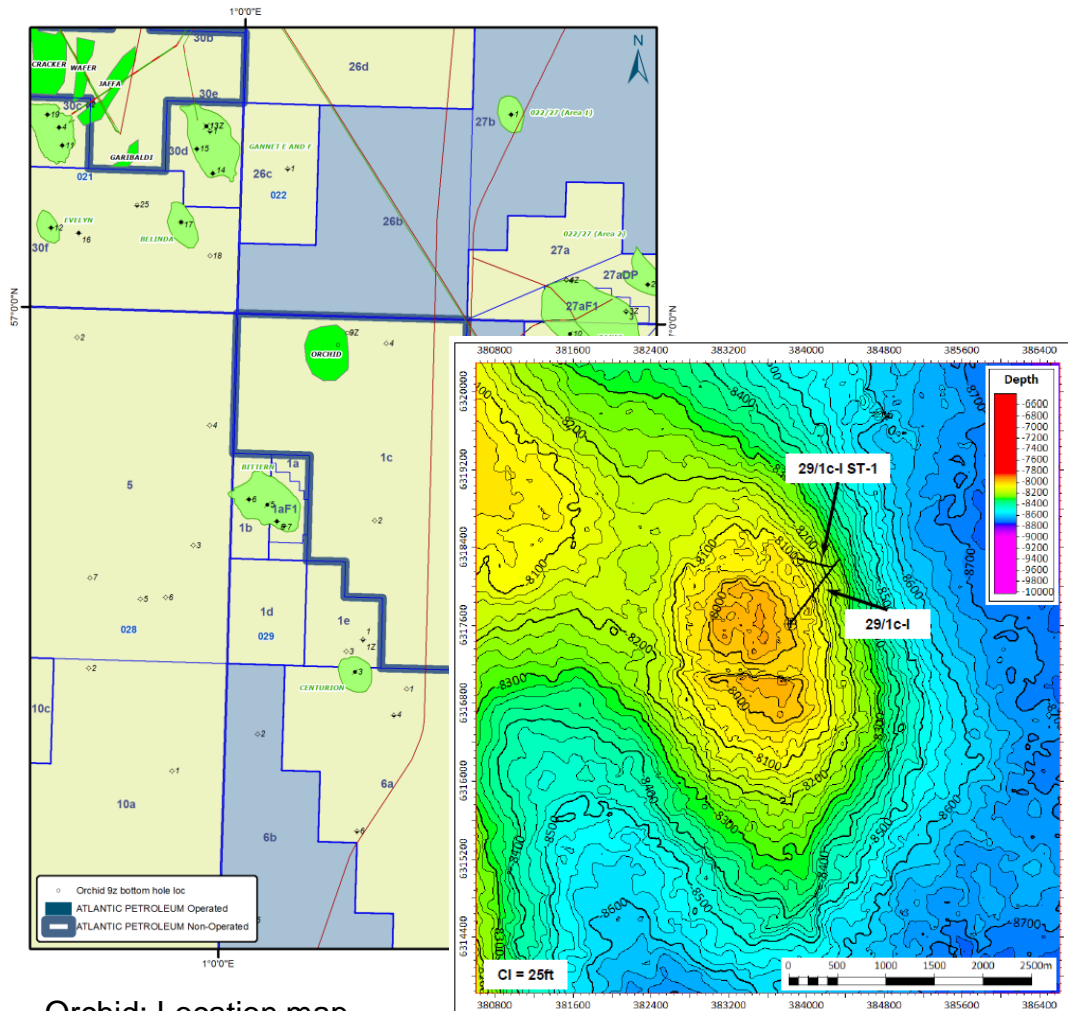




# Reserves & Resources



# Orchid 29/1c-9 Discovery

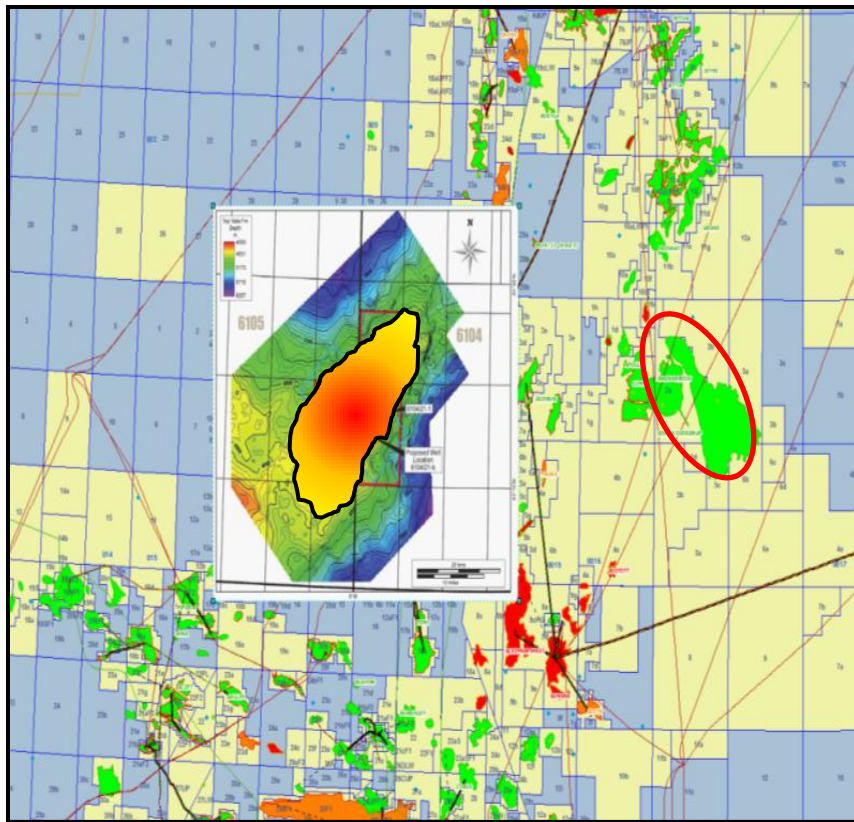


Orchid: Location map

Orchid: Pre-drill Top Ekofisk depth structure map

- Atlantic Petroleum 10%
- Summit 45% (operator), Valiant 30%, Trapoil 15%
- Four way dip closure over salt swell at Ekofisk & Tor Chalk levels.
- Encountered 280 feet of formation with good hydrocarbon shows and excellent porosities.
- Initial pay estimated in the region of 50 feet.
- Further work to be carried out on data to determine the size of the discovery and ascertain whether further drilling is warranted.

# Faroes, L006 - Brugdan II

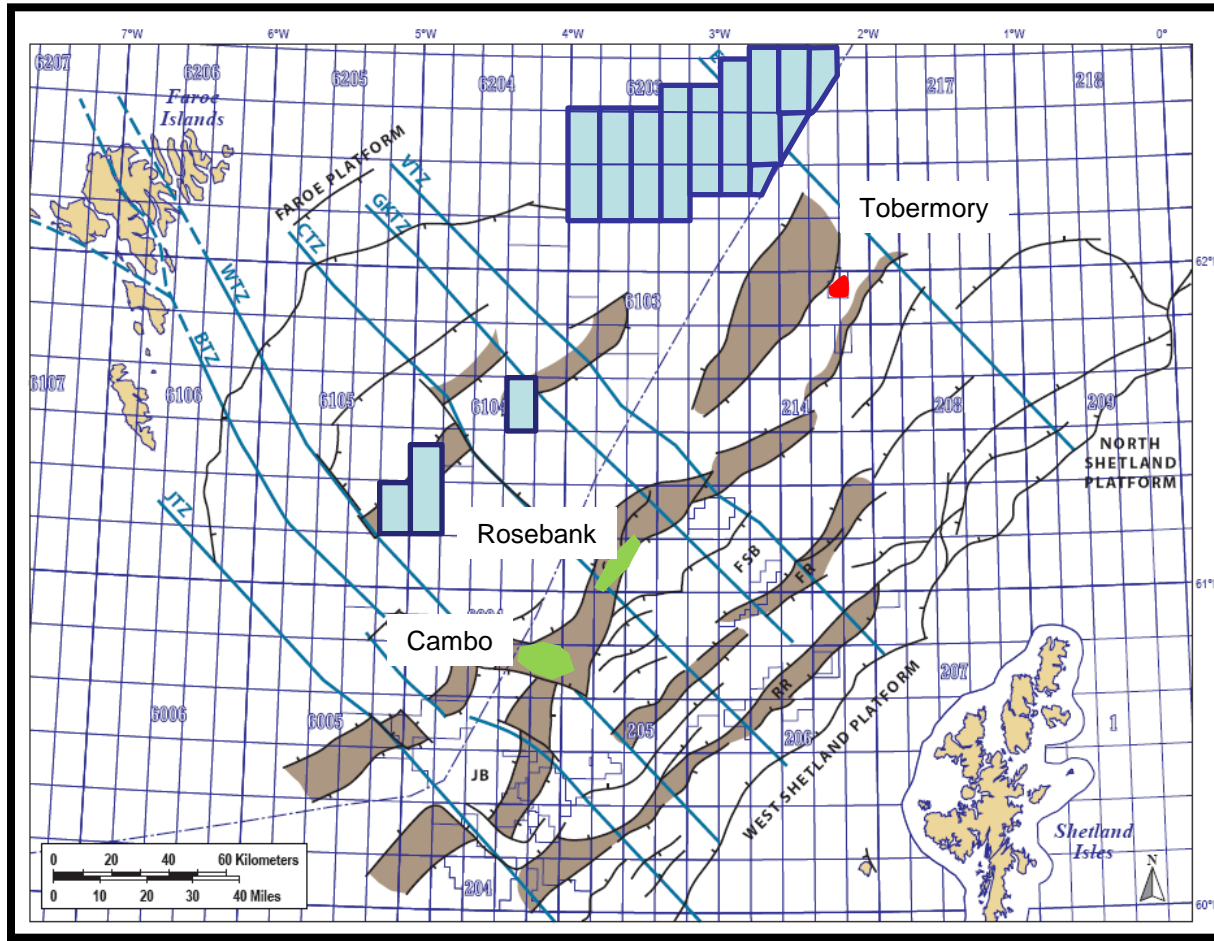


Brugdan outline v's Johan Sverdrup Norway

- Brugdan Deep well planned for spudding June 2012
- Water Depth 400 – 500m
- Equities: Statoil 50%, ExxonMobil 49%, Atlantic Petroleum 1%
- P50 prospective resources net to AP  
9.2mmboe unrisked. Risked: 1.2mmboe



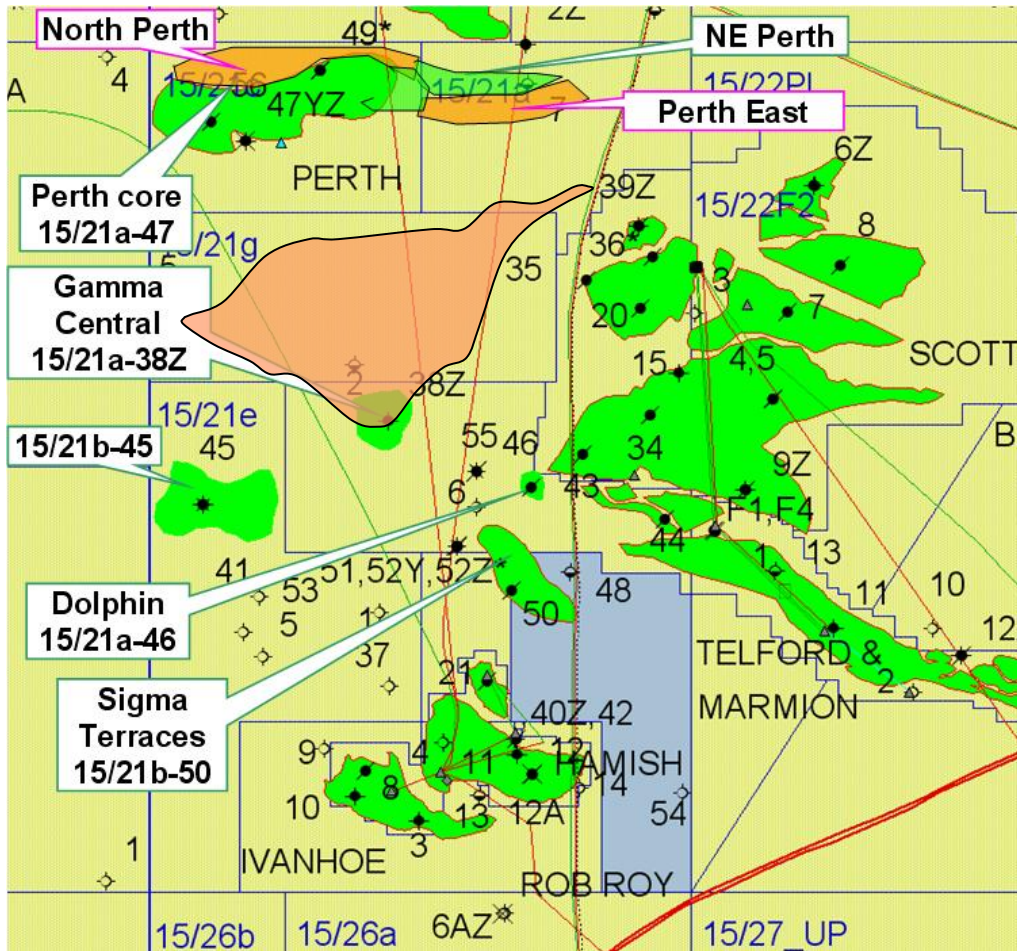
# Faroes Exploration



- Through its regional knowledge, AP is pursuing the East Faroe ridge, the next ridge across from the Corona/Westray ridge system in the UK.
- Significant discoveries in the UK play include Rosebank/Lochnagar, Cambo, Tobermory.
- The Brugdan 2 well will be a key datapoint in determining the future potential of the fairway.

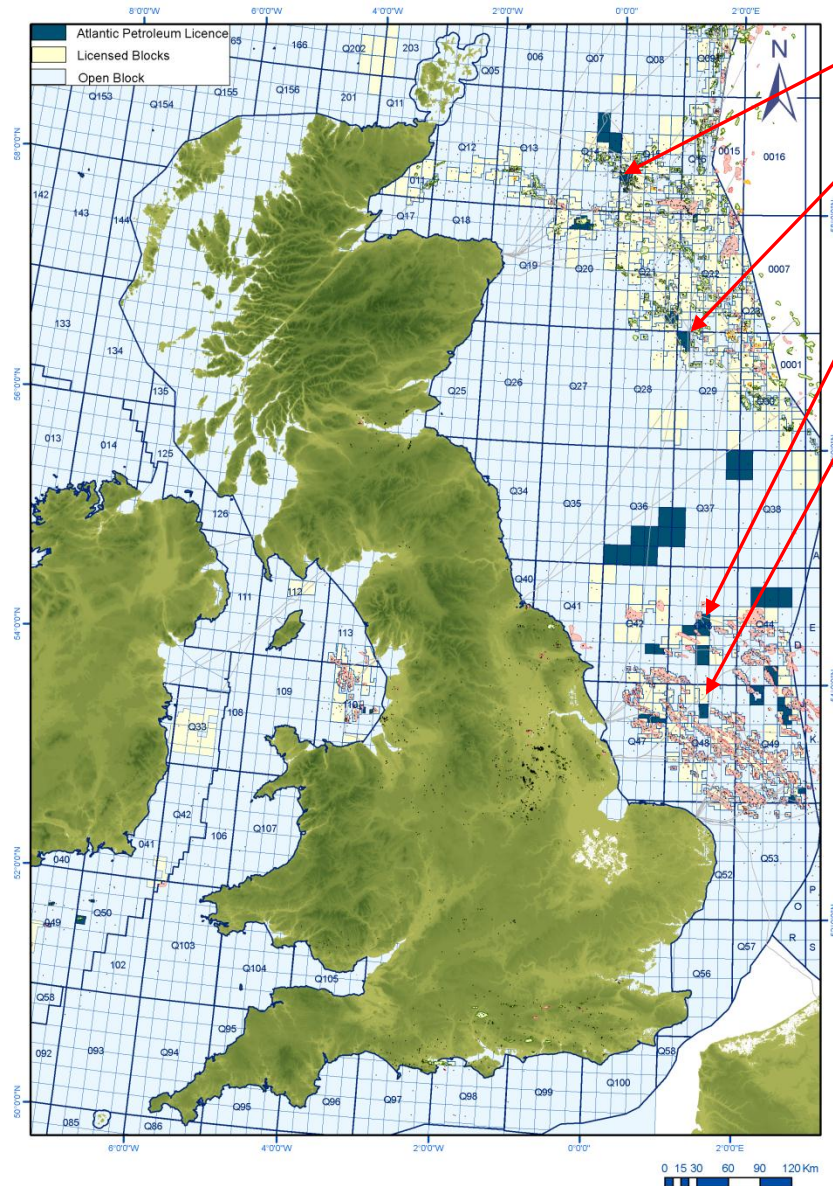


# UK P.1655, Block 15/21g - Spaniards

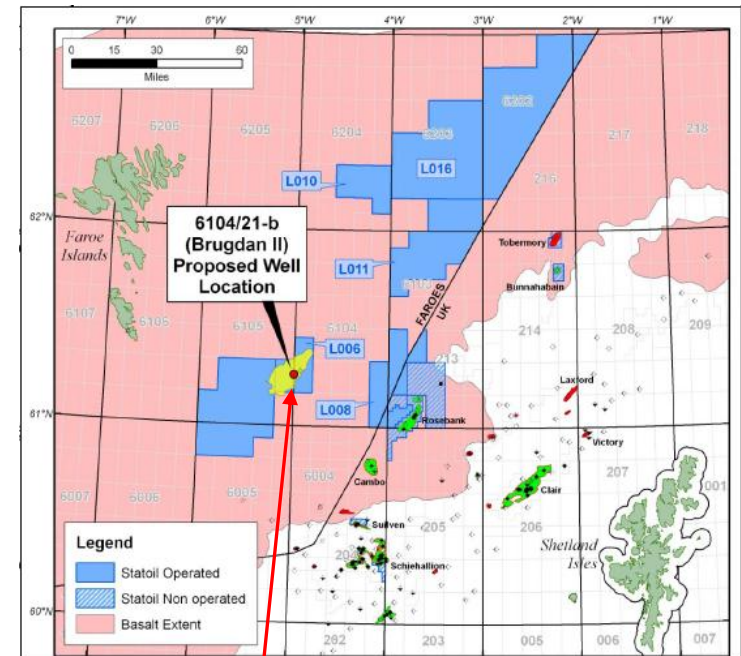


- 2012 well
- 100% carried by Premier Group
- Spaniards equities Premier 28% (op), Nautical 21%, Serica 21%, DEO 12.62%, Faroe Petroleum 8.4%, Maersk 5.74%, AP 3.24%
- Spaniards well will be appraising the Gamma structure where a well flowed at 2,600 barrels per day in 1989

# AP Licences & Wells planned for 2012 – 2013

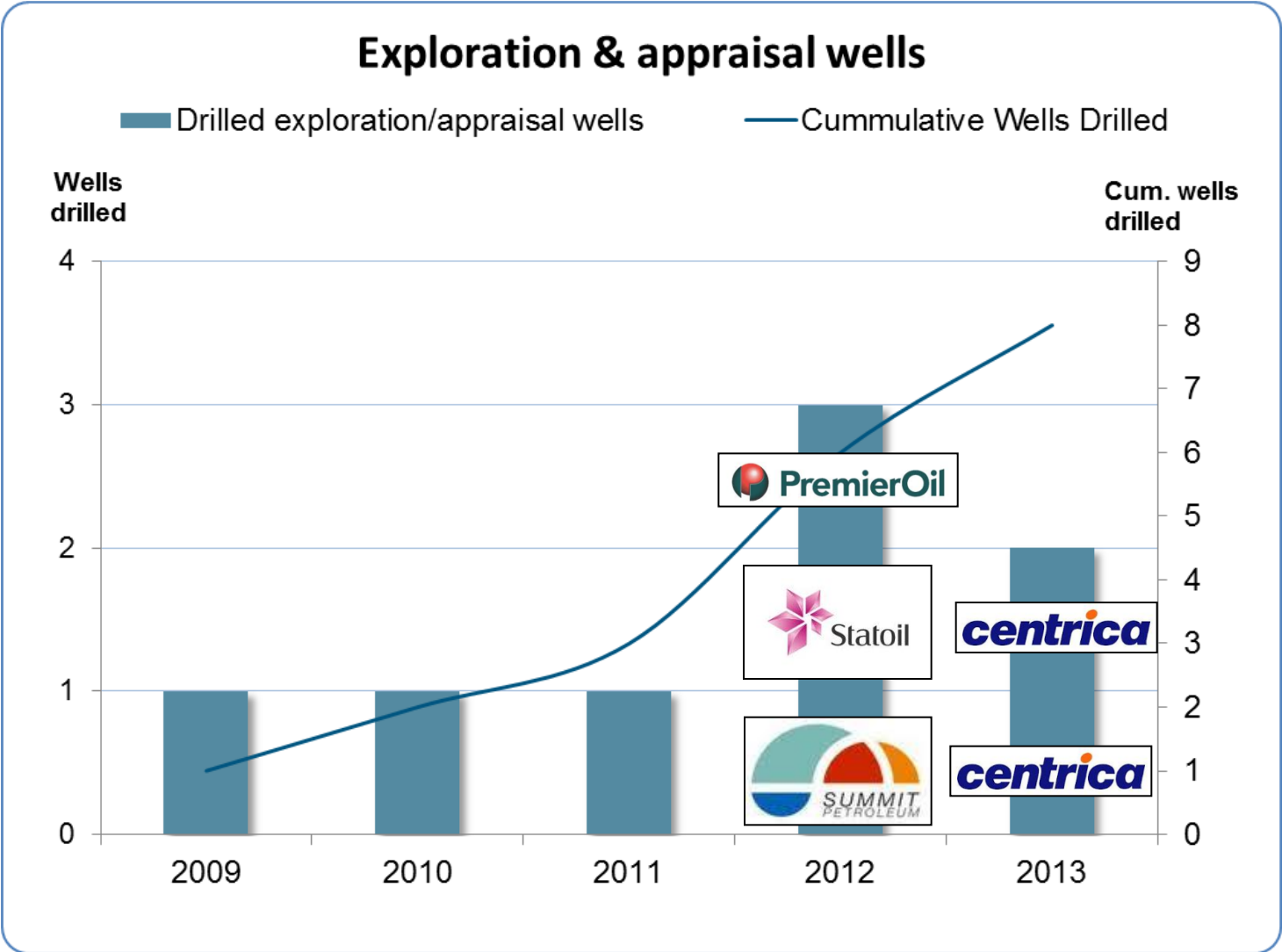


Spaniards – 2012 well  
Orchid – Drilled  
Pegasus West – 2013 well  
Endymion – 2013 well



Brugdan II – 2012 well

# Exploration & Appraisal





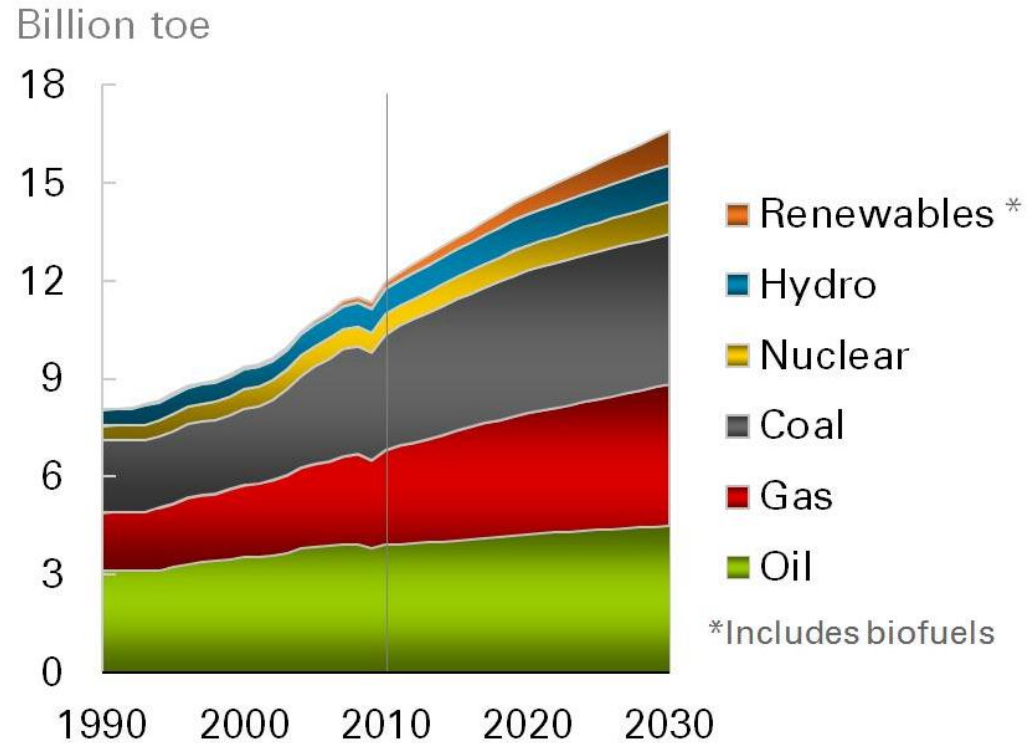
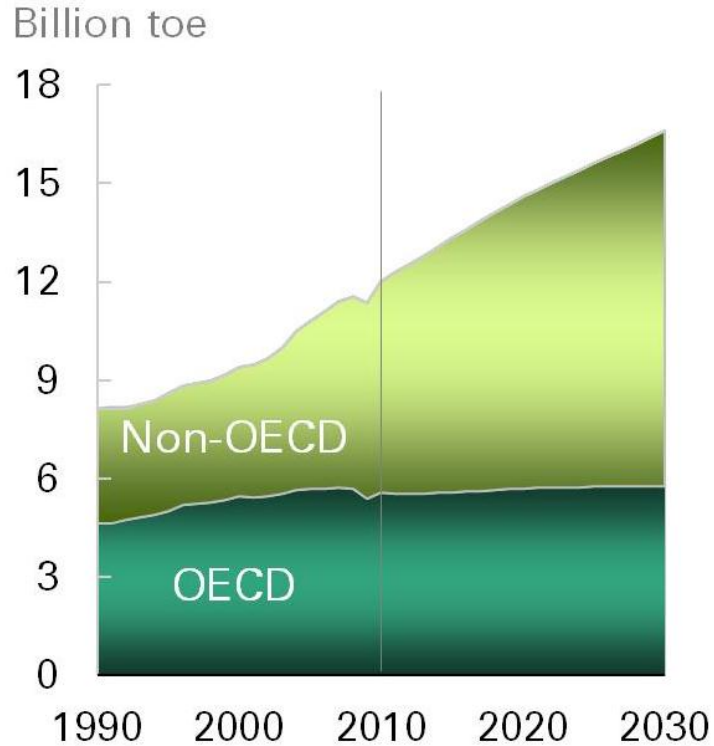
# Planned Activities (2012 to 2013)

Planned Activities (2012 to 2013)			2012				2013			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Faroe Islands	Exploration	L.006 Brugdan Deep			■	■				
		L.014 Marselius		■						
		L.016 Kúlubøkan			■					
UK	Exploration	P.1556 Orchid	■							
		P.1655 Spaniards			■					
		P.1724 Pegasus West						■		
		P.1734 Endymion								■
	Development	P.273 & P.317 Etrick (Producing field)	Water injector	■						
			Water injector		■	■				
		P.1580 Blackbird (Producing field)	Producer				■			





# Global Energy Consumption



Source: BP Energy Outlook 2030. January 2012

# Business Model and Strategy



**Strong team**  
Atlantic Petroleum has a strong team of technical people



**Partnerships**  
Strong partnership with 29 international companies



## Focus on Offshore North West Europe

Mature basin but significant opportunities remain for Small to Mid Cap players

## Provide Steady Growth from the Existing Base

Reserve/production growth in existing producing assets

## Retain Flexibility to Manage and Capitalise on Current Market Conditions

Minimise commitments and keep tight grip on cash flows

Manage risks and be prepared for external shocks

Be prepared to move on distressed companies and/or assets

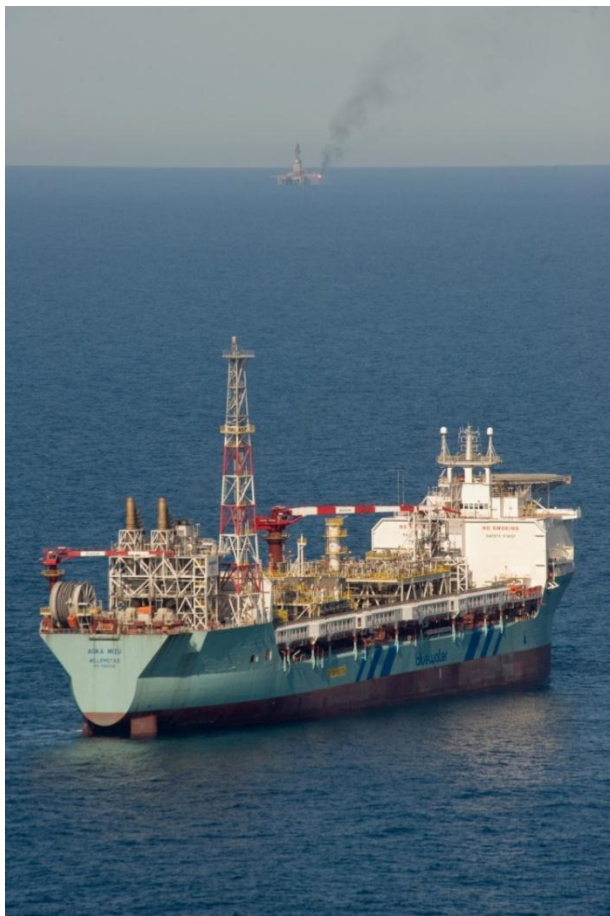


**Growth through development**  
Continue to create organic growth through development of existing asset base



**Growth by farm-in & acquisitions**  
Increase portfolio of near term production assets through selective farm-in / acquisition of attractive development and appraisal licences.

# Outlook



- Guidance remains unchanged. 700k–800k boe production & DKK 200– 270MM EBITDAX
- The Blackbird field development completed with the drilling of an injector well
- Well work-overs and the new water injector designed to maintain production rates from the Ettrick field
- Partners looking at late life options for maximizing recovery on Chestnut
- On the Perth field, await DECC feedback on the FDP. Decision expected later in the year.
- Two exploration wells to be drilled later in 2012
- AP submitted 9 bids for 31 blocks or part blocks in the UK 27th Round. Awards expected later in the year.
- Repayment of the current debt facility extended from three to five years
- The Company continues to actively evaluate a number of business development opportunities across the value chain to enhance and build upon existing activity

# Contact

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