

WEBCAST PRESENTATION – 27<sup>th</sup> MAY 2015

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# Q1 2015 RESULTS



## DISCLAIMER

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- This presentation includes statements regarding future results, which are subject to risks and uncertainties. Consequently, actual results may differ significantly from the results indicated or implied in these statements
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ATLANTIC PETROLEUM

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# Q1 PERFORMANCE



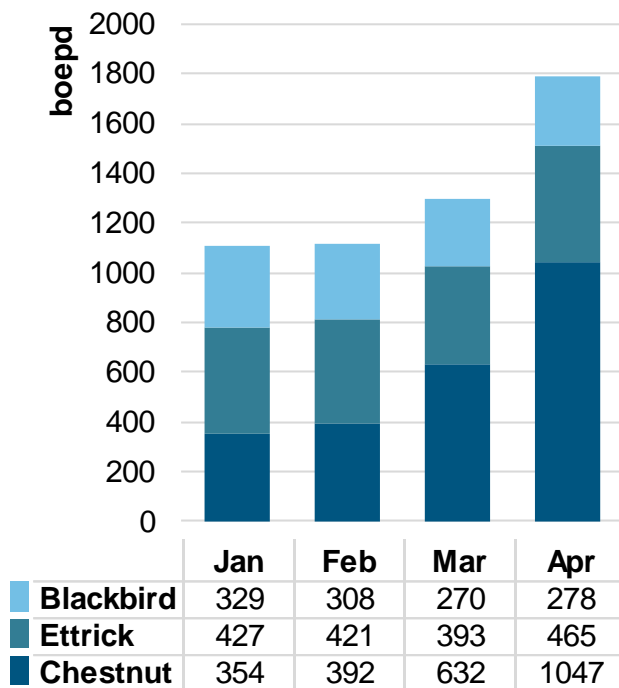
## HIGHLIGHTS AND EVENTS

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- Production for the first 3 months was 106,000 boe corresponding to an average of 1,178 boepd net
- Revenue for 1Q 2015 was DKK 39.1MM and this was impacted by the lower than expected production and lower oil price.
- Net loss for 1Q 2015 was DKK 11.7MM.
- EBITDAX for the first 3 months was negative with DKK 28.2MM.
- Net assets/shareholders equity DKK 453.5MM.
  
- Pegasus West
- Norway PL602



# PRODUCTION



## Ettrick & Blackbird

- Q1 Production impacted by a planned well intervention

## Chestnut

- Q1 production impacted by scale squeezes

*Revised Production Target 2015 520,000 Boe*



# CONSOLIDATED INCOME STATEMENT

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DKK 1,000			3 months to 31 <sup>st</sup> March 2015	3 months to 31 <sup>st</sup> March 2014	Full year 2014
Revenue			39,143	112,706	343,146
Cost of sales			-53,246	-73,894	-530,002
<b>Gross loss/profit</b>			<b>-14,102</b>	<b>38,812</b>	<b>-186,856</b>
Exploration expenses			-1,434	-81,333	-214,862
Pre-licence exploration cost			-654	-3,451	-12,631
General and administration cost			-12,117	-14,188	-41,548
Depreciation PPE & Intangible assets			-2,834	-3,860	-16,675
Other operating cost/income			-12,457	0	18,500
<b>Operating loss</b>			<b>-43,598</b>	<b>-64,020</b>	<b>-454,073</b>
Interest expenses/income and finance cost/gain			-11,535	-4,463	-30,142
<b>Loss before taxation</b>			<b>-55,133</b>	<b>-68,483</b>	<b>-484,215</b>
Taxation			43,433	55,796	265,958
<b>Loss after taxation</b>			<b>-11,700</b>	<b>-12,687</b>	<b>-218,257</b>
Earnings per share (DKK):					
Basic			-3.16	-3.43	-59.03
Diluted			-3.16	-3.43	-59.03



# CONSOLIDATED BALANCE SHEET

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DKK 1,000	At 31 <sup>st</sup> March 2015	At 31 <sup>st</sup> March 2014	At 31 <sup>st</sup> December 2014
<b>Non-current assets</b>			
Goodwill	55,617	55,111	51,917
Intangible assets	14,740	28,332	16,576
Intangible exploration and evaluation assets	311,628	235,484	258,653
Tangible development and production assets	411,764	613,886	369,079
Property plant and equipment	1,925	2,625	2,036
Tax repayable	27,483	79,608	0
	<b>823,157</b>	<b>1,015,046</b>	<b>698,261</b>
<b>Current assets</b>			
Inventories	26,929	31,106	17,019
Trade and other receivables	71,377	90,470	81,398
Tax repayable	151,555	44,443	145,374
Financial assets	7,777	0	19,027
Cash and cash equivalents	61,762	173,165	111,989
	<b>319,401</b>	<b>339,185</b>	<b>374,808</b>
<b>Total assets</b>	<b>1,142,558</b>	<b>1,354,230</b>	<b>1,073,068</b>
<b>Current liabilities</b>			
Exploration finance facility	151,555	41,280	146,238
Short term bank debt	19,500	19,500	19,500
Short term liabilities	0	0	40
Trade and other payables	91,732	170,157	92,198
Financial liabilities	0	739	0
Current tax payable	4,430	1,129	4,104
	<b>267,217</b>	<b>232,805</b>	<b>262,080</b>
<b>Non-current liabilities</b>			
Exploration finance facility	24,344	0	0
Long term bank debt	39,000	58,500	39,000
Long term provisions	203,282	174,998	187,381
Deferred tax liability	155,181	293,062	161,426
	<b>421,808</b>	<b>526,560</b>	<b>387,807</b>
<b>Total liabilities</b>	<b>689,025</b>	<b>759,365</b>	<b>649,887</b>
<b>Net assets</b>	<b>453,533</b>	<b>594,865</b>	<b>423,181</b>
<b>Equity</b>			
Share capital	369,786	369,786	369,786
Share premium account	233,444	233,470	232,444
Share based bonus schemes - LTIP	6,690	3,737	5,766
Futures Contracts Value	0	-739	0
Translation reserves	91,443	19,171	50,316
Retained earnings	-247,830	-30,560	-236,131
<b>Total equity shareholders' funds</b>	<b>453,533</b>	<b>594,865</b>	<b>423,181</b>



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# Exploration & Appraisal



# EXPLORATION



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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				



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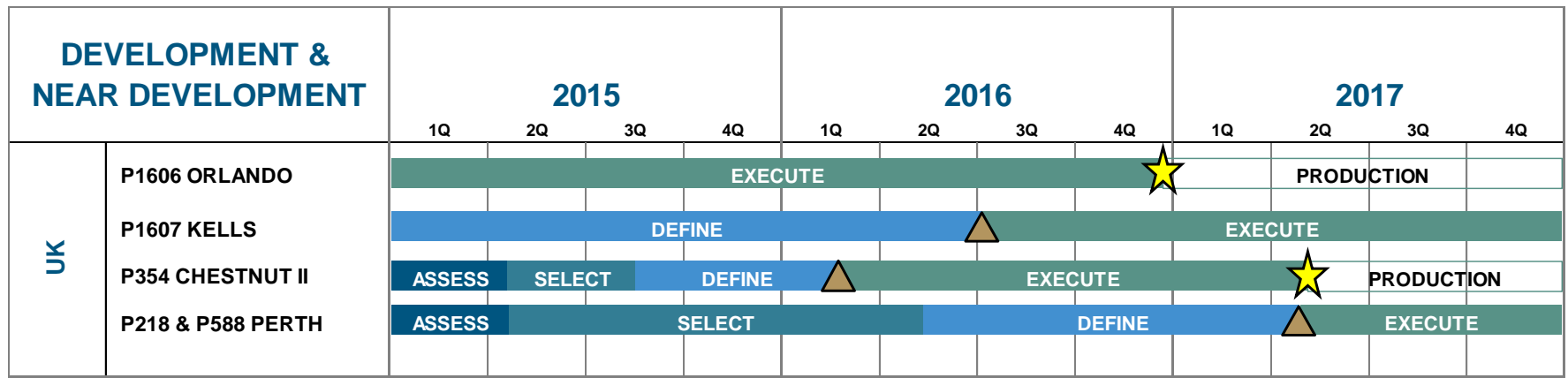
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# Developments



# DEVELOPMENT AND NEAR DEVELOPMENT

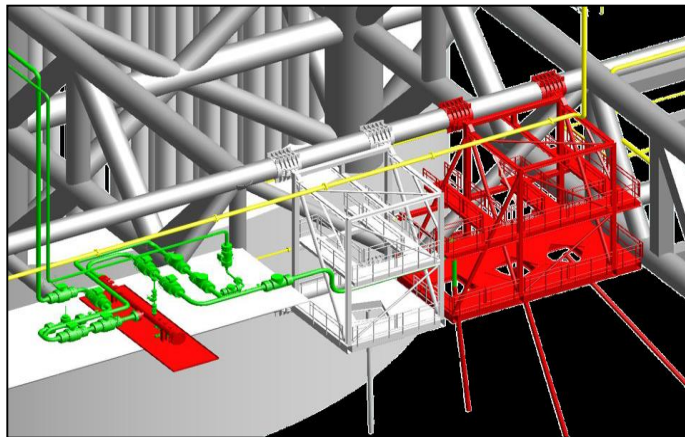
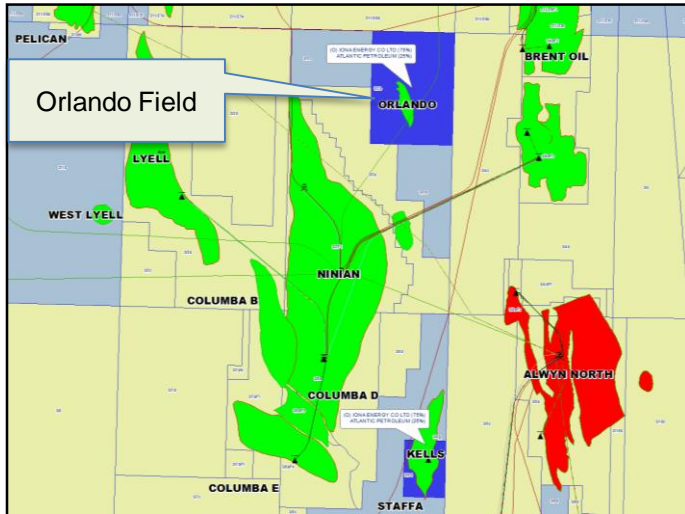
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Final Investment Decision

First Hydrocarbons

## ORLANDO – ON TRACK FOR 2016 FIRST OIL – LOW COST BARRELS



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. Costs are being managed without compromising first oil date

### Robust Project – Low OPEX barrels

- Opex per boe estimated at USD15
- Capex per boe to first oil estimated at USD 14 - 16

*Orlando provides production growth by end 2016 of low cost barrels*



# NEAR DEVELOPMENTS – KELLS & PERTH

## KELLS – P1607 3/8d

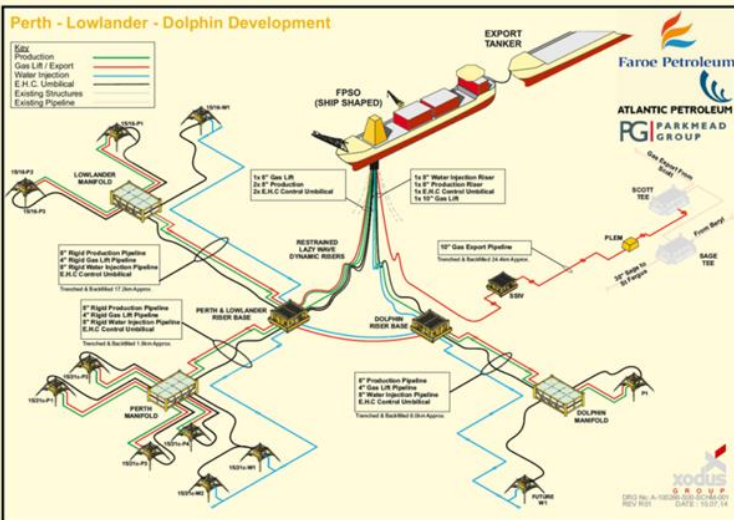
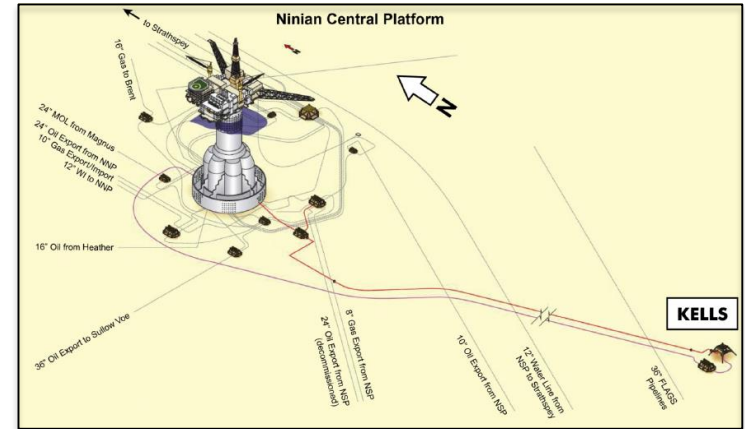
Iona Energy (Operator) 75%, Atlantic Petroleum 25%

### 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*



## CHESTNUT & CHESTNUT RE-DEVELOPMENT

### Comments

#### Chestnut – P354, Block 22/2a

- Located in the UK sector of the Central North Sea

#### JV partners and interests:

- Centrica Energy Upstream (Operator) 69.875%
- Dana Petroleum (E&P) Limited 15.125%
- Atlantic Petroleum 15.000%

#### Wells

- 2 production wells, 1 water injector
  - 22/2a -11X started production in September 2008
  - 22/22a-16Y tied to Chestnut facilities and started production in 2009 (water injection well in 2011)

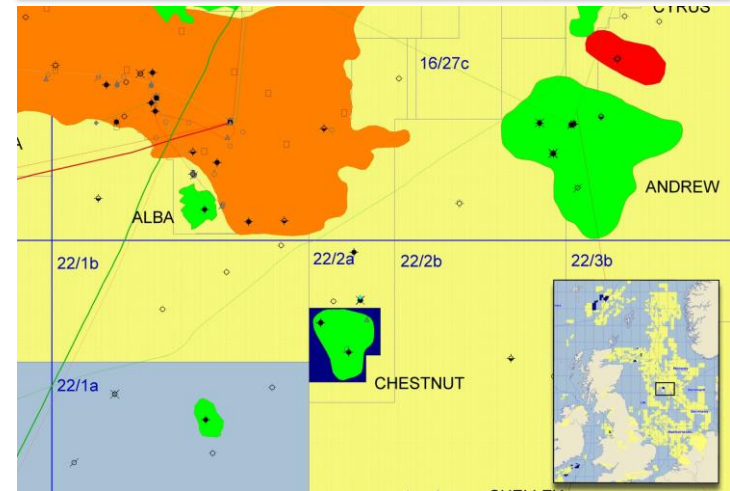
#### Production and facilities

- Leased FPSO “Hummingbird” from Teekay
- The contract for the Teekay Hummingbird FPSO has been extended to allow the field to produce to end 1Q 2017 and further extensions will be sought when field production performance and expectation allows the commitment to be made

#### 2P Reserves

- 0.65 MMBoe (Net to AP)

### Map



### Production history

- Production to date c. 16 MMBLS
- FDP based on 8 MMBLS
- Over-performance has led to operator re-looking at field model and future predictions
- Up to 14 MMBLS remaining potential if redevelopment undertaken

*Operator working towards redevelopment investment decision in Q1 2016*



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# Pegasus - Value Unlocked

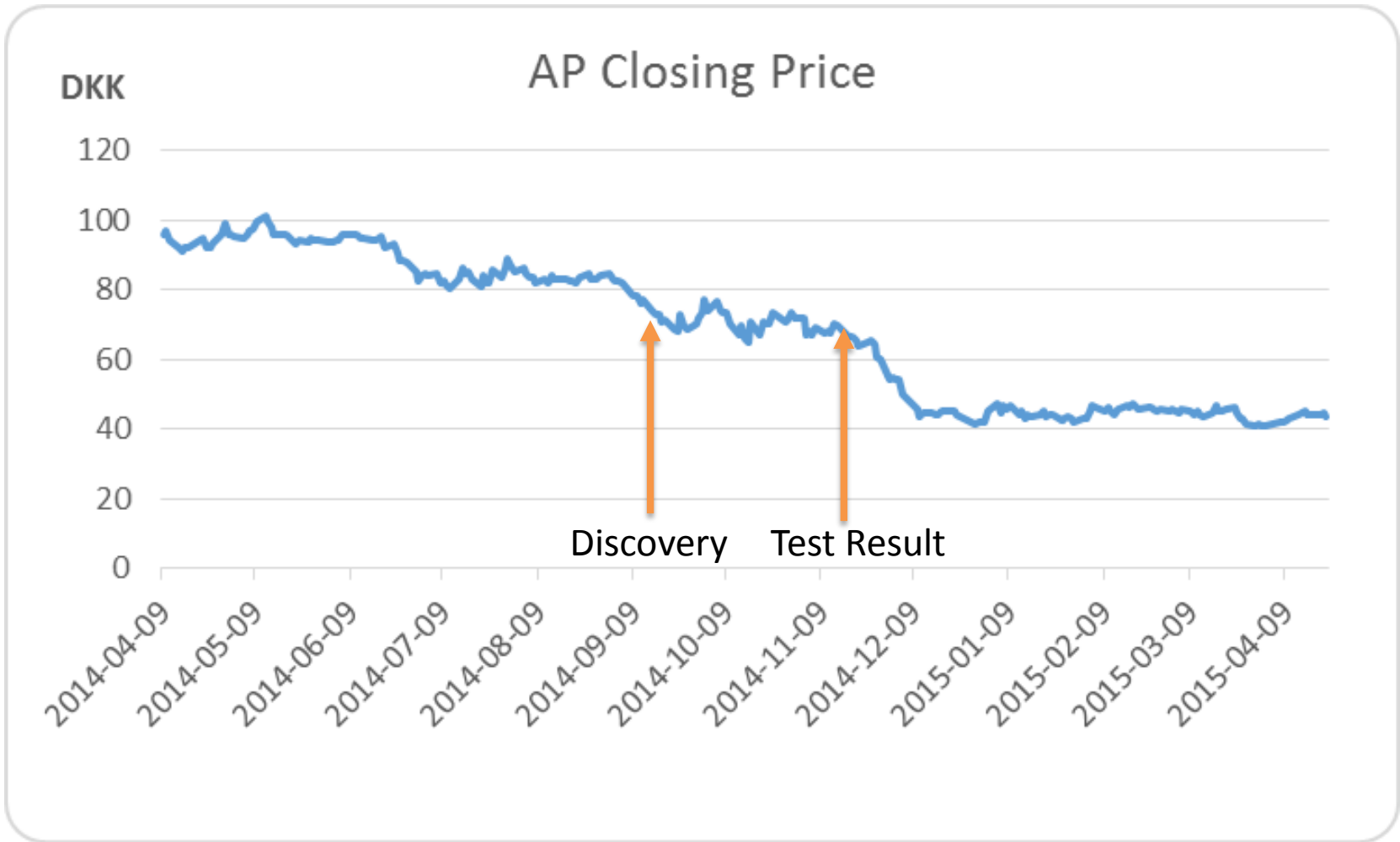
## GAS DISCOVERY ON PEGASUS WEST



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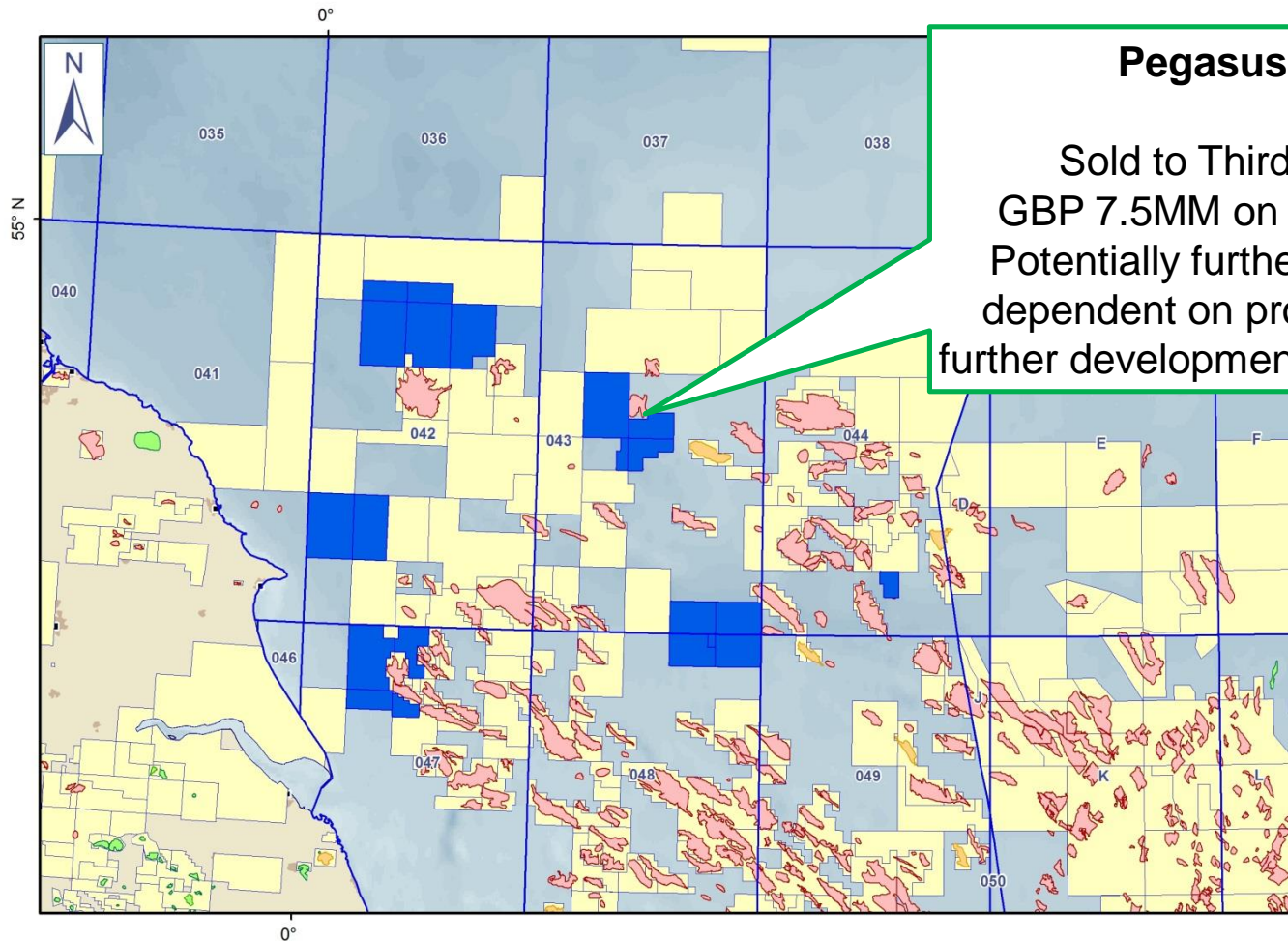


*Did the market react?*



# GAS DISCOVERY ON PEGASUS WEST

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**Pegasus area**

Sold to Third Energy.  
GBP 7.5MM on completion.  
Potentially further GBP 9MM  
dependent on production and  
further development on the blocks

- Licences
- Company Blocks (Apr 15)
- Block Assets (84)
- ATLANTIC PETROLEUM (op)
- ATLANTIC PETROLEUM (non-op)



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# Summary & Outlook



# TARGETS 2015

## PRODUCTION

520,000 BOE

## FINANCIAL

EBITDAX POSITIVE

## EXPLORATION

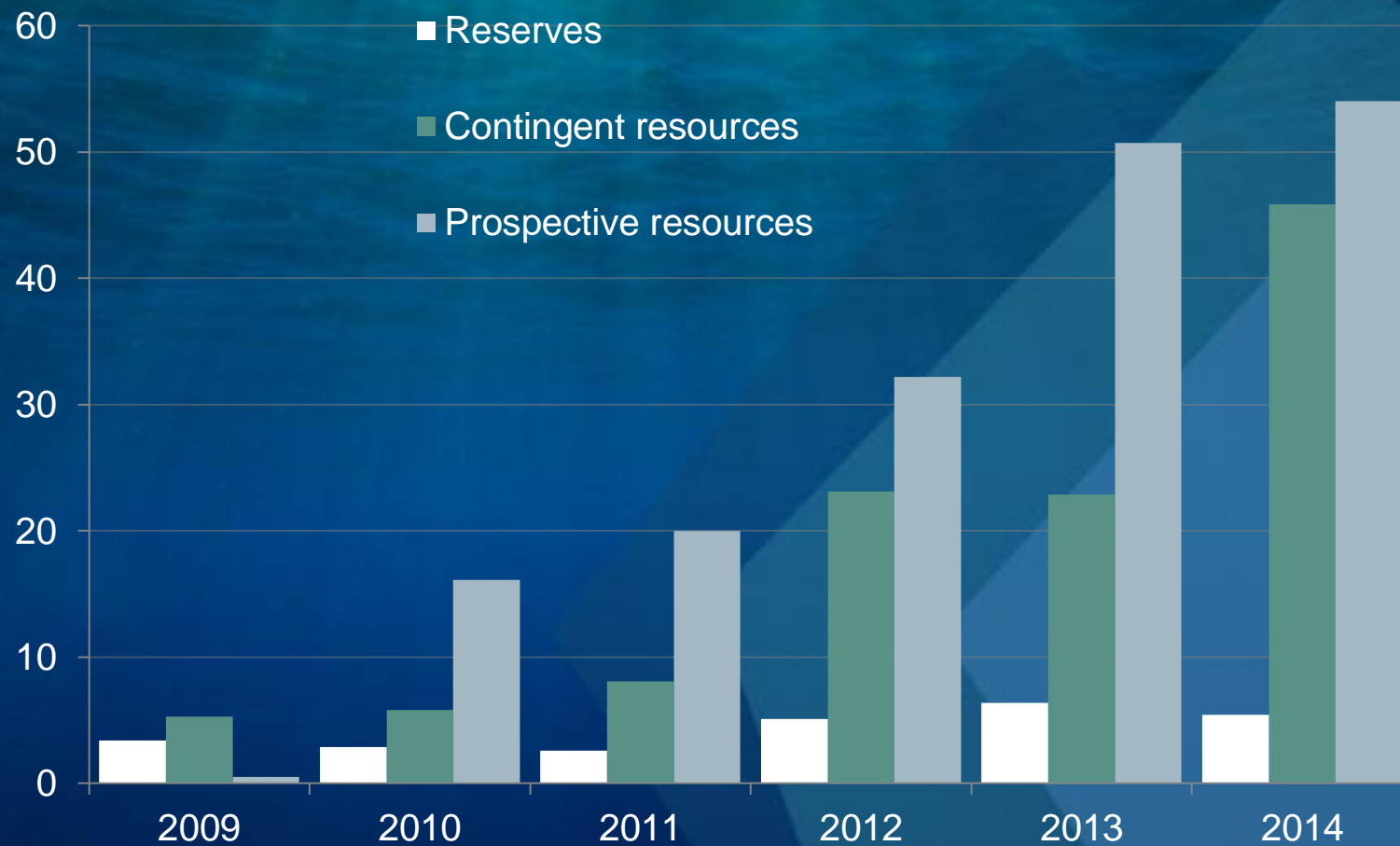
DRILL NORWAY ROALD RYGG



## RESERVES (CPR NUMBERS)

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MMBoe

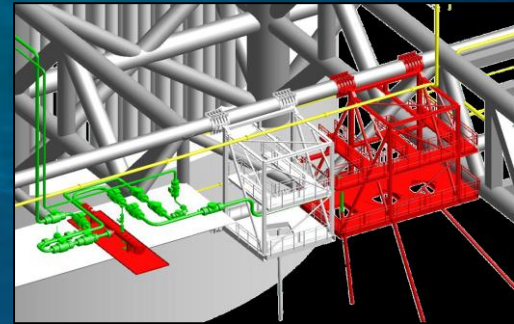


1) Source: Competent Person's Reports by Fugro Robertson (year 2009-2012) & GCA (year end 2013 & 2014)



# THE WAY FORWARD

- Capital discipline is key
- Prioritise development & production Capex in the short term to get to first oil on Orlando in 2016. Production is set to more than double in 2016
- Build and protect exploration portfolio for drilling activity in 2016 and onwards for longer term growth
- A wide range of funding options and ways to realise the value of AP's assets are being pursued. Removing funding uncertainty unlocks value





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**Q&A**



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