Atlantic Petroleum
Acquisition of Emergy Exploration – Norway Entry

November 2012
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Our Strategy & Building Blocks

Provide step change growth through high impact exploration and targeted acquisitions

GROWTH THROUGH DEVELOPMENT
Create organic growth through development of existing asset base

GROWTH BY FARM-IN & ACQUISITIONS
Increase portfolio through selective farm-ins and acquisitions

PARTNERSHIPS
Strong partnerships with major international partners

STRONG TEAM
Atlantic Petroleum has a strong technical team

• Main Focus on Offshore North West Europe
• Provide Steady Growth from the Existing Base
• Be prepared to acquire companies and/or assets

• Retain Flexibility to Manage and Capitalise on Current Market Conditions
The Deal

- The offer for 100% of the shares in Emergy Exploration is USD 12.7 million to be paid in cash or a combination of cash and shares, of which 50% will be paid in cash upon acceptance of the Offer and 50% will be paid at the latest on 31\textsuperscript{st} January 2013 in cash, shares or a combination of cash and shares.

- Following the transaction, Emergy Exploration AS will change name to Atlantic Petroleum Norge AS (“APN”) with Emergy’s current CEO, Jonny Hesthammer, taking up the position as Managing Director of APN.
New Group Structure

- P/F Atlantic Petroleum Faroe Islands
  - Atlantic Petroleum UK Ltd (100% equity)
    - Atlantic Petroleum Ireland Ltd (100% equity)
  - Atlantic Petroleum Norge AS (100% equity)
    - Volantis Exploration Ltd (100% equity)
      - Volantis Netherlands BV (100% equity)
Strategic Rationale

- Platform to build material business unit in Norway
- Adding high impact exploration and appraisal acreage
- Highly experienced team with strong track record on the Norwegian Continental Shelf
Transaction Rationale

- **Norway remains highly prospective:** 2 of the world’s 5 largest discoveries over the last two years

- **Participation in the 22nd Licencing Round:** Emergy Exploration is pre-qualified as a licensee on the NCS and will participate in the upcoming 22nd round

- **People:** Experienced team of professionals with a strong track record on the NCS and a leading competence within interpretation and integration of seismic and electromagnetic data

- **Contingent Resources:** 15% ownership in license PL270 operated by VNG Norge AS containing 3 discoveries providing 9 mmboe mean contingent resources net to APN according to PL270 operator VNG’s estimates

- **Activity:** 2-4 planned 2013 or 2014 wells on the NCS

- **Favourable Fiscal Regime for Explorers:** 78% tax refund of exploration expenses
Significant Exploration Potential Remains

Norway is deviating from the classic creaming curve in that the past several years have seen larger discoveries.

Cumulative Discovered oil & gas resources by country by year (offshore only)

2001-2011 statistics:

≈ 300 wildcats drilled last 10 years

≈ 46% technical success rate

≈ 24% commercial success rate (based on an approximate volume cut-off)

≈ 6.8 bn boe cumulative volumes discovered over the past decade

≈ 50 mmboe average discovery size per well

Source: Rystad Energy UCUBE; NPD; team analysis
Norway Assets – PL270

- License partnership upon completion of transaction:
  - VNG 85 % (OP), Emergy (AP Norge) 15 %
- Area:  Norway, Northern North Sea, Block 35/3
- Water depth:  c. 260 m

**Block Summary**

- 3 gas discoveries
- Additional upside potential to be explored before potential development
- Current estimate of recoverable volumes: 9 mmboe net to Emergy (AP Norge) dependent on development solution
- 50 km from the Gjøa field
- Drill or drop in 2013
- Potential new well in 2014
- Decide possible development (PDO) in 2014 after next well
- First gas in 2019 given PDO decision
Norway Assets – PL559

- License partnership upon completion of transaction:
  - Rocksource 60 % (OP), VNG 20 %, Skagen44 10 %, Emergy (AP Norge) 10 %
- Area: Norway, Norwegian Sea, Nordland Ridge, Block 6608/10/11
- Water depth: c. 380 m

Block summary
- Drill or drop early 2013, eventual well 2014
- WP fulfilled including acquisition of new seismic and drilling of first exploration well. No further license obligations exist.
- Target depths: c. 1300-1600 mMSL
- Prospective resources: Several prospects with significant resource potential
- Estimated Pg: 15-30 % for the different prospects
- Several nearby fields and discoveries with similar prospectivity
**Business concept**

1. **Select opportunities**
2. **Experience & focus on DHI's**
   - Stringent Criteria
   - Knowledge of NCS
3. **Tradeable asset?**
   - Yes: proceed
4. **Successful Farm-ins or awards in licensing rounds**
5. **Drill low risk prospects with low to moderate working interest**
6. **If discovery:** swap for production or sell

- Highly Regarded Technical Group
- Unique Technical Capacity to Utilize EM data
- Extensive Network

**ATLANTIC PETROLEUM**
Atlantic Petroleum Licences November 2012

38 LICENCES

UK
29 exploration & appraisal licences
3 licences with fields in production

Faroe Islands
3 exploration licences

Ireland
1 exploration licence

Norway
2 exploration licences with potential to increase significantly through licensing rounds and farm-ins (numerous interesting opportunities identified)
Exploration & Appraisal Wells

Wells drilled/planned vs. Cum. wells drilled

- Tentative Norway well
- Firm Exploration & Appraisal wells
- Tentative Norway wells
Summary

Transaction Rationale

- Exposure to the highly prolific and prospective Norwegian Continental Shelf
- Participation in Norwegian licence applications. Next round has a bid deadline 4th December
- Ownership in two licenses
- Contingent Resource of 9 mmboe net according to operators’ estimates
- Highly experienced team with solid track record on NCS
- Numerous recent large and giant discoveries offshore Norway have demonstrated the significant potential in the region. The acquisition of Emergy Exploration initiates AP’s effort to tap into this potential
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