

# **Atlantic Petroleum Acquisition of Emergy Exploration – Norway Entry**

November 2012



**ATLANTIC PETROLEUM**

# Disclaimer

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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

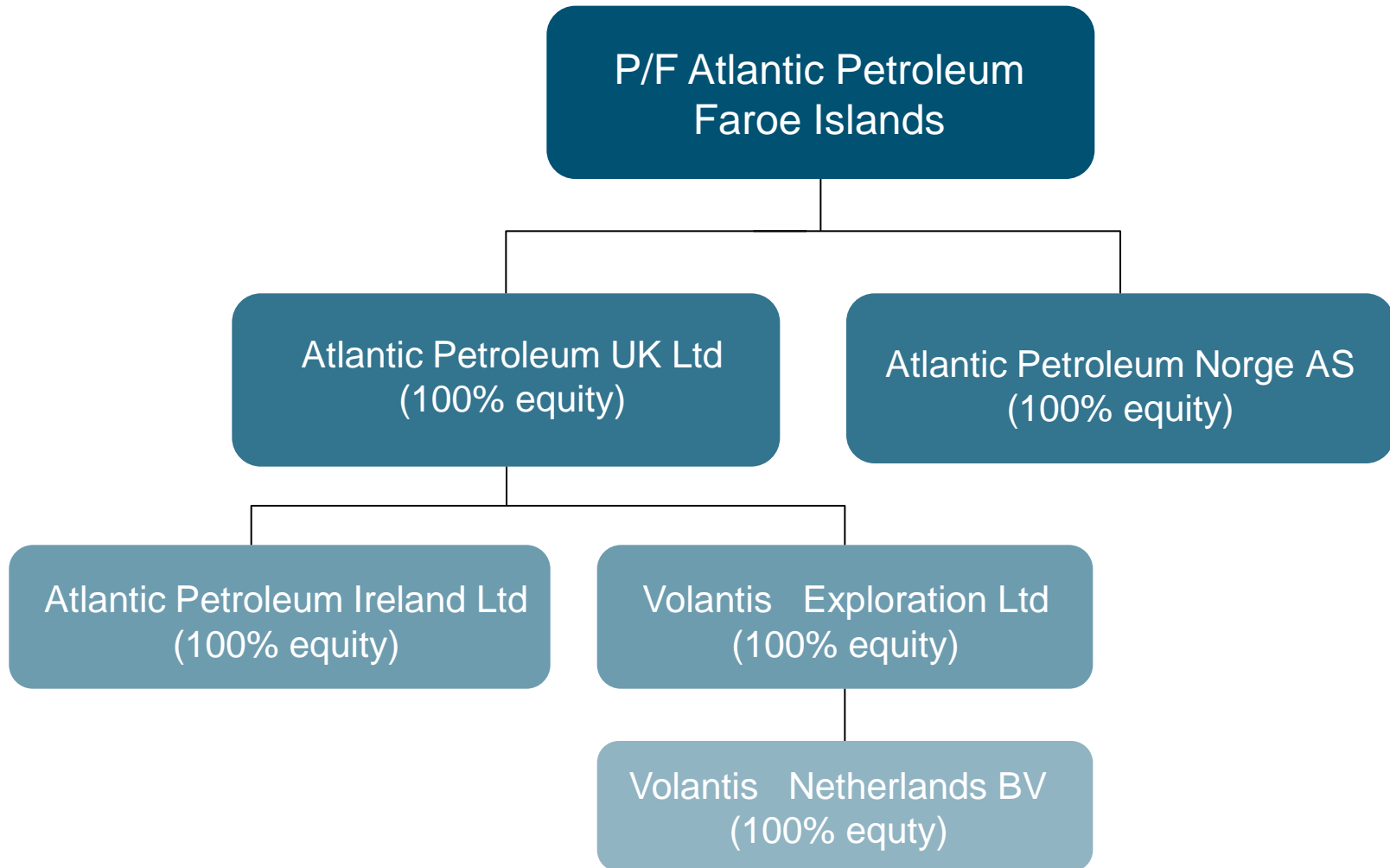
# The Deal

- 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<sup>st</sup> 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

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# Strategic Rationale

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- 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 22<sup>nd</sup> 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

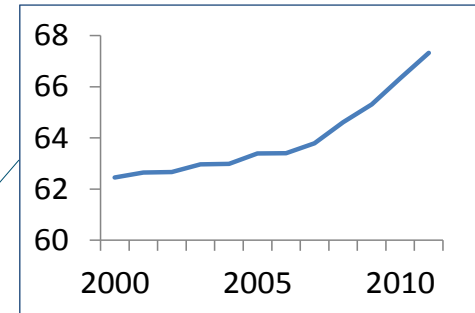
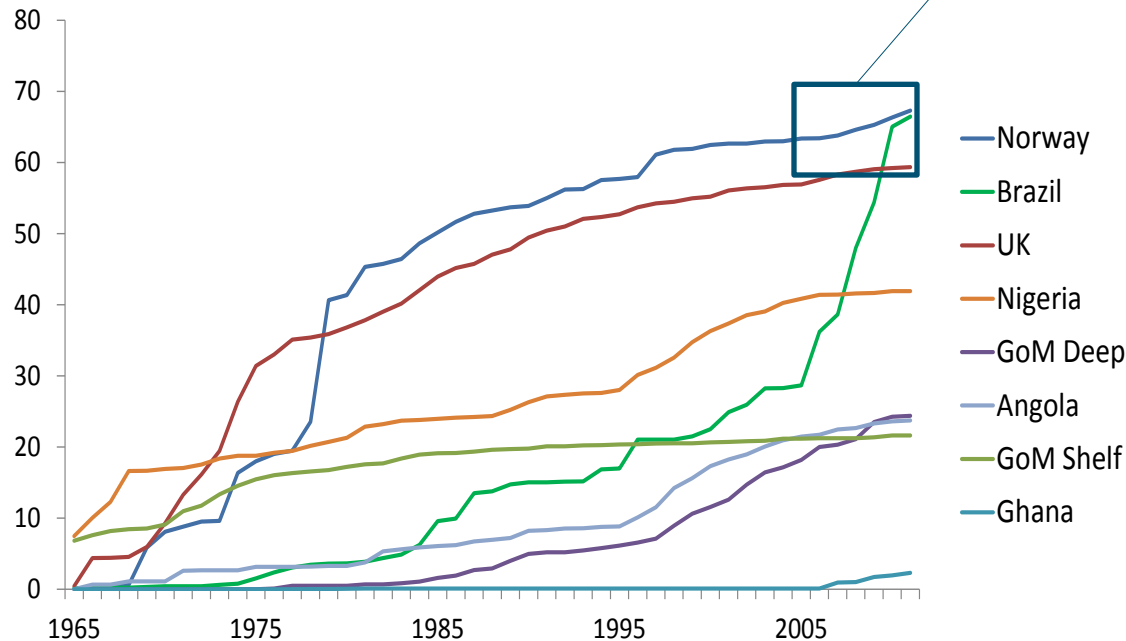


# Significant Exploration Potential Remains

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)

Billion boe



### 2001-2011 statistics:

≈ **300** wildcats drilled last 10 years

≈ **46%** technical success rate

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

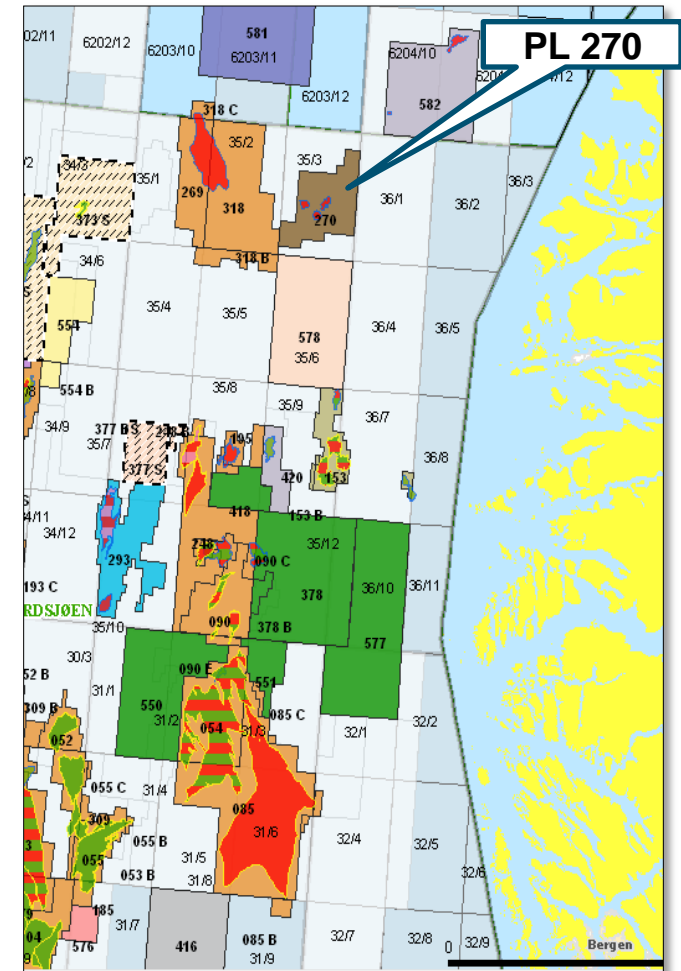
≈ **6.8 bn boe** cumulative volumes discovered over the past decade

≈ **50 mmboe** average discovery size per well



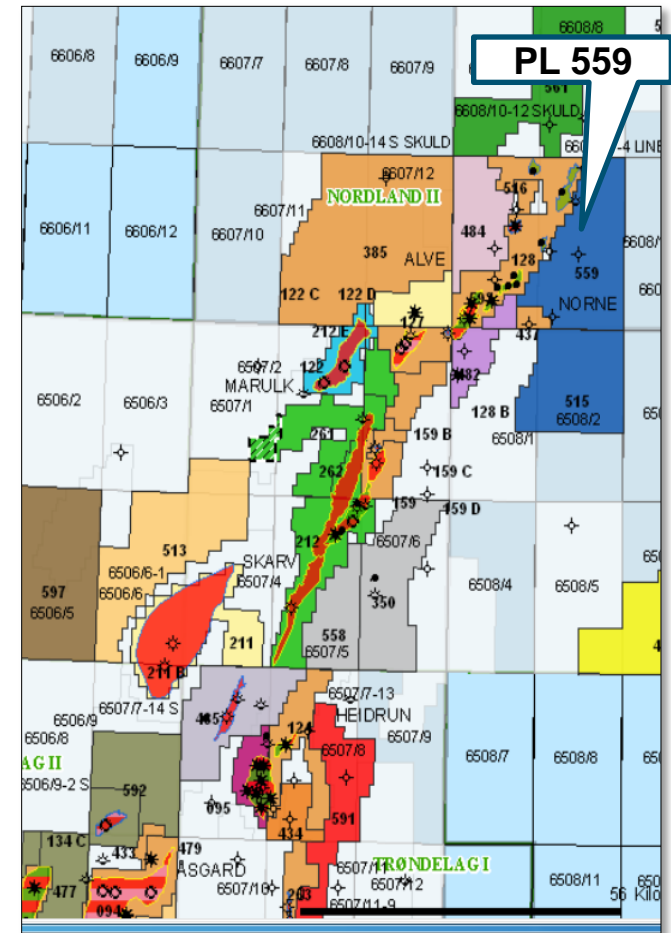
# Norway Assets – PL270

- 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

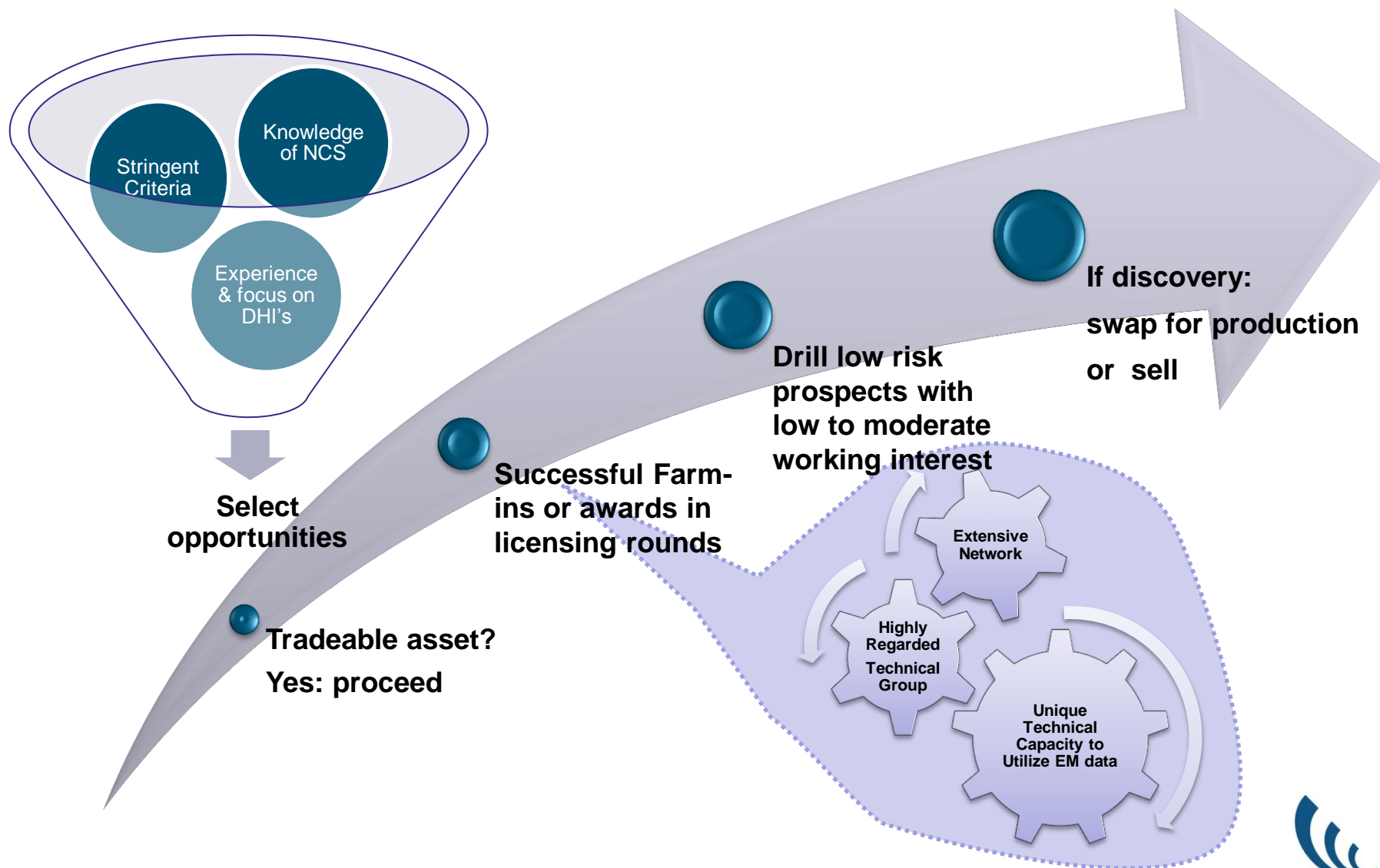


# Norway Assets – PL559

- 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



# Atlantic Petroleum Licences November 2012



## 38 LICENCES

### UK

29 exploration & appraisal licences  
3 licences with fields in production

### Faroe Islands

3 exploration licences

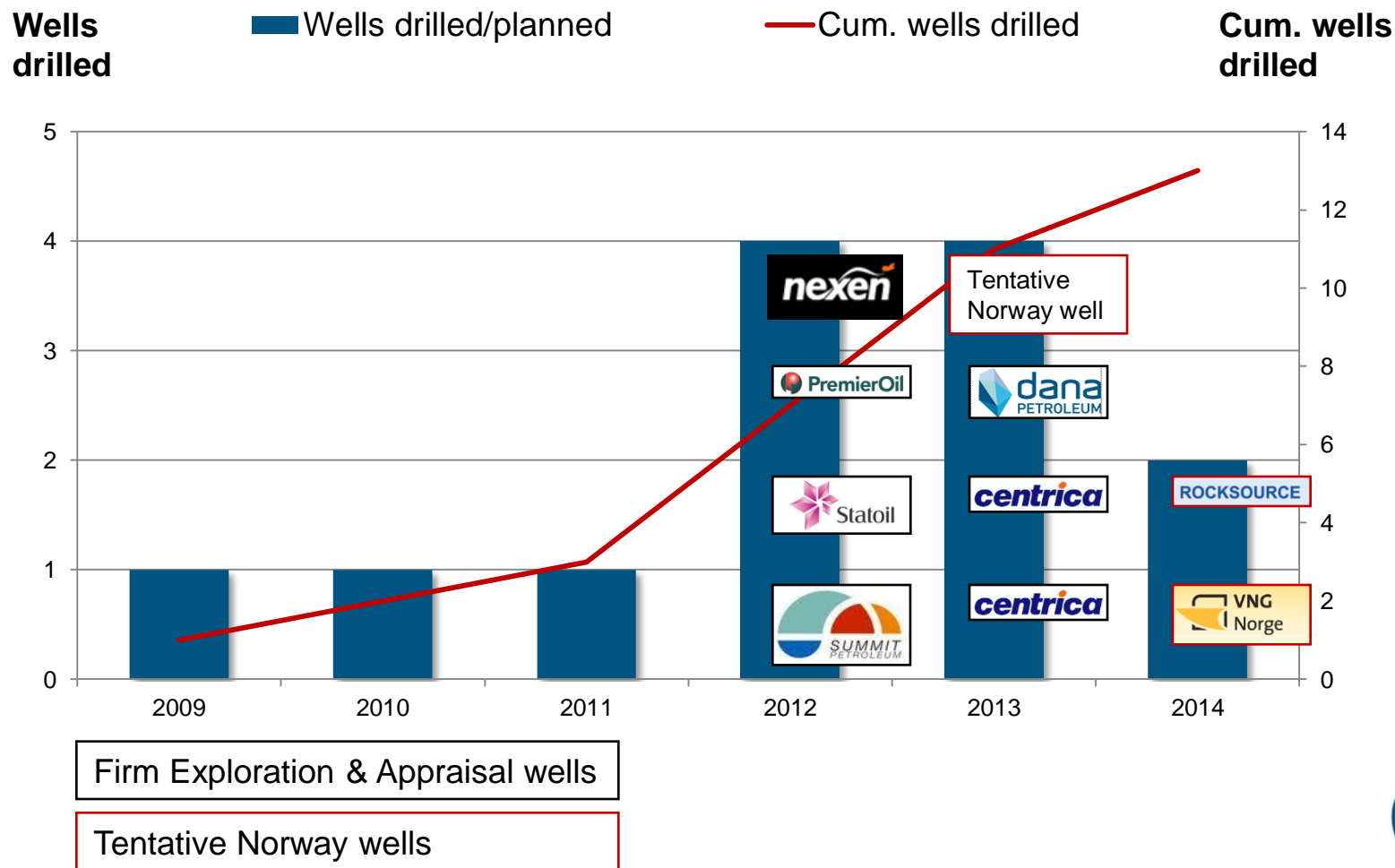
### Ireland

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



# Summary



## Transaction Rationale

- Exposure to the highly prolific and prospective Norwegian Continental Shelf
- Participation in Norwegian licence applications. Next round has a bid deadline 4<sup>th</sup> 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**

# Contact

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