



ATLANTIC PETROLEUM

P/F ATLANTIC PETROLEUM

# CONDENSED CONSOLIDATED INTERIM REPORT

FOR THE 3 MONTHS ENDED 31<sup>st</sup> MARCH 2020

## LOOKING FORWARD

The Orlando field production commenced in March 2019. Initial production proved significantly lower than the expected 10,000 bopd and has been around 3,000 bopd. Therefore the expected cashflow in 2019 did not commence.

According to Decipher the Orlando reservoir is capable of producing over 10,000 bopd. However, as a result of issues with the upper completion, peak rates have been restricted to around 5,000 bopd.

The sudden drop in oil demand caused by the Covid-19 crisis caused the oil price to drop to levels not seen for almost 20 years. In addition to the sharp drop in demand the oil price has been further weakened by an increased oil supply, primarily from Saudi Arabia.

The world still needs oil and gas. The demand is still significantly lower than the 100 million+ barrels we saw prior to the Covid-19 crisis. The glut in the market will prevail as long as the Covid-19 crisis lasts, but in the end market fundamentals will prevail. This may take time, and the oil and gas industry will have to brace itself for the coming period.

Depending on production and the development in oil prices, Atlantic Petroleum is expecting to be cash generating in 2020.

Under the Sale and Purchase Agreement regarding Orlando, the Group is due to receive deferred considerations of 2% of the sale proceeds after the first USD 50MM in gross field revenue up to the first 5MM barrels of Orlando production. Thereafter the deferred consideration increases to 4.35% of the sales proceeds.

Atlantic Petroleum continues to hold an economic interest in the Pegasus gas field and adjacent discoveries via the sale of its interest to Third Energy Offshore in 2015 for a cash payment plus GBP 9.0MM in deferred milestone payments. The first, a GBP 2.5MM payment milestone, is to be paid on Pegasus West FDP approval. As of 25th November 2018, FDP has been submitted to the OGA and on its approval, expected in Q4 2020, the first payment is due to the Company.

The outlook for additional milestone payments two and three remains positive and could trigger additional GBP 6.5MM in deferred consideration over the coming years.

## HIGHLIGHTS & OUTLOOK

Highlights for Q1 2020 were:

G&A cost was DKK 0.6MM

Operating loss was DKK 9.2MM

Net loss was DKK 7.0MM

Net assets/share-holders equity was DKK 4.9MM

Bank debt was DKK 55.0MM

We have reduced our General and administration costs to a minimum level, and we have no exposure to production costs on our assets.

Depending on production from the UK Orlando field and the development in oil prices, Atlantic Petroleum is expecting to be cash generating in 2020.

# PERFORMANCE SUMMARY

▶ KEY METRICS	3 months to 31 <sup>st</sup> Mar 2020	3 months to 31 <sup>st</sup> Mar 2019	Full year 2019
<b>DKK 1,000</b>			
<b>Income statement</b>			
Revenue	0	0	0
Impairment on producing assets	0	0	0
Gross loss/profit	0	0	0
Exploration expenses	-64	-129	-376
Earning before interest, tax, depreciation, amortization and exploration expense (EBITDAX)	-9.136	-2.266	-59.325
Operating loss (EBIT)	-9.200	-2.428	-59.755
Depreciations	0	-34	-54
Loss before taxation (EBT)	-7.037	-2.274	-67.579
Profit/Loss after taxation	-7.037	-2.861	-63.764
<b>Financial position</b>			
Non-current assets	110.422	165.006	120.554
Current assets	23.859	40.671	26.855
Total assets	134.281	205.677	147.409
Current liabilities	81.397	107.896	82.368
Non-current liabilities	47.957	19.634	47.850
Total liabilities	129.354	127.531	130.218
Net assets/Equity	4.927	78.146	17.190
<b>Cash flow and cash</b>			
Cash provided by operating activities	1.932	19.149	-14.593
Change in cash and cash equivalents	5.363	-10.771	-10.665
Cash and cash equivalents	3	30	15
Bank debt – excluding drawdown	55.019	52.283	54.435
<b>Share related key figures</b>			
Earnings per share Basic	-1,90	-0,77	-17,24
Earnings per share Diluted	-1,90	-0,77	-17,24
Share price in DKK on OMX CPH and Oslo Stock Exchange	4.7/6.1	6/10	6/7.9

# OUR PORTFOLIO 31<sup>TH</sup> MARCH 2020

## STATUS ON KEY LICENCES

### SECURING REMAINING VALUE

Atlantic Petroleum has further rationalized its portfolio in 2019 and will look to further rationalise on best commercial terms for the Group. Nevertheless, the strategy for 2020 will be to pursue near or at production opportunities in low political risk countries in the Northern Hemisphere that bring low liability and strong upside.

As of March 31<sup>st</sup> 2020 the status of Group assets is:

Country	License	Field/Discovery/Prospect	Company	Equity	Comments
Ireland	SEL 2/07	Hook Head/Dunmore/Helvick	AP I	18.33%	Commerciality being reassessed

### Development & Production

#### PRODUCING ASSETS

The Group does not hold producing assets.

#### DEVELOPMENT & NEAR DEVELOPMENT

The Group holds no Development or near Development assets.

### Exploration & Appraisal

Atlantic Petroleum has no exploration activity planned for 2020 and does not consider exploration a fiscally acceptable risk for the Group in the near future.

# SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

**THE FOLLOWING SIGNIFICANT EVENTS HAVE OCCURRED AFTER 31<sup>th</sup> MARCH 2020:**

- No significant events after the Balance Sheet Date

# ENDORSEMENT AND SIGNATURES OF THE MANAGING DIRECTOR AND THE BOARD OF DIRECTORS

The Condensed Consolidated Interim Report for the first three months of 2020 comprises the Consolidated Statement of Financial Position of P/F Atlantic Petroleum and its subsidiaries. The Condensed Consolidated Interim Report is prepared in accordance with International Financial Reporting Standard 34 “Interim Financial Reporting” as adopted by the European Union.

We consider the accounting policies used to be appropriate, such that the interim report gives a true and fair view of the Group’s assets, liabilities and financial position at 31<sup>th</sup> March 2020, and of the results of the Group’s operations and cash flow for the period 1<sup>st</sup> January – 31<sup>th</sup> March 2020.

Tórshavn 29<sup>th</sup> May 2020

**Management:**

Mark T. Højgaard  
CEO

**Board of Directors:**

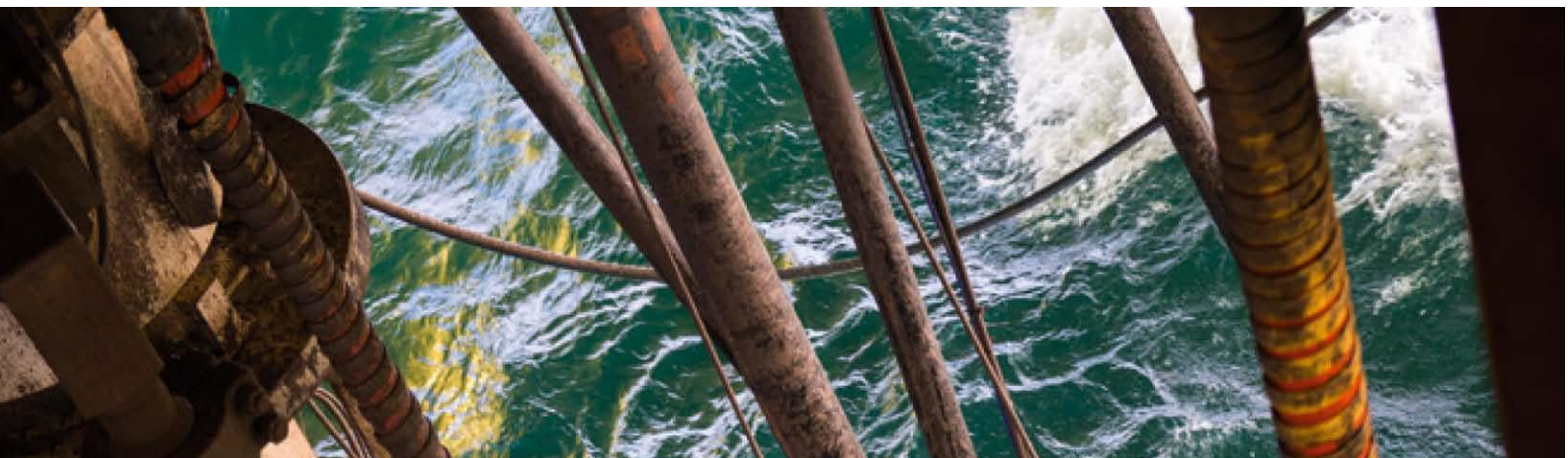
Ben Arabo  
Chairman

Kaj Johannessen  
Deputy Chairman

Mourits Joensen  
Board member

# **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE 3 MONTHS ENDED  
31<sup>st</sup> MARCH 2020**







# CONSOLIDATED INCOME STATEMENT

DKK 1,000	Note	3 months	3 months	Full Year
		to 31 <sup>st</sup> March	to 31 <sup>st</sup> March	
		2020	2019	2019
Revenue		0	0	0
Costs of sales	6	0	0	0
<b>Gross profit/loss</b>		<b>0</b>	<b>0</b>	<b>0</b>
Exploration expenses		-64	-129	-376
Orlando deferred consideration		-8.503	0	-53.513
Pre-licence exploration cost		0	-44	-45
General and administration cost		-633	-2.222	-5.768
Depreciation PPE and intangible assets	11	0	-34	-54
Other operating cost/income		0	0	0
<b>Operating loss</b>	<b>5</b>	<b>-9.200</b>	<b>-2.428</b>	<b>-59.755</b>
Interest income and finance gains	7	5.342	4.554	558
Interest expenses and other finance costs	7	-3.180	-4.399	-8.382
<b>Loss before taxation</b>		<b>-7.037</b>	<b>-2.274</b>	<b>-67.579</b>
Taxation	8	0	-587	3.815
<b>Profit/Loss after taxation</b>		<b>-7.037</b>	<b>-2.861</b>	<b>-63.764</b>
Earnings per share (DKK):				
Basic		-1,90	-0,77	-17,24
Diluted		-1,90	-0,77	-17,24

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK 1,000	3 months	3 months	Full Year
	to 31 <sup>st</sup> March	to 31 <sup>st</sup> March	
	2020	2019	2019
Items that may be recycled in P/L:			
Profit/loss for the period	-7.037	-2.861	-63.764
Exchange rate differences	-5.226	9.648	9.594
<b>Total comprehensive Income/loss in the period</b>	<b>-12.263</b>	<b>6.786</b>	<b>-54.169</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKK 1,000	Note	at 31 <sup>st</sup> March	at 31 <sup>st</sup> March	at 31st Dec
		2020	2019	2019
<b>Non-current assets</b>				
Intangible assets	10	0	0	0
Intangible exploration and evaluation assets	11	0	0	0
Tangible development and production assets	12	0	0	0
Property plant and equipment	13	0	107	86
Other receivables	14	110.422	164.899	120.468
Deferred tax asset		0	0	0
		<b>110.422</b>	<b>165.006</b>	<b>120.554</b>
<b>Current assets</b>				
Trade and other receivables	14	23.856	40.641	26.839
Cash and cash equivalents		3	30	15
		<b>23.859</b>	<b>40.671</b>	<b>26.855</b>
<b>Total assets</b>		<b>134.281</b>	<b>205.677</b>	<b>147.409</b>
<b>Current liabilities</b>				
Short term bank debt		55.019	52.283	54.435
Trade and other payables	15	22.720	55.613	24.126
Current tax payable		3.658	0	3.807
		<b>81.397</b>	<b>107.896</b>	<b>82.368</b>
<b>Non-current liabilities</b>				
Long term bank debt		0	0	0
Convertible loan facility		36.048	0	36.071
Long term provisions		11.909	11.358	11.780
Deferred tax liability		0	8.276	0
		<b>47.957</b>	<b>19.634</b>	<b>47.850</b>
<b>Total liabilities</b>		<b>129.354</b>	<b>127.531</b>	<b>130.218</b>
<b>Net assets</b>		<b>4.927</b>	<b>78.146</b>	<b>17.190</b>
<b>Equity</b>				
Share capital	16	3.698	3.698	3.698
Translation reserves		91.177	96.456	96.403
Retained earnings		-89.948	-22.008	-82.911
<b>Total equity shareholders' funds</b>		<b>4.927</b>	<b>78.146</b>	<b>17.190</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK 1,000	Share capital	Translation reserves	Retained earnings	Total
<b>At 1<sup>st</sup> January 2019</b>	<b>3.698</b>	<b>86.809</b>	<b>-19.147</b>	<b>71.359</b>
LTIP awarded in the period, net	0	0	0	<b>0</b>
Translation reserves	0	9.648	0	<b>9.648</b>
Result for the period	0	0	-2.861	<b>-2.861</b>
<b>At 31<sup>st</sup> Mar. 2019</b>	<b>3.698</b>	<b>96.456</b>	<b>-22.009</b>	<b>78.146</b>
LTIP awarded in the period, net	0	0	0	<b>0</b>
Translation reserves	0	-53	0	<b>-53</b>
Result for the period	0	0	-60.903	<b>-60.903</b>
<b>At 31<sup>st</sup> Dec. 2019</b>	<b>3.698</b>	<b>96.403</b>	<b>-82.911</b>	<b>17.190</b>
LTIP awarded in the period, net	0	0	0	<b>0</b>
Translation reserves	0	-5.226	0	<b>-5.226</b>
Result for the period	0	0	-7.037	<b>-7.037</b>
<b>At 31<sup>st</sup> Mar. 2020</b>	<b>3.698</b>	<b>91.177</b>	<b>-89.948</b>	<b>4.927</b>

# CONSOLIDATED CASH FLOW STATEMENT

	3 months to 31 <sup>st</sup> March	3 months to 31 <sup>st</sup> March	Full year
DKK 1,000	2020	2019	2019
<b>Operating activities</b>			
Operating loss	-9.200	-2.428	-59.755
Other income	0	0	0
Impairment on exploration and evaluation assets	72	56	75
Relinquishment and disposal of licences	0	0	0
Depreciation, depletion and amortisation	86	27	48
Impairment on producing licences	0	0	0
Change in inventories	0	0	0
Change in trade and other receivables	13.030	-14.421	43.812
Change in trade and other payables	-1.406	37.639	6.152
Interest revenue and finance gain received	0	0	0
Interest expenses and other finance cost	-649	-1.724	-4.924
Income taxes	0	0	0
<b>Net cash flow provided by operating activities</b>	<b>1.932</b>	<b>19.149</b>	<b>-14.593</b>
<b>Investing activities</b>			
Capital expenditure	2.740	1.822	-2.975
<b>Net cash used in investing activities</b>	<b>2.740</b>	<b>1.822</b>	<b>-2.975</b>
<b>Financing activities</b>			
Change in short term debt	583	-21	2.131
Change in long term debt	107	-31.721	4.771
<b>Net cash flow provided from financing activities</b>	<b>691</b>	<b>-31.742</b>	<b>6.902</b>
<b>Change in cash and cash equivalents</b>	<b>5.363</b>	<b>-10.771</b>	<b>-10.665</b>
Cash and cash equivalents at the beginning of the period	15	260	260
Currency translation differences	-5.375	10.541	10.420
<b>Total cash and cash equivalents at the beginning of the period</b>	<b>-5.360</b>	<b>10.801</b>	<b>10.680</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3</b>	<b>30</b>	<b>15</b>

# NOTES TO THE ACCOUNTS

## 1. Going Concern

It was advised on the 22<sup>nd</sup> of March 2019 that LOG has entered into administration (an insolvency term within the United Kingdom) and will not advance further funds under that facility agreement.

The terms of the LOG facility restrict the Company from seeking alternate funding means, however it can be reported that those restrictions have been lifted by LOG's administrators.

Unless a new financing source can be provided the Board has to emphasize that the Company future, due to lack of liquidity, faces a serious and critical situation that will question its ability to continue as going-concern.

Nevertheless, the Company, its Board and Management are confident that a replacement of the facility provided by LOG can be obtained to ensuring that new funding, along with other revenues starting in 2020, means that the Company can proceed as a going concern business with shareholder value preserved.

The Group secured a bridge loan facility in 2019 in the amount of DKK 5MM.

Financial projections for 2020 have been prepared to quantify the additional funding requirement to meet the Group's general and administrative costs, interest costs and working capital commitments in the period up to receipt of deferred consideration income from the Orlando asset sale agreement. This funding requirement is estimated to be DKK 1.0MM – DKK 4MM, which will require an extension of the Bridge loan facility.

The Orlando field production commenced in March 2019. Initial production proved significantly lower than the expected 10,000 bopd and has been around 3,000 bopd.

Depending on production and the development in oil prices, Atlantic Petroleum is expecting to be cash generating in 2020.

Reserves are based on Atlantic Petroleum's support document, dated August 2018, based on the operator technical and economic report

The technical and economic report by the Operator is primarily based on the CPR by Gaffney, Cline & Associates dated March 2015, which is the latest technical documentation available to Atlantic Petroleum.

The reserves are on this ground estimated to 17.3 MMBbl

Atlantic Petroleum is aware of a newsletter from Decipher stating "The Orlando estimated 2P recoverable reserves remain unchanged at c. 10 MMbbls"

Atlantic Petroleum has not received any technical documentation backing this estimation, the latest formal information Atlantic Petroleum has regarding reserves is the before mentioned support document.

Further details on the deferred consideration receivable from the sale of Orlando is included in note 19 to the consolidated accounts.

The Company also retains an economic interest in the Pegasus West field and adjacent discoveries via the sale of its interest to Third Energy Offshore in 2015 for a cash payment plus GBP 9.0MM in deferred milestone payments. The first, a GBP 2.5MM payment milestone, is to be paid on Pegasus

West FDP approval. As of 25th November 2018, FDP has been submitted to the OGA and on its approval, expected in Q4 2020, the first payment is due to the Company.

Accordingly, there is material uncertainty regarding the going concern status of the Group. The ability of the Group to continue as a going concern is dependent on additional financial support via the Bridge loan facility, extended credit terms from suppliers and/or alternative sources of finance, which may require LOG approval.

Negotiations with LOG to secure such additional financial support are on going and although the outcome is uncertain, the directors believe that the matter will be resolved such that the Group will be able to obtain additional finance to meet its obligations. For this reason, the accounts have been prepared on a going concern basis.

In the event that adequate additional funding is not forthcoming, and the Group is unable to continue to trade, significant downward adjustments would be required to the fair value of the Group's economic interest in the Orlando and Pegasus assets to present the value of these assets on a break up basis.

## **2. GENERAL INFORMATION**

P/F Atlantic Petroleum is a limited company incorporated and domiciled in the Faroe Islands and listed on NASDAQ OMX Copenhagen and on Oslo Stock Exchange.

The principal activities of the Company and its subsidiaries (the Group) are oil and gas exploration, appraisal, development and production historically in the UK, Ireland, Norway, Netherlands and the Faroe Islands; but in the future principally in Eastern Europe and the Eurasian Economic Union.

The Annual and Consolidated Report and Accounts of the Group as at and for the year ended 31<sup>st</sup> December 2019 are available upon request from the Company's registered office at Lucas Debesargøta 8, P.O. Box 1228, FO-110 Tórshavn, Faroe Islands or at [www.petroleum.fo](http://www.petroleum.fo).

This Condensed Consolidated Interim Report is presented in DKK.

## **3. STATEMENT OF COMPLIANCE**

This Condensed Consolidated Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting* as adopted by the EU. It does not include all of the information required for full Annual Financial Statements and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31<sup>st</sup> December 2019.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> December 2019.

## 5. Geographical segmental analysis

DKK 1,000	3 months to 31 <sup>st</sup> March 2020	3 months to 31 <sup>st</sup> March 2019	Full year 2019
<b>Revenues by origin:</b>			
United Kingdom	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating loss/profit by origin:</b>			
Faroe Islands	-438	-1.309	-4.193
United Kingdom	-8.698	-935	-54.759
Norway	0	-45	-55
Other	-64	-139	-748
	<b>-9.200</b>	<b>-2.428</b>	<b>-59.755</b>

## 6. Cost of sales

DKK 1,000	3 months to 31 <sup>st</sup> March 2020	3 months to 31 <sup>st</sup> March 2019	Full year 2019
Operating costs	0	0	0
Produced oil in inventory at market value	0	0	0
<b>Amortisation and depreciation, PPE:</b>			
Oil and gas properties	0	0	0
Impairment	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>

## 7. Interest income & expense and finance gain & cost

DKK 1,000	3 months to 31 <sup>st</sup> March 2020	3 months to 31 <sup>st</sup> March 2019	Full year 2019
<b>Interest income and finance gain:</b>			
Short term deposits	0	0	0
Time Value	880	4.554	558
Unwinding of discount on decommissioning provision	0	0	0
Exchange differences	4.462	0	0
	<b>5.342</b>	<b>4.554</b>	<b>558</b>
<b>Interest expense and other finance cost:</b>			
Bank loan and overdrafts	596	720	3.132
Creditors	54	999	1.787
Time Value	69	67	265
Unwinding of discount on decommissioning provision	0	0	0
Others	0	4	5
Exchange differences	2.461	2.609	3.193
	<b>3.180</b>	<b>4.399</b>	<b>8.382</b>

**8. Taxation**

DKK 1,000	3 months to 31 <sup>st</sup> March 2020	3 months to 31 <sup>st</sup> March 2019	Full year 2019
<b>Current tax :</b>			
Tax repayable/(payable) in UK	0	0	3.695
Tax repayable/(payable) in NO	0	-525	-519
Tax repayable/(payable)	0	0	0
<b>Total current tax</b>	<b>0</b>	<b>-525</b>	<b>3.176</b>
<b>Deferred tax:</b>			
Deferred tax cost in UK	0	1.112	-6.991
Deferred tax	0	0	0
<b>Total deferred tax</b>	<b>0</b>	<b>1.112</b>	<b>-6.991</b>
<b>Tax credit/tax on loss/profit on ordinary activities</b>	<b>0</b>	<b>587</b>	<b>-3.815</b>

**9. Dividends**

No interim dividend is proposed. (31<sup>st</sup> March 2019: DKK nil)

**10. Intangible assets**

DKK 1,000	at 31 <sup>st</sup> March 2020	at 31 <sup>st</sup> March 2019	At 31st Dec 2019
<b>Costs</b>			
At 1 <sup>st</sup> January	12.260	12.260	12.260
Exchange movements	0	0	0
Additions/Adjustments	-12.260	0	0
<b>At end of period</b>	<b>0</b>	<b>12.260</b>	<b>12.260</b>
<b>Amortisation and depreciation</b>			
At 1 <sup>st</sup> January	12.260	12.260	12.260
Exchange movements	0	0	0
Charge this period	-12.260	0	0
<b>At end of period</b>	<b>0</b>	<b>12.260</b>	<b>12.260</b>
<b>Net book value at end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>



**11. Oil and gas – Intangible exploration and evaluation assets**

DKK 1,000	at 31 <sup>st</sup> March 2020	at 31 <sup>st</sup> March 2019	At 31st Dec 2019
<b>Costs</b>			
At 1 <sup>st</sup> January	0	0	0
Exchange movements	0	0	0
Additions	64	56	75
Disposal/relinquishment of licences	0	0	0
Explorations expenditures written off/sold	-64	-56	-75
<b>At end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>

**12. Oil and gas – Tangible development and production assets**

DKK 1,000	at 31 <sup>st</sup> March 2020	at 31 <sup>st</sup> March 2019	At 31st Dec 2019
<b>Costs</b>			
At 1 <sup>st</sup> January	0	0	0
Exchange movements	0	0	0
Disposal/Additions	0	0	0
<b>At end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Amortisation and depreciation</b>			
At 1 <sup>st</sup> January	0	0	0
Exchange movements	0	0	0
Depreciation, charge	0	0	0
Impairment, charge	0	0	0
<b>At end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book value at end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>

**13. Property, plant and equipment assets**

DKK 1,000	at 31 <sup>st</sup> March 2020	at 31 <sup>st</sup> March 2019	At 31st Dec 2019
<b>Costs</b>			
At 1 <sup>st</sup> January	2.647	2.647	2.647
Exchange movements	0	92	107
Additions	-2.647	0	0
<b>At end of period</b>	<b>0</b>	<b>2.739</b>	<b>2.754</b>
<b>Amortisation and depreciation</b>			
At 1 <sup>st</sup> January	2.513	2.513	2.513
Exchange movements	0	86	101
Charge this period	-2.513	34	54
<b>At end of period</b>	<b>0</b>	<b>2.632</b>	<b>2.668</b>
<b>Net book value at end of period</b>	<b>0</b>	<b>107</b>	<b>86</b>

#### 14. Trade and other receivables

All trade and other receivables are due within one year except for the Orlando and Pegasus deferred consideration DKK 134.2MM, of which 23.8MM is expected to be due within one year

The carrying values of the trade and other receivables are equal to their fair value as at the balance sheet date.

Under the Sale and Purchase Agreement regarding Orlando, APNS is due to receive deferred considerations equaling 2% of the sale proceeds after the first USD 50 million in gross field revenue up to the first 5,000,000 barrels of Orlando petroleum and an amount equaling 4.35% of the Orlando petroleum in excess of the first 5,000,000 barrels. Production from the Orlando field commenced in April 2019.

Under the Sale and Purchase Agreement regarding Pegasus, APUK is due to receive differed milestone payments:

- £2.5MM to be paid on Pegasus West FDP approval;
- £2.5MM to be paid on Pegasus West first gas; and
- £4.0MM to be paid on any subsequent FDP approval on the 3 licenses sold.

As of 25th November 2018, FDP has been submitted by the Licence Partners. Therefore, approval is expected in 4Q 2020 which will trigger the first payment to the Company. Additionally, if the FDP is approved, first gas will be expected in late 2022; triggering the second milestone payment.

#### 15. Trade and other payables

All trade and other payables are due within one year except for the bridge loan (DKK 5MM) and the remaining debt on Ettrick & Blackbird (GBP 1.15MM).

**16. Earnings per share**

DKK 1,000	3 months	3 months	Full year
	to 31 <sup>st</sup> March	to 31 <sup>st</sup> March	
	2020	2019	2019
<b>Basic</b>			
Profit/loss after tax	-7.037	-2.861	-63.764
Weighted average number of shares	3.697.863	3.697.863	3.697.863
Earnings per share	-1,90	-0,77	-17.243,39
<b>Diluted</b>	0		
Profit/loss after tax	-7.037	-2.861	-63.764
Weighted average number of shares	3.697.863	3.697.863	3.697.863
Earnings per share	-1,90	-0,77	-17,24

The calculation of basic earnings per share is based on the profit or loss after tax and on the weighted average number of ordinary shares in issue during the period.

**17. CAPITAL COMMITMENTS AND GUARANTEES AT 31st March 2020**

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations the wholly owned subsidiary Atlantic Petroleum (Ireland) Limited, has in connection with the sale and purchase agreement with ExxonMobil Exploration and Production Ireland (Offshore) Limited and the related Joint Operating Agreement regarding Irish Continental Shelf Petroleum Exploration Licence No. 3/04 (Frontier) relating to Blocks 44/18, 44/23, 44/24, 44/29 and 44/30.

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations its wholly owned subsidiary Atlantic Petroleum UK Limited has in connection with the share purchase agreement with the vendors of the entire issued share capital of Atlantic Petroleum North Sea Limited (was known as Volantis Exploration Limited).

P/F Atlantic Petroleum has provided a parent guarantee to the UK Department for Energy and Climate Change in connection with Atlantic Petroleum UK Limited assets in the UKCS:

- I. the parent will always provide necessary finance to enable Atlantic Petroleum UK Limited to fulfil its obligations in the UK area
- II. the parent will not alter Atlantic Petroleum UK Limited legal rights, so that the Company cannot fulfil its obligations
- III. the parent will undertake Atlantic Petroleum UK Limited financial obligations if the Company fails to do so

P/F Atlantic Petroleum has a senior secured loan agreement with P/F Betri Banki. The Company has offered the following security to lender in connection with the loan agreement:

- I. shares in Atlantic Petroleum UK Limited and Atlantic Petroleum North Sea Limited
- II. receivables from Atlantic Petroleum UK Limited
- III. charge over proceeds from insurance coverage

The Company has provided lender with a negative pledge and investment in new ventures shall be endorsed by the lender.

Atlantic Petroleum UK Limited had a loan facility at 31<sup>st</sup> March 2020 with the following bank: P/F Betri of DKK 52.6 MM. P/F Atlantic Petroleum has provided a parent guarantee for this loan facility.

The Company has offered security to lender in connection with the loan agreement in receivables from the Pegasus contingent asset.

The Company has provided lender with a negative pledge and investment in new ventures shall be endorsed by the lender.

#### **18. CONTINGENT CONSIDERATIONS**

Further to the sale of Pegasus to Third Energy Offshore Limited (TEOL), TEOL are due to make further payments to Atlantic Petroleum UK Limited of up to £9 million, see also note 14.

#### **19. RELATED PARTY TRANSACTIONS**

Intra-group related party transactions, which are eliminated on consolidation, are not required to be disclosed in accordance with IAS 24.

# CONTACTS

## **P/F Atlantic Petroleum**

Lucas Debesargøta 8  
P.O.Box 1228  
FO-110 Tórshavn  
Faroe Islands  
Telephone +298 59 16 01  
E-mail: [petroleum@petroleum.fo](mailto:petroleum@petroleum.fo)  
[www.petroleum.fo](http://www.petroleum.fo)

VAT/Tax No. Faroes 475.653  
Reg. No. Faroes 2695

## **SUBSIDIARIES**

- **Atlantic Petroleum UK Ltd**
- **Atlantic Petroleum North Sea Ltd**
- **Atlantic Petroleum (Ireland) Ltd**

For subsidiary's contact details please see company website