Atlantic Petroleum - Orlando Field Production Update

Tórshavn, Faroe Islands, 2019-11-15 (GLOBE NEWSWIRE) -- P/F Atlantic Petroleum (NASDAQ Copenhagen: ATLA DKK & Oslo Stock Exchange: ATLA NOK) announces the Orlando field production results following the disclosure of production information from the Licence Operator under the terms of the associated Sale and Purchase Agreement (SPA) with Decipher Energy.

Orlando Update

The Licence Operator, Decipher Production, announced on the 23rd August 2019 that as a result of issues with the upper completion, peak rates have been restricted to around 5,000 bopd. The Licence Operator’s view on Orlando estimated 2P recoverable reserves remained unchanged at circa 10 MMbbls.

The Licence Operator stated in the 23rd August press release that they were reviewing whether a workover may be required to deliver the planned peak production rates from the field.

Atlantic Petroleum has not received any further update on a potential workover.

Production from the Orlando field over the last three months has averaged approximately 3,300 bopd excluding planned downtime.

Due to the limited operational data available to Atlantic Petroleum under the terms of the SPA, Atlantic Petroleum has no visibility of the Licence Operator's efforts to increase production. Atlantic Petroleum has requested a production forecast from Decipher Energy to use for guidance purposes but Decipher has not provided Atlantic Petroleum with such a forecast. Therefore, the Company will be working on the assumption that the current production rates will prevail in the near term.

Atlantic Petroleum’s management is currently in the process of re-evaluating the asset and expects to downgrade the asset’s value to reflect confirmed production.

Orlando Overview

The Company has retained an economic interest in the Orlando Field; sold in 2017 to Decipher Energy. Under the Sale and Purchase Agreement, the Company, via Atlantic Petroleum North Sea Limited, is due to receive a deferred consideration of 2% of the sale proceeds of the first 5MM barrels of Orlando production, of which USD 1MM was pre-paid in 2017.After the first 5MM barrels have been produced on Orlando, Atlantic Petroleum North Sea Limited is due to receive 4.35% of the sale proceeds from Orlando production. Production from the Orlando field began on the 29th March 2019.

Atlantic Petroleum in brief:

Atlantic Petroleum participates in oil and gas joint ventures with reputable, international partners. Atlantic Petroleum P/F is based in Tórshavn, Faroe Islands, and the Company currently has subsidiaries and offices in the UK. Atlantic Petroleum’s shares are listed on NASDAQ OMX Copenhagen and on the Oslo Stock Exchange.

Further Details:

Further details can be obtained from Mark T. Højgaard, (markh@petroleum.fo). This announcement will be available, together with other information about Atlantic Petroleum, on the Company's website: www.petroleum.fo.

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