ATLANTIC PETROLEUM

Atlantic Petroleum signs Heads of Terms for a Bridge loan facility and a Standstill

Tórshavn, Faroe Islands, 2019-06-26 21:20GMT (GLOBE NEWSWIRE) -- P/F Atlantic Petroleum (NASDAQ Copenhagen: ATLA DKK & Oslo Stock Exchange: ATLA NOK) today announces that it has entered into Head of Terms on a unsecured Bridge loan facility for up to DKK 5 million from one of the shareholders and Head of Terms on a standstill agreement with LOG.

The Bridge Loan facility

The Heads of Terms state that in principle and subject to approval from its board, one of the shareholders is prepared to inject funds into P/F Atlantic Petroleum of up to DKK 5 million subject to the negotiation and execution of a legally binding agreement.

The Standstill

In support of the Bridge Loan and the Company's general refinancing efforts, London Oil and Gas Limited (LOG) are prepared to enter a Standstill Agreement, for a period of 6-month. LOG will retain the right to convert the existing Convertible Loan Facility at the agreed strike price during the period of the Standstill. Atlantic Petroleum and LOG entered Heads of Terms on 26th June 2019 which are subject to final approval of a legally binding agreement.

The terms of the LOG facility are restrictive on the Company’s ability to seek alternate funding. However, this restriction has been lifted by LOG’s administrators and they continue to be supportive of working toward a common goal of restructuring the company's debt.

As a condition of the Standstill Agreement, LOG has been given the right to a Board Observer. The LOG observer will not be entitled to any fees or voting rights.

Henrik Olesen, Chairman of Atlantic Petroleum said:

“We look forward to negotiating the details of the proposed transaction, and to working on resolving the creditor issues which are necessary to resolve to make a successful outcome possible.

This Bridge loan will allow Atlantic Petroleum to manage its day to day working capital needs until the first payments of Orlando are received, at which point Atlantic Petroleum expects to secure a more sustainable capital structure to preserve value for its shareholders, including a new debt restructuring.

Given the Groups current financial position, we think that a solution, as proposed is the best way forward for Atlantic Petroleum, and its stakeholders.”

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 Hoejgaard, (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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