

**News**

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**Petroleum Equity in \$133 million acquisition of ATP Oil & Gas UK**

Firm established to fill the gap for a leading upstream energy private equity investor outside North America.

London, 13 January 2014 - Petroleum Equity, a newly- established private equity firm focused on the upstream oil and gas market, has announced its first investment through its investment vehicle Alpha Petroleum; the acquisition of ATP Oil & Gas (UK) Limited (ATP UK) from US parent company ATP Oil & Gas Corporation (ATP Corporation). The total transaction value stands at approximately US\$133 million.

ATP Corporation is a Houston, Texas-based company that developed and produced oil and natural gas in the Gulf of Mexico and the North Sea. In late 2012, it filed for protection under Chapter 11 of the US Bankruptcy Code as a result of a multi-billion dollar insolvency and commenced a sale process for its subsidiary, ATP UK. Petroleum Equity, which had previously evaluated ATP's assets, acted on an opportunity to acquire ATP UK when the process stalled in 2013. The transaction was approved by the US Court on 19th December 2013 and by shareholders and a creditor vote on Friday 10th January 2014. The acquisition of ATP UK is expected to complete in February 2014.

ATP UK's assets include four producing gas fields, substantial 2P (proven plus probable) development reserves, as well as a corporate entity with UK North Sea operator status on all of its producing and development fields. Certain legacy liabilities of ATP UK amounting to over US\$1.2 billion have been compromised as part of the acquisition and the management team will stay in place.

Graham Walters, Managing Director of ATP UK says: "We are delighted to be backed by Petroleum Equity. We have worked very closely with them over the last months to deliver this very complex transaction and we have been impressed with their technical and commercial acumen. It has been an extremely challenging period for ATP UK since ATP Corporation filed under Chapter 11 and we look forward to driving the business forward with Petroleum Equity's support."

Sven Tiefenthal, Founding Partner at Petroleum Equity and an internationally recognised expert in oil and gas reserves and asset valuations, comments: "We are pleased to have secured these assets at an attractive valuation. We have acquired a robust portfolio with operated net 2P reserves of more than 65 million boe (barrel of oil equivalents), some of it producing, some of it ready for development. In addition, there are substantial additional resources yet to be matured, all of this in a politically and fiscally stable environment. We are confident that our familiarity with and deep technical understanding of the assets involved, combined with the quality of the management team already in place, will allow for significant value creation through an efficient asset maturation program."

Petroleum Equity was established in 2012 to address a significant lack of private equity capital focused on upstream oil and gas investment opportunities outside of North America. Its primary geographic focus is Europe, the Middle-East and Africa, targeting US\$75-150 million equity per transaction. The firm has already identified at least 15 further proprietary investment opportunities, representing over US\$1 billion in value.

Founded by a group of highly experienced oil and gas professionals, the Petroleum Equity senior

team comprises four Partners who bring a rare combination of technical, operational, financial and principal investment expertise with them. They have an average of 25 years' experience in the oil and gas sector and an extensive history of working together, with three of the four Partners having begun their careers in operational positions at Shell International. It is this operational experience and access to an industry network that they believe sets them apart from other firms in this space and allows them to identify opportunities like ATP UK.

Daniel Reis, also a Founding Partner at Petroleum

Equity, concludes: "This is the type of investment that is perfect for us. It is a great opportunity and our ability to outlast the competition to acquire the assets supports our decision to establish a very specialised fund and team like ours with the operational and financial expertise required to undertake such an investment. This was a complex transaction due to the nature of the assets, the cross-border restructuring process and the need to acquire ATP UK from its insolvent parent company. We have been extremely impressed with how ATP's management team has held the business together over this period and continued being a first class operator in the UKCS in face of the challenges. With our backing, ATP will have the financial and technical support required to execute its business plan, secure development authorisation and bring new fields to production."



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Notes to editors

Images available on request, including a map of ATP UK's assets

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## About Petroleum Equity

Petroleum Equity is a private equity fund founded in 2012 with the aim of investing in the upstream oil and gas industry and addressing the significant lack of private equity capital focused on this sector outside of North America. Its primary geographic focus is Europe, the Middle-East and Africa, targeting US\$75-150 million equity per transaction. The senior team brings together significant technical, operational, entrepreneurial and financial expertise and has worked closely together on joint projects for more than 25 years.

Petroleum Equity LLP is an appointed representative of Mirabella Financial Services LLP, which is authorised and regulated by the Financial Conduct Authority.

## About ATP Oil & Gas UK

ATP Oil & Gas UK is a UK independent exploration and production company. The company was established in 2000 to pursue the development and production of oil and gas fields in the UK North Sea as the subsidiary of the US-based ATP Oil & Gas Corporation. ATP UK's principal assets comprise four producing gas fields (Kilmar, Garrow, Wenlock and Helvellyn) and three development fields (Cheviot, Skipper and Blythe).