



INTRODUCTION TO ATLAS ENERGY

An International Upstream Royalty Company

February 2025

OVERVIEW OF ATLAS ENERGY

An Internationally Focused Oil and Gas Investment Company



Building a portfolio of royalty interests in international upstream assets

- *Targeting a diverse range of countries across the globe in both emerging and developed markets*
- *Seeking investments in both oil and gas assets, ranging from pre-development through to mature production*



Straightforward and flexible funding approach based on a royalty financing model

- *Atlas provides capital to E&P companies to fund organic growth and acquisitions and for other corporate purposes*
- *Investments generate royalty interests in target assets using flexible and accommodating financing structures*



Expertise in building and funding E&P companies

- *Atlas' management team and board have successfully grown and sold multiple E&P companies*
- *Atlas team has completed >\$19 billion in M&A/finance transactions and raised >\$1 billion in public equity capital*



Extensive in-house expertise providing value-add to investment partners

- *Decades of combined experience touching over 70 oil and gas producing countries*
- *Extensive commercial, technical and on-the-ground operational experience on multiple continents*

ATLAS' STRATEGY FILLS A FINANCING VOID IN THE MARKETPLACE

ESG Factors + Emergence of US Unconventional have Eroded Available Capital for International E&P Companies

Intl E&P funding sources 10 yrs ago:

Equity

- 40+ dedicated international E&P fund managers, 2P NAV valuations
- 30+ private equity firms funding startups

Debt

- 20+ dedicated E&P teams at Intl banks plus a wide range of participant banks
- 15+ multi-laterals/ECAs
- Good access to HY bonds as a 2ry source of finance

Funding sources today:

Equity

- <5 dedicated international E&P fund managers, 2x DACF valuations
- Minimal private equity engagement

Debt

- <5 dedicated E&P teams at Intl banks – lenders of all types steadily exiting
- Traders active (but offtake dependent), HY bonds still an option for larger raises

Atlas sees an abundance of opportunities to support high quality teams with:

DEVELOPMENT



ASSET ACQUISITIONS



E&A BY MATURE COMPANIES



INFRASTRUCTURE



TARGET OPPORTUNITIES

Atlas is Currently Evaluating a Pipeline of Potential Investments Across the International Landscape



Small Cap International E&Ps

- *Companies producing less than c. 20,000 boepd with scope to grow production organically*
- *Atlas funding would be used to accelerate appraisal and development on existing assets*
- *Funding can also be used for new (brownfield/greenfield) projects and acquisitions*
- *Target deal size – US\$25-50 million*



Mid Cap International Oil Companies (IOCs)

- *Companies active across multiple jurisdictions with a portfolio of investment opportunities*
- *Atlas funding can be used for non-core opportunities for which corporate funding is unavailable*
- *Funding can also be used together with/in place of non-recourse financing for ring-fenced projects and acquisitions*
- *Target deal size – US\$50-100 million*



National Oil Companies (NOCs)

- *State-owned oil companies seeking active participation alongside Majors and IOCs in their domestic projects*
- *Atlas funding can be used to help fill the void left by multi-laterals/banks/ECAs that have stopped financing oil and gas*
- *Target deal size – US\$100-200 million*
- *Atlas has relationships with large private equity firms that have expressed interest in co-investing in such opportunities*

ROYALTY FINANCING MODEL

A Win-Win Model Targeting a Segment of the Market with Diminished Interest from Traditional Capital Sources

A straightforward and flexible financing solution structured as a revenue-based or in certain cases profit-based royalty, typically implemented at the asset/project level

Benefits to the company

Attractive alternative to equity:

- ✓ Royalty acts as a non-dilutive funding mechanism
- ✓ No private equity overhang or handcuffs
- ✓ Competitive cost of capital

Retained control of decision-making:

- ✓ Full control of asset stewardship, capital planning, corporate leadership and eventual monetisation

Expands the M&A tool kit:

- ✓ Straightforward alternative to a partial asset monetization or farm-down process
- ✓ Can be structured off balance sheet
- ✓ Fits well within the capital stack to fill funding gaps between debt and equity on acquisition finance

Limited obligations and restrictions:

- ✓ Unlike debt, no fixed repayments and associated repayment/refinancing risks
- ✓ Flexible use of proceeds and limited restrictive covenants
- ✓ No offtake commitment

Aligned partner for the long term:

- ✓ Unlike debt providers, royalty holders directly share commodity and production risks
- ✓ Long term asset performance and viability of the business is in the interest of both parties

Partnership with Atlas:

- ✓ Offering technical and operational support based on decades of experience working across the globe
- ✓ Access to Atlas network and intel
- ✓ Enhanced profile and capital markets exposure including tier A institutional investors

STRUCTURING CONSIDERATIONS

Royalty Interests are Effected Using Flexible Financing Structures Adapted to the Company's Requirements



Wide ranging applications

- *Royalty financing is suited to wide range of funding requirements and can be applied across the capital structure (ranging from debt-like to equity-like in its uses)*
- *Royalty interests can be structured to accommodate a variety of creditors in the capital structure with flexibility on priority of payments, security (if applicable) and other key lender/inter-creditor considerations*



Basic structuring points

- *Royalty payments are typically structured as a percentage of gross revenue from the target assets or, in some cases, net profit*
- *Royalty rates will be determined based on Atlas' assessment of future cashflow generation for the target assets (taking an equity-like view of performance and commodity prices) – adjusted according to Atlas' target IRRs for the investment*



Target assets and uses

- *Royalty interests can be structured across one or more existing fields/blocks or more broadly in the corporate structure (specific corporate entities or company-wide) or ring-fenced to specific projects or acquisitions*
- *Atlas is flexible on the use of proceeds, though investment in the target assets is preferred, enabling growth and value upside*



Jurisdictional factors

- *Jurisdiction will dictate whether the royalty interest takes the form of a genuine royalty (i.e. on title) vs. a synthetic royalty (i.e. contractual)*
- *The financing structure will be adapted according to local legal, tax and other factors to ensure an optimal structure for both the company and Atlas*

COMPARISON OF PRIMARY FUNDING OPTIONS

An Atlas Royalty Has Many Advantages Over Traditional Funding Options

Category	Atlas Royalty	Debt Facility	HY Bond	Equity
Restrictions	Low: possible restrictions on use of proceeds, specific cash waterfall provisions	High: numerous restrictive covenants	Medium: fewer restrictive covenants than bank/trader debt	N/A
Repayment	N/A: percentage of revenue	Fixed repayment profile (typically amortizing), possibility of mandatory prepayments and acceleration	Fixed repayment profile (typically bullet); often no-call for period with prepayment penalties	N/A: flexibility to manage dividend payments
Security	Generally not required but case specific	Typically comprehensive and senior secured	Varies: can be unsecured, more flexible in terms of subordination	N/A
Execution risk / viability	Low/medium: jurisdictional factors to unpack during structuring, max size more limited	Medium/high: increasing as banks move away from sector, risk-off emerging markets, trader debt offtake dependant	Medium: min. size considerations, narrower application than bank debt, timing of offering crucial	Medium/high: becoming much more difficult for Intl E&Ps, dilution a major consideration
Refinancing risk	N/A	Medium: increasing as banks move away from sector, often mitigated through amortization	High: typically bullet repayment, risk increasing as investors move away from sector	N/A
Cost	Medium: competitive vs. debt and equity	Low/Medium: increasing as banks move away from sector with additional cost for transaction fees/offtake	Medium: structure, jurisdiction and counterparty dependant	Medium/High: high cost of capital for many smaller Intl E&Ps (can be prohibitive)
Relationship	Long-term, good alignment of interests, Atlas value add	Short-term, often high admin and scope for conflict but regular dialogue can be beneficial	Short-term, low admin but limited dialogue can be a drawback, limited alignment of interests	Varies by company and shareholder, interests typically aligned but not always

HIGHLY EXPERIENCED MANAGEMENT TEAM AND BOARD

Decades of Experience Building and Funding Upstream Companies Across the Globe

MANAGEMENT TEAM

Mark Hodgson President, CEO & Director	➤ 20+ years of experience – Former VP and co-founder of Spartan Delta Corp.; VP Operations Obsidian Energy; VP BD and Country Manager Bankers Petroleum Albania, Croatia, Hungary and Romania; Director of International E&P Institutional Sales at Tristone Capital London
Confidential CFO	➤ 20+ years of public company CFO experience, predominantly with international oil and gas companies
Blair Anderson VP Geoscience	➤ 40+ years of experience – Former CEO of Marsa Energy (Turkey); senior executive roles with Aventura (Trinidad), Verenex (Libya), Condor (CIS); extensive international experience including Indonesia, Australia, Asia, Mexico, South America, Caribbean, North and West Africa, Middle East and Europe.
Ryan Giroux VP Business Development	➤ 23+ years of experience including 17 years focused on international assets, working as a senior reservoir engineer with Petro-Canada UK and DONG Energy, then as a technical and commercial advisor and finance specialist with a number of London-based banks, most recently Societe Generale.
Don Kornelsen VP Commercial	➤ Senior M&A specialist with 18+ years and over \$14 billion of international E&P transaction experience focused on Africa, Asia, Europe and the Middle East, most recently with Vermilion Energy, and prior to this with Standard Chartered Bank.
Richard Naden VP Engineering	➤ Senior executive with 35+ years of experience – VP, Operations Dorset Exploration; VP, Engineering & Operations Baytex Energy/Trust; extensive international petroleum engineering projects in USA, Central & South America, Caribbean, Europe, MENA and Asia.

BOARD OF DIRECTORS

Richard “Rick” McHardy Chairman	➤ 25+ years of experience – Co-founder, CEO and Director of Logan Energy; Co-founder and Chairman (formerly Executive Chairman) of Spartan Delta Corp.; Co-founder and CEO of Spartan Energy, Spartan Exploration, Spartan Oil and Titan Exploration
Gary Brown Director	➤ 30+ years of experience – SVP and CFO of Wheaton Precious Metals
John Bookout III Director	➤ 40+ years of experience – Former Partner, PE at Apollo Global Management LLC; Managing Director of Energy and Infrastructure at KKR & Co., including principal backing of Flowstream; Director and Head of the 17 global industry practices at McKinsey & Co. including Co-head of NA Energy and Head of European Energy.
Glenn McNamara Director	➤ 40+ years of experience – Former CEO of Heritage Royalty; Former President of BG Canada, Exxon Canada West and Petromanas; multitude of senior leadership roles at Exxon in South America, USA, Europe and Asia Pacific.
Scott Price Director	➤ 40+ years of experience – Former lead independent director of Gran Tierra, CEO of Solana Resources and Aventura Energy; CFO of Ocelot International

ATLAS PARTNERSHIP

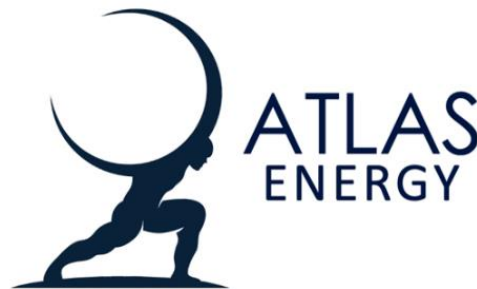
More Than a Capital Provider

Technical Expertise

- *Deep in-house knowledge based on decades of experience executing geoscience and engineering projects spanning every continent*

Operational Expertise

- *Team members have been country managers of assets across multiple jurisdictions and understand the complexities inherent to international operations*



Commercial & Country Expertise

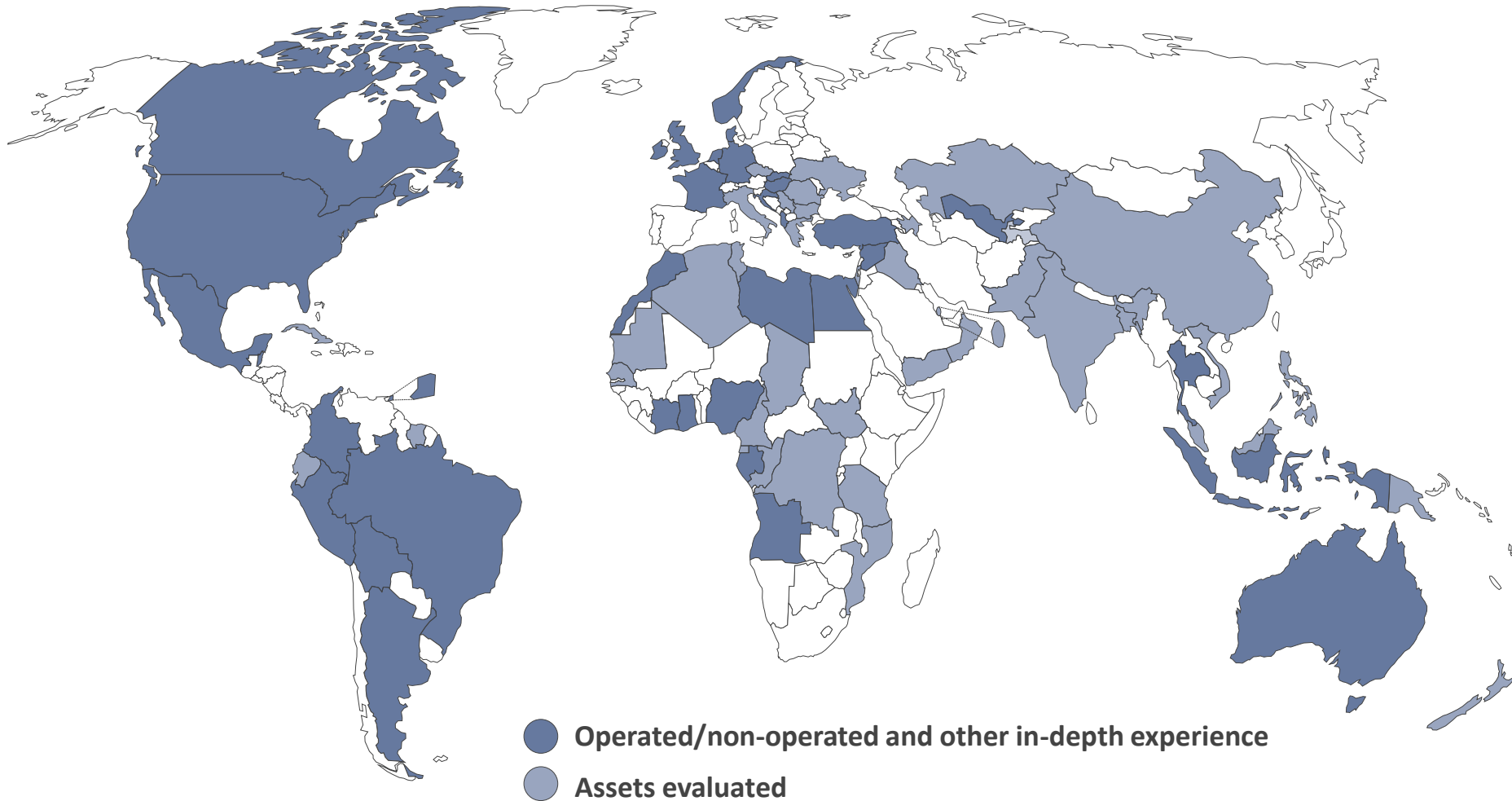
- *Evaluations carried out in 70+ countries: decades of experience assessing and managing commercial, legal and political challenges*

Transactional Expertise

- *The team has completed over US\$ 19 billion of M&A + finance transactions involving a diverse range of companies and assets located across the globe*

GLOBAL EXPERIENCE OF THE ATLAS TEAM

Collective experience covering more than 70 countries





[Contact us](#)