

For immediate release

31 July 2015

Third Energy Completes the Purchase of the Pegasus Discovery

Third Energy Offshore Limited (Third Energy) today announces that it has completed the sale and purchase agreement with Atlantic Petroleum UK Limited (Atlantic Petroleum) for the purchase of Atlantic Petroleum's interests in P1724 (UK Block 43/13b which contains the Pegasus West Gas Discovery), P1727 (UK Blocks 43/17b and 43/18b) and P2128 (Block 43/12).

Third Energy has purchased Atlantic Petroleum's 10% working interests in the above Licences for a total potential consideration of £16.5 million of which £7.5 million was paid on completion. Remaining payments are conditional on production from Pegasus West and further development in the blocks.

The Pegasus West well (43/13b-7) was drilled and tested at a combined rate of 91 MMscf/d (million standard cubic feet per day) in late 2014. The well is approximately 7 km WSW of the 43/13b-6Z Pegasus North discovery well. Both wells are in P1724, close to the producing Cavendish Field. The licences are operated by Centrica North Sea Gas which holds 55% equity. Prior to the purchase, Third Energy held 35% equity with the remaining 10% equity held by Atlantic Petroleum.

Rasik Valand chief executive of Third Energy, said:

"Closing the Pegasus acquisition from Atlantic is another significant milestone for Third Energy as we move our business forward on all fronts. We are confident about the development of the Greater Pegasus area, underscored by our desire to make this acquisition. By increasing our equity in one of the most exciting North Sea gas discoveries, we are delivering on our strategy to create a successful British gas business, offshore and onshore.

"With our partners Centrica, we are making excellent progress on the development options for commercialising the existing discoveries and plans for further appraisal of the greater Pegasus area."

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Notes to editors:

About Third Energy:

Third Energy is an independent company with a focus on gas appraisal and development, set up with the purpose of building a portfolio of UK producing and appraisal assets, onshore and offshore, and to be a respected and profitable gas company.

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