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## TransAtlantic Petroleum Announces Operating Results, 2012 Proved Reserves, and Provides an Operational Update

HAMILTON, Bermuda, March 13, 2013 (GLOBE NEWSWIRE) -- **TransAtlantic Petroleum Ltd.** (TSX:TNP) (NYSE-MKT:TAT) (the "**Company**" or "**TransAtlantic**") announces operational results for the quarter-ended December 31, 2012, a summary of year-end proved reserves, and provides an operational update.

### Selected Highlights

- Net sales volumes in the fourth quarter of 2012 averaged 4,421 barrels of oil equivalent ("boe") per day, a decline from the same period in 2011 and an increase from the third quarter of 2012;
- Continued strong production rates from the stacked pay zones on the Molla licenses in southeastern Turkey;
- Proved reserves (1P) as of December 31, 2012 totaled 11.6 million barrels of oil equivalent ("MMboe"), proved plus probable reserves (2P) as of December 31, 2012 totaled 21.6 MMboe, and proved plus probable plus possible reserves (3P) as of December 31, 2012 totaled 54.2 MMboe;
- Year-end 2012 Proved (1P) PV-10 was \$511.1 million (\$1.39 per current common share outstanding). Proved plus probable (2P) PV-10 was \$925.6 million (\$2.61 per current common share outstanding). (1P PV-10 is a non-GAAP financial measure that is defined and reconciled to the standardized measure later in this press release. 2P PV-10 does not have a directly comparable US GAAP measure.)

### Fourth Quarter 2012 Operating Summary

	For the three months ended		
	December 31, 2012	December 31, 2011	September 30, 2012
<b>Net Sales</b>			
Oil (Mbbls):	263	231	229
Natural Gas (MMcf):	864	1,576	928
<b>Total Net Sales (Mboe):</b>	<b>407</b>	<b>494</b>	<b>384</b>
<b>Total Net Sales (boe/day):</b>	<b>4,421</b>	<b>5,367</b>	<b>4,168</b>
<b>Realized Commodity Pricing</b>			
Oil (\$/bbl — Unhedged):	\$100.41	\$101.28	\$105.81
Oil (\$/bbl — Hedged):	\$97.63	\$97.22	\$102.08
Natural Gas (\$/Mcf — Unhedged):	\$9.89	\$7.25	\$8.14
Natural Gas (\$/Mcf — Hedged):	\$9.89	\$7.25	\$8.14

### Fourth Quarter 2012 Operating Results

For the three months ended December 31, 2012, total net sales were approximately 407 thousand barrels of oil equivalent ("Mboe"), compared to net sales of approximately 494 Mboe for the same period last year and approximately 384 Mboe in the third quarter of 2012. During the three months ended December 31, 2012, the Company sold an average of 4,421 boe per day. Total net sales were comprised of approximately 263 thousand net barrels ("Mbbls") of oil at an average rate of approximately 2,856 net barrels ("bbls") per day and approximately 864 net million cubic feet ("MMcf") of natural gas at an average rate of approximately 9.4 net MMcf per day.

For the quarter ended December 31, 2012, our average realized price (unhedged) was \$100.41 per bbl of oil and \$9.89 per thousand cubic feet ("Mcf") of natural gas, compared to an average realized price of \$101.28 per bbl and \$7.25 per Mcf in the quarter ended December 31, 2011 and \$105.81 per bbl and \$8.14 per Mcf in the quarter ended September 30, 2012.

## **Organizational Enhancements**

As a result of the Company's successful initial results in several new plays in Southeastern Turkey, and continued activity in the Thrace Basin, TransAtlantic has advanced an ongoing process to increase internal exposure to resource development practices among management and evaluation personnel. As part of this strategy, TransAtlantic is evolving toward a hub-and-spoke structure built around multidisciplinary asset teams utilizing strong technical knowledge in all geographic areas of the company with technical leadership based in Dallas.

As previously announced, Mitchell R. Whatley joined TransAtlantic as Vice President, Drilling in mid-January 2013 after serving the past two years with Pioneer Natural Resources with a particular emphasis on the Eagle Ford shale. Mr. Whatley also served two years with EnCana Oil and Gas in roles targeting the Deep Bossier and the Haynesville shale plays. Mr. Whatley has had an immediate impact on drilling operations and has recently completed building a four-person U.S. drilling team to oversee the Company's horizontal and conventional drilling program.

TransAtlantic is also pleased to announce that Darcy Dorscher has rejoined the company as Vice President, Production and Facilities. Mr. Dorscher previously worked with TransAtlantic as Vice President, Operations and has extensive international oil and gas experience, including activity in Canada, India, Kazakhstan, Madagascar, Qatar, and Turkey. Mr. Dorscher will be based in Istanbul.

## **Operational Update**

TransAtlantic's 7-day average net production rate as of March 10, 2013 was approximately 4,235 barrels of oil equivalents ("boe") per day, including 2,641 bbls of crude oil per day and 9.6 MMcf of natural gas per day.

## **Molla Licenses**

TransAtlantic is pleased to report continued strong production rates from the stacked pay zones on the Molla licenses in southeastern Turkey. In the Horizontal Mardin Program, the Goksu-3H produced an average of 319 barrels of oil per day over the seven day period ended March 10, 2013 and has produced more than 54,000 bbls of oil since the well was completed in late October 2012. The next well in the program, the Goksu-4H was spudded on March 5, 2013 with results expected during the second quarter of 2013. The Company expects to keep a rig running on Mardin exploration and development prospects for the next several months.

The Bahar-1 well, which has been completed in the Bedinan and Hazro formations, produced an average of 285 bbls of oil per day over the seven day period ended March 10, 2013 and has produced more than 30,000 bbls of oil since the well was completed in early December 2012, including approximately two weeks of downtime to test and complete the Hazro formation. The first well in the Horizontal Bedinan Program, the Bahar-2H, was spud in January and is currently directionally drilling below 9,000 feet. The Bahar-2H is expected to be drilled with an approximately 3,000 to 4,000 foot horizontal section and TransAtlantic anticipates completing the well with a multi-stage frac during the second quarter of 2013. After drilling the Bahar-2H, the Company plans to drill a field extension well west of the Bahar-1 on the West Molla block.

## **Selmo Field**

Net sales at Selmo field averaged 1,872 bbls of oil per day over the 7-day period ending March 10, 2013. Production in the field has declined as no new wells have been drilled in the field since June 2012. The Company has recently completed a remapping of the subsurface that will be utilized for the Company's future vertical and horizontal drilling program. The Company expects to spud five horizontal wells at Selmo during 2013.

## **Thrace Basin**

Winter weather conditions have inhibited equipment movement and thus limited the pace of completions in the Thrace Basin. TransAtlantic has nine wells currently awaiting frac and three completion operations in progress. The Company recently completed the DTD-19 well in the Tekirdag Field Area as the Company's first five-stage frac. The DTD-19 has been flowing back load water, with early choked gas production in excess of 1 MMcf per day. The initial completion of the lowest section of the Kazanci-5 well in the Hayrabolu area was not successful. The Hayrabolu-10, TransAtlantic's second deep test of the Hayrabolu structure, is currently drilling below 9,000 feet.

## **Other**

The Durukoy-1 exploration well on the Idil license has been plugged and abandoned after finding non-commercial hydrocarbon accumulations. The Company expects to drill the Ebyat prospect on the Idil license in the fall of 2013.

## Outlook

TransAtlantic's Board of Directors approved a preliminary capital expenditure budget for 2013 of approximately \$131 million. Spending during 2013 is expected to consist of approximately \$101 million of drilling and completion expense (over 60 gross wells and including approximately 17 horizontal wells), \$19 million of seismic expense, and \$11 million on infrastructure and other expense. This compares to capital expenditures in 2012 of approximately \$80 million.

The Company expects net sales during the three months ending March 31, 2013 to average approximately 4,200 boe per day, with crude oil comprising approximately sixty percent of daily volumes.

## Reserves Summary

DeGolyer and MacNaughton evaluated the Company's reserves as of December 31, 2012 in accordance with the reserves definitions of Rule 4-10(a) (1)-(32) of Regulation S-X of the SEC and in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluators Handbook.

On a volumetric basis the Company's proved reserves (1P) declined from year-end 2012 due primarily to production of existing reserves and negative performance revisions in certain fields. The present value of future reserve-based cash flows discounted at a 10% annualized rate ("PV-10") decreased from year-end 2011 primarily due to volumes produced during 2012 and reduced expectations at certain fields, partially offset by increased natural gas prices.

On a volumetric basis the Company's proved plus probable reserves (2P) and proved plus probable plus possible reserves (3P) increased due primarily to the Goksu and Bahar discoveries on our Molla licenses.

TransAtlantic expects to conduct a midyear reserve evaluation to update performance from the Company's activity during the first six months of 2013, including expected horizontal completions in southeastern Turkey in the Bedinan formation and additional horizontal Mardin formation completions.

The following is a summary of the Company's estimated net proved, probable, and possible reserves at December 31, 2012 and December 31, 2011:

Reserves at December 31, 2012	Proved	Total	Proved+	Proved+
	<u>Developed</u>	<u>Proved</u>	<u>Probable</u>	<u>Possible</u>
Oil and Condensate, Mbbls	5,132	9,501	17,449	32,682
Natural Gas, MMcf	8,115	12,463	24,608	128,855
Total Oil and Natural Gas, Mboe <sup>(1)</sup>	6,484	11,578	21,551	54,158
PV-10 <sup>(2)</sup> , \$MMs	\$309.0	\$511.1	\$962.2	\$2,042.4

Reserves at December 31, 2011	Proved	Total	Proved+	Proved+
	<u>Developed</u>	<u>Proved</u>	<u>Probable</u>	<u>Possible</u>
Oil and Condensate, Mbbls	5,373	11,215	16,016	27,672
Natural Gas, MMcf	10,520	13,223	25,892	131,118
Total Oil and Natural Gas, Mboe <sup>(1)</sup>	7,126	13,419	20,331	49,525
PV-10 <sup>(2)</sup> , \$MMs	\$344.0	\$645.8	\$925.6	\$1,751.6

<sup>(1)</sup> Mboe is not included in the DeGolyer and MacNaughton reserve report and was derived by the Company by converting natural gas to oil in the ratio of six Mcf of natural gas to one bbl of oil. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. PV-10 was calculated using an overall weighted average price of \$108.30 per bbl and \$8.94 per Mcf.

(2) The total proved PV-10 value of the estimated future net revenue are not intended to represent the current market value of the estimated oil and natural gas reserves we own. Management believes that the presentation of PV-10, while not a financial measure in accordance with generally accepted accounting principles in the United States ("GAAP"), provides useful information to investors because it is widely used by professional analysts and sophisticated investors in evaluating oil and natural gas companies. Because many factors that are unique to each individual company impact the amount of future income taxes estimated to be paid, the use of a pre-tax measure is valuable when comparing companies based on reserves. PV-10 is not a measure of financial or operating performance under GAAP. PV-10 should not be considered as an alternative to the standardized measure as defined under GAAP. PV-10 of probable or possible reserves represent the present value of estimated future revenues to be generated from the production of probable or possible reserves, calculated net of estimated lease operating expenses, production taxes and future development costs, using costs as of the date of estimation without future escalation and using 12-month average prices, without giving effect to non-property related expenses such as general and administrative expenses, debt service, and depreciation, depletion, and amortization, or future income taxes and discounted using an annual discount rate of 10%. With respect to pre-tax PV-10 amounts for probable or possible reserves, there do not exist any directly comparable US GAAP measures, and such amounts do not purport to present the fair value of our probable and possible reserves.

The following table provides a reconciliation of our Total Proved Reserves (1P) PV10 to our standardized measure:

<i>U.S. dollars in thousands</i>	<u>2012</u>	<u>2011</u>	<u>Change (%)</u>
Total PV-10:	\$511,078	\$645,837	-20.9%
Future income taxes <sup>(1)</sup> :	(106,411)	(171,592)	-38.0%
Discount of future income taxes at 10% per annum:	<u>31,213</u>	<u>57,522</u>	-45.7%
Standardized measure:	\$435,880	\$531,797	-18.0%

(1) DeGolyer and MacNaughton's reserve report does not contemplate income tax consequences. Future income taxes as displayed are estimated by TransAtlantic subsequent to DeGolyer and MacNaughton's reserve assessment.

## Derivative Additions

TransAtlantic has added additional costless collar contracts since September 30, 2012. A summary of the new contracts is provided in the table below.

<u>Period</u>	<u>Volume (bbl/day)</u>	<u>Weighted Average Minimum Price (\$/bbl)</u>	<u>Weighted Average Maximum Price (\$/bbl)</u>
January 1, 2013 to March 31, 2013	436	\$90.00	\$121.10
April 1, 2013 to June 30, 2013	394	\$90.00	\$117.60
July 1, 2013 to September 30, 2013	354	\$90.00	\$115.10
October 1, 2013 to December 31, 2013	317	\$90.00	\$112.60
January 1, 2014 to March 31, 2014	266	\$90.00	\$110.85
April 1, 2014 to June 30, 2014	250	\$90.00	\$109.10
July 1, 2014 to September 30, 2014	232	\$90.00	\$107.35
October 1, 2014 to December 31, 2014	220	\$90.00	\$105.60

## Conference Call

The Company expects to host a conference call on Tuesday, March 19, 2013 to discuss this operations release and TransAtlantic's Annual Report on Form 10-K for 2012 ("Form 10-K"), which the Company currently expects to file with the Securities and Exchange Commission ("SEC") by the prescribed deadline of March 18, 2013. Details of the conference call will be provided in a press release concurrent with the Form 10-K filing.

## About TransAtlantic

TransAtlantic Petroleum Ltd. is an international energy company engaged in the acquisition, development, exploration and production of oil and natural gas. The Company holds interests in developed and undeveloped oil and natural gas properties in

Turkey, Bulgaria and Romania.

The TransAtlantic Petroleum Ltd. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=12745>

**(NO STOCK EXCHANGE, SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE INFORMATION CONTAINED HEREIN.)**

### ***Forward-Looking Statements***

This news release contains statements regarding TransAtlantic's fourth quarter operating results, seven-day average production, expected production during the three months ended March 31, 2013, expected drilling on our Idil, Molla, and Selmo licenses, expected capital spending during the twelve months ended December 31, 2013, the expected completion of a mid-year reserves report, the expected hosting of a conference call, the expected filing of Form 10-K with the SEC, and other expectations, plans, goals, objectives, assumptions or information about future events, conditions, results of operations or performance that may constitute forward-looking statements or information under applicable securities legislation. Such forward-looking statements or information are based on a number of assumptions, which may prove to be incorrect. In addition to other assumptions identified in this news release, assumptions have been made regarding, among other things, the ability of the Company to continue to develop and exploit attractive foreign initiatives.

Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to market prices for natural gas, natural gas liquids and oil products; estimates of reserves and economic assumptions; the ability to produce and transport natural gas, natural gas liquids and oil; the results of exploration and development drilling and related activities; economic conditions in the countries and provinces in which we carry on business, especially economic slowdowns; actions by governmental authorities, receipt of required approvals, increases in taxes, legislative and regulatory initiatives relating to fracture stimulation activities, changes in environmental and other regulations, and renegotiations of contracts; political uncertainty, including actions by insurgent groups or other conflict; the negotiation and closing of material contracts; shortages of drilling rigs, equipment or oilfield services.

The forward-looking statements or information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

### ***Note on boe***

Barrels of oil equivalent, or boe, is derived by the Company by converting natural gas to oil in the ratio of six thousand cubic feet ("Mcf") of natural gas to one bbl of oil. A boe conversion ratio of 6 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boe may be misleading, particularly if used in isolation.

### ***Note on Probable Reserves***

Estimates of probable reserves are inherently imprecise. When producing an estimate of the amount of oil and natural gas that is recoverable from a particular reservoir, an estimated quantity of probable reserves is an estimate of those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Estimates of probable reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors.

When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir. Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

### ***Note on Possible Reserves***

Estimates of possible reserves are also inherently imprecise. When producing an estimate of the amount of oil and natural gas

that is recoverable from a particular reservoir, an estimated quantity of possible reserves is an estimate that might be achieved, but only under more favorable circumstances than are likely. Estimates of possible reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors.

When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates. Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project. Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

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