



www.oljan.fo

Jan Müller

17 - 11 - 2011

Atlantic Petroleum strengthened financially

Atlantic Petroleum reached a gross profit of D.kr 109,1 million over the first nine months of 2011, the latest publicised accounts show. The company's financial situation was strengthened during the third quarter and the company had D.kr 158,4 million in accessible equity by the end of the third quarter. The company equity has for the very first time risen above D.kr 400 million. The result of primary activities over the third quarter of 2011 was D.kr 32,1 million compared to D.kr 35,6 million for 2010. This produced a gross operational result of D.kr 109,1 million over the first nine months of 2011, compared to D.kr. 93,6 million for 2010. The Managing Director, Mr Ben Arabo says in a comment that although the production for the third quarter of 2011 was lower than expected, the company still produced a good result - -The primary result for the third quarter of 2011 was D.kr 32,1 million and this means that we have reached our projected estimations for the year. We expect the final annual result to lie in the higher end of our predictions of D.kr 90 150 million for 2011. The Blackbird field is set to come on-stream shortly and later this year the Chestnut oilfield will return to full production potential. Atlantic Petroleum will, over the coming months, participate in several important exploration wells. The Orchid prospect will be drilled later this year and next spring the Faroe Brugdan license prospect well will be drilled. On the 30th of September 2011, a development application for the Perth prospect was delivered to the UK authorities. Atlantic Petroleum has a 10,8% stake in this license and it is estimated that this field will mature to a production phase by the first half of 2014. Financial situation Results from primary activities (EBIT) for the third quarter of 2011 were D.kr 32,1 million, compared to D.kr 35,6 million for 2010 and D.kr 109,1 million for the first nine months of 2011, compared to D.kr 93,6 million for

2010. Gross result, prior to tax for the third quarter of 2011, were D.kr 43,5 million compared to D.kr 4,1 million for 2010 and over the first nine months of 2011, D.kr 101,6 million compared to D.kr 109,2 million for 2010. The financial result for the first nine months of 2011 was D.kr 234,7 million compared to D.kr 176,7 million for 2010. Accessible equity, ultimo third quarter 2011 was D.kr 158,4 million compared to D.kr 74,3 million ultimo 2010. Bank debt, ultimo third quarter was D.kr 140,6 million, compared to D.kr 162,3 million ultimo 2010. Assets, ultimo third quarter 2011, were D.kr 757,9 million, compared to D.kr 671,8 million ultimo 2010. Equity, ultimo third quarter 2011, was D.kr 403, 0 million, compared to D.kr 377,8 million ultimo 2010. The company holds 130.514 company shares, which is 4,98% of all issued shares, corresponding to D.kr 17,1 million. The share value, ultimo third quarter, was D.kr 131,00 per share.

Operation The total production for the first nine months was 558.000 boe, corresponding to an average daily production of 2.044 boe. The production from Ettrick, as was expected been somewhat delayed in the third quarter, due to some maintenance work and the tie-in of the Blackbird oilfield to the production facility. The Chestnut oilfield continues to produce at a reduced capacity, and will continue to do so until the water injection well is completed. Production is expected to reach full capacity later this year. The tie-in of the Blackbird field to the Ettrick production facility is progressing satisfactory and first oil is expected in the fourth quarter of 2011. Development plans for the Perth field were submitted to the UK authorities on the 30th of September 2011. Atlantic Petroleum participated in the Foxtrot exploration well drilling in license P.1716. A water bearing layer was encountered and the well was sealed on the 20th of August, with the option to reopen the well in the event surveys confirm possible deeper lying prospects.

Outlook 2011 Results of primary operations (EBIT) in 2011 is expected to be in the higher region of the previously announced D.kr 90 150 million bracket. Debt is expected to be reduced by D.kr 50 million in 2011. Investments into exploration and development are estimated to reach D.kr 50 million, while investments into expansion development and production are expected to reach D.kr 135 million for 2011. The company will ensure production and approximately 27% of the existing production is secured for the next twelve months. The average oil price is US\$ 106 per barrel. Operational Production is expected reach between 2.000 and 2.300 boe daily, compared to 2.100 and 2.600 boe as previously announced. This is mainly due to the production from Chestnut being postponed pending an improvement of the water injection system. The work of drilling a water injection well on Chestnut as a side well from the existing well has commenced. According to plan the water injection will be operational later this year and production from both wells resumed. A second water injection well is to be drilled on Ettrick. This project is set to commence in late 2011 or by early 2012. The development of the Blackbird field is proceeding as planned and the project operator is expecting production to begin in the fourth quarter of 2011. The development plans for the Perth field were submitted to the UK authorities on the 30th of

September and a development approval is expected in six months time. During an initial development phase, the intention is to tie-in three production wells and two water injection wells to a floating production and storage unit (FPSO). The drilling of an exploration well on the Orchid prospect, in UK license no. P.1556, expected to commence in October 2011, has been postponed until December of 2011, due to a delay in acquiring the drilling platform. Atlantic Petroleum holds a ten percent interest in this license. Picture - CEO of Atlantic Petroleum, Ben Arabo