Atlantic Petroleum – the F
– on track to continued gro

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Chairman of the Board, AP

The last year has shown very strong growth in Atlantic Petroleum, AP. This is well reflected in the trust shown by investors and the markets in the AP share. An investor that invested 10 thousand DKK in the first two share offers in 1998 and 1999 would be able to cash a return of around 110 thousand DKK if he sold his shares this year, a healthy return by any standard.

The company was founded with a share capital of DKK 25.5 million. Since the foundation there have been five share offerings, and the current share capital is DKK 112 million in nominal value (approx. £10 million). The number of shareholders is now approximately 5600 of which 70 % are from the Faroe Islands and 30 % are Scandinavian privat and institutional investors. The Market capitalisation has been above 1.2 billion DKK in the last months

The Company is still strongly rooted in the Faroe Islands. This has been an overarching principle in the Company's strategy and it has been shown to be a strong commercial point overall.

The listing of AP on the OMX Nordic Exchange in Iceland in 2005 and OMX Copenhagen Stock Exchange in Copenhagen marked a significant development in the organisation of the Company. Meeting the requirements for full transparency in all company matters has been a welcome challenge and all information is now readily available to shareholders, investors, markets and the general public in real time on the AP website/www.petroleum.fo and most elegantly presented in the last Annual and Consolidated Report and Accounts for the year 2006.

Development

The development of Atlantic Petroleum has been in two phases: The first phase running from 1998 to 2001, where we got our first licenses outside the Faroe Islands and the second phase from 2001 to the end of last year. At this point in time the Company is prepared and ready to go into the third phase of its development.

Phase One

The idea behind the establishment of Atlantic Petroleum was to use the upcoming Faroese Licensing Round in 2000 as a basis for building up a Faroese oil and gas company and become partner in a strong group of international oil and gas companies. In that way the necessary skills and knowledge to run a professional, competitive, and independent oil and gas company could be achieved. Furthermore, the company would get access to the industry and to more opportunities. The early development of the Company should be based on the activities on the Faroese Continental Shelf. The shareholder base should be strong and 100% Faroese.

The first phase was a success for the Atlantic Petroleum. The Company signed a very favourable agreement with a partnership consisting of the international companies Amerada Hess, British Gas and DONG Energy. This agreement gave Atlantic Petroleum the opportunity to participate in oil exploration in the Faroe Islands with minimum risk, but with a huge upside. Furthermore, our partners were committed to pave the way for the Company into oil exploration in UK waters.

The partnership was successful in the First Faroese licensing round and was awarded licence number 001.

Phase Two

On the shoulder of phase one the second phase was planned. A Business Plan was formulated in 2001 for the time period 2001 to 2006. The following vision statement was formulated:

To become the leading Faroese independent oil and gas company, financially strong and well-respected in the industry, and prudently managed to provide a robust return to its shareholders, a focus for business integration and development in the Faroe Islands, and benefits to the community as a whole.

The key components of the vision are:

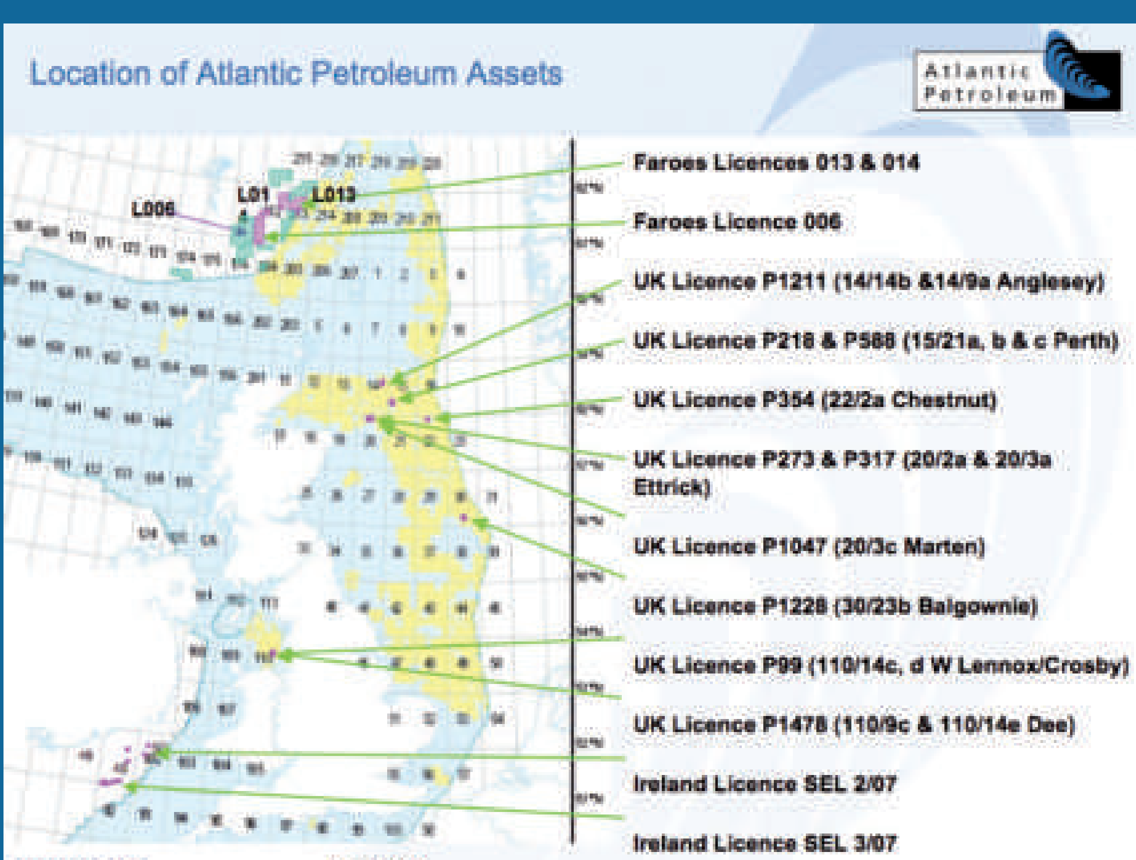
Be active in exploration and production on the Faroese continental shelf
Faroese-based independent upstream oil and gas company
Vehicle for development and diversification of the Faroese business sector as a whole
Use this situation to grow beyond the Faroe Islands
Financially strong with focus on Risk Management

The start of the second phase went as planned. The first UK exploration assets were acquired in 2001 and a new world of opportunities opened up to the Company. Relations with new international players were established. The Company participated in 22nd UK Round and in 2003 Atlantic Petroleum managed to acquire part in tree oilfields from Premier Oil, of which two fields were under development, a major step in the development. The Company was able to raise the necessary funds to build up the Company as well as to list the Company on two markets. In June 2005 Atlantic Petroleum was listed on OMX in Iceland, and in October 2006 on OMX in Copenhagen.

Phase Three

The third phase will be built on the shoulders of the previous and new building blocks will be added. The main building blocks or instruments we have today are:

A diversified portfolio spanning from exploration to development, and soon also production
A solid capital base
Access to capital for further



Licence overview - as per 16th August 2007

Licence	Region	Field/Prospect	Exploration
P354	UK	Chestnut Field	
P273 & P317	UK	Ettrick Field	
P218 & P588	UK	Perth Field	
SEL 2/07	IR	Helvick Field	
P 1047	UK	Marten Field	
P273 & P317	UK	North Ettrick - Jarvis Appraisal	
P99	UK	West Lennox Appraisal	
P218	UK	North East Perth Appraisal	
P218 & P588	UK	Dolphin Appraisal	
P218 & P588	UK	Gamma Central Appraisal	
P273	UK	Bright Appraisal	
P218 & P588	UK	Sigma Terraces Appraisal	
SEL 2/07	IR	Ardmore Field	
SEL 2/07	IR	Hook Head Field	
SEL 2/07	IR	Dunmore Appraisal	
P218 & P588	UK	North Perth Prospect	
P218	UK	East Perth Prospect	
P273 & P317	UK	Blackbird Prospect	
P99	UK	Crosby Prospect	
P1211	UK	Anglesey Prospect	
P1478	UK	Dee Lead	
P1128	UK	Cullen Lead	
SEL 2/07	IR	NW Helvick	
SEL 2/07	IR	SW Helvick	
SEL 3/07	IR	Blackrock Prospect	
SEL 3/07	IR	Rushane Lead	
013	FO	Stella Kristina Lead	
014	FO	Marselius Lead	

Phase terminated
Current Phase
Development - approval pending