



ATLANTIC PETROLEUM

Announcement from P/F Atlantic Petroleum (FO-ATLA)

EBIT for 4Q 2009 of DKK 27.4MM and full year EBIT 2009 of DKK -75.6MM.

Tórshavn, Faroe Islands 26th February 2010 – Atlantic Petroleum (OMX: FO-ATLA) today announced its results for 2009. This company announcement should be read in conjunction with Atlantic Petroleum's Annual Report and Accounts 2009 and the independent reserve report also attached to this announcement.

4Q 2009 was the first full quarter with production from two oil fields. Revenue was DKK 82MM, EBIT was DKK 27.4MM and profit before taxation was DKK 24.5MM.

The operating profit for 2009 is DKK 33.5MM before impairments on the Celtic Sea (Ireland) and East Irish Sea (UK) assets of DKK -109.1MM or approximately DKK 7MM less than announced in conjunction with the 3Q results.

Cash flow from operating activities amounts to DKK 54MM compared to the previously announced cash flow from operating activities in excess of DKK 100MM.

The lower than previously announced EBIT before deduction of unsuccessful exploration costs and operating cash flow were mainly caused by the delay in production from Ettrick and also due to lower total production on Chestnut compared to the forecast. One other main reason for the lower than expected operating cash flow is that receivables regarding oil sale at year end was higher than forecasted due to payment being received for three cargos of oil after year end, compared to expectations of only one cargo being paid for after year end.

Production from Chestnut and Ettrick for 2010 is predicted between 725,000 and 850,000 barrels. Based on an average realised oil price of 75 USD/barrel the EBIT for 2010 is expected to be between DKK 70-90MM.

Sigurð í Jákupsstovu, CEO of Atlantic Petroleum, stated:

"With strong cash flow from daily production rates in the range of 2,000 to 2,800 barrels, the focus of Atlantic Petroleum will be to continue to bring down the debt as agreed with our lenders, but also to position the Company for further growth and profitability. The coming years are a window of opportunity for our Company and therefore it is very important that we continue to strengthen our capital structure as well as focus on adding reserves that will increase our production in the near to medium term."

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Profit and loss for 4Q 2009 and FY 2009:

	3 months 31 December 2009 DKK	3 months 30 September 2009 DKK	3 months 30 June 2009 DKK	3 months 31 March 2009 DKK	3 months 31 December 2008 DKK	12 months 31 December 2009 DKK	12 months 31 December 2008 DKK
Revenue	81,924,317	60,698,197	50,012,008	26,617,955	43,267,047	219,252,477	43,267,047
Cost of sales	-51,414,730	-47,562,490	-34,770,105	-30,891,663	-26,818,361	-164,638,988	-26,818,361
Gross profit	30,509,587	13,135,707	15,241,903	-4,273,708	16,448,686	54,613,489	16,448,686
Exploration expense	3,521,094	1,286,580	-108,135,432	-5,774,998	-1,953,770	-109,102,756	-2,261,713
Pre-licence costs	-182,660	-68,978	-221,241	-143,662	-238,061	-616,541	-1,147,215
General and administration costs	-6,494,839	-4,464,897	-4,469,659	-5,252,847	-6,024,753	-20,682,242	-18,770,027
Other operating income	13,152	14,016	113,458	26,400	68,510	167,026	107,210
Operating profit	27,366,334	9,902,428	-97,470,971	-15,418,815	8,300,612	-75,621,024	-5,623,059
Interest revenue and finance gains	3,066,220	-38,102,951	50,732,052	25,902,849	-2,692,496	41,598,170	5,893,990
Interest expenses and other finance costs	-5,886,076	-8,624,121	-10,157,965	-1,751,198	-115,870,614	-26,419,360	-145,689,833
Profit before taxation	24,546,478	-36,824,644	-56,896,884	8,732,836	-110,262,498	-60,442,214	-145,418,902
Taxation	-13,587,090	3,421,537	9,128,694	6,608,656	55,785,441	5,571,797	55,761,867
Profit after taxation	10,959,388	-33,403,107	-47,768,190	15,341,492	-54,477,057	-54,870,417	-89,657,035

2009 Highlights

Operational

- Etrick field commenced production
- South Chestnut well brought on stream
- Remaining reserves in Chestnut increased by approximately 0.1MM barrels compared to the previous year
- Seismic acquisition on Licence 016 in the Faroe Islands completed
- Licences 013 and 014 in the Faroe Islands extended

Financial

- Capital share increase completed successfully with proceeds of DKK 188MM
- Agreement has been reached with the Company's lenders to extend the majority of the short term debt into a 5 year facility
- First revenues from the Etrick Field oil production
- Revenues amounted to DKK 219.3MM
- Maintained focus on efficient low cost operation
- EBIT amounted to DKK -75.6MM, after deduction of 109.1MM impairment in UK and Ireland
- Result after tax amounted to DKK -54.9MM, including unrealised inter-group foreign exchange gain of DKK 35.5MM.

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2010 Outlook

- Total production for 2010 is estimated at between 725,000 - 850,000 barrels net for the year
- Expected EBIT in the range DKK 70-90MM on a realised oil price of 75 USD/barrel
- Optimise production on Etrick Field
- Continued strong cash flow from production
- Surplus in net profit after taxation
- Bring the Blackbird discovery closer to development
- Bring the Perth field closer to development
- Further expand the Company's activities in North West Europe
- Evaluate potential asset and corporate transactions

Further Details

Further details can be obtained from Sigurð í Jákupsstovu, CEO, tel +298 350 100 (sigurdj@petroleum.fo). This announcement will be available, together with other information about Atlantic Petroleum, on the Company's website: www.petroleum.fo
On the website, it is also possible to sign up for the Company's e-mail newsletter.

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