



Positive results from South Chestnut, performance on the Chestnut Field and the Company's participation in the Third Faroese Licensing round.

Tórshavn, Faroe Islands, 5th November 2008 – Atlantic Petroleum (OMX: FO-ATLA) the international upstream oil and gas company, today announced positive results from the South Chestnut 22/2a-16Y appraisal/production well, an update on the Chestnut Field performance, and an update on the Company's participation in the in the 3rd Faroese licensing round.

Commenting on the announcement, Wilhelm Petersen, Managing Director of Atlantic Petroleum said:

"Encouragingly for our shareholders, the results of the South Chestnut production well have been positive. The well was drilled based on innovative seismic technology which the group used to identify the optimal well location. The well will become the second producer well on the field and will be tied back and brought on stream early next year, adding significant value in - terms of production and reserves to the field. In addition to this the production rates from the Chestnut Field have been in the upper end of expectations, and a second lifting via tanker off-take has been successfully completed. In addition to this and in line with our longterm strategy, Atlantic Petroleum, in a strong partnership with StatoilHydro, DONG Energy and Faroe Petroleum, have submitted an application for acreage's in the Faroes Third Licencing round"

A second Chestnut appraisal/production well, South Chestnut, which was spudded 7th September 2008, has been successfully drilled, completed and tested. The well was completed across 64' of oil bearing sandstone and produced at a maximum gross rate of 9,000 boepd during testing, the rate being restricted by the surface test facilities. Downhole pressure measurements, taken during testing, confirm that the well is connected to the main body of the field and can therefore be supported by the injection well that was drilled in 2006 as part of the overall field development plan. The new production well will be tied-in to the subsea infrastructure during early 2009 and is expected to significantly increase production rates, recoverable reserves and overall field life. Investment in this second production well was sanctioned in May 2008 and is expected to be brought on stream in less than nine months from when that decision was taken.

The Chestnut Field has been developed using the innovative Sevan Hummingbird floating production storage and offloading vessel ('FPSO'). It has already produced nearly 500,000 barrels of oil from the single production well. The average gross production rate since the first oil production is 12,000 barrels of oil equivalent per day ('boepd') or 1,800 boepd net to Atlantic Petroleum. The production up time has been in excess of 99% despite final commissioning activities on several systems continuing after first oil.

Issued 05-11-2008

P/F Atlantic Petroleum
Gongin 9
P.O. Box 1228
FO-110 Tórshavn
Faroe Islands

Telephone +298 350 100
Fax +298 350 101
Website: www.petroileum.fo



Atlantic Petroleum holds a 15% working interest in Block 22/2a containing the Chestnut Field.

Atlantic Petroleum has together with its partners, StatoilHydro, DONG Energy and Faroe Petroleum submitted an application for acreage in the Faroese Third Licensing Round. The application was submitted prior to the closing date of 3rd November by the operator StatoilHydro. The award of licences is expected to take place around yearend 2008.

Further Details

Further details can be obtained from Wilhelm Petersen, Managing Director, tel +298 350 100 (wilhelmp@petroleum.fo) or Teitur Samuelsen, Financial Manager, tel +298 350 100 (teiturs@petroleum.fo). This announcement will be available, together with other information about Atlantic Petroleum, on the Company's website: www.petroleum.fo.

Notes to Editors:

Chestnut Field

- The Chestnut Field is one of the oldest undeveloped oil fields in the North Sea having been discovered in 1986
- Chestnut lies approximately 180 kilometres east of Aberdeen in a water depth of 120 meters and is located 13 kilometres south east of the Alba oil field
- The Chestnut field co-venturers are:
 - Venture Production plc (operator) - 69.875%
 - Bow Valley Petroleum (UK) Limited - 15.125%
 - Atlantic Petroleum UK - 15%
- Atlantic Petroleum acquired its 15% interest in the Chestnut Field in 2003
- FDP (Field Development Plan) approval for the Chestnut Field was obtained in late 2005 for a single production well development with water injector support
- The water injector well (22/2a-12) was drilled by the partnership mid-2006 and showed good pressure communication with the original production well
- First oil was achieved on 22nd September 2008.

Sevan Hummingbird

- The Hummingbird platform is a Sevan 300 FPSO (floating production storage and offloading vessel) with an oil storage capacity of 270,000 barrels. The unit can carry up

Issued 05-11-2008

P/F Atlantic Petroleum
Gongin 9
P.O. Box 1228
FO-110 Tórshavn
Faroe Islands

Telephone +298 350 100
Fax +298 350 101
Website: www.petroleum.fo

- to 3 risers and umbilicals and will have an oil processing capacity of 30,000 barrels of oil per day and a water injection capacity of 20,000 barrels of water per day.

