



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

Celtic Sea operations update

Tórshavn, Faroe Islands, 26th August 2008 – Atlantic Petroleum (OMX: FO-ATLA) the international upstream oil and gas company, today announces that the 50/11-4 well, on the north-west flank of its Hook Head oil discovery offshore southern Ireland in Standard Exploration Licence 2/07, is to be plugged and abandoned. The well encountered 30 feet of net hydrocarbon pay in the shallow secondary target and residual oil shows in the primary objectives. The rig will be moving to the Dunmore location and is expected to commence drilling within ten days.

The Hook Head appraisal well (50/11-4) was drilled on the north-west flank of the Hook Head structure using the Transocean semi-submersible GSF Arctic II rig; it was spudded on August 5th, 2008. The well was successfully drilled to a total depth (TD) of 4,875 feet true vertical depth subsea (TVDSS). All geological horizons in the Wealden sand package were within the pre-drill depth prognosis and oil and gas shows were encountered whilst drilling. The well encountered 30 feet of net hydrocarbon bearing Lower Cretaceous sands above the primary objective. The same age sands were logged as being hydrocarbon bearing in the 50/11-3 well, located about 2.3 km to the south-east. Reservoir quality across these intervals was excellent with average porosities of about 27%. This well is the fourth well to be drilled on the Hook Head structure, all of which have logged hydrocarbons.

However, given that the net hydrocarbon bearing intervals in the 50/11-4 well were substantially less than were expected in the pre-drill estimates, the Company and its partners took the decision to plug and abandon the 50/11-4 well. The initial well results suggest that the majority of the Hook Head resource lies in the central part of the structure already demonstrated by the 50/11-1 and 50/11-3 wells, however, the north-west flank could potentially provide additional incremental resources for any future development in the area. The 50/11-4 well results will now be integrated into the Hook Head full field model before finalising forward plans for the accumulation.

In the meantime, and as per programme, the Company has now started the process to move off Hook Head and mobilise the Arctic II drilling unit to the Dunmore oil appraisal well (50/6-D), located approximately 20 kilometres to the north of Hook Head. Drilling on Dunmore is expected to commence within 10 days.

Commenting on the well, Wilhelm Petersen, Managing Director of P/F Atlantic Petroleum said:

“The results of the well were not as anticipated. Further work is required to integrate the results of this well with the other wells in the field to determine the future work programme for Hook Head. We are looking forward to starting operations on the Dunmore well.”

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.



Celtic Sea Standard Exploration Licence 2/07

Standard Exploration Licence 2/07 refers to part blocks 49/22, 49/23, 48/29, 48/30, 49/26, 49/27, 49/28, 49/8, 49/9, 49/13, 49/14, 50/6, 50/7 & 50/11 in the North Celtic Sea Basin, offshore southern Ireland. The current Standard Exploration Licence 2/07 partners and their respective percentages are Providence Resources Plc (Operator) 48.6556%, Challenger Minerals (Celtic Sea) Limited 24.5%, Forest Gate Resources Inc. 8.3889%, Atlantic Petroleum (Ireland) Limited 12.3037% and Sosina Exploration Limited 6.1519%.

About Dunmore

The Dunmore oil discovery is located in c. 70 metre water depth being c. 40 km offshore Wexford and is situated in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The 50/6-1 discovery well was drilled in 1986 by Gulf Oil (now part of Chevron), and tested a c. 60' gross interval at a rate of c. 2,100 BOPD from sands of Upper Jurassic age at a depth of c. 5,000' TVDSS. The oil is a light, sweet, 44o API crude and is interpreted to be trapped in a downthrown terrace structure. Mapping of reprocessed 2D seismic data now suggest that this structure rises to the east of the 50/6-1 well location and that an appraisal well would be optimally drilled c. 500' up-dip from the 50/6-1 well. On the assumption that a common contact exists between the 50/6-1 discovery well and this crestal area, a number of sands which were water bearing in the original well should be oil bearing at the crestal area thereby significantly increasing the potential flow rates.

About Hook Head

The Hook Head Field is located in c. 240' water depth being c. 60 km offshore Wexford and is situated in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The Hook Head structure is a large mid-basinal anticline where three previous wells have successfully encountered hydrocarbon bearing sands. The original 50/11-1 discovery well, which was drilled by Marathon in 1971, logged c. 100 feet of hydrocarbon bearing section in five sandstone units of Lower Cretaceous age. The well was not flow-tested due to severe operational issues at that time. The subsequent 50/11-2 appraisal well, which was drilled by Marathon in 1975 was drilled as a delineation well at the down-dip edge of the structure and encountered c. 25' of hydrocarbon bearing section.

In 2007, Providence drilled the 50/11-3 well on a central location some 2 km northeast of the 50/11-1 well and successfully logged a total of c. 110' of net hydrocarbon bearing reservoir. The reservoir zones are of equivalent age to those encountered in the 50/11-1 & 2 wells, located c. 2.5 km and c. 5 km to the south-west, respectively. Whilst key reservoir and fluid data were acquired during the initial well flowing period, down-hole mechanical conditions, which were primarily related to the integrity of the casing string cement bond, delayed the implementation of a full flow test programme. The 50/11-3 well was suspended for future re-entry and potential use as a production well.

