



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

SECURES RIG FOR OFFSHORE IRELAND 2008

HOOK HEAD DRILLING CAMPAIGN PLANNED

Tórshavn, Faroe Islands 15th February 2008 – P/F Atlantic Petroleum (OMX: FO-ATLA) the international upstream oil and gas company, is pleased to confirm that a semi-submersible rig has been secured for a drilling campaign in the Celtic Sea during the summer of 2008. This follows on from Atlantic Petroleum's announcement of 10th October 2007, confirming the presence of a significant oil accumulation at the Hook Head structure with the drilling of the 50/11-3 appraisal well.

This drilling campaign in the Celtic Sea, together with other business opportunities in the horizon, are in line with Atlantic Petroleum's growth strategy. Therefore, in order to be in a better position for these opportunities and to follow the Group's growth strategy in the short term, a share capital increase is considered to take place during the cause of 2008.

Under the terms of the deal agreed, the Celtic Sea partners have hired the Transocean semi-submersible rig, the GSF ARCTIC 2. The contract consists of two firm wells plus an option on a third well. The primary objective of the drilling campaign will be to further appraise the Hook Head oil accumulation. Depending on the outcome of this appraisal programme, the partners may then elect to drill a further appraisal well on the adjacent Dunmore East 50/6-1 oil discovery, located some 20 kilometres north of the Hook Head accumulation. Details on the precise drilling locations and the sequencing of drilling will be confirmed over the coming months.

Commenting on the announcement, Mr Wilhelm Petersen, CEO said:

"We will soon start production from Chestnut and Etrick fields, so it is important for us to take other assets further up in the value chain. Therefore we are very happy that the partnership has been able to secure a rig to drill further appraisal wells in 2008 on the Hook Head discovery and in a success case bring this asset closer to development. If the appraisal turns out positive, it should not only allow Atlantic Petroleum to continue to build on the Hook Head discovery, but may also allow the partnership to advance the development potential of the many other undeveloped discoveries in our Celtic Sea licences."



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.

About Hook Head

The Hook Head structure is a large mid-basinal anticline where three wells have successfully encountered hydrocarbon bearing sands. The original IRL50/11-1 discovery well was drilled by Marathon in 1971 while the subsequent IRL50/11-2 appraisal well, which was also drilled by Marathon (1975), was located as a delineation well at the down-dip edge of the structure. Post-drill mapping by Marathon indicated that the crest of the structure was located to the north-east of the IRL50/11-1 discovery well, which was further supported by the seismic data acquired by Providence in 2006. This view has now been confirmed based on data from the IRL50/11-3 appraisal well which was drilled in 2007. Pre-drill, in-house, operator volumetric estimates suggested that the Hook Head accumulation has total prospective resources of up to 70 MMBO REC.

Details on Hook Head 50/11-3 Well

The well was drilled during August–October 2007 and was located in c. 240 ft. water depth. The well was situated c. 60 km offshore southern Ireland in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The licence interest is jointly held by six companies and is operated by Providence Resources. Atlantic Petroleum holds 10,8824% in the licence (see below). The well was drilled to a total depth (TD) of 4,880 ft. true vertical depth subsea (TVDSS) using the semi-submersible drilling rig Petrolia.

Some of the key results determined from the drilling programme and the preliminary evaluation of the well data were:

- The well was drilled on the crest of the structure and was on geological prognosis confirming the pre-drill interpretation.
- Hydrocarbons were encountered over a 484 ft. gross interval in the main target zone with 75 ft. of net hydrocarbon bearing section.
- Three further prospective zones, which were identified pre-drill as exploration targets for the well, were all logged as being hydrocarbon-bearing. These good quality reservoir zones, which are above the main target zone, had good



- oil/gas shows whilst drilling and logged a cumulative of c. 20 ft. of additional net pay.
- The hydrocarbon type recovered is now confirmed as a sweet mid-gravity waxy crude oil, with some associated gas.
 - The reservoir is normally pressured to c. 1,170 psi at c. 2,550 ft. TVDSS.
 - The reservoir porosities within the hydrocarbon bearing zones are up to 27%.

Whilst key reservoir and fluid data were acquired during the initial well flowing period, down-hole mechanical conditions, which were primarily related a lack of good casing cement bond resulted in poor casing integrity, which in turn resulted in water ingress from zones above and below the main hydrocarbon-bearing intervals. This water ingress compromised the implementation of a full flow test programme.

Celtic Sea Licence 2/07

Licence No 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 and 50/11 in the North Celtic Sea Basin. Standard Exploration Licence 2/07 partners include, Providence Resources Plc (Operator) 43.5294%, Challenger Minerals (Celtic Sea) Limited 16.3235%, Dyas BV 16.3235%, Forest Gate Resources Inc. 7.5%, Atlantic Petroleum (Ireland) Limited 10.8824%, Sosina Exploration Limited 5.4412%.



Picture of the Transocean GSF ARCTIC 2 Semi Submersible Rig

