



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

Atlantic Petroleum confirms significant oil discovery at Hook Head, Celtic Sea, Offshore Ireland

Tórshavn, Faroes Islands, 10th October 2007 - Atlantic Petroleum (OMX: FO-ATLA) the international upstream oil and gas company, together with its Celtic Sea partners, is pleased to announce the confirmation of a significant oil accumulation at Hook Head, with good quality oil recovered from target reservoir zones. Operational issues precluded a full investigation of the reservoir, however key data was obtained that will aid future planning. The 50/11-3 appraisal well, operated by Providence Resources and spudded on 17th August 2007, has now been suspended and the rig is being demobilised.

Atlantic Petroleum, together with its partners, announces that it has now ended its well testing operations on the 50/11-3 Hook Head appraisal well, offshore Ireland. The well, which is located in about 240 ft. water depth and is about 60 km offshore southern Ireland, is situated in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The well was drilled to a total depth of 4,880 feet true vertical depth subsea using the semi-submersible drilling rig Petrolia, which the operator Providence Resources and partners had contracted for a 50-day period.

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

- 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 feet gross interval in the main target zone, with 75 feet 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 about 20 feet of additional net pay
- The hydrocarbon type recovered is now confirmed as a good quality (around 30 degree API) crude oil, with associated gas
- The reservoir is normally pressured to around 1,170 psi at around 2,550 feet true vertical depth subsea
- 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 to the integrity of the casing string cement bond, delayed the implementation of a full flow test programme. Further work on the down-hole mechanical conditions was precluded by the time limitations relating to the rig contract. Accordingly, the partners have now agreed to suspend the well for future re-entry and potential use as a production well, having gathered all data that can be reasonably acquired at this time. The rig is currently being demobilised.

The Hook Head partners have committed to an immediate and detailed evaluation of the well results, in the context of operations as well as reservoir data, with a view to further appraisal/ development drilling at Hook Head early in the 2008 drilling season. Discussions have already commenced regarding the securing of an appropriate rig.

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

"Atlantic Petroleum are very pleased with the results of the well and the progress made towards confirming the validity of Hook Head as a viable oil field. It was unfortunate that operational issues precluded a full investigation of the reservoir, however we obtained key data that will aid future planning. We look forward to working with Providence and our partners towards evaluating the data, drilling further wells and investigating the potential development scenarios for Hook Head, in accordance with our strategy."

*A lack of good casing cement bond resulted in poor casing integrity, which resulted in water ingress from zones above and below the main hydrocarbon-bearing intervals. Several sequential remedial cement jobs were carried out which hampered the ability to carry out a full testing programme within the timeframe available. However, this remedial work has secured the well for potential future re-use.

About Hook Head

The Hook Head structure is a large mid-basinal anticline where two previous wells have encountered hydrocarbon bearing sands. The original IRL50/11-1 discovery well was drilled by Marathon in 1971. A subsequent IRL50/11-2 appraisal well was drilled by Marathon in 1975 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 and is now substantiated by the this IRL50/11-3 appraisal well. This crestal location is some 2 km northeast of the IRL50/11-1 well and is about 70 metres structurally higher than



the original well. Pre-drill, in-house, volumetric estimates suggested that the Hook Head discovery has a STOIP figure of up to 391 MMBbls oil over 3 panels, containing prospective resources of up to 70 MMBbls oil.

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%.

* Farm in subject to Ministerial Consent

Further Details

Further details can be obtained from Wilhelm Petersen, Managing Director, tel +298 350 100 (wilhelmp@petroleum.fo) or Teitur Samuelson, 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.



Offshore worker looks on as the 50/11-3 Hook Head appraisal well flows to surface during initial well testing operations