



ATLANTIC PETROLEUM

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Announcement from Atlantic Petroleum

Atlantic Petroleum to publish Prospectus in connection with Rights Issue to raise Gross Proceeds of up to DKK 188 million

Tórshavn, Faroe Islands, 1st October 2009 – P/F Atlantic Petroleum (OMX: FO-ATLA) the international upstream oil and gas company, announces that the Supervisory Board of P/F Atlantic Petroleum has today decided to use its authorisation to increase the Company's share capital and has to this effect today obtained approval from NASDAQ OMX Iceland of a prospectus to be issued in connection with an offering of shares with pre-emptive rights ("Pre-emptive Rights") to the Company's existing shareholders (the "Offering"). The Company plans to publish the prospectus tomorrow, 2nd October.

The Offering comprises up to 1,500,973 new shares with a nominal value of DKK 100 each (the "Offer Shares"), offered at the ratio of 4:3, i.e. four new shares for three existing. Four Pre-emptive Rights are allocated for each existing share held, and for every 3 Pre-emptive Rights, the holder will be entitled to subscribe for 1 Offer Share at a subscription price of DKK 125 per Offer Share.

The last day of trading of Existing Shares incl. Pre-emptive Rights will be tomorrow 2nd October 2009.

Reasons for the Offering and use of proceeds

The reason for the Offering is a wish to strengthen the Company's financial position and thereby to establish a stronger financial basis for the future development of the Company.

Upon full subscription of the Offering, assuming an issue of 1,500,973 Offer Shares (corresponding to the maximum Offering), gross proceeds to the Company will be approximately DKK 188 million while net proceeds (gross proceeds less estimated costs to the Company relating to the Offering) are expected to be approximately DKK 175 million. Given a subscription of DKK 68 million (corresponding to the amount in respect of which the Company has received undertakings to subscribe), the Company expects to receive net proceeds from the offering of DKK 60 million.

Out of the net proceeds, first DKK 172 million will be used to make repayments under the Company's loans (please refer to the Company's announcement of 27th

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September 2009 regarding the Company's amended loan conditions). The remaining net proceeds from the Offering, after repayment of loans, will remain in the Company.

Binding advance subscription undertakings

The Offering is not underwritten, but certain of the Company's shareholders including, but not limited to, Eik Banki, TF Holding, Sp/F 14, Føroya Livstrygging, Bikubenfonden af 1989, and the Managing Director and CEO of the Company Wilhelm E. Petersen, have each entered into a binding undertaking to exercise Pre-emptive Rights allocated to them in the Offering and consequently to subscribe for, in aggregate, 327,082 Offer Shares, corresponding to total gross proceeds to the Company of approximately DKK 41 million (approximately € 5 million). Further, a number of investors have made binding undertakings to take effect if not all Pre-emptive Rights are exercised in the Offering, to subscribe for Offer Shares ensuring total minimum gross proceeds to the Company of approximately DKK 68 million. In addition, Føroya Banki has undertaken to subscribe for 160,000 Offer Shares corresponding to DKK 20 million (approximately € 3 million) to become effective once Offer Shares providing for gross proceeds equal to at least DKK 130 million have been subscribed for in the Offering, whether through exercise of Pre-emptive Rights or otherwise.

Offer price

The Offer Shares are offered at DKK 125 per share of DKK 100 nominal value, free of brokerage fees.

Subscription rights

Shares traded after 5th October 2009 at 8:00 a.m. Faroese time (corresponding to 9.00 a.m. CET and 7.00 a.m. Icelandic time) will be traded ex Pre-emptive Rights. On 7th October 2009 at 11:30 a.m. Faroese time (corresponding to 12.30 p.m. CET and 10.30 a.m. Icelandic time), anyone who is registered with VP Securities A/S as a shareholder of Atlantic Petroleum as well as holders of paper shares of Atlantic Petroleum will be allocated Pre-emptive Rights. Existing shareholders will be allocated four (4) Pre-emptive Rights for each existing share of DKK 100 nominal value held, and for three (3) Pre-emptive Rights, the holder is entitled to subscribe for one (1) Offer Share of DKK 100 nominal value. The Pre-emptive Rights may be traded on NASDAQ OMX Iceland and NASDAQ OMX Copenhagen during the period from 5th October 2009 at 9:00 a.m. CET and 7:00 a.m. Icelandic time to 22nd October 2009 at 5:00 p.m. CET and 3:23 p.m. Icelandic time. Pre-emptive Rights that are not exercised during the subscription period will lapse with no value, and the holder of such Pre-emptive Rights will not be entitled to compensation.



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Investors wishing to subscribe for Offer Shares not subscribed to through exercise of Pre-emptive Rights must do so through their own custodian institution or through the Global Co-ordinator or the Co-manager and by using the subscription form, which will be enclosed with the prospectus.

Subscription ratio

The Offering is completed at the ratio of 4:3 for Atlantic Petroleum's existing shareholders.

Subscription period

The Offer Shares may be subscribed from 8th October 2009 at 8:00 a.m. Faroese time (corresponding to 9.00 a.m. CET and 7.00 a.m. Icelandic time) to 27th October 2009 at 6:00 p.m. Faroese time (corresponding to 7:00 p.m. CET and 5:00 p.m. Icelandic time).

The Offer Shares are issued under a temporary securities identification code and approved for admission to trading on NASDAQ OMX Iceland and NASDAQ OMX Copenhagen as from 3rd November 2009.

Registration of the Offer Shares with the Faroese Company Registration will take place following completion of the Offering, expected to be on 2nd November 2009, and as soon as possible thereafter, the temporary securities identification code will be merged with the securities identification code of the existing shares.

Global Coordinator

Handelsbanken Capital Markets (a division of Svenska Handelsbanken AB (Publ.))

Co-manager

Eik Banki P/F

Expected timetable of principal events

Last day of trading of Existing Shares incl. Pre-emptive Rights:	2 nd October 2009
First day of trading of Existing Shares excl. Pre-emptive Rights:	5 th October 2009
Trading period for Pre-emptive Rights commences:	5 th October 2009 at 9:00 a.m. CET on NASDAQ OMX Copenhagen and 9:00 a.m. Icelandic time on NASDAQ OMX Iceland

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Allocation time:	7 th October 2009 at 11:30 a.m. Faroese time (corresponding to 12.30 p.m. CET and 10.30 a.m. Icelandic time) through the computer system of VP Securities Services
Subscription period for Offer Shares begins:	8 th October 2009 (the day after the Allocation Time)
Trading period for Pre-emptive Rights ends:	22 nd October 2009 at 5:00 p.m. CET on NASDAQ OMX Copenhagen and 03:23 p.m. Icelandic time on NASDAQ OMX Iceland
Subscription period for Offer Shares ends:	27 th October 2009 at 6:00 p.m. Faroese time (corresponding to 7:00 p.m. CET and 5:00 p.m. Icelandic time)
Publication of the results of the Offering:	Not later than two business days after the end of the Subscription Period (expected to be on 29 th October 2009)
Completion of the Offering:	The Offering will only be completed if and when the Offer Shares subscribed are issued by the Company upon registration of the capital increase with the Faroese Company Registration which is expected to take place on 2 nd November 2009
Official listing of Offer Shares under existing securities code expected to take place:	3 rd November 2009

Prospectus

Requests for copies of the prospectus containing detailed information about Atlantic Petroleum and the complete terms and conditions of the Offering may be addressed to:

Handelsbanken Capital Markets
Havneholmen 29
DK-1561 Copenhagen V

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After publication, the prospectus will also be available at the Company's registered office in Tórshavn, Faroe Islands. Subject to certain exceptions, the prospectus can also be downloaded from the Company's website: www.petroleum.fo.

Restrictions applicable to the Offering

This announcement does not constitute an offer or an invitation to invest in the Company. Subscription for shares should only take place based on the published prospectus.

Regardless of the above, Atlantic Petroleum expects that due to restrictions under applicable law and rules, some or all investors residing in the United States, Canada, Australia, Japan and other jurisdictions outside Faroe Islands, Denmark and Iceland may not have the prospectus distributed to them and may not be able to exercise their Pre-emptive Rights or subscribe for the Offer Shares. The prospectus does not constitute an offer of or an invitation to purchase any Pre-emptive Rights or subscribe for any Offer Shares in any jurisdiction in which such offer or invitation would be unlawful.

Tórshavn , 1st October 2009

Birgir Durhuus
Chairman
and CEO

Wilhelm Petersen
Managing Director

Further details can be obtained from Birgir Durhuus, Chairman of the Board, tel +45 2542 4337 (birgird@petroleum.fo) or Wilhelm Petersen, Managing Director and CEO, tel +298 350 100 (wilhelmp@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 e-mail newsletter.

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About Atlantic Petroleum

Atlantic Petroleum is a Faroese independent exploration and production (E&P) company with oil and gas interests in the North Sea, East Irish Sea and Celtic Sea and on the Faroese Continental Shelf. The Company has interests in 15 licences containing around 30 fields, discoveries, prospects or leads. Furthermore, Atlantic Petroleum has partnerships with 17 international oil companies operating in North West Europe. The objective of Atlantic Petroleum is to develop the offshore oil and gas potential in North West Europe on a commercial basis, and presently the Company engages in activities ranging from exploration, through appraisal, to development and production. Atlantic Petroleum's shares are listed on both NASDAQ OMX Iceland and NASDAQ OMX Copenhagen.