

P/F ATLANTIC PETROLEUM

Condensed Consolidated Interim Report

For the 6 months ended 30th June 2009

DKK



ATLANTIC PETROLEUM

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Report for 1H 2009

Forecast for 2009 unchanged and positive net cash from operating activities of DKK 28.1MM for 1H 2009. Operating loss for 1H 2009 of DKK -112.9MM after impairments of DKK 113.9MM

Highlights

Operational

- Total production in 1H 2009 was 256,896 bbl corresponding to an average production of 1,419 bopd (barrels of oil per day). The production in 2Q 2009 amounted to 137,140 bbl (1Q 2009: 119,756 bbl), corresponding to an average of 1,507 bopd (1Q 2009: 1,330 bbl) net to Atlantic Petroleum. Production in 1H 2009 was related to the Chestnut field including South Chestnut, which has performed as expected. Chestnut South was tied in to the Hummingbird platform on the Chestnut field during 1Q 2009.
- The Ettrick field commenced production in mid-August 2009 and is expected to add approximately 1,650 boepd (barrels of oil equivalents per day) net to Atlantic Petroleum's production and thus more than double the production rates.
- In June the Crosby 110/14d-8 exploration well was drilled on UK licence P099 in the East Irish Sea Basin with the Ensco 92 jack-up rig. The well was plugged and abandoned as a dry well. The well was drilled to a total depth of 4,572 feet MD. The Triassic Sherwood Sandstone reservoir was encountered but proved to be water wet. Accordingly the investments in the Crosby well and the investments in West Lennox were written off as West Lennox was dependent on success on Crosby.
- Following the drilling of the Hook Head 50/11-4 and Dunmore 50/6-4 wells in July to October 2008 a number of studies have been completed by the operator. The outcome of the studies suggests that the potential commerciality on these assets is more uncertain than before. Accordingly the investments have been written off. The impairment does not impact the companies booked resources, as the Competent Persons Report issued by Fugro on 1st January 2009 does not have resources associated with Hook Head or Dunmore. Challenger Minerals has withdrawn from the Irish licences and accordingly, Atlantic Petroleum's interest in Standard Exploration Licence 2/07 and Standard Exploration Licence 3/07 has increased from 13.4304% to 18.333%. The changes in the participating interests are subject to government authority's approval.
- Atlantic Petroleum and its partners StaoilHydro, DONG Energy and Faroe Petroleum have completed the acquisition of seismic data on Faroese licence 016. The seismic data will now be analysed to mature the structure.
- Atlantic Petroleum's interest of 8.27% in UK P317 licence, which includes the Blackbird discovery, remains unchanged as a back-in option from a previous owner in the UK Licence P317, has lapsed.

Financial

- Revenues of DKK 50.0MM in 2Q 2009 (2Q 2008: DKK 0MM) and DKK 76.6MM in 1H 2009 (1H 2008: DKK 0MM). Average realised oil price increased to 56.3 USD/bbl in 2Q 2009 from 38 USD/bbl in 1Q 2009. The average realised oil price for 1H 2009 was 48.5 USD/bbl.



- Gross profit of DKK 15.2MM in 2Q 2009 (2Q 2008: DKK 0MM) and DKK 11.0MM in 1H 2009 (1H 2008: DKK 0MM).
- Impairments of DKK 108.1MM in 2Q 2009 (2Q 2008: DKK 0.2MM) and DKK 113.9MM in 1H 2009 (1H 2008: DKK 0.3MM) related to the Irish licences, the Crosby and West Lennox licences. The impairments have no cash flow effect.
- Operating profit (EBIT) of DKK -97.5MM in 2Q 2009 (2Q 2008: DKK -4.6MM) and DKK -112.9MM in 1H 2009 (1H 2008: DKK -9.6MM).
- Profit before taxation of DKK -56.9MM in 2Q 2009 (2Q 2008: DKK 2.8MM) and DKK -48.2MM in 1H 2009 (1H 2008: DKK -31.4MM).
- Net cash flow from operating activities in 1H 2009 of DKK 28.1MM (1H 2008: DKK -11.1MM).
- Total assets of DKK 683.0 MM (At year end 2008: 642.9 MM)
- Total shareholder's equity of DKK 123.2MM (at year end 2008: 166.8MM)
- The repayment of the bridge loans has been extended from 31st July 2009 and 31st December 2009 to 31st December 2010 or earlier, subject to certain conditions including the completion of a proposed share capital increase and/or the securing of a senior loan facility.

2009 Outlook

Operational

- Production is expected to be in the range of 3,200 to 3,600 boepd with production from Ettrick including Jarvis and Chestnut and thus more than double the production.
- Slight downgrade of total estimated production in 2009 primarily due to delayed production start-up from Ettrick. Estimated total production in the range of 725,000 to 825,000 barrels net.
- Optimize the production on Ettrick prior to drilling additional development wells.
- The Blackbird discovery and other potential tie backs to Ettrick will be evaluated.
- The Perth field will be brought closer to development.

Financial

- EBIT is unchanged and expected to reach DKK 50-60MM for 2009 before deduction of unsuccessful exploration/appraisal costs.
- The production in 2009 is estimated to be slightly lower than previously forecasted due to later start-up of production from the Ettrick field than anticipated. The production is now estimated to be in the range of 725,000 to 825,000 barrels net to Atlantic Petroleum compared to previously 800,000-900,000 barrels.

The decrease in the estimated production will be offset by higher estimated oil prices. The current spot USD and GBP exchange rates are assumed. The estimated oil price for the second half of 2009 is 72 USD/bbl, approximately equal to the average forward oil price curve for the rest of 2009. This gives an average oil price of 64 USD/bbl for 2009. The previously estimated figure was based on an average oil price of 53-54 USD/bbl.

- Based on the assumption above, we still expect a cash flow from the operating activities in excess of DKK 100MM in 2009.
- Investments in exploration and appraisal activities of approximately DKK 7MM for the remainder of 2009.
- Investments in field developments estimated to approximately DKK 25-30MM for the remainder of 2009 depending on the timing of further development drilling on Ettrick.
- Announcement of a share capital increase.

Comparison figures

Summary of figures for 2Q 2009 and comparison figures for the preceding four quarters:

	3 months 30 June 2009 KDKK	3 months 31 March 2009 KDKK	3 months 31 December 2008 KDKK	3 months 30 September 2008 KDKK	3 months 30 June 2008 KDKK
Revenue	50,012	26,618	43,267	0	0
Gross profit	15,242	-4,274	16,449	0	0
Operating profit	-97,471	-15,419	8,301	-4,365	-4,607
Profit before taxation	-56,897	8,733	-110,262	-3,758	2,822
Profit after taxation	-47,768	15,341	-54,477	-3,772	2,813
Non-current assets	645,207	676,771	621,797	598,656	480,569
Current Assets	37,778	29,213	21,082	19,565	16,734
Total assets	682,985	705,984	642,879	618,221	497,303
Current liabilities	114,910	486,340	436,786	398,943	272,995
Non current liabilities	414,848	43,715	39,267	24,068	24,425
Total liabilities	559,758	530,055	476,053	423,011	297,420
Net assets	123,227	175,928	166,826	195,210	199,883
Equity	123,227	175,928	166,826	195,210	199,883
Net cash provided from operating activities	25,434	2,680	10,129	-5,334	-10,585
Net cash used in investing activities	-64,055	-73,671	-52,477	-129,796	-52,410
Net cash used in financing activities	33,491	72,600	41,489	135,706	64,196
(Dec.)/increase in cash and cash equivalents	-5,130	1,609	-859	576	1,201
Cash and cash equivalents	66	5,460	3,977	6,922	5,541
Equity ratio	18.0%	24.9%	25.9%	31.6%	40.2%
Full time equivalent positions	9	9	10	9	9
Earning per share	-42.43	13.63	-48.39	-3.35	2.50
Share price at end of period (OMX IS) DKK/Share	475	260	520	1,200	1,540
Share price at end of period (OMX CPH) DKK/Share	440	269	575	1,215	1,565
Operations:					
Production (working interest) (boepd)	1,507	1,331	438	0	0
Drilled exploration/appraisal wells	1	0	0	3	1

Status of licences

A brief outline of the status and forward program for the licences in which Atlantic Petroleum participates is shown below:

United Kingdom

Exploration

- UK Licence P099, Block 110/14c and 110/14d: An exploration well on the Crosby structure was drilled in the summer 2009 with the Ensco 92 jack-up rig. The well was plugged and abandoned as a dry well. The well was drilled to a total depth of 4,572 feet MD. The Triassic Sherwood Sandstone reservoir was encountered but proved to be water wet. Accordingly, the investments in the Crosby well and the investments in West Lennox were written off as West Lennox was dependent on success on Crosby. Atlantic Petroleum's equity in block 110/14d containing the Crosby prospect is 7.5%.

An agreement was completed with Challenger Minerals to farm down Atlantic Petroleum's equity in West Lennox from 25% to 12.5% prior to the drilling of the Crosby well.

- UK Licence P1478, Blocks 110/9b & 110/14b: These blocks lie adjacent to the P099 West Lennox & Crosby licence. Legacy 3D seismic has been obtained over the area and integrated into the current geological understanding of the area. The structure originally identified on 2D seismic as the Dee lead is now considered to be not present. The licence will be reassessed in the light of the Crosby results. An agreement has been completed with Challenger Minerals to farm down Atlantic Petroleum's equity in this licence to 12.5%.

Development

- UK Licences P273 & P317, Blocks 20/3a & 20/2a: The field was brought on stream mid-August 2009 but further development, including drilling, is expected to continue later this year or early 2010.

In the summer of 2008, the 20/2a-8 Blackbird well was drilled immediately to the south of the Ettrick field and oil was discovered in sandstones similar in age to those in the Ettrick field. The Blackbird discovery is promising and is anticipated to be a positive addition to production over the Ettrick field facilities. The well encountered 111 feet of net pay in multiple zones and tested at an average restricted rate of 3,800 bopd through a 34/64 inch choke. The discovery lies around six kilometres south of the Ettrick field and work is ongoing regarding development options. It is expected that Blackbird would have a subsea tie-back to the Aoka Mizu FPSO (floating production, storage and offloading) at Ettrick with first oil possible in 2011.

Atlantic Petroleum holds 8.27% equity in these licences.

- UK Licences P218 & P588, Blocks 15/21a, b, c & f: Development planning for the Perth Field is progressing and various development scenarios are under consideration, but it is expected that a field development plan will be submitted to the authorities for approval in the autumn of 2009 allowing for first production by 2011 or early 2012.

Atlantic Petroleum holds 3.75 % equity in these licences.

- UK Licence P1047, Block 20/3c: The licence contains the Marten 20/3-4 discovery well, drilled in 1984 by Amoco. It is hoped that the field can be tied back to Ettrick, Buzzard or a standalone facility, along with other sour oil fields in the area, such as the Bright (AP 8.27%) and Polecat discoveries. Atlantic Petroleum holds 17.5% equity in this licence.

**Production**

- UK Licence P354, Block 22/2a: The Chestnut field came on stream on 20th September 2008 and has been flowing at rates of 9,000 bopd to over 17,000 bopd (net 1,350 bopd to over 2,550 bopd to Atlantic Petroleum). During the first half of 2009, there have been nine cargos lifted, each between 185,000 and 213,500 barrels gross. The South Chestnut 22/22a-16Y well, which was successfully drilled in the later part of 2008, was tied into the Chestnut facilities and started production on 17th March 2009. Both wells have been performing well and the South Chestnut well has increased production, recoverable reserves and potential overall field life. Atlantic Petroleum holds 15% equity in this licence.
- UK Licences P317 & P273, Blocks 20/2a & 20/3a: The Ettrick field commenced oil production mid August 2009. The Ettrick field is expected to produce at rates up to 1,650 boepd net to Atlantic Petroleum via the FPSO vessel 'Aoka Mizu'. The reservoir lies within the Upper Jurassic Ettrick Sandstones with deeper Zechstein reservoirs in the Jarvis structure. Since field development approval was obtained by the UK authorities in July 2006, six wells have been drilled between March 2007 and March 2009. In April 2006, the partnership awarded Bluewater Ettrick Production (UK) Limited a contract for the production facilities and operations for the Ettrick field for an initial term of five years with extension options. The FPSO is designed to handle 30,000 bopd and 35 MMscfpd (million standard cubic feet per day) of gas.

Ireland

- Standard Exploration Licence 2/07: This licence includes four discoveries (Hook Head, Ardmore, Helvick and Dunmore) and further exploration structures. Following the drilling of the Hook Head 50/11-4 and Dunmore 50/6-4 wells in July to October 2008 a number of studies have been completed by the operator. The outcome of the studies suggests that the potential commerciality on these assets is more uncertain than before. Accordingly the investments have been written off. The impairment does not impact on the companies booked resources, as the Competent Persons Report issued by Fugro on 1st January 2009 does not have resources associated with Hook Head or Dunmore. Following the results of the studies Challenger Minerals have withdrawn from the licence. Accordingly Atlantic Petroleum's interest in Standard Exploration Licence 2/07 has increased from 13.4304% to 18.333%. The changes in the participating interests are subject to government authority's approval.
- Standard Exploration Licence 3/07: The licence includes the Blackrock & Rushane prospects. OBS seismic data was acquired in 2006 and following initial phase I studies, a phase II study is currently ongoing. Following Challenger Minerals withdrawal from the licence, Atlantic Petroleum's interest in Standard Exploration Licence 3/07 has increased from 13.4304% to 18.333%. The changes in the participating interests are subject to government authority's approval.
- Licensing Option 07/1: This Licensing Option was awarded in April 2007 and has a one year term. It is located in an area immediately adjacent to the Hook Head discovery (held under SEL 2/07). The area contains a number of mapped leads at a similar level to those which are hydrocarbon-bearing in the Hook Head structure. A licence extension was granted by the authorities in November 2008, allowing the licence to be held until August 2009. Atlantic Petroleum's equity in this Licensing Option is 13.4304%.

Faroe Islands

- Faroes Licence 006: The Brugdan exploration well was drilled in 2006 and was plugged and abandoned with minor gas shows. The results from the well have been analysed and future plans for the licence are currently being considered. The partnership is undergoing changes and Atlantic Petroleum is expected to hold a 1% interest in this licence when formalities are finalised.
- Faroes Licences 013 & 014: These 2nd Round Licences contain the Stella Kristina and Marselius leads. Long cable 2D seismic acquired in 2006 was processed, but this resulted in poor sub-basalt imaging. Consequently the seismic datasets over the licences were reprocessed by a different contractor during 2008 with encouraging imaging results. Interpretation of the new dataset has been carried out and based on this the partnership is considering taking the licence into a second exploration phase. Atlantic Petroleum holds 40% equity in each of the two licences.
- Faroes Licence 016: Atlantic Petroleum was awarded this license in December 2008 as part of the 3rd Licensing Round. Atlantic Petroleum's equity is 10% and the other partners in the licence are StatoilHydro (50% Operator), DONG Energy (30%) and Faroe Petroleum (10%). The area covers 5,312 square kilometres and is the largest licence to be awarded in Faroese waters. Atlantic Petroleum and its partners have acquired seismic data on the acreage during the first six months of 2009. The seismic data will now be analysed to mature the structure. The partnership has up to six years to decide whether or not to drill an exploration well.

Post Balance Sheet Events

On the 3rd July 2009 the company announced the Result of Extraordinary General Meeting held 3rd July 2009. Three new board members were elected to the Board. Diana Leo was elected as a Board Member to replace Kjartan Hoydal, Birgir Durhuus was elected to replace Petur Even Djurhuus and Jan Edin Evensen was elected to replace Óli Hammer. The two Board Members remaining on the Board are Poul R. Mohr and Mortan Johannesen.

On the 4th July 2009 the company announced the Election of Chairman and Deputy Chairman of the Board of directors. The Directors elected Birgir Durhuus as the Chairman of the Board and Poul R. Mohr as the Deputy Chairman.

On the 17th July 2009 the company announced the Impairment of Celtic Sea licence SEL 2/07. Following the drilling of the Hook Head 50/11-4 and Dunmore 50/6-4 wells in July to October last year a number of studies have been completed by the operator. The outcome of the studies suggests that, due to reservoir and oil quality issues, the potential commerciality of these assets is more uncertain than before. Further, due to uncertainty related to sufficient volume of the Dunmore Jurassic carbonate reservoir, which encountered hydrocarbon shows in an approximately 20 feet thick section, the company decided to write-off costs of approximately DKK 93.7MM in impairments. This amount has been incorporated in the 1H 2009 accounts. The write-off will not have any cash effect on the company. The impairment does not impact on the companies booked resources, as the Competent Persons Report issued by Fugro on 1st January 2009 does not have resources associated with Hook Head or Dunmore.

On the 18th August 2009 the company announced that Ettrick field commenced oil production. The Ettrick field is expected to produce at rates up to 1,650 boepd (barrels of oil equivalent per day) net to Atlantic Petroleum via the FPSO vessel 'Aoka Mizu'.

Endorsement and Signatures of the Board of Directors and the Managing Directors

The Condensed Consolidated Interim Report for the first six months of 2009 comprises the Consolidated Financial Statements of P/F Atlantic Petroleum and its subsidiaries. The Condensed Consolidated Interim Report is prepared in accordance with International Financial Reporting Standards 34 "Interim Financial Reporting" as adopted by the European Union.

We consider the accounting policies used to be appropriate, such that the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30th June 2009, and of the results of the Group's operations and cash flow for the period 1st January – 30th June 2009.

Tórshavn, 21st August 2009

Birgir Durhuus, Chairman

Poul R. Mohr

Jan Edin Evensen

Mortan H. Johannesen

Diana Leo

Managing Directors:

Wilhelm E. Petersen

Sigurð í Jákupsstovu

Auditor's Review Report

To the shareholders of P/F Atlantic Petroleum

According to agreement with the Company's Board of Directors, we have reviewed the accompanying condensed consolidated interim balance sheet of P/F Atlantic Petroleum and its subsidiaries as of 30th June 2009, and the related condensed consolidated statements of income and cash flows and notes for the six months ended 30th June 2009.

These condensed consolidated interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

Basis of opinion

We conducted our review in accordance with generally accepted review standards as applied in the Faroe Islands. This Standard requires that we plan and perform the review to obtain limited assurance as to whether the preliminary financial information is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Report does not give a true and fair view of the financial position of the Group as of 30th June 2009, and of the results of its operations and its cash flows for the six months ended 30th June 2009 in accordance with International Financial Reporting Standards 34 "Interim Financial Reporting" as adopted by the European Union.

Tórshavn, 21st August 2009

SP/F Grannskoðaravirkið *INPACT*

State Authorized Public Accountants

Jógvan Amonsson

State Authorized Public Accountant

Fróði Sivertsen

State Authorized Public Accountant



Consolidated Income Statement

For the period ended 30 June 2009

		3 months to 30 June 2009 DKK	3 months to 30 June 2008 DKK	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Note					
	Revenue	50,012,008	0	76,629,963	0
	Cost of sales	3 -34,770,105	0	-65,661,768	0
	Gross profit	15,241,903	0	10,968,195	0
	Exploration expense	-108,135,432	-155,191	-113,910,430	-261,456
	Pre-licence exploration costs	-221,241	-274,206	-364,903	-469,690
	General and administration costs	-4,469,659	-4,190,914	-9,722,506	-8,857,821
	Other operating income	113,458	12,900	139,858	30,100
	Operating profit	4 -97,470,971	-4,607,411	-112,889,786	-9,558,867
	Interest revenue and finance gains	5 50,732,052	6,902,284	76,634,901	1,249,843
	Interest expenses and other finance costs	-10,157,965	527,278	-11,909,163	-23,089,655
	Profit before taxation	-56,896,883	2,822,151	-48,164,047	-31,398,679
	Taxation	6 9,128,694	-8,914	15,737,350	-8,914
	Profit after taxation	-47,768,189	2,813,237	-32,426,697	-31,407,593
Earnings per share (DKK):					
	Basic	13 -42.43	2.50	-28.81	-27.90

Statement of Total Recognised Income and Expenses

For the period ended 30 June 2009

	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Profit for the period	-32,426,697	-31,407,593
Exchange rate differences	-13,285,015	5,276,795
Costs related to a share capital increase	-1,728,857	0
Warrant based payments	83,055	231,657
Fair value adjustment on securities available for sale for the period	3,758,199	-1,369,329
Changes in comprehensive income in the period	-43,599,315	-27,268,470

Consolidated Balance Sheet

As at 30 June 2009

		At 30 June 2009 DKK	At 31 December 2008 DKK
	Note		
Non-current assets			
Intangible exploration and evaluation assets	7	57,445,543	152,372,520
Development and production assets	8	518,617,175	423,227,716
Property plant and equipment	9	710,589	774,893
Deferred tax asset		68,433,964	45,422,324
		645,207,271	621,797,453
Current Assets			
Trade and other receivables	10	37,696,474	13,259,109
Securities available for sale		15,429	3,846,069
Cash and cash equivalents		65,800	3,976,820
		37,777,703	21,081,998
Total assets		682,984,974	642,879,451
Current liabilities			
Short term debt	12	105,056,725	365,260,871
Trade and other payables	11	34,609,058	66,936,486
Short term provision		5,244,000	4,588,740
		144,909,783	436,786,097
Non current liabilities			
Long term debt	12	364,162,219	0
Long-term provisions		50,685,563	39,266,629
		414,847,782	39,266,629
Total liabilities		559,757,565	476,052,726
Net assets		123,227,409	166,826,724
Equity			
Share capital		112,573,000	112,573,000
Share premium account		206,240,259	207,969,117
Translation reserves		23,341,162	36,626,177
Retained earnings		-218,927,013	-190,341,569
	15	123,227,409	166,826,724

Consolidated Cash Flow Statement

For the period ended 30 June 2009

	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Operating activities		
Operating profit	-112,889,786	-9,558,867
Impairment on non-current assets	114,704,548	255,727
Depreciation, depletion and amortisation	35,253,770	94,151
Warrant based payment	83,055	231,657
Decrease/(increase) in trade and other receivables	-13,483,255	-331,330
(Increase)/decrease in trade and other payables	11,418,988	-1,405,946
Interest revenue and finance gains received	29,338	1,247,376
Interest expenses and other finance costs paid	-6,970,989	-1,601,833
Income taxes paid	-31,788	-8,914
Net cash from operating activities	28,113,882	-11,077,979
Investing activities		
Capital expenditure	-123,372,496	-89,963,573
Capitalised interests and debt arrangement fee	-14,353,543	-6,215,775
Net cash from investing activities	-137,726,039	-96,179,348
Financing activities		
Increase in short term debt	-260,204,146	158,793,229
Increase in long term debt	364,162,219	-51,151,469
Repayment of short term debt	0	0
Realised securities	3,861,498	0
Costs related to a share capital increase	-1,728,857	0
Net cash from financing activities	106,090,713	107,641,760
Increase/Decrease in cash and cash equivalents	-3,521,444	384,433
Cash and cash equivalents at the beginning of the period	3,976,820	4,865,710
Currency translation differences	-389,576	291,016
Cash and cash equivalents at the end of the period	65,800	5,541,159

Notes to the Accounts

Accounting Policy

General information

P/F Atlantic Petroleum is a limited company incorporated and domiciled in the Faroe Islands and listed on NASDAQ OMX Nordic Exchange in Iceland and NASDAQ OMX Nordic Exchange in Copenhagen.

The principal activities of the Company and its subsidiaries (the Group) are oil and gas exploration, appraisal, development and production in the UK, Ireland and the Faroe Islands.

The Annual and Consolidated Report and Accounts of the Group as at and for the year ended 31st December 2008 are available upon request from the Company's registered office at Gongin 9, P.O. Box 1228, FO-110 Tórshavn, Faroe Islands or at www.petroleum.fo.

This Condensed Consolidated Interim Report is presented in DKK.

1. Statement of compliance

This Condensed Consolidated Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting* as adopted by the EU. It does not include all of the information required for full Annual Financial Statements, and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31st December 2008.

2. Significant accounting policies

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31st December 2008.



3. Costs of sale

	3 months to 30 June 2009 DKK	3 months to 30 June 2008 DKK	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Operating costs	-13,994,510	0	-32,067,940	0
Amortisation and depreciation, plant and equipment:	0	0	0	0
Oil and gas properties	-20,775,595	0	-33,593,828	0
Impairment of oil and gas properties	0	0	0	0
	-34,770,105	0	-65,661,768	0

4. Geographical segmental analysis

	3 months to 30 June 2009 DKK	3 months to 30 June 2008 DKK	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Revenues by origin and destination				
Faroe Island	0	0	0	0
United Kingdom	50,012,008	0	76,629,963	0
Ireland	0	0	0	0
	50,012,008	0	76,629,963	0
Operating profit/(loss) by origin				
Faroe Island	1,084,146	86,581	982,138	-845,361
United Kingdom	-1,152,446	-4,346,258	-15,787,702	-8,136,336
Ireland	-97,402,670	-347,735	-98,084,221	-577,171
	-97,470,971	-4,607,411	-112,889,786	-9,558,867

5. Interest revenue and expenses

	3 months to 30 June 2009 DKK	3 months to 30 June 2008 DKK	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Interest revenue and finance gains:				
Short term deposits	2,469	22,628	3,217	125,656
Exchange differences	50,729,583	6,757,801	76,631,684	1,002,332
Realised gains on securities	0	0	0	0
Dividend	0	121,855	0	121,855
	50,732,052	6,902,284	76,634,901	1,249,843
Interest expenses and other finance costs:				
Bank loan and overdrafts	-8,522,059	-3,428,370	-17,480,218	-5,505,219
Debt arrangement fees	-925,658	-487,867	-1,588,816	-1,216,412
Others	-69,927	-16,755	-91,557	-34,349
Exchange differences	-5,623,363	-296,326	-7,102,115	-22,549,450
Gross finance costs and other finance expenses	-15,141,007	-4,229,318	-26,262,706	-29,305,430
Interest and debt arrangement fee capitalised during the period	4,983,042	4,028,050	14,353,543	6,215,775
Interest expenses and other finance costs before adjustments	-10,157,965	-201,268	-11,909,163	-23,089,655
Adjustment to capitalised debt arrangement fee in 1Q 2008	0	728,545	0	0
	-10,157,965	527,277	-11,909,163	-23,089,655

6. Taxation

	3 months to 30 June 2009 DKK	3 months to 30 June 2008 DKK	6 months to 30 June 2009 DKK	6 months to 30 June 2008 DKK
Current tax :				
Faroese corporation tax	0	0	0	0
Overseas tax on interest income	0	0	0	0
Overseas tax on dividend	-31,788	-8,914	-31,788	-8,914
Total current tax	-31,788	-8,914	-31,788	-8,914
Deferred tax:				
UK Deferred tax (asset)	9,160,483	0	15,769,139	0
Faroese petroleum tax	0	0	0	0
Overseas tax	0	0	0	0
Total deferred tax	9,160,483	0	15,769,139	0
Tax on profit on ordinary activities	9,128,694	-8,914	15,737,350	-8,914

As at 30th June 2009, the company has a net deferred tax asset of DKK 25.6 million which has not been recognised in the company's accounts

This is made up of the following amounts:

Effect of capital allowances in excess of depreciation: DKK 2.8 million

Effect of tax losses available: DKK 28.3 million

The losses can be carried forward indefinitely.

7. Intangible exploration and evaluation assets

	At 30 June 2009 DKK	At 31 December 2008 DKK
Costs		
At 1 January	152,372,520	74,046,618
Exchange movements	6,795,957	-7,953,940
Additions	12,981,614	88,168,040
Disposal of licence	0	-1,599,815
Exploration expenditures written off	-114,704,548	-288,383
At end of period	57,445,543	152,372,520

Exploration expenditures written off refer to Hook Head, Dunmore, West Lennox and Crosby.

**8. Development and production assets**

	At 30 June 2009 DKK	At 31 December 2008 DKK
Costs		
At 1 January	423,227,716	312,689,287
Exchange movements	58,348,499	-76,799,273
Additions	70,747,052	198,570,208
Charge	-33,706,092	-11,232,506
At end of period	518,617,175	423,227,716

9. Property plant and equipment

	At 30 June 2009 DKK	At 31 December 2008 DKK
Costs		
At 1 January	774,893	526,986
Exchange movements	53,025	-8,150
Additions	0	454,494
Depreciations	-117,329	-198,437
At end of period	710,589	774,893

10. Receivables

	At 30 June 2009 DKK	At 31 December 2008 DKK
Trade receivables	24,276,930	6,123,886
Prepayments	1,749,659	3,155,761
Other taxes and VAT receivables	1,243,455	901,979
Other receivables	10,426,429	3,077,484
	37,696,474	13,259,109

11. Trade and other payables

	At 30 June 2009 DKK	At 31 December 2008 DKK
Trade payables	18,120,352	15,658,139
Accruals	16,466,719	51,261,270
Other payables	21,987	17,077
	34,609,058	66,936,486

12. Short and long term debt

	At 30 June 2009 DKK	At 31 December 2008 DKK
Short term debt	105,056,725	365,260,871
Long term debt	364,162,219	0
	469,218,944	365,260,871

According to the loan agreement the Group shall repay 90% of the free cash flow to the loan providers. It is estimated that the Group is able to repay DKK 105,056,725 before 1st July 2010.

The estimate of the cash flow is based on a number of underlying assumptions including estimated reservoir performance, operating costs, investments and oil and gas prices. Therefore the short term debt can be higher or lower.

13 Dividends

No interim dividend is proposed. (30 June 2008: DKK 0)

14 Earning per share

The calculation of basic earnings per share is based on the profit after tax and on the weighted average number of ordinary shares in issue during the period.

	Profit after tax		Weighted average number of shares		Earnings per share	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	DKK	DKK	DKK	DKK	DKK	DKK
3 Months to 30 June	-32,426,697	-31,407,593	,125,730	1,125,730	-28.81	-27.90
6 Months to 30 June	-47,768,189	2,813,237	1,125,730	1,125,730	-42.43	2.50

15. Consolidated statement of changes in equity

	Share capital	Share premium account	Retained earnings	Translation reserves	Total
	DKK	DKK	DKK	DKK	DKK
At 1 January 2008	112,573,000	207,969,117	-98,094,803	4,704,697	227,152,010
Issuance of warrants	0	0	378,533	0	378,533
Fair value adjustment on securities available for sale	0	0	-2,968,331	0	-2,968,331
Translation reserves	0	0	66	31,921,480	31,921,546
Total recognised income	0	0	-89,657,034	0	-89,657,034
At 1 January 2009	112,573,000	207,969,117	-190,341,569	36,626,177	166,826,724
Issuance of warrants	0	0	83,055	0	83,055
Fair value adjustment on securities available for sale	0	0	3,758,199	0	3,758,199
Translation reserves	0	0	0	-13,288,015	-13,288,015
Costs related to a share capital increase	0	-1,728,857	0	0	-1,728,857
Total recognised income	0	0	-32,426,697	0	-32,426,697
At 30 June 2009	112,573,000	206,240,259	-218,927,013	23,341,162	123,227,409

16 Capital commitments and guarantees

In connection with Atlantic Petroleum UK Ltd's assets in UK area, Atlantic Petroleum P/F has provided the following security towards the UK Department for Business, Enterprise and regulatory Reform:

1. A security is provided that Atlantic Petroleum P/F can always provide the necessary finance to enable Atlantic Petroleum UK Ltd to fulfil its obligations in the UK area.



2. A security is provided that Atlantic Petroleum P/F will not change Atlantic Petroleum UK Ltd's legal rights, so that this company can not fulfil its obligations.

3. A security is provided that if Atlantic Petroleum UK Ltd fails to fulfil its financial obligations, Atlantic Petroleum P/F will undertake to do so.

Atlantic Petroleum P/F answers for all obligations which Atlantic Petroleum UK Limited has in connection with purchase of assets from Premier Oil in accordance with the "Sales and Purchase Agreement.

In its participation in Joint Ventures Atlantic Petroleum and Joint Venture Partners are jointly liable to all commitments made by the Joint Venture.

The Group had capital expenditure committed but not provided in these accounts at 30th June 2009 of approximately DKK 3MM. The capital expenditure is in respect of the Group's interests in its exploration, development and production licences. To complete the development of Ettrick it is expected but not legally committed that the company, from the status period and the forth coming year will invest further approx DKK 70MM.

In accordance with the Group's participation in joint arrangements with other companies, an agreement has been signed whereby the Group is a party to a two and a half year charter contract for the use of a floating production, storage and offloading platform. The contract period commenced in 4Q 2008. The Group's annual commitment is estimated to USD 4MM.

Also, in accordance with the Group's participation in joint arrangements with other companies, an agreement has been signed whereby the Group is a party to a five year charter contract for the use of a floating production, storage and offloading platform. Payments under the contract are expected to begin in second half of 2009, with the Group's annual commitment being estimated at USD 3.5MM.

The total bridge loan facilities entered into by the company amount to a total of DKK 445MM, excluding interest. A bridge loan facility of DKK 35MM is repayable first and a bridge loan facility amounting to DKK 140MM shall be paid back before other bridge loans amounting to DKK 270MM In connection with the bridge loans facilities, P/F Atlantic Petroleum has charged, as security to the lenders:

- (i) its shares in its wholly owned subsidiary Atlantic Petroleum UK Limited; and
- (ii) its inter-company receivables from Atlantic Petroleum UK Limited.
- (iii) that Atlantic Petroleum UK Limited shall ensure that liquidity income into the company is only used to payments with consent from the lenders
- (iv) P/F Atlantic Petroleum has provided the lenders with a negative pledge. It is also agreed that if a share capital increase is carried out by P/F Atlantic Petroleum, the proceeds from the share capital increase shall be used to pay down the amount of this loan.

The bridge loans are repayable 31st December 2010 or earlier, subject to the completion of a proposed share capital increase and/or the securing of a senior loan facility. As part of the terms of the loan extension a third priority security in the shares in Atlantic Petroleum UK Ltd has been granted. Furthermore, the members of the consortium of lenders can call-in the loan to Atlantic Petroleum with 14 days notice for full repayment if, among other things, the company carries out certain investments without prior approval from the lenders, or if the refinancing of the company has not made material progress within 6 to 9 months. According to the loan agreement the Group shall repay 90% of the free cash flow to the loan providers.



17 Contingent considerations

The Group holds interests in certain UK Petroleum Production Licences which it acquired in 2003 and 2007. Contingent consideration of up to a maximum amount of approx DKK 5.2MM (GBP 600,000) is payable contingent on first hydrocarbons being achieved from these licences.