

# ANNUAL GENERAL MEETING

19<sup>th</sup> March 2011



ATLANTIC PETROLEUM



## AGENDA – ANNUAL GENERAL MEETING 2011

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1. Election of Chairman of the Meeting
2. The Board of Director's statement of the Company's activity during the previous accounting year
3. Presentation of Audited Annual Accounts for approval
4. Decision on how to use profit or cover loss according to the approved Accounts and Annual report
5. Election of Board of Directors
6. Election of auditor, who will sit until the next Annual General Meeting is held
7. Authority to the Board of Directors of the Company to buy own shares
8. General Guidelines for the Company's Incentive Payment to the Board of Directors and the Management Board
9. Proposal to changes in the Articles of Association of the Company
10. AOB



## 1. ELECTION OF CHAIRMAN OF THE MEETING

- The Board of Directors proposes to elect Mr. Petur Even Djurhuus as the Chairman of the Meeting



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## Still not attractive

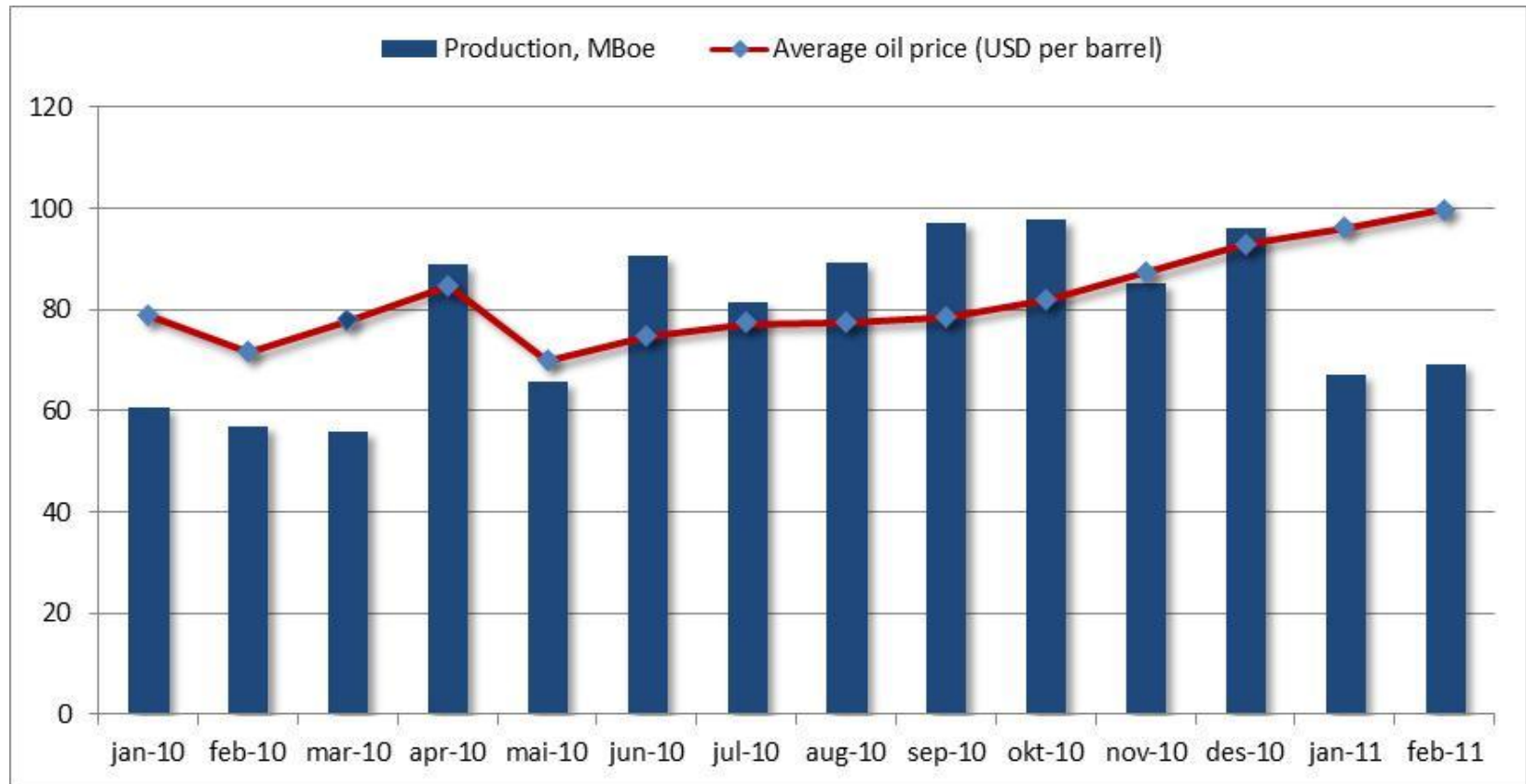
*We reiterate our Sell rating on Atlantic Petroleum ahead of its Q4 2009 report. Even though the rights issue has reduced the net debt, we still consider the risk profile too high. The limited number of triggers and the reduced production profile for the Chestnut field pose the biggest risk to the investment case. Our updated NAV value points to a fair value of DKK 150 per share, which we set as our new target price.*

## Atlantic Petroleum Sell

Industry group (GICS): Oil & Gas  
Exploration & Production Target price  
(0-12M): DKK 150.00  
Country: Denmark Share price  
(close): DKK 162.50



## PRODUCTION AND AVERAGE OIL PRICE

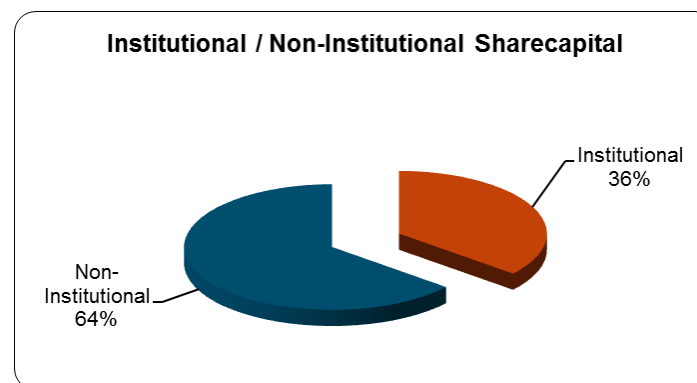
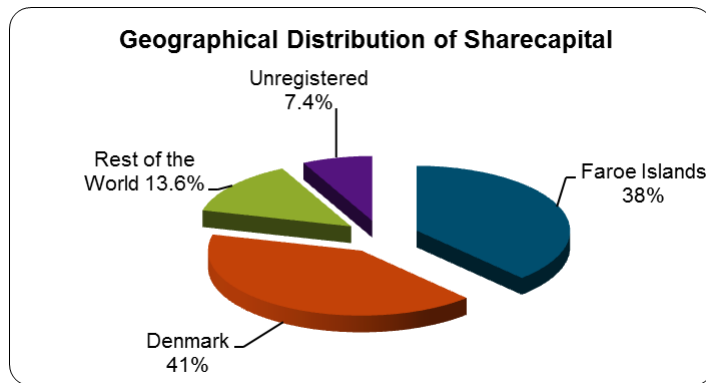
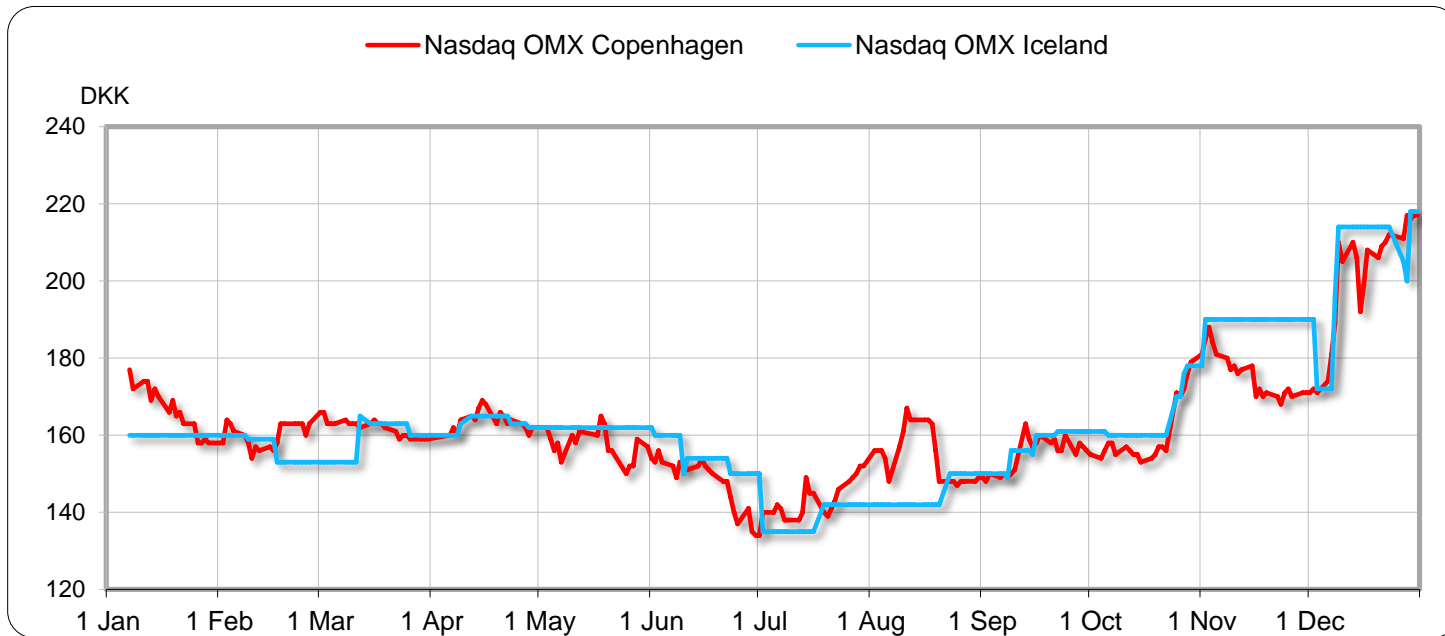


Note: Production of barrels of oil equivalents (1.000) and average realised oil price per month

# SHARE PERFORMANCE 2010



ATLANTIC PETROLEUM







## Soft guidance explained by Blackbird start-up

*We reiterate our Buy recommendation and DKK 260 per share target price on Atlantic Petroleum after its Q4 results. The numbers for Q4 were better than expected while guidance for 2011 was below our expectations. However, the main explanation for the soft guidance is the tie up of the Blackbird field to existing infrastructure at Ettrick. Blackbird is expected to go into production in H1 2012, thereby strengthening the production profile of the company.*

## Atlantic Petroleum Buy

Industry group (GICS): Oil & Gas Exploration & Production  
Target price (0-12M): DKK 260.00  
Country: Denmark  
Share price (close): DKK 233.00

## NEW MANAGEMENT TEAM



ATLANTIC PETROLEUM



**Ben Arabo** CEO

- 14 years of experience with Hess worldwide
- Has held leadership positions with Hess as Exploration Business Manager in South East Asia, a management committee member in exploration ventures in Asia, North Africa and North West Europe and branch manager of Hess' activities on the Faroe Islands
- M.Sc. (Economics and Business Administration) from the Aarhus School of Business, Denmark



**Sigurð í  
Jákupsstovu** COO

- 17 years of experience in oil and gas industry
- Worked as a drilling and petroleum engineer with Maersk Oil and Gas, as Technical Manager for Atlantic Petroleum and as Director of Jarðfeingi (Faroese Earth and Energy Directorate)
- M.Sc. in Mechanical Engineering and a PhD in reservoir modelling from the Technical University of Denmark



**Mourits  
Joensen** CFO

- Worked as Finance and Administration Manager of the Faroese Unemployment Service, and prior to that he worked with Eik Bank and Hagstova Føroya (Statistics Faroe Islands).
- M.Sc. in Economics from Copenhagen University



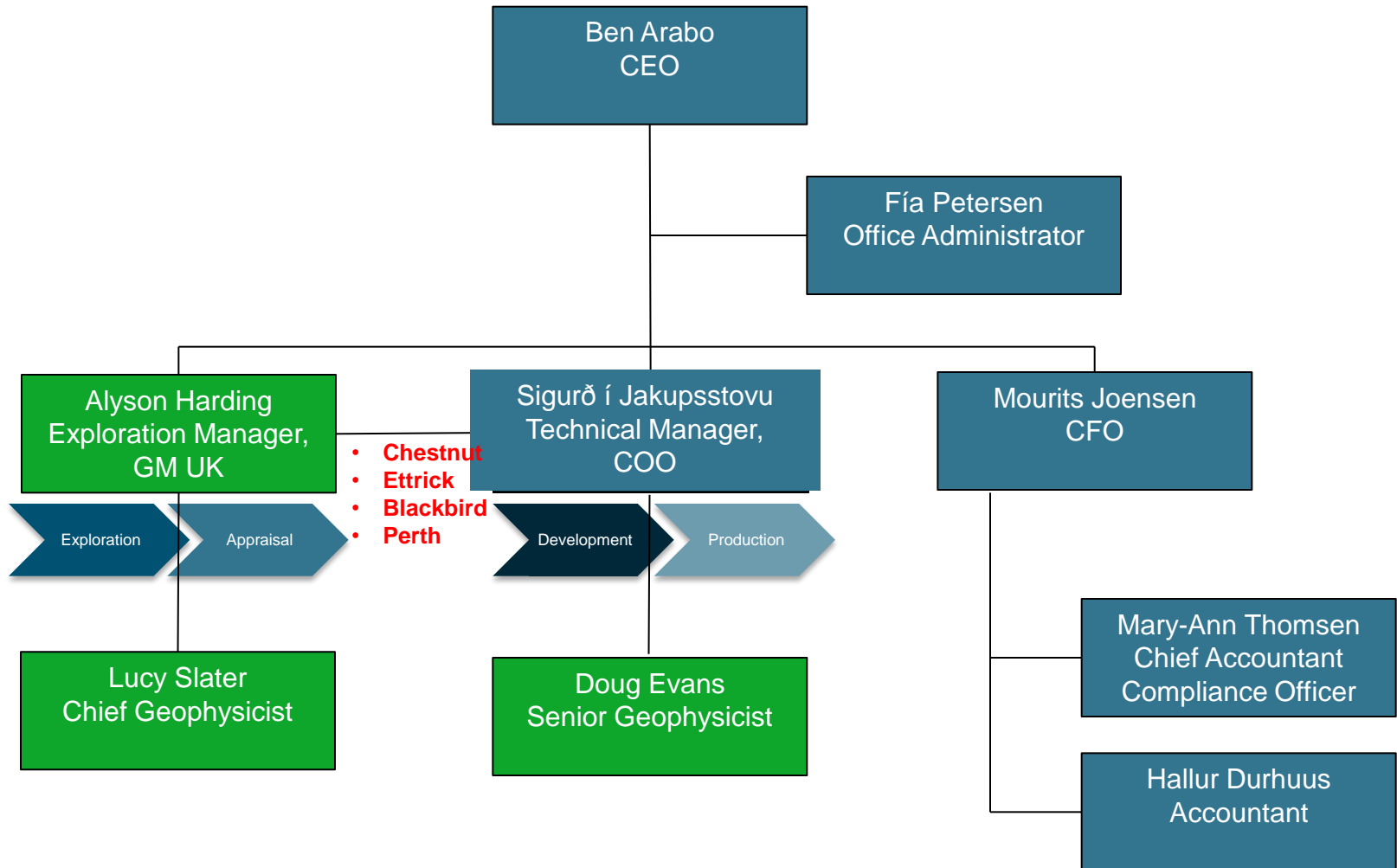
**Alyson  
Harding** Exploration  
Manager

- 30 years of experience in oil and gas industry working for Robertson Research International, Occidental, Norsk Hydro and Hess and as a consultant to other oil companies
- Significant experience in all aspects of exploration, field development and production, as well as commercial aspects of the business
- BSc in Geology and a Masters degree in Palynology from Sheffield University, UK

# ORGANISATION



ATLANTIC PETROLEUM

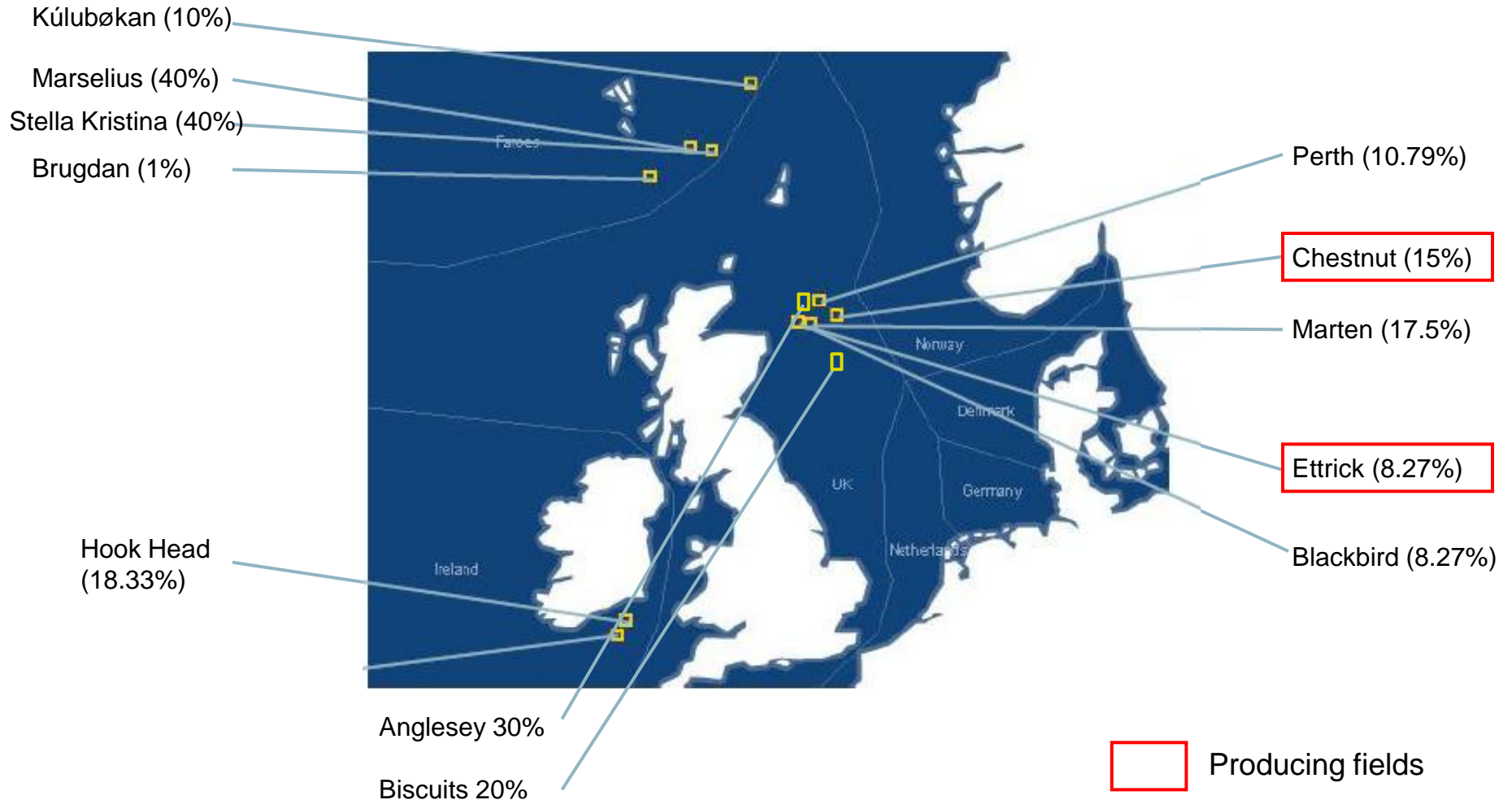


# LICENSE OVERVIEW



ATLANTIC PETROLEUM

*Geographically focused on NW Europe*

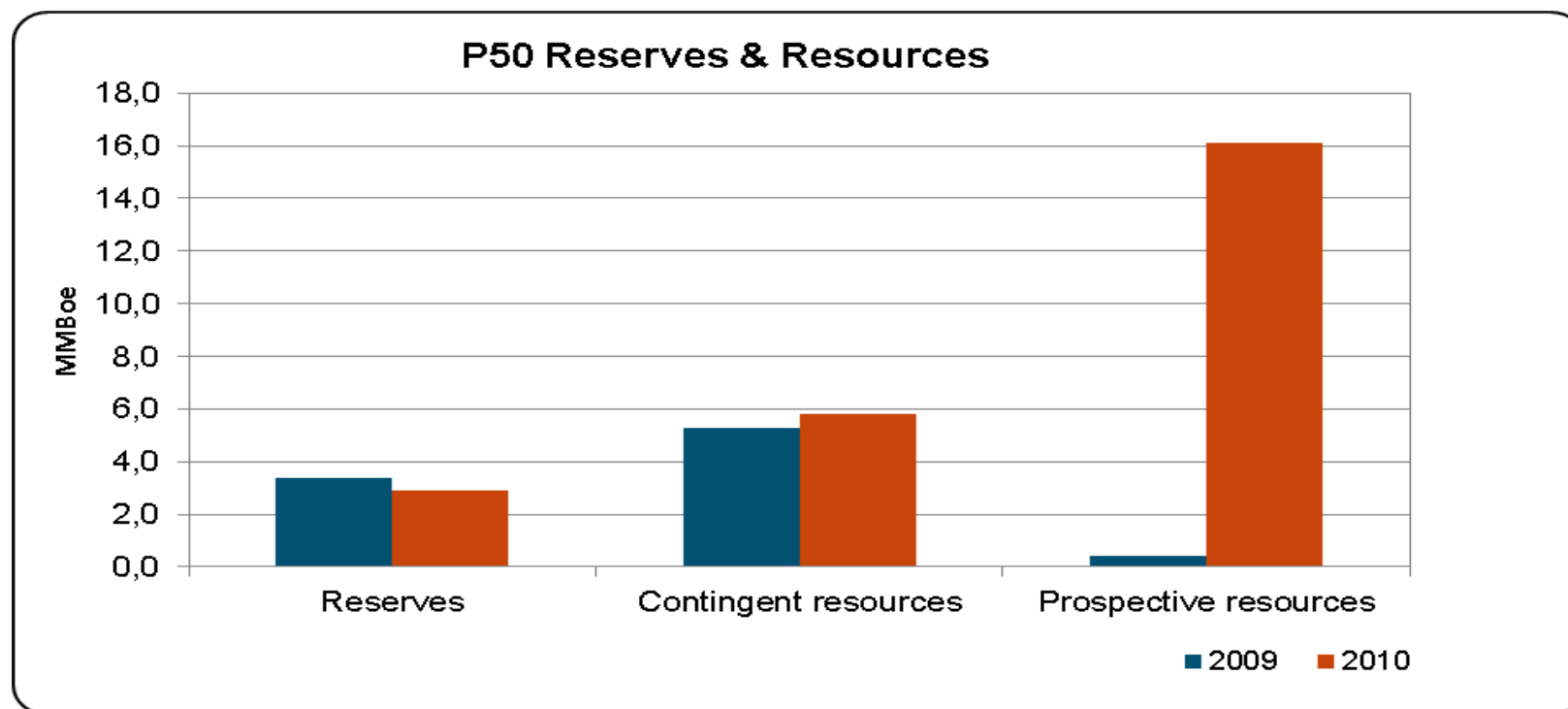


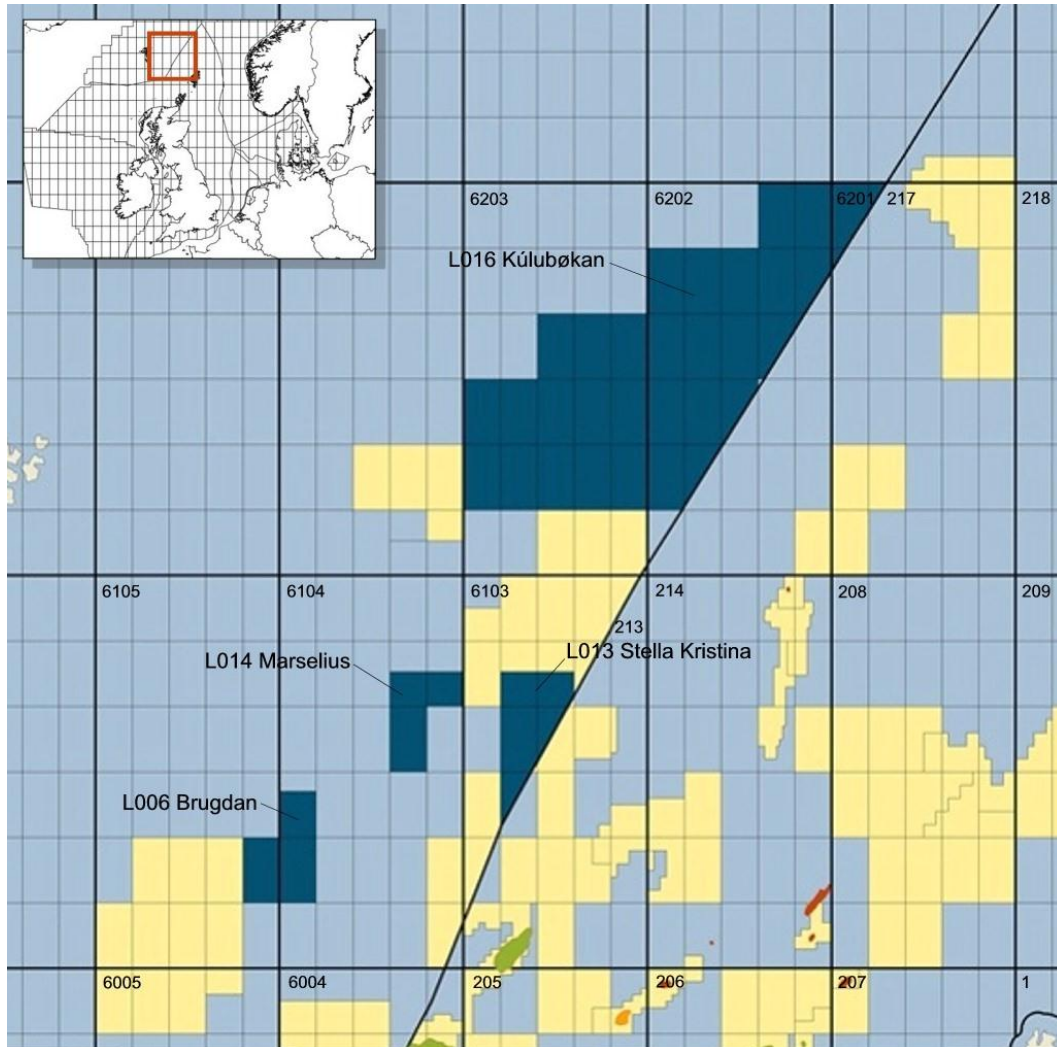
# RESERVES



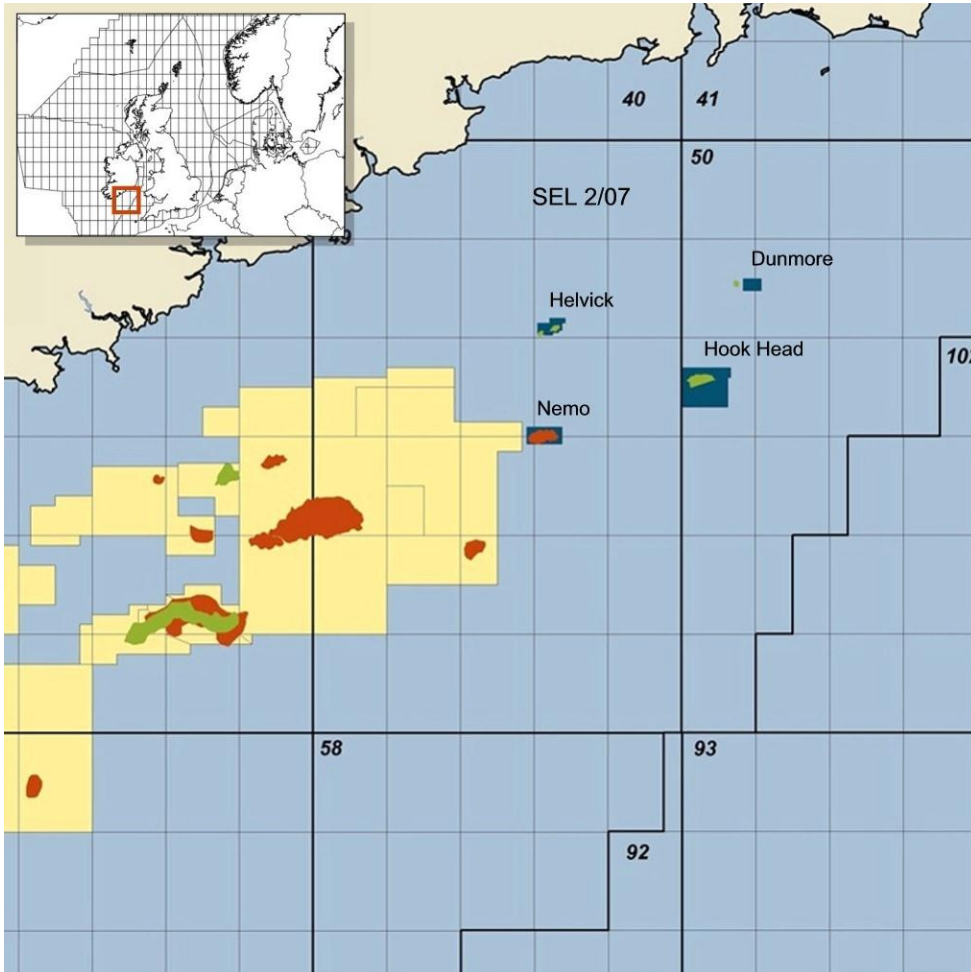
ATLANTIC PETROLEUM

	Proven reserves	Contingent resources	Prospective resources (risky)
	MMBoe	MMBoe	MMBoe
<b>Start of 2010</b>	3.4	5.3	0.4
<b>Production</b>	-0.96		
<b>Net additions &amp; revisions</b>	0.5	0.5	15.8
<b>End of 2010</b>	2.9	5.8	16.2





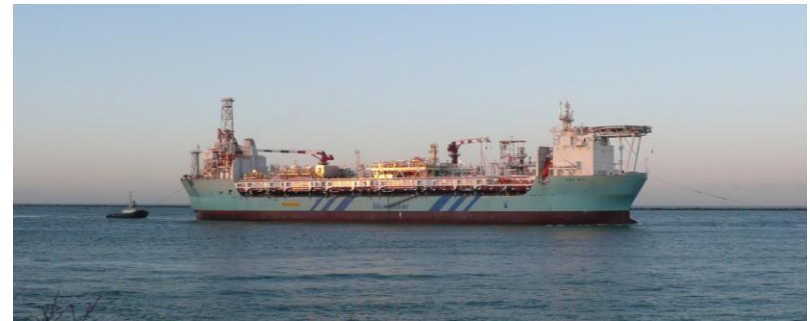
- Faroes Licence 006 extended to January 2013. Site survey acquired in 2010 for a potential exploration well
- Ongoing technical work on Licences 013 and 014
- Seabed samples were collected over Licence 016 during 2010



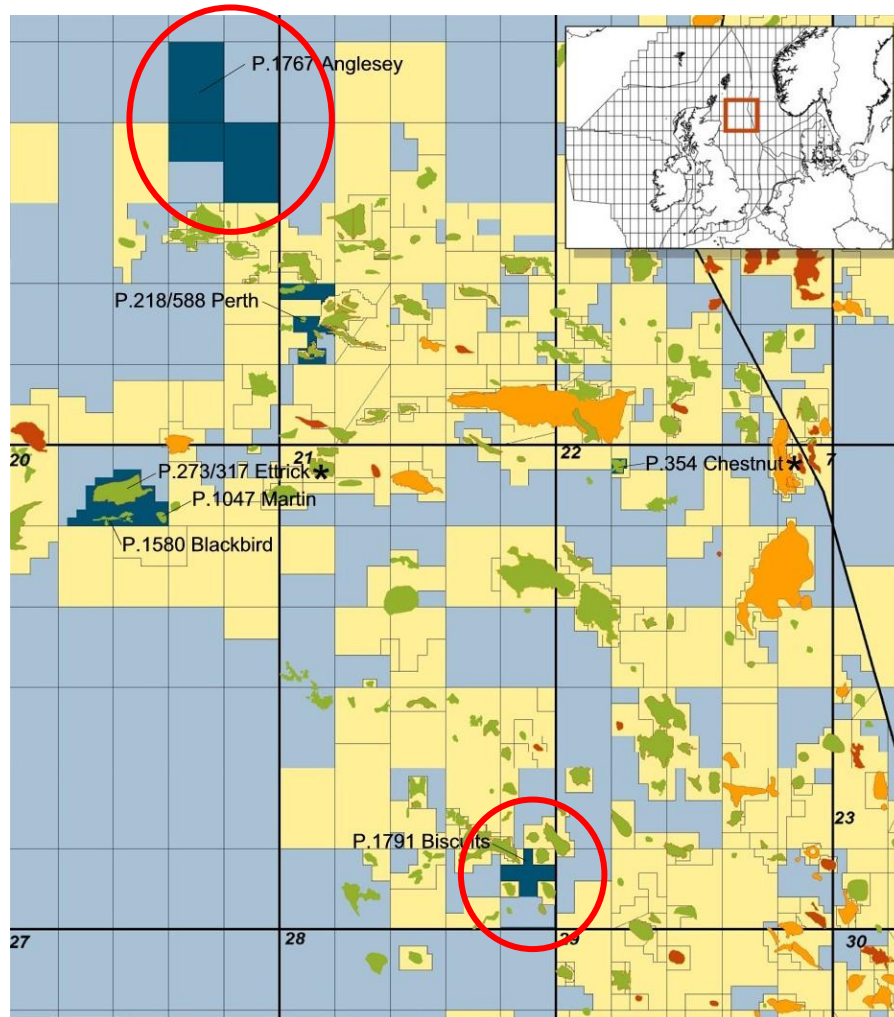
- During 2010, partners in the licence agreed to farm down up to 50% equity interest in the Hook Head oil discovery to Sosina subject to committing to drilling a fully funded well
- During 2010, partners agreed to farm down up to 65% equity in Nemo to Nautical Petroleum plc. subject to committing to drilling a fully funded well



- Net production to Atlantic Petroleum was 960,000 barrels of oil equivalents (boe) in 2010
- The Etrick field produced a total of 6.63MM boe in 2010
- The Chestnut field produced 2.74MM barrels (bbls) in 2010
- Two successful development wells drilled on the Etrick field
- 3D seismic acquisition project started over Etrick, Blackbird & Marten licences

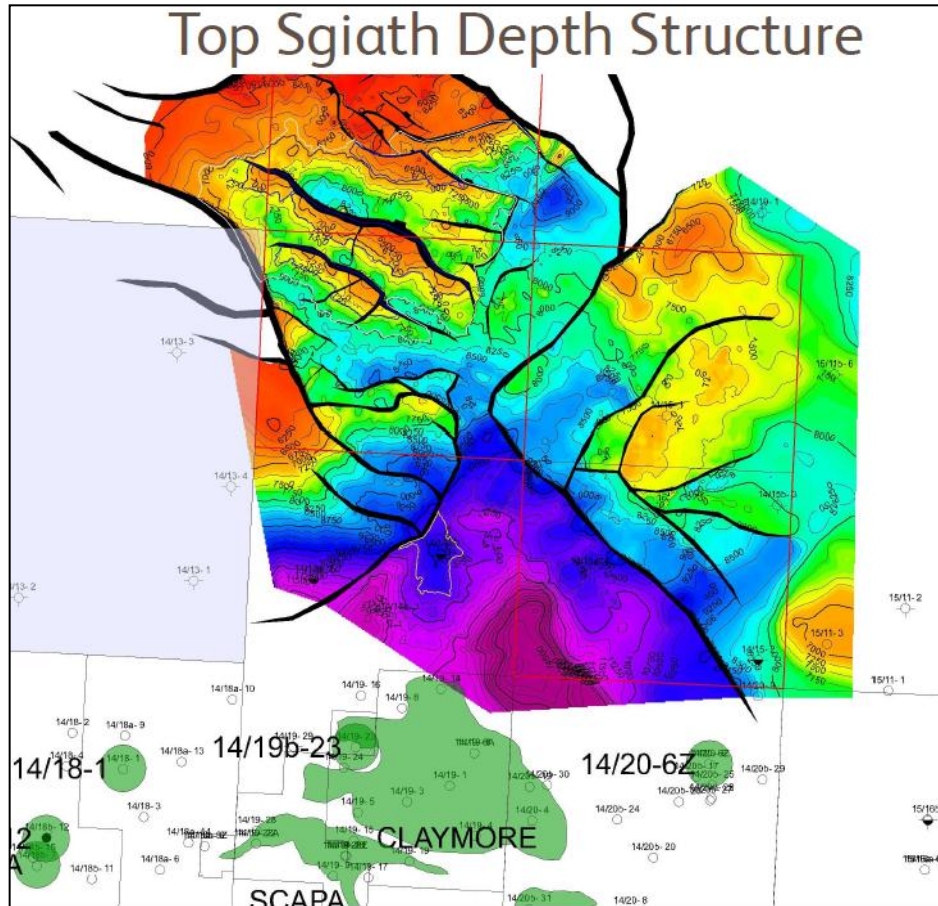






- The development of the Blackbird field has been sanctioned by Atlantic Petroleum. First oil expected in January 2012
- Net contingent reserves in Perth have increased from 1.0 MMBbls to 1.7 MMBbls due to a change in equity from 3.75% to 6.62%
- Marten licence extended to July 2012
- Perth licence extended to September 2011
- Two licences awarded in the UK 26<sup>th</sup> Licensing Round (P.1767 & P.1791)

# ANGLESEY – PROSPECT SUMMARY



- Prospect offers an opportunity to test the prospectivity in the Upper Jurassic Sgiath Formation
- 3 well defined structural closures with significant stratigraphic upside of 130 MMbbl reserves
- Oil proven immediately down-dip by the 14/14-1 well
- Proprietary 2D and 1580 Line km Geoqube 3D (Acquired 2007) seismic data over the Anglesey prospect

### Summary

26<sup>th</sup> Round traditional licence

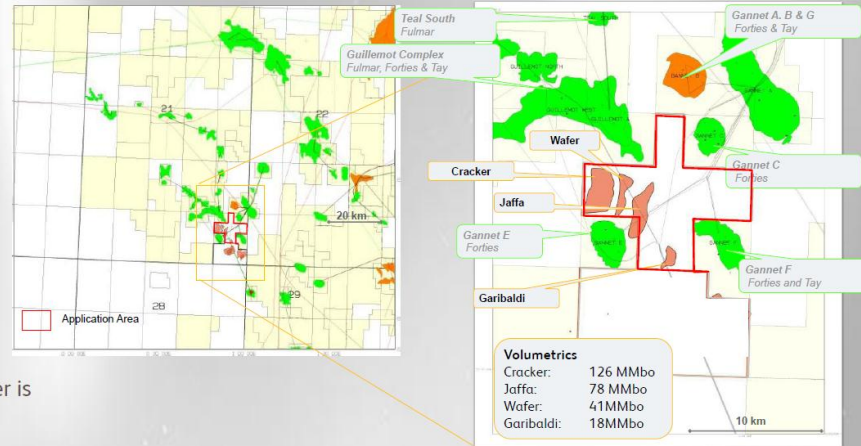
Licence interests:

- Bridge Energy UK Limited: 40.00 %
- Idemitsu Petroleum UK Limited: 40.00 %
- Atlantic Petroleum UK Limited: 20.00 %

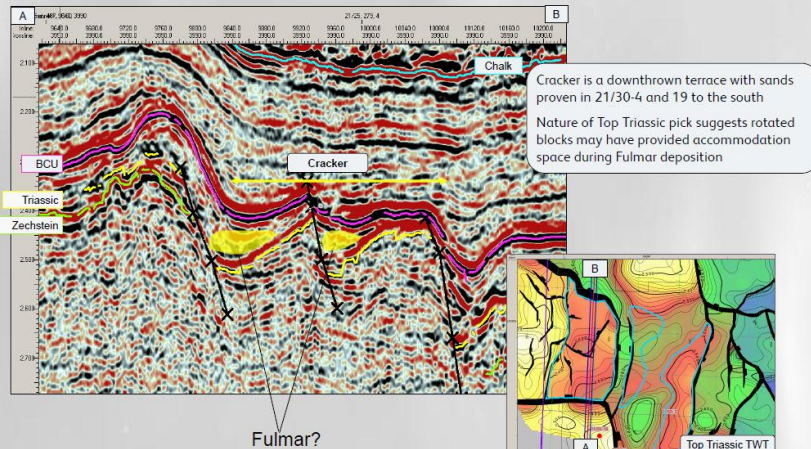
Work Programme

- Obtain and reprocess 200 sq km of 3D seismic data
- Gravity and magnetic study
- Commit to drill one well to 2750 m or Top Triassic whichever is the shallowest, within 4 years, or relinquish the licence.

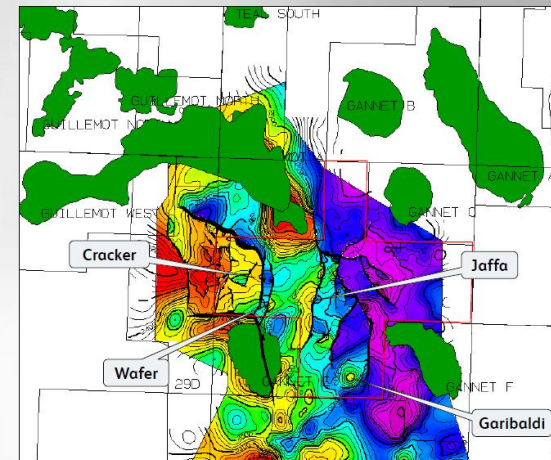
### Application Area and Prospect Summary

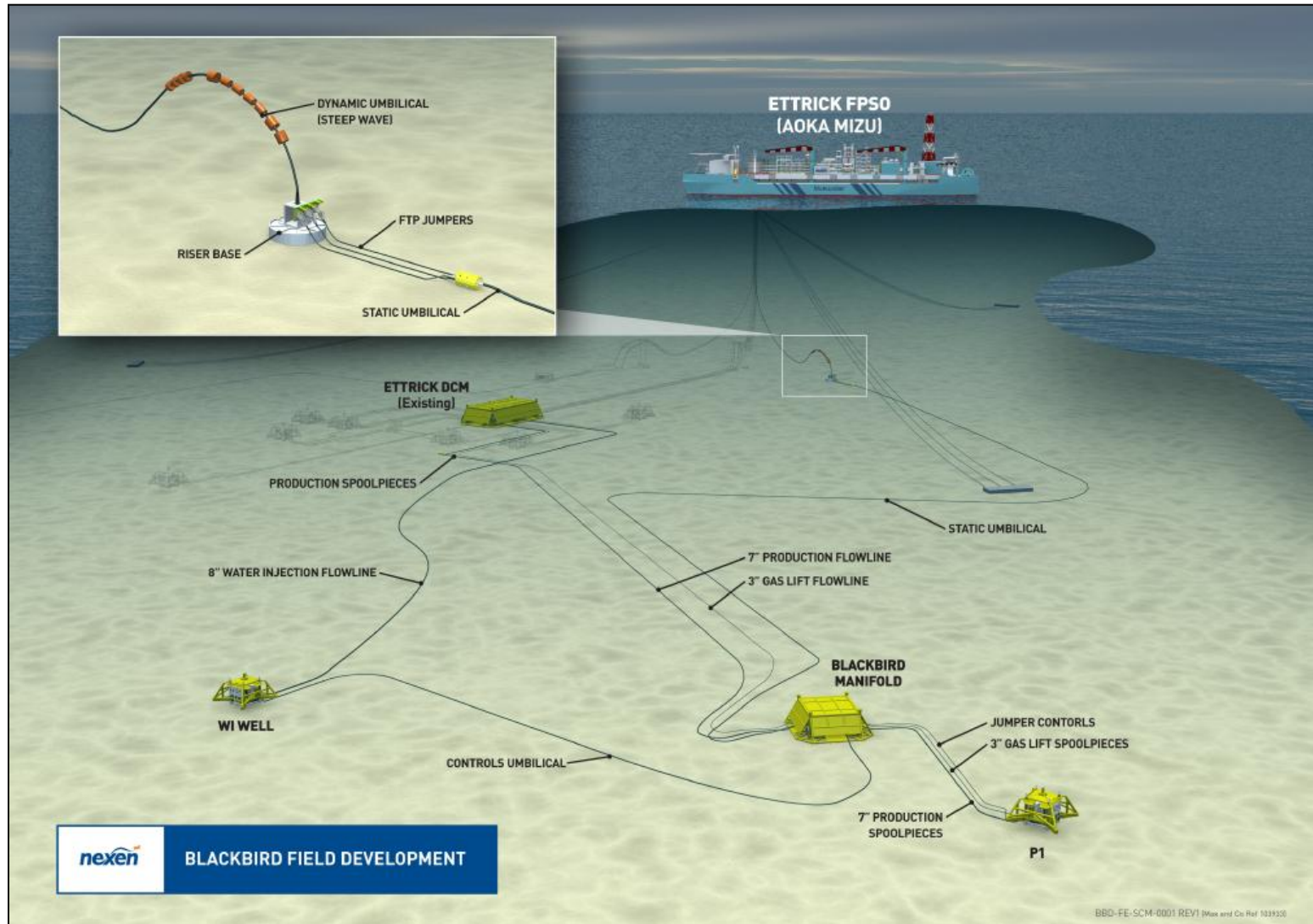


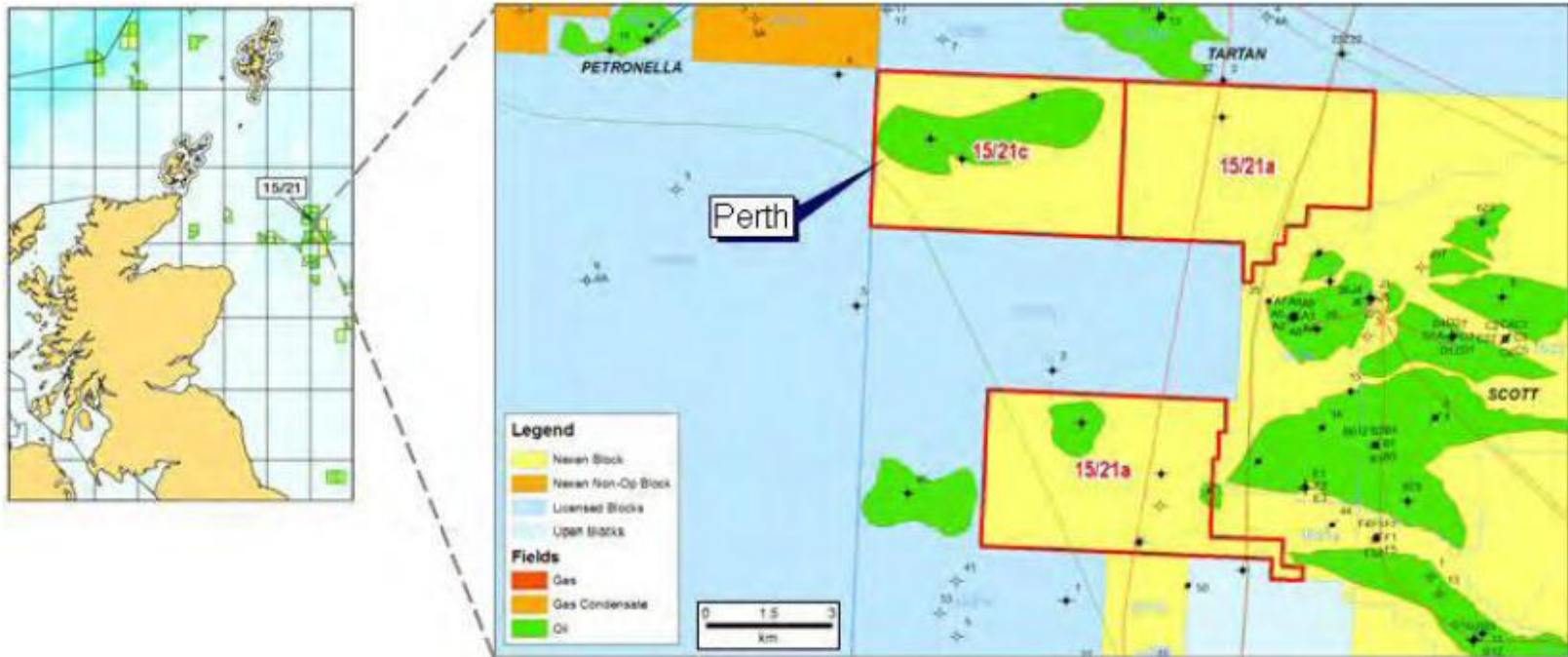
### Cracker Prospect



### Regional Triassic Time Structure





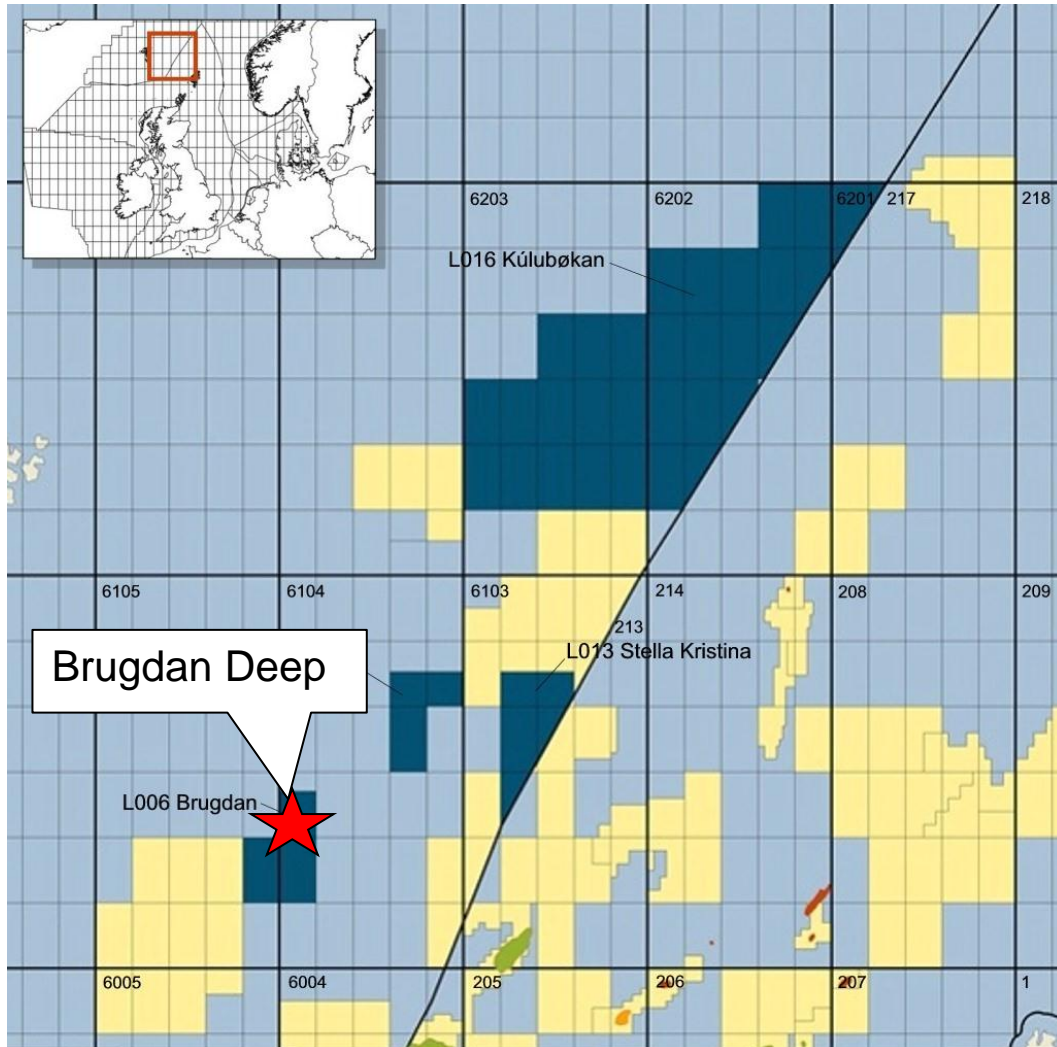


DEO (Operator) 42.09%  
Faroe Petroleum 28%  
Maersk 19.13%  
Atlantic Petroleum 10.8%

# FAROE ISLANDS – BRUGDAN DEEP 2011



ATLANTIC PETROLEUM



- Brugdan Deep well planned for spudding July 2011
- Water Depth 400 – 500m
- Partners:  
Statoil 50% ExxonMobil 49% Atlantic Petroleum 1%



## 2011 OUTLOOK

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- Total production for 2011 is estimated to be between 750,000 - 950,000 barrels net for the year
- EBIT is predicted in the range of DKK 90MM-150MM on an expected average realised oil price of 90 USD/barrel
- Develop Blackbird field with an expectation of production by 1Q 2012
- Further increase equity in Perth field from 6.62% to 10.80% and submit Perth Field Development Plan
- Further expand the Company's activities in North West Europe by evaluating potential asset and corporate transactions and continue to build the exploration portfolio to increase the exploration upside
- Participation in 3 exploration wells expected in 2011



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# ANNUAL ACCOUNTS 2010

# FIVE YEAR SUMMARY, CONSOLIDATED FIGURES



ATLANTIC PETROLEUM

Financials		2010	2009	2008	2007	2006
Accounting basis		IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	DKK	422.469.572	219.252.477	43.267.047	0	0
Profit before taxation	DKK	163.083.205	-60.442.213	-145.418.901	-76.071.551	-8.088.880
Net profit for the period after taxation	DKK	109.106.563	-54.870.416	-89.657.034	-76.073.976	-8.102.710
Cash flow from operating activities	DKK	239.685.644	54.035.541	-1.935.056	-12.456.386	-10.451.788
Shareholders' funds	DKK	377.900.888	278.960.352	166.826.724	227.152.010	296.676.942
Net cash position	DKK	-107.771.164	-264.902.284	-361.284.051	-75.558.047	155.825.655

## Per share statistics:

Revenue per share	(DKK /Share)	160,84	139,03	38,43	0	0
Earnings per share – basic	(DKK /Share)	41,54	-34,79	-79,64	-67,58	-8,92
Earnings per share – diluted	(DKK /Share)	41,54	-	-	-	-
Cash flow from operating activities per share	(DKK /Share)	91,25	34,26	-1,72	-11,07	-11,50
Issued share – average		2.626.703	1.577.035	1.125.730	1.125.730	908.828

## Operations:

Production (working interest basis)	(boepd)	2.630	1.847	1.570	0	0
Drilled exploration/appraisal/development wells	(number)	3	2	4	2	1
Employees – Faroes	(number)	6	6	5	5	3
Employees – Overseas	(number)	2	3	5	3	3

## Key indices:

Average exchange rates	(DKK/GBP)	8,69	8,36	9,40	10,90	10,94
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# PARENT AND CONSOLIDATED INCOME STATEMENT



ATLANTIC PETROLEUM

## Parent and Consolidated Income Statement

For the year ended 31st December 2010

Parent			Group	
2010	2009		2010	2009
DKK	DKK		DKK	DKK
0	0	Revenue	422.469.572	219.252.477
0	0	Cost of sales	-256.439.727	-164.638.988
<b>0</b>	<b>0</b>	<b>Gross profit</b>	<b>166.029.844</b>	<b>54.613.489</b>
0	0	Exploration expense	-370.681	-109.102.756
-222.521	-34.430	Pre-licence exploration costs	-1.331.348	-616.541
-11.122.105	-14.520.079	General and administration costs	-17.019.537	-20.682.242
10.647.997	11.328.736	Other operating income	22.552	167.026
<b>-696.629</b>	<b>-3.225.774</b>	<b>Operating profit</b>	<b>147.330.831</b>	<b>-75.621.024</b>
250.950	37.031	Interest revenue and finance gains	46.660.704	41.598.170
-105.310.768	-38.864.410	Interest expenses and other finance costs	-30.908.330	-26.419.360
<b>-105.756.446</b>	<b>-42.053.153</b>	<b>Profit before taxation</b>	<b>163.083.205</b>	<b>-60.442.213</b>
0	-19.574	Taxation	-53.976.642	5.571.797
<b>-105.756.446</b>	<b>-42.072.727</b>	<b>Profit after taxation</b>	<b>109.106.563</b>	<b>-54.870.416</b>



# PARENT AND CONSOLIDATED BALANCE SHEET

## Parent and Consolidated Balance Sheet

As at 31st December 2010

Parent			Group	
2010	2009		2010	2009
DKK	DKK		DKK	DKK
		<b>Non-current assets</b>		
207.982	0	Intangible Assets	207.982	0
19.678.747	15.078.783	Intangible exploration and evaluation assets	109.483.257	64.625.118
0	0	Development and production assets	403.114.504	445.426.063
182.533	213.962	Property plant and equipment	491.772	514.690
21.493.753	21.493.753	Investment in subsidiaries	0	0
<b>41.563.015</b>	<b>36.786.499</b>		<b>513.297.515</b>	<b>510.565.871</b>
		<b>Current assets</b>		
		Inventories	11.521.499	4.138.906
730.348	925.605	Trade and other receivables	69.193.151	58.833.822
365.087.950	660.822.649	Receivables from subsidiaries	0	0
0	16.025	Securities available for sale	0	16.025
73.465.909	10.447.841	Cash and cash equivalents	74.297.295	18.802.488
0	0	Deferred tax asset	3.512.012	54.491.384
<b>439.284.207</b>	<b>672.212.119</b>		<b>158.523.957</b>	<b>136.282.625</b>
<b>480.847.222</b>	<b>708.998.618</b>	<b>Total assets</b>	<b>671.821.471</b>	<b>646.848.496</b>
		<b>Current liabilities</b>		
64.803.334	118.704.771	Short term debt	84.568.460	118.704.771
2.240.369	3.317.766	Trade and other payables	22.046.265	36.024.238
0	0	Financial Liabilities	6.843.115	0
<b>67.043.702</b>	<b>122.022.537</b>		<b>113.457.839</b>	<b>154.729.009</b>
		<b>Non current liabilities</b>		
97.500.000	165.000.000	Long-term debt	97.500.000	165.000.000
0	0	Long-term provisions	82.962.744	48.159.135
<b>97.500.000</b>	<b>165.000.000</b>		<b>180.462.744</b>	<b>213.159.135</b>
<b>164.543.702</b>	<b>287.022.537</b>	<b>Total liabilities</b>	<b>293.920.583</b>	<b>367.888.144</b>
<b>316.303.520</b>	<b>421.976.081</b>	<b>Net assets</b>	<b>377.900.888</b>	<b>278.960.352</b>
		<b>Equity</b>		
262.670.300	262.670.300	Share capital	262.670.300	262.670.300
231.154.090	231.154.090	Share premium account	231.154.090	231.154.090
0	0	Translation reserves	16.241.529	26.357.345
-177.520.870	-71.848.309	Retained earnings	-132.165.031	-241.221.383
<b>316.303.520</b>	<b>421.976.081</b>	<b>Total equity shareholders' funds</b>	<b>377.900.888</b>	<b>278.960.352</b>

# PARENT AND CONSOLIDATED CASH FLOW STATEMENT



ATLANTIC PETROLEUM

CASH FLOW STATEMENT Atlantic Petroleum Parent and Consolidated				
Parent			Group	
2010	2009		2010	2009
DKK	DKK		DKK	DKK
-16.440.532	-34.356.696	<b>Net cash provided by operating activities</b>	<b>239.685.644</b>	54.035.541
-4.974.571	-6.688.938	<b>Net cash used in investing activities</b>	<b>-83.095.120</b>	-135.116.003
84.433.171	50.244.830	<b>Net cash used in financing activities</b>	<b>-101.536.402</b>	95.697.876
<b>63.018.068</b>	9.199.195	<b>Increase/Decrease in cash and cash equivalents</b>	<b>55.054.122</b>	14.617.414
10.447.841	1.248.646	Cash and cash equivalents at the beginning of the period	18.802.488	3.976.820
0	0	Currency translation differences	440.685	208.254
<b>73.465.909</b>	10.447.841	Cash and cash equivalents at the end of the period	<b>74.297.295</b>	18.802.488



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David MacFarlane, an economics graduate and Chartered Accountant, has been CFO of Dana from 2002 – March 2011.

He has more than 25 years experience in financial control and management in the upstream oil and gas business.

Between 1985 and 1993 he was Finance Director of the MOM Group, later becoming Finance Director for two key sub-groups of the John Wood Group plc.

He joined Dana from Amerada Hess where during the previous six years he headed finance for its fast growing international exploration and production group and latterly for its substantial. Europe, North Africa and Asia production business.





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## 6. ELECTION OF AUDITOR

- The present accountant of the Company is Sp/f Grannskoðaravirkid  
INPACT lóggilt grannskoðaravirki, R.C.Effersøesgøta 26, 100  
Tórshavn
- The Board proposes re-election of the present accountant for the  
period until the next Annual General Meeting



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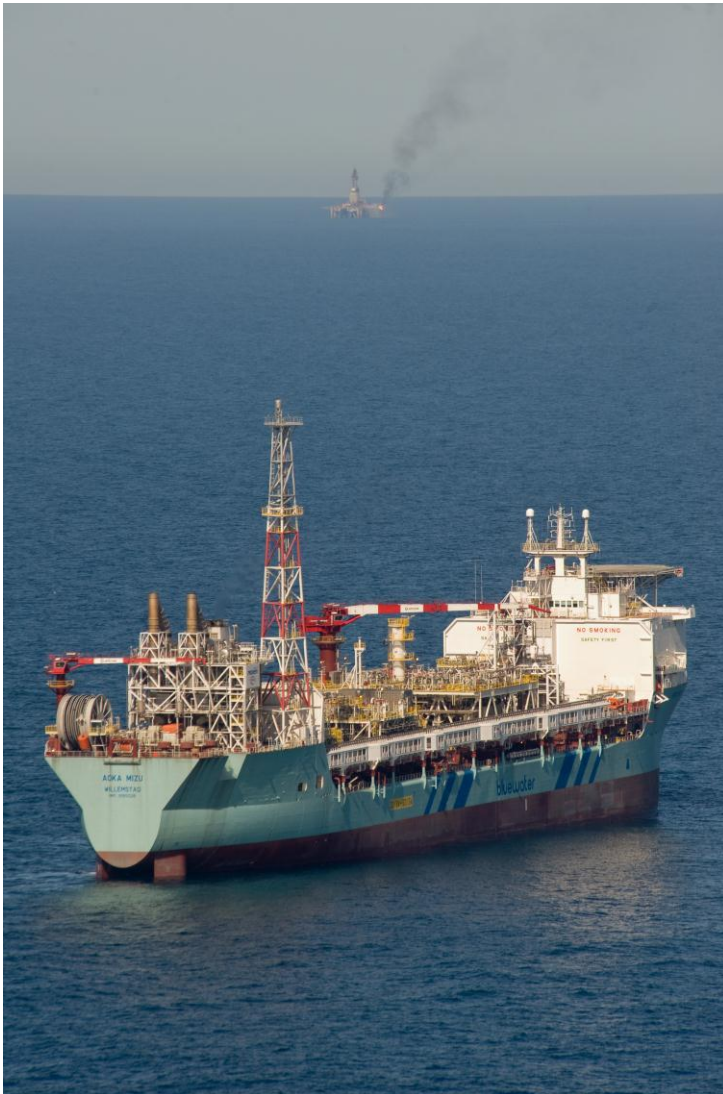
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## THE FUTURE



ATLANTIC PETROLEUM



We are embarking on the next step which will secure further value for the shareholders and secure Atlantic Petroleum's place as a leading independent European E&P company.

