

Annual General Meeting

24th March 2012



ATLANTIC PETROLEUM



- This presentation includes statements regarding future results, which are subject to risks and uncertainties. Consequently, actual results may differ significantly from the results indicated or implied in these statements
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person's officers or employees or advisors accept any liability whatsoever arising directly or indirectly from the use of this document.



AGENDA – ANNUAL GENERAL MEETING 2011

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. Approval of the remuneration to the Board in 2011 and 2012
5. Decision on how to use profit or cover loss according to the approved Accounts and Annual report
6. Election of Board of Directors
7. Election of auditor, who will sit until the next Annual General Meeting is held
8. Authority to the Board of Directors of the Company to buy own shares
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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The Board of Director's Statement
Birgir Durhuus, Chairman of the Board
Annual General Meeting - Tórshavn
24th March 2012

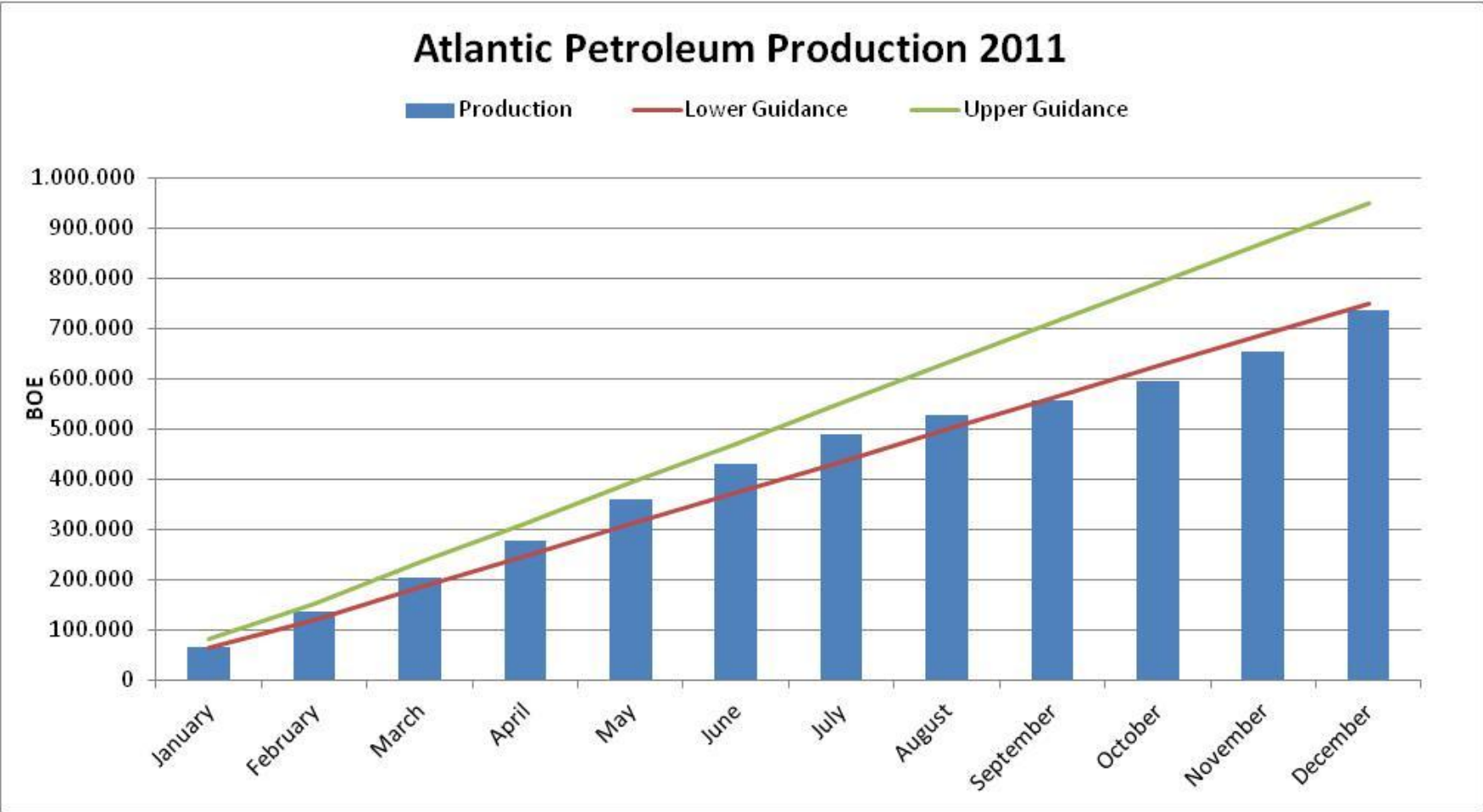


ATLANTIC PETROLEUM

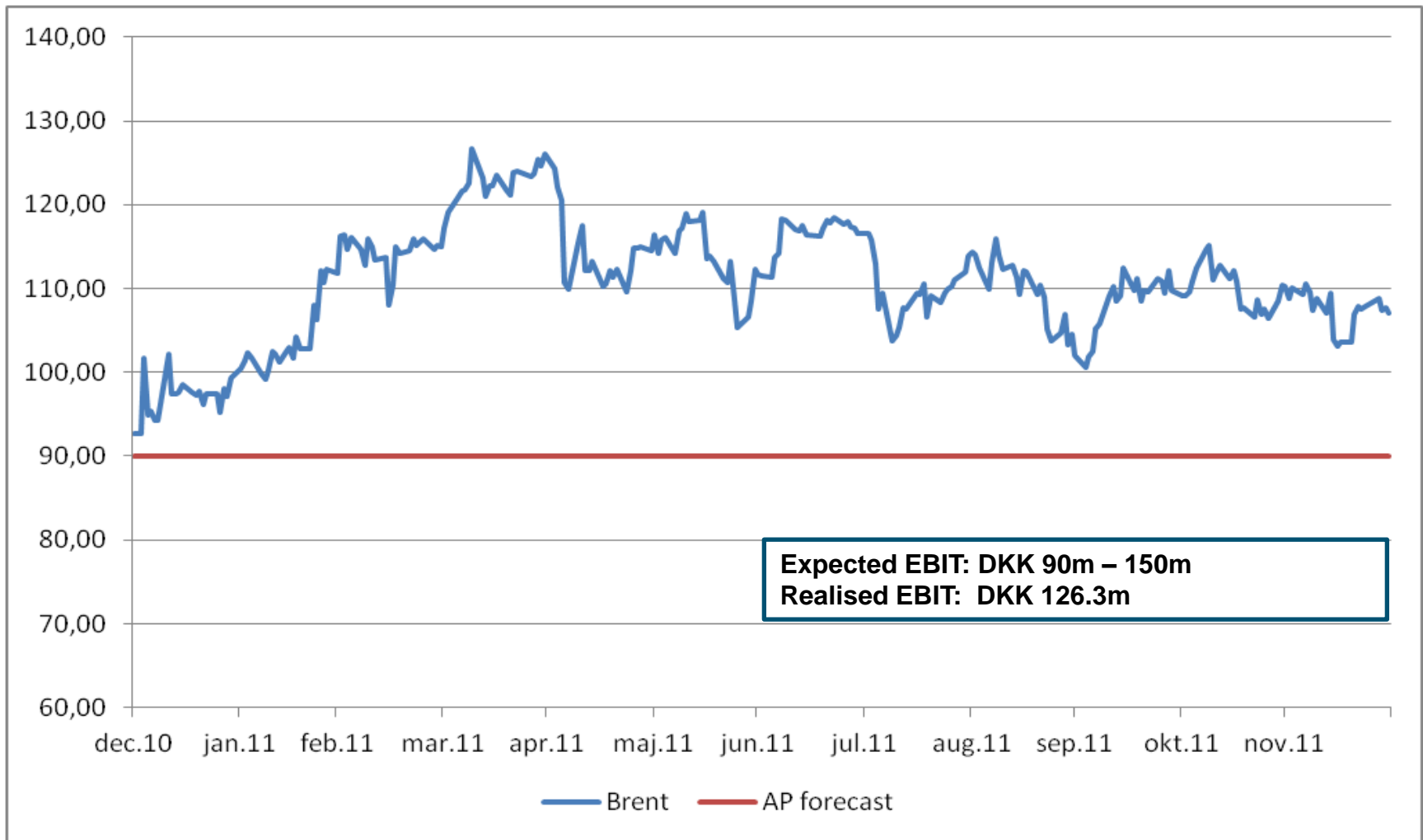
Agenda

- 2011 – a mixed year for Atlantic Petroleum
 - 2012 – Standing on a Stronger Platform
 - Major changes in the investor base
-

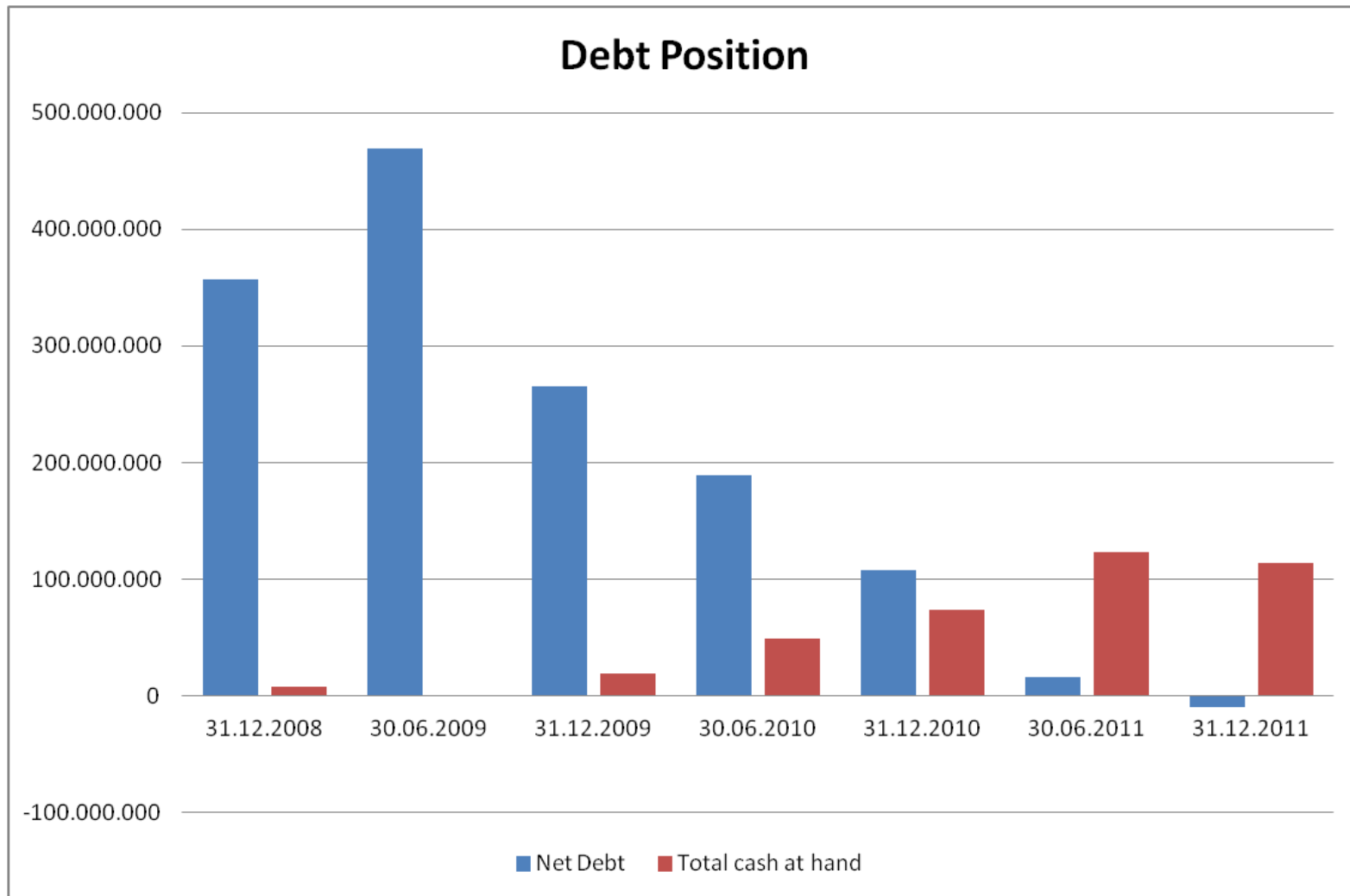
Oil Production in 2011



Oil Prices in 2011



Economics – Debt development



Standing on a Stronger Platform



Company Result
27 February 2012

Atlantic Petroleum

Industry (GICS): Oil, Gas & Consumable Fuels
Denmark

Buy

Target price (0-12M): DKK 220
Share price (close): DKK 188

Key Info

Bloomberg	ATLACO
Reuters	ATLACO
Free Float	90%
Market cap. (bn)	EUR 0.07/DKK 0.49
Company website	http://www.petroleum.no
Next report date	30 May 2012

Nordea Markets - Analysts

Patrick Setterberg	+45 33 33 62 04
Senior analyst, Energy & Industrials	
patrick.setterberg@nordea.com	

Absolute and relative performance (1Y)



	-1M	-3M	YTD
Absolute	15.6%	31.1%	18.2%
Relative	3.9%	2.2%	1.8%

Source: FactSet

Standing on a stronger platform

Despite Atlantic Petroleum issuing weaker than expected production guidance for 2012, we argue that the company stands on a stronger platform. Total oil reserves increased during 2011 and the near-term exploration pipeline has been strengthened. We maintain our Buy rating and target price of DKK 220 per share.

Increased lifetime for Blackbird results in soft guidance

In 2012, Atlantic expects net oil production to be in the range of 700,000-800,000 barrels. This guidance was weaker than we expected. However, the deviation is explained by the increased lifetime for the Blackbird field. It is now expected to produce until 2016-17 instead of ending in 2013, which was our previous base case. With regards to the oil reserves, we positively note that the updated contingent resource of 8.1 million boe is 2.3 million boe higher than previous forecasts.

Interesting exploration year ahead

Atlantic will participate in three exploration wells in 2012. We expect Orchid, Burgdan II and Spamiards to be spudded this year. If the outcome of any of these drillings is positive, we argue that it will provide significant upside to the share price.

Plenty of upside to our NAV

We adjust our NAV to account for the updated oil reserves and recent movements in the oil price. We maintain our target price of DKK 220 per share, which reflects 85% of our NAV estimate.

Estimate changes

Year	2012E	2013E	2014E
Total revenue	-15%	-19%	n.a.
EBITDA	-25%	-30%	n.a.
PTP	-25%	-29%	n.a.
EPS (adj.)	-19%	-21%	n.a.

Quarterly results and estimates

DKKm	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Total revenue	77	104	106	135	112	129	95	96
EBITDA	45	67	68	102	69	62	27	32
EBIT	22	36	36	54	27	50	32	17
PTP	28	80	4	51	16	42	43	26
Net profit	21	60	-9	37	15	5	20	26
EPS	7.8	23.0	-3.3	14.0	5.7	2.0	7.8	9.9

Numbers

	2011	2012E	2013E	2014E
DKKm				
Total revenue	435	528	415	330
EBITDA	247	273	211	142
- margin	56.9%	51.7%	50.7%	43.0%
EBIT	126	159	125	78
- margin	29.1%	30.0%	30.1%	23.7%
Pre-tax profit	128	154	125	78
Net profit from cont oper	57	77	62	39
Shareholders' equity	444	521	584	623
Net debt	-9	-87	-98	-6
Net gearing	n.m.	n.m.	n.m.	n.m.
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.
Free cash flow	107	78	-50	-32
No. of shares (m)	2.6	2.6	2.6	2.6

Source: Company data and Nordea Markets

Per share data and multiples

	2011	2012E	2013E	2014E
DKK				
EPS (adj.)	25.37	29.26	23.78	14.89
- growth	-31%	15%	-19%	-37%
DPS	0.00	0.00	0.00	0.00
BVPG	169.2	198.5	222.3	237.2
P/E (adj.)	6.2	6.3	7.8	12.5
EV/Sales	0.9	0.8	1.1	1.5
EV/EBITDA	1.6	1.5	2.1	3.4
EV/EBIT	3.2	2.5	3.6	6.2
FIBV	0.9	0.9	0.8	0.8
Div. Yield	0.0%	0.0%	0.0%	0.0%
FCF Yield	25.8%	16.0%	-10.2%	-6.5%
ROE after tax	16.2%	15.9%	11.3%	6.5%
ROIC after tax	11.1%	13.3%	9.2%	5.1%

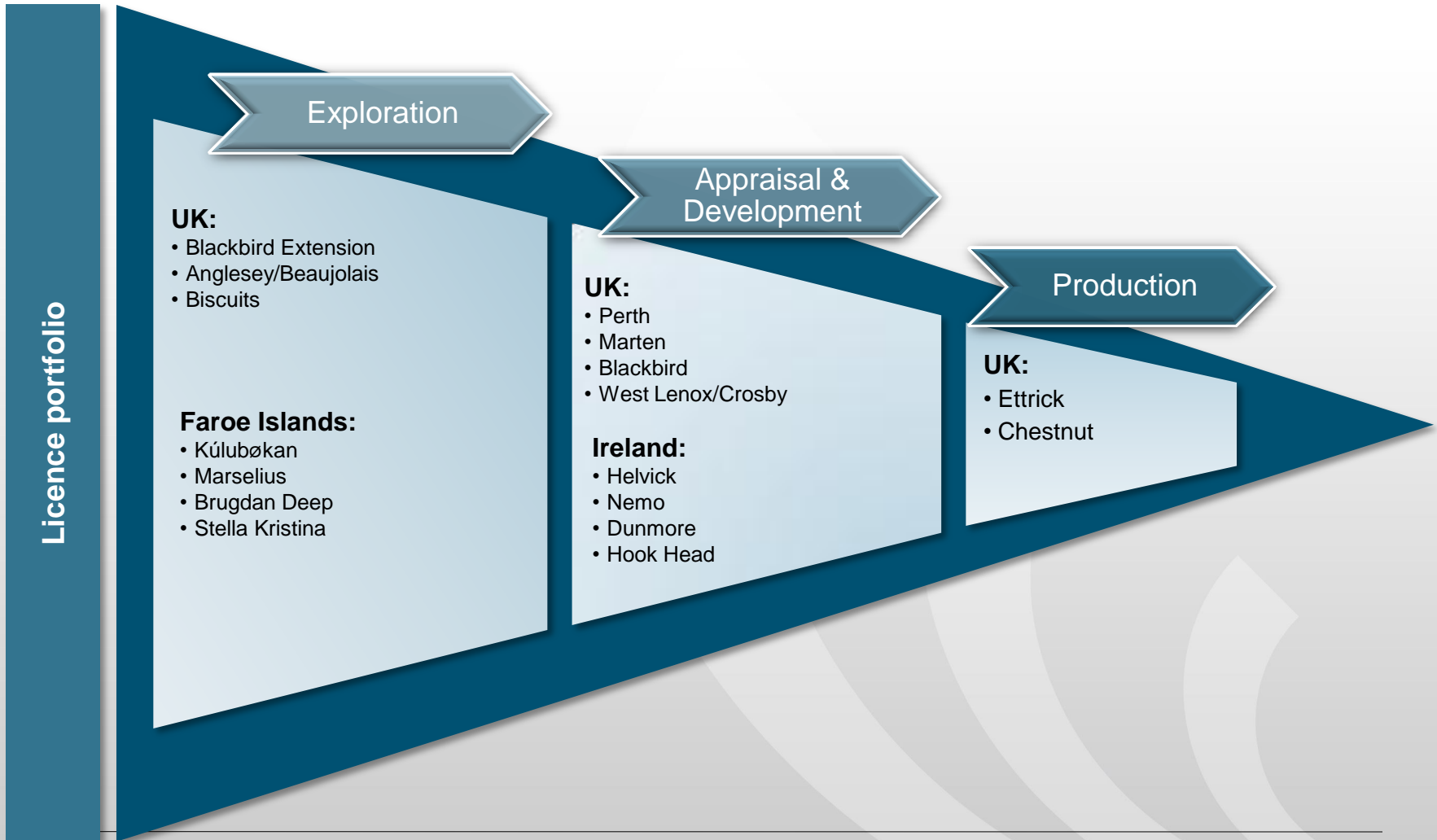
Source: Company data and Nordea Markets

A Stronger Platform

- Oil reserves increased during 2011
- Exploration portfolio strengthened in 2011
- Interesting exploration year ahead
- Plenty of upside to NAV

Atlantic Petroleum Licences February 2010

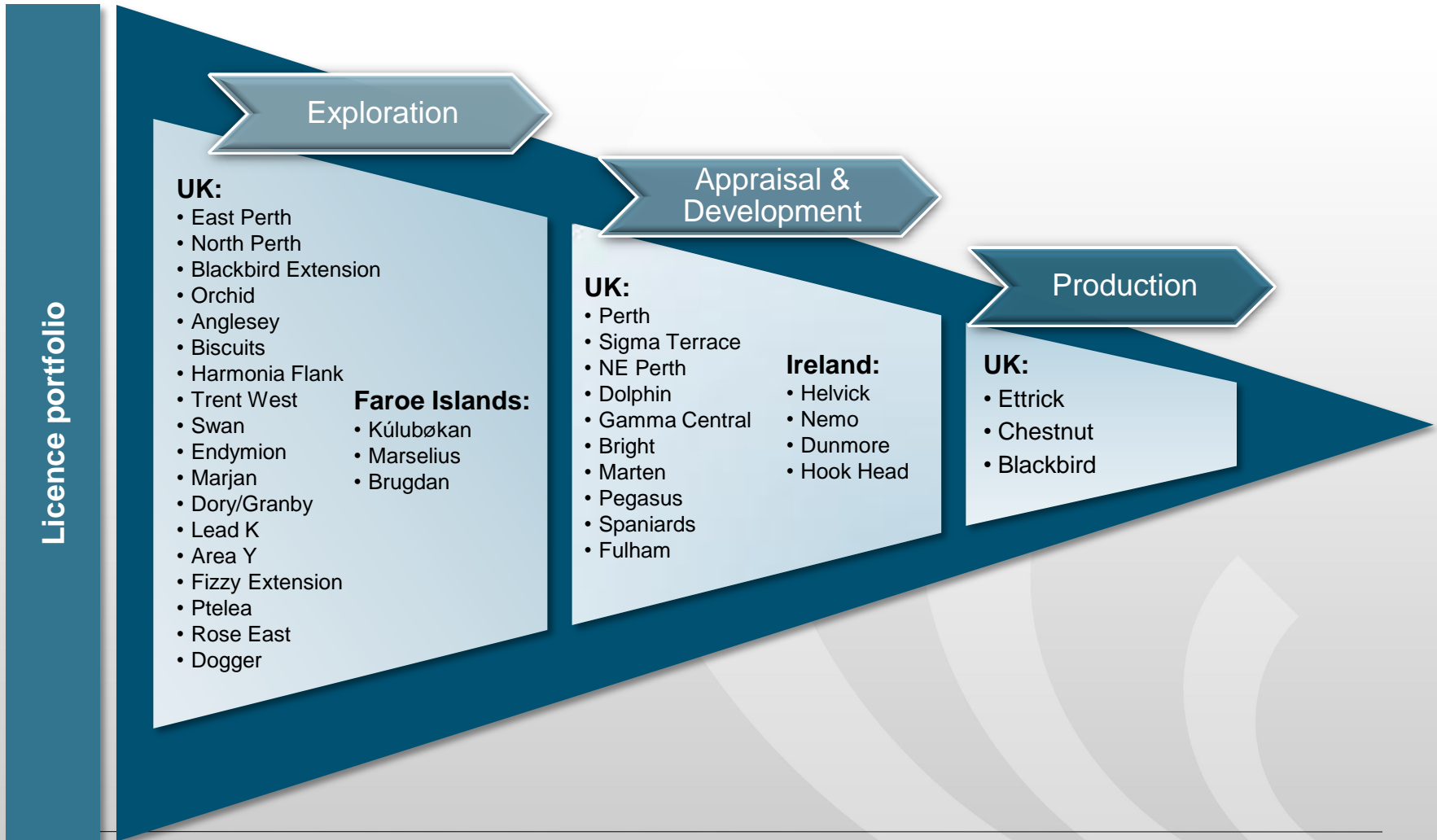
Project status



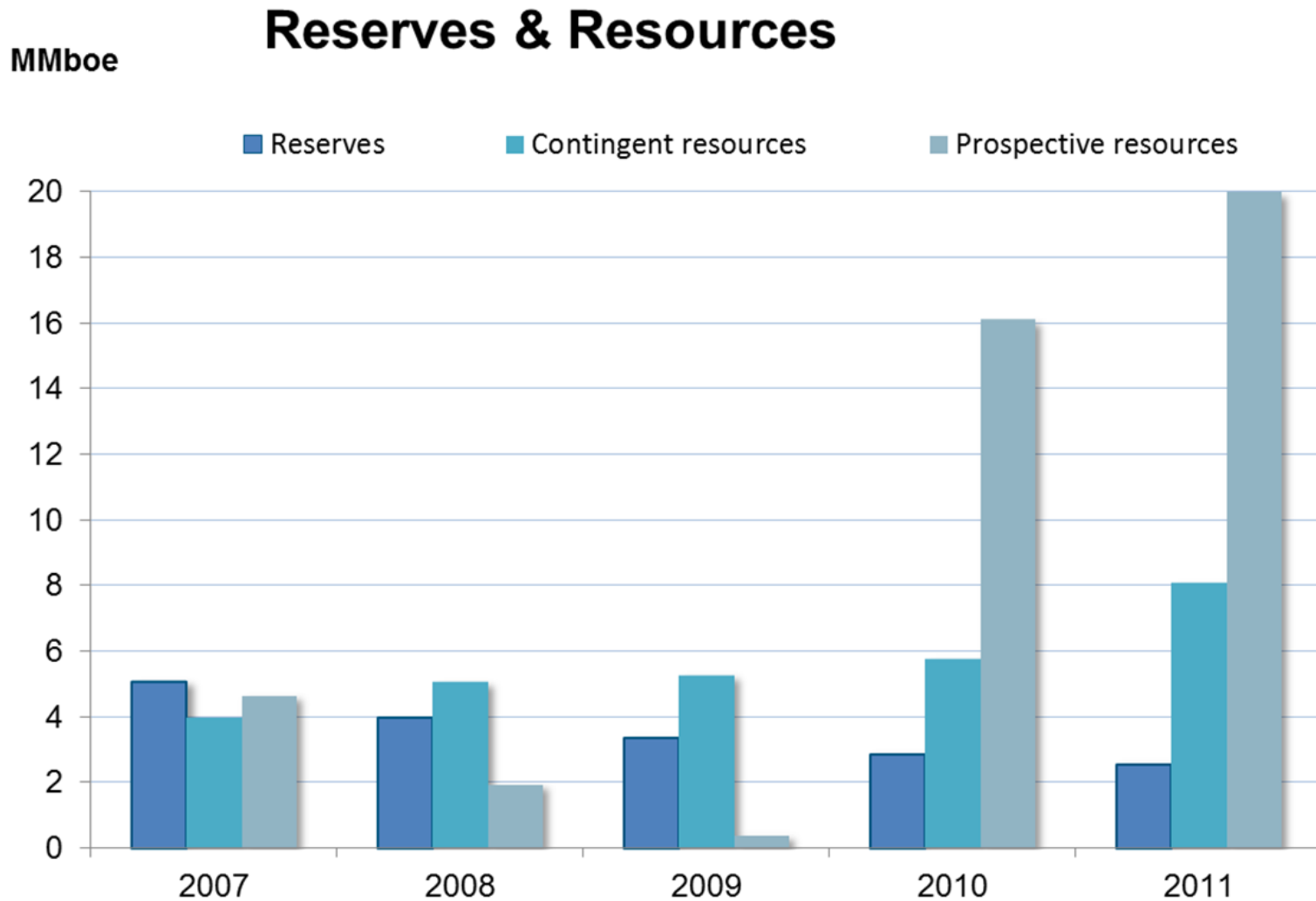
Atlantic Petroleum Licences February 2012

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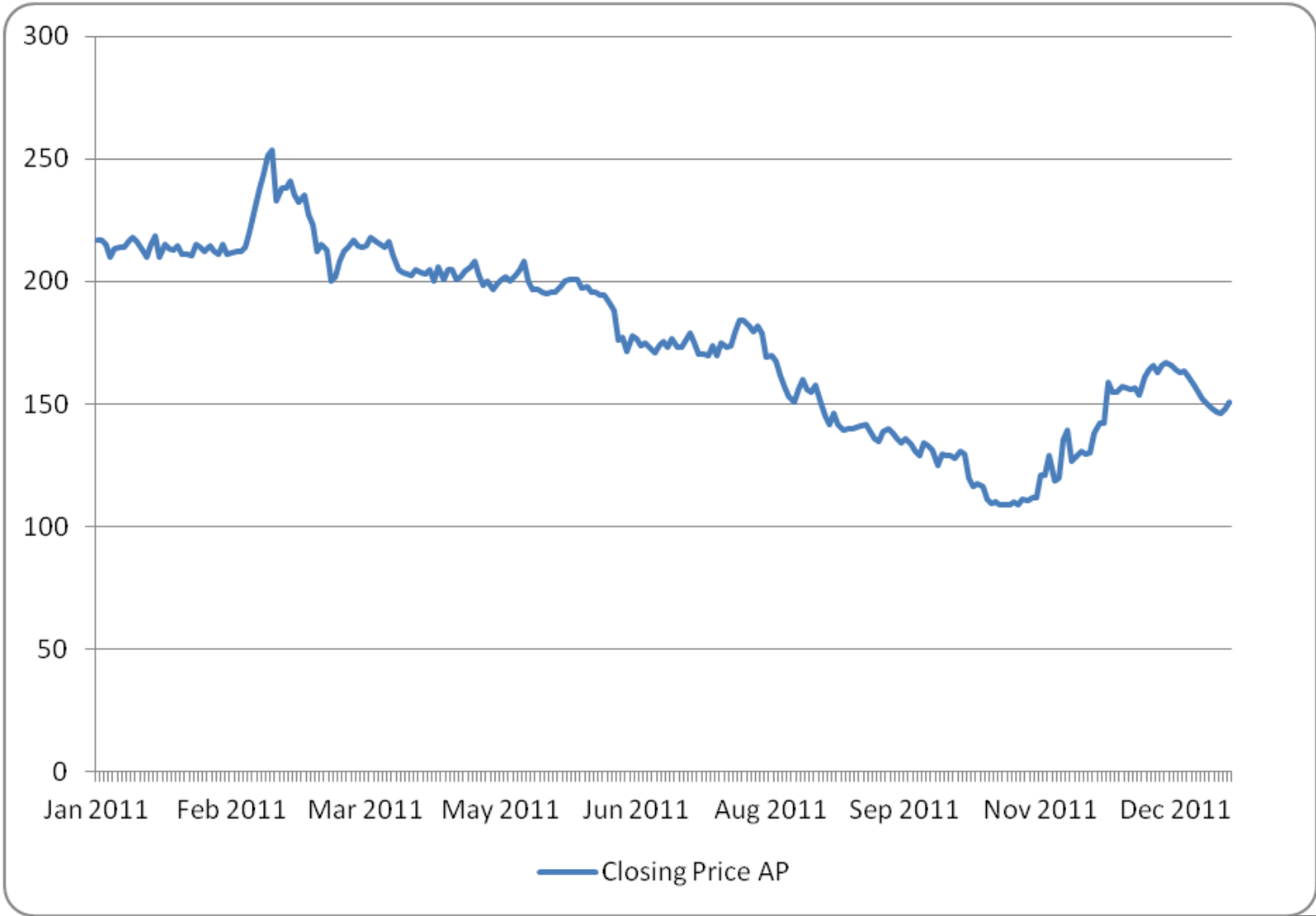
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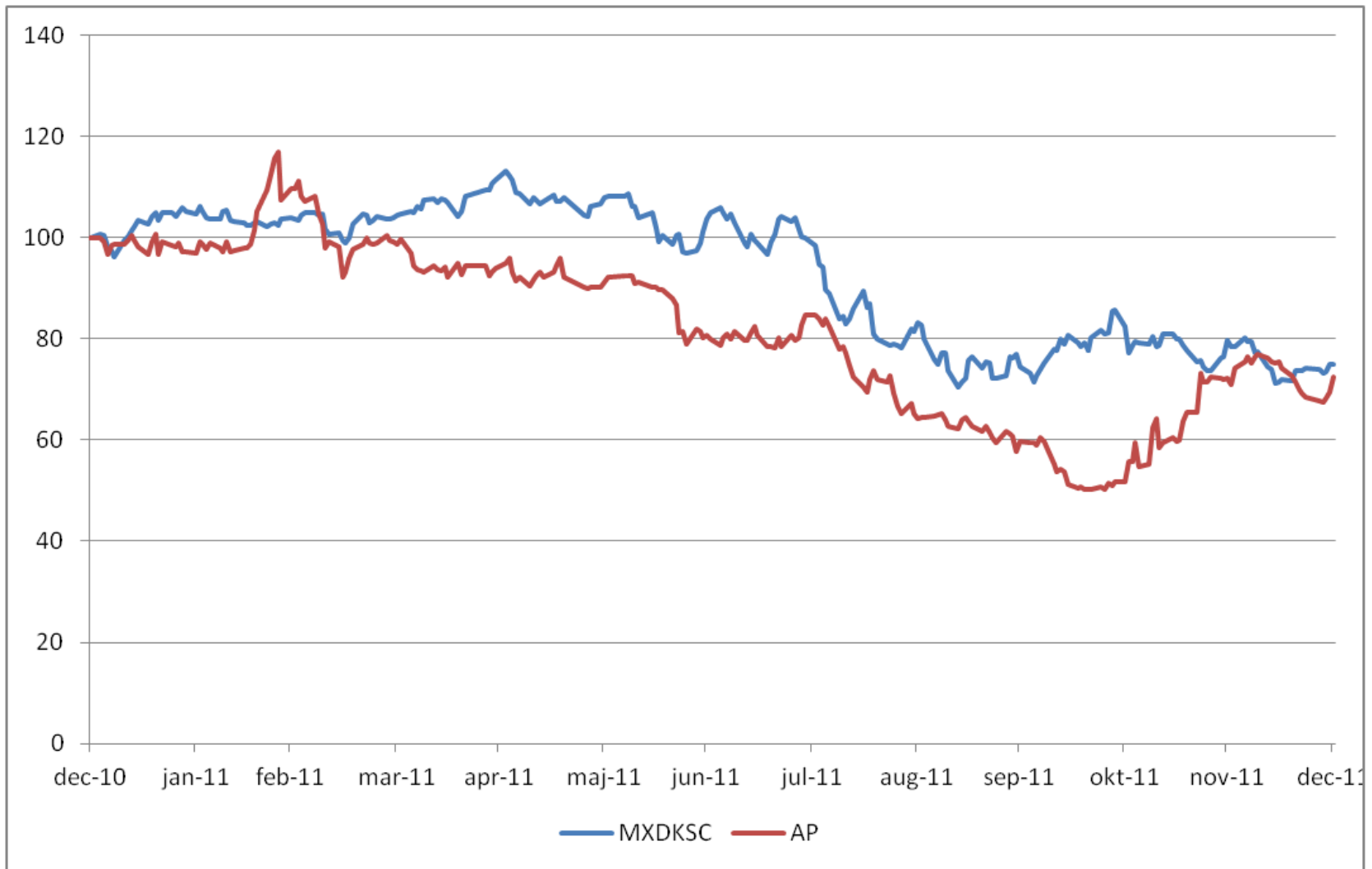
Reserves and Resources



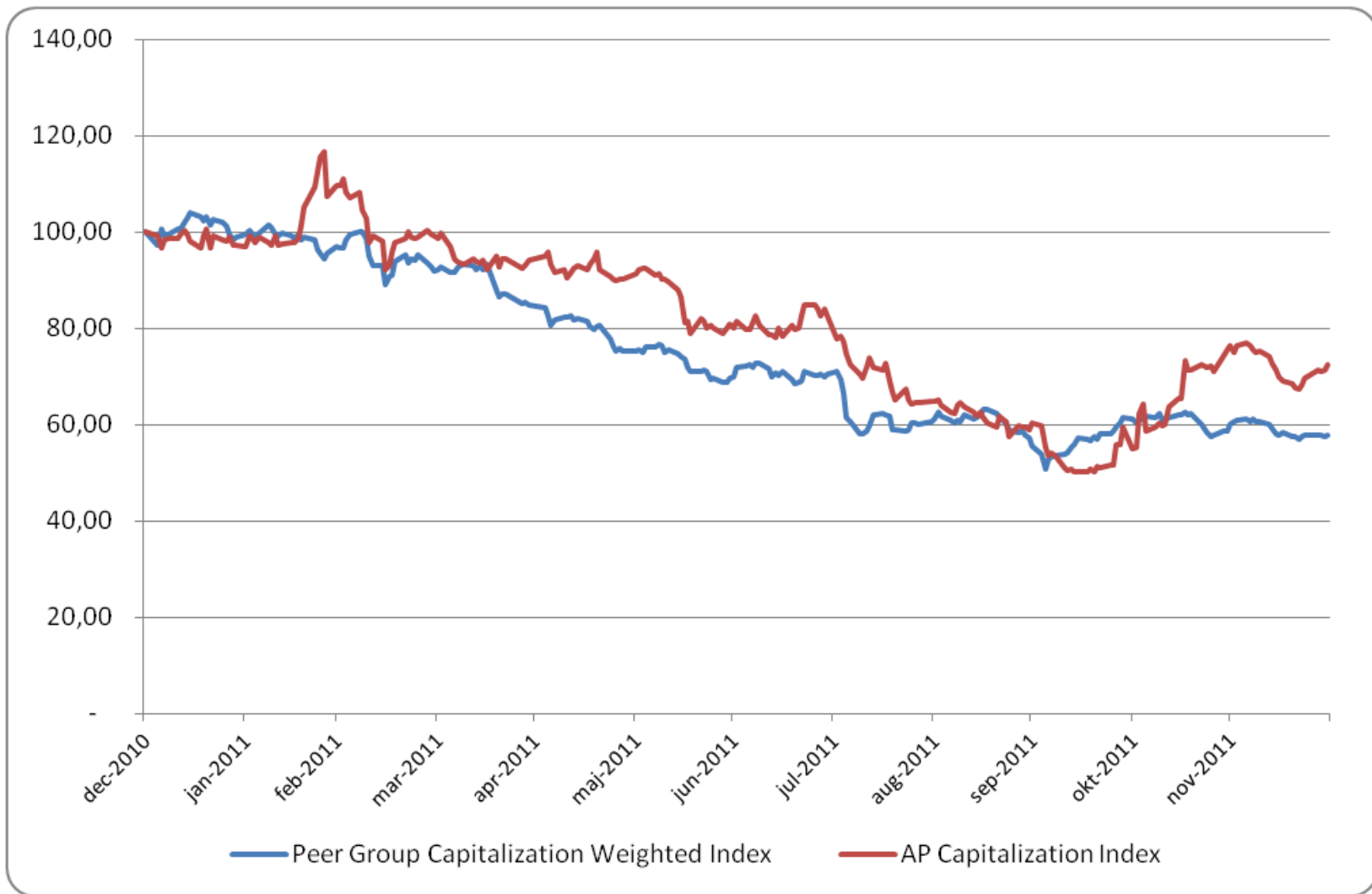
The Market Value of Atlantic Petroleum



Market Value Relative to Small Cap Denmark



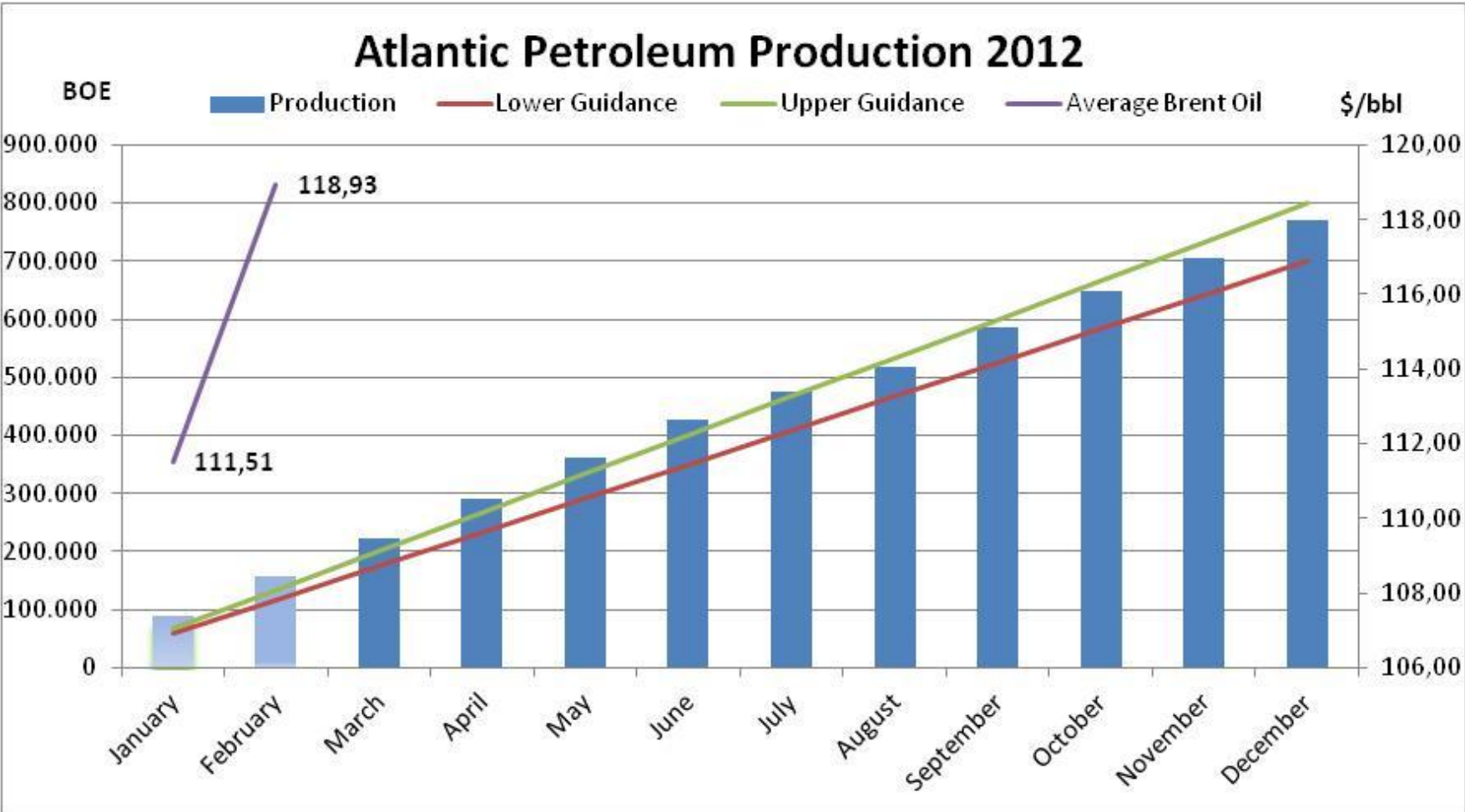
Market Value Relative to Peer Group



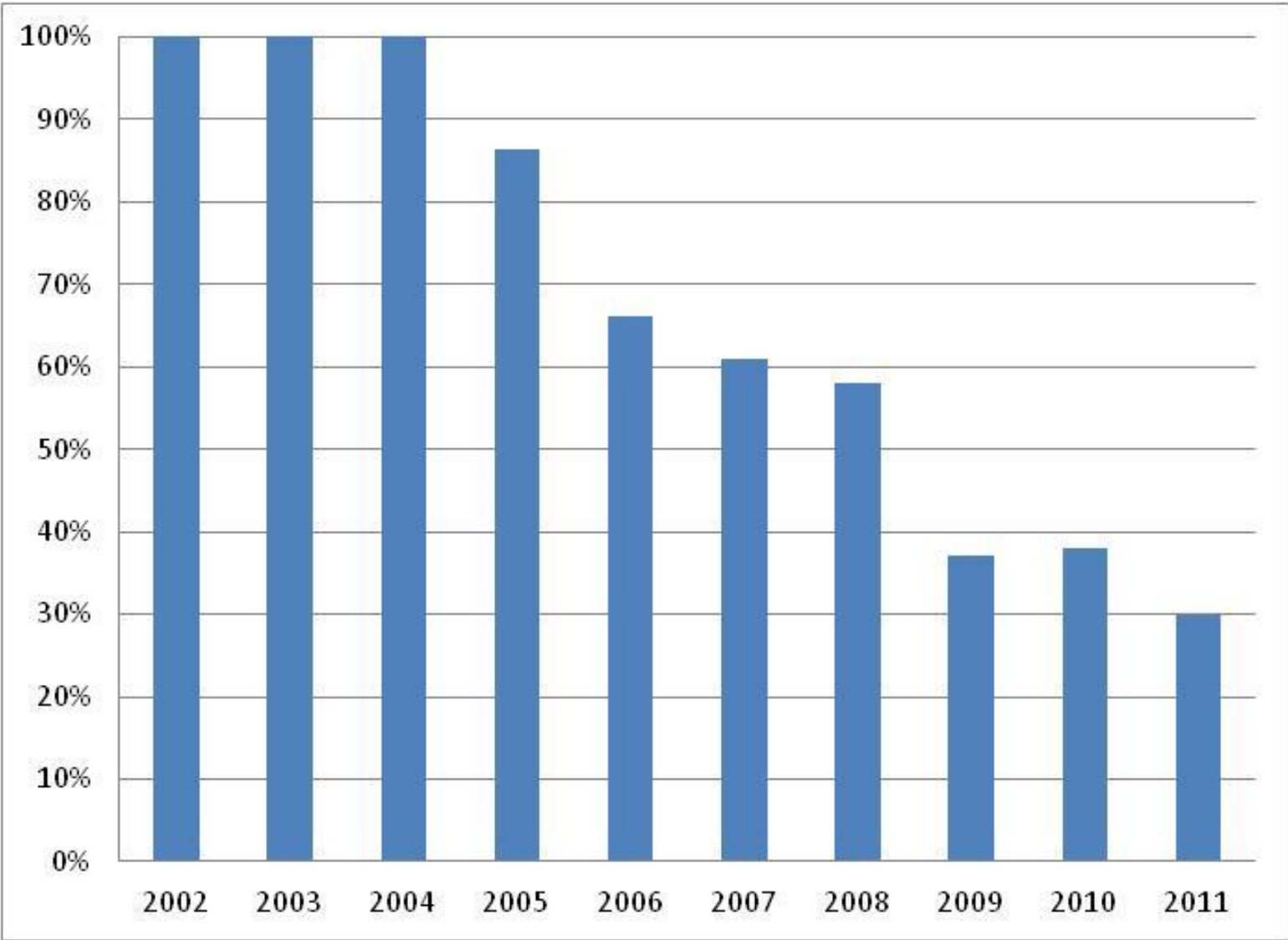
The Future

- The scene is set for growth
 - Reserves to increase
 - Via drillings
 - Via acquisitions
 - 3 drillings planned in 2012 - more to follow?
 - Atlantic Petroleum is working hard to acquire assets
 - Stable production and high oil prices are supporting the case for growth
-

2012 Production



Faroese Shareholders are fading...



The Board of Director's Statement

Ben Arabo, CEO

Annual General Meeting - Tórshavn

24th March 2012



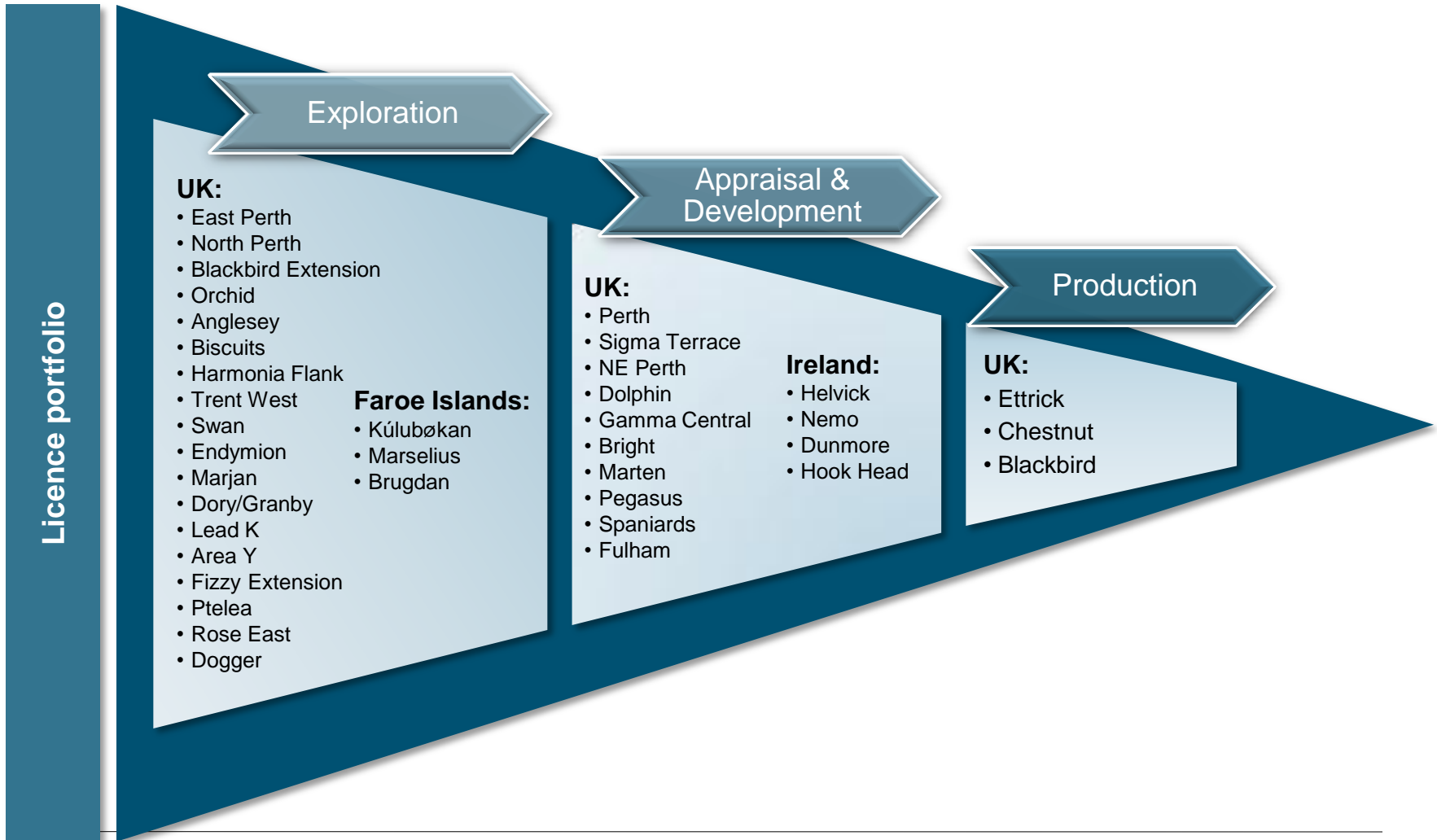
ATLANTIC PETROLEUM

Licence Portfolio



Atlantic Petroleum Licences February 2012

Project status



Strategy

To create an E&P company capable of providing significant returns to shareholders through high impact exploration offshore NW Europe



Strong team
Atlantic Petroleum has a strong team of technical people



Partnerships
Strong partnership with 29 international companies



Focus on Offshore North West Europe

Mature basin but significant opportunities remain for Small to Mid Cap players

Growth from the Existing Base
Reserve/production growth in existing producing assets

Retain Flexibility to Manage and Capitalise on Market Conditions
Be prepared to move on distressed companies and/or assets



Growth through development
Continue to create organic growth through development of existing asset base



Growth by farm-in & acquisitions
Increase portfolio of near term production assets through selective farm-in / acquisition of attractive development and appraisal licences.

Atlantic Petroleum in Transformation

2011 – Refocusing on growth

- Acquisition of Volantis Exploration Limited
 - Doubled exploration portfolio with further licence applications outstanding
 - Provided very experienced technical team
 - Carry over of strong relationships to Centrica, GDF, and Tullow
 - Farm in to Orchid prospect
 - Spaniards cross assignment
 - Drilled the Foxtrot prospect
 - Blackbird production brought on stream
 - Increased equity in Perth to 13.35%
 - Perth FDP submitted in September
 - David MacFarlane appointed to the Board
 - Wayne Kirk appointed as Technical Director of AP UK Limited
-

Atlantic Petroleum Management



**Ben Arabo,
CEO**

M.Sc. (Economics and Business Administration). Worked for Hess from 1996 to 2010, and joined Atlantic Petroleum from a position as Exploration Business Manager for Hess in South East Asia. Management Committee experience in exploration ventures in Asia, North Africa and North West Europe. Track record of making deals across a variety of basins and countries. Has increased the license portfolio from 12 licenses, when he joined Atlantic Petroleum in August 2010 to 30 licenses at end 2011.



**Mourits Joensen,
CFO**

M.Sc. in Economics from Copenhagen University. Mr. Joensen held the position as Finance and Administration Manager of the Faroese Unemployment Service from 2007 to February 2010, and prior to that he worked with Eik Bank and Hagstova Føroya (Statistics Faroe Islands).



**Wayne J Kirk,
Technical Director**

BSc in Geophysics from the University of Liverpool, and PhD from the University of Leicester. 20 years+ exploration, development and production experience in the North Sea, West of Shetlands, Brazil and New Zealand. His most recent position was Managing Director at OMV (New Zealand) Ltd. Has held various technical and managerial positions at OMV and Amerada Hess. Joined Atlantic Petroleum in December 2011.



**Nigel Thorpe, Business
Development Director**

Petroleum Engineer. 30 years+ international E&P experience. Previously held positions as CEO of Volantis Exploration, COO of Pexco, a Malaysian E&P Company, and MD of Eni Lasmo Indonesia. Track record of creating successful exploration portfolios and building companies from scratch. Broad experience of the industry including exploration, development, production, gas sales and project financing.

Production Assets



**Chestnut, Licence P.354,
Block 22/2a**

JV partners and Interests:

- Centrica Energy Upstream (Operator) 69.88%
- Dana Petroleum (E&P) Limited 15.12%
- Atlantic Petroleum 15.00%



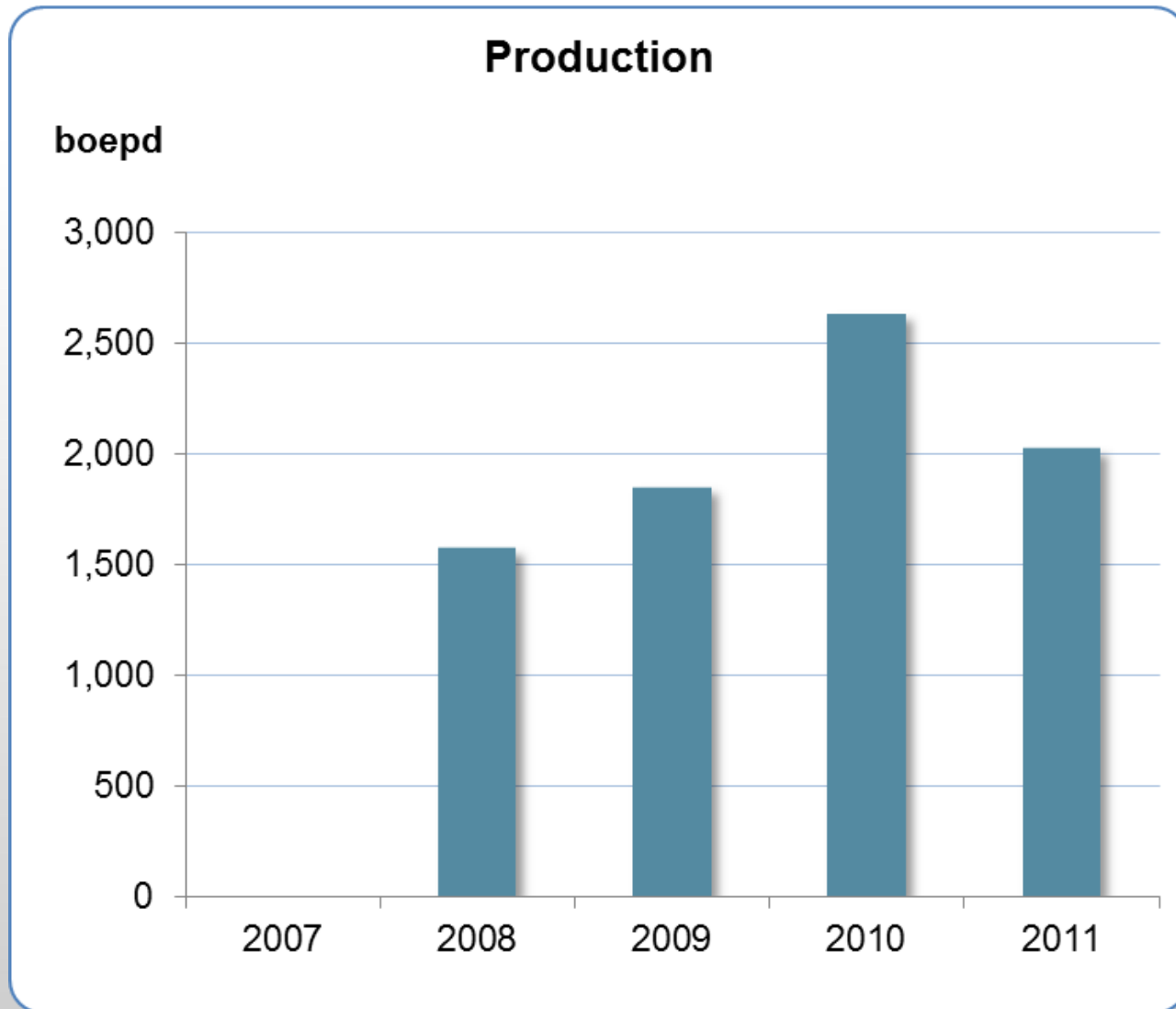
**Ettrick & Blackbird, Licence P.317, P.273, &
P.1580, Blocks 20/2a, 20/3a, & 20/3f**

JV partners and Interests:

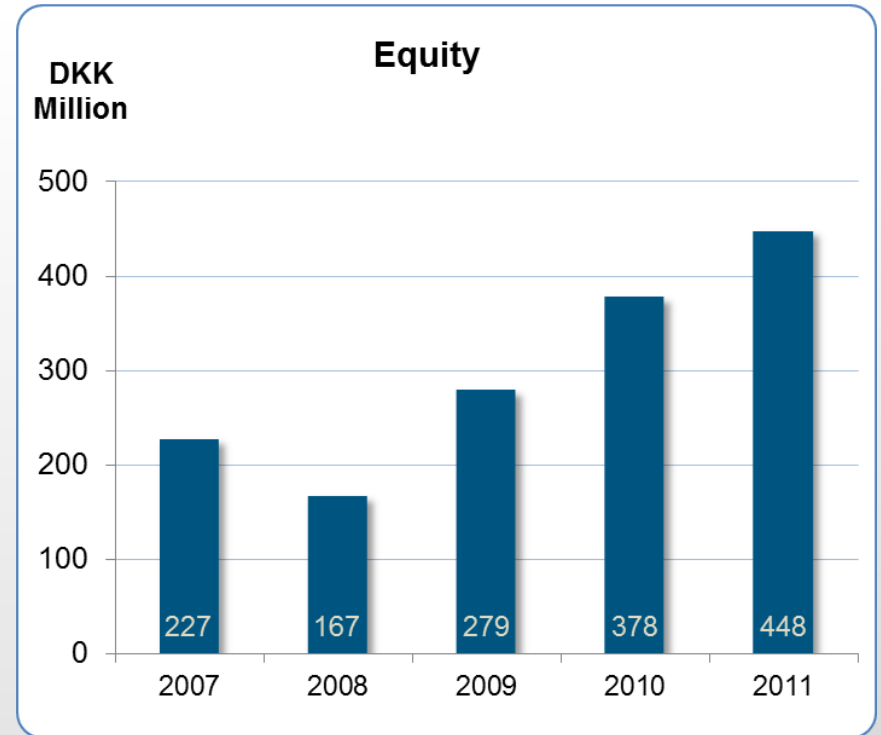
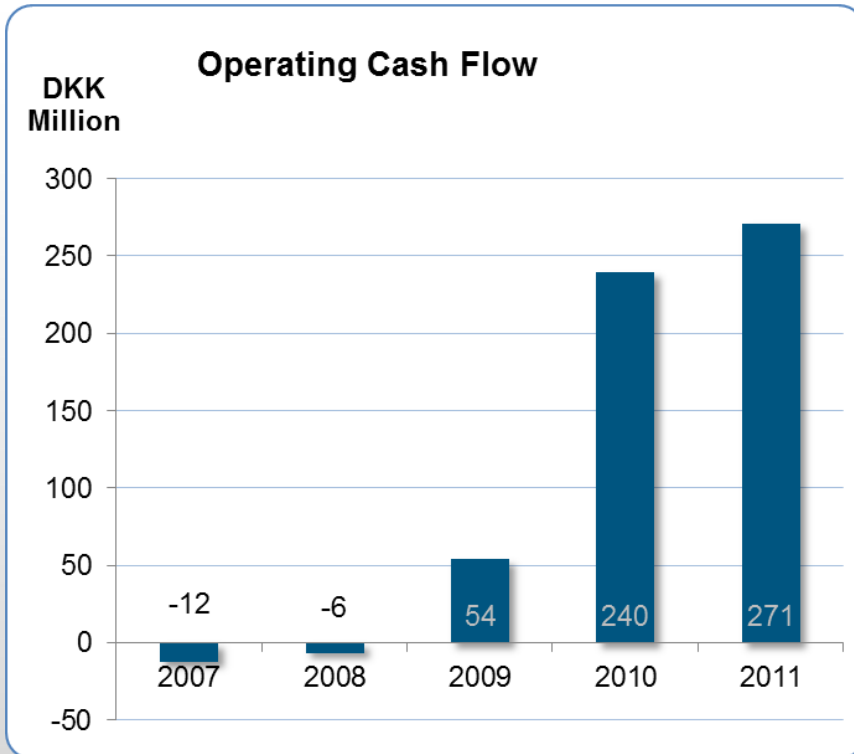
- Nexen UK Limited (Operator) 79.73% / 90.60% in Blackbird Field
- Dana Petroleum (E&P) Limited 12% / 0% in Blackbird Field
- Atlantic Petroleum 8.27% / 9.40% in Blackbird Field

- Net production to Atlantic Petroleum was 739,000 boe in 2011 from the Ettrick, Chestnut and Blackbird fields
- Blackbird came on-stream in November 2011

Production



Operating Cashflow & Equity



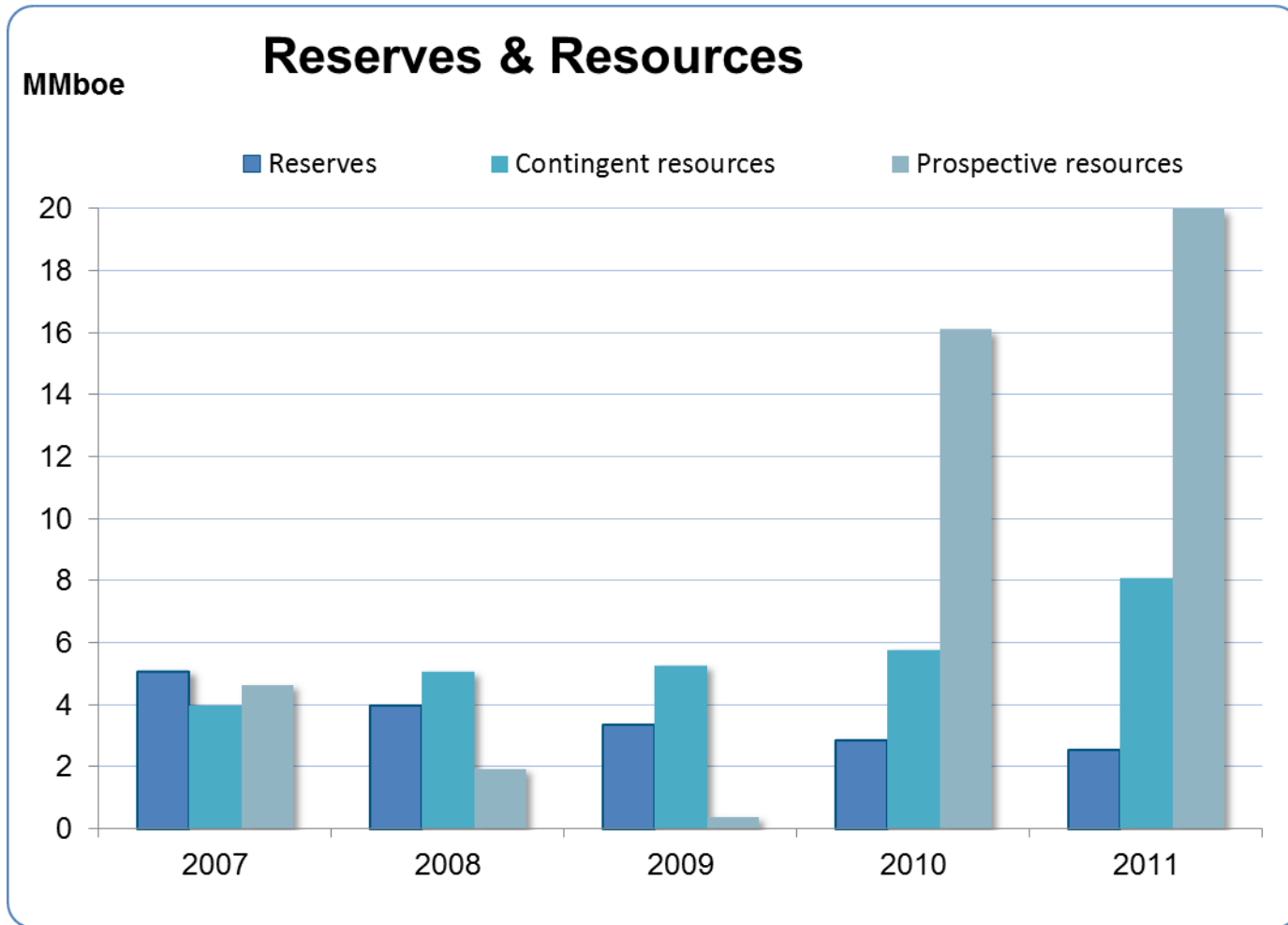
Planned Activities (2012 to 2013)

				2012				2013			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Faroe Islands	Exploration	L006	Brugdan II well		■	■					
		L013&014	2D Seismic		■						
		L016	3D Seismic (proposal)			■					
P1556		Orchid well	■								
P1655		Spaniards			■						
P1716		Foxtrot									
P1724		Pegasus West						■			
P1734		Endymion							■		
UK		Development	Etrick	Water injector	■						
			Blackbird	Water injector		■					
	Producer						■				

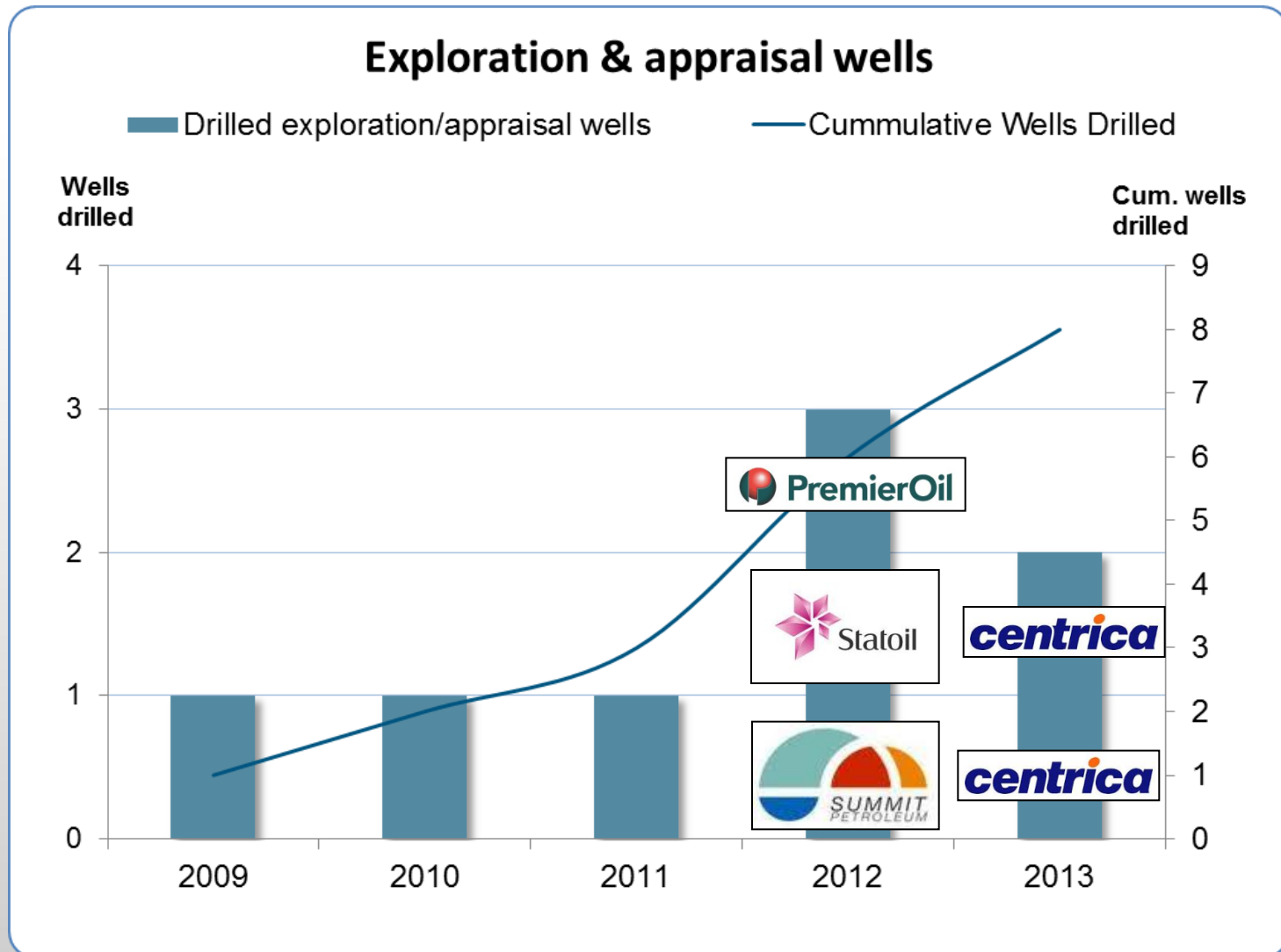
■ = Wells

■ = Seismic

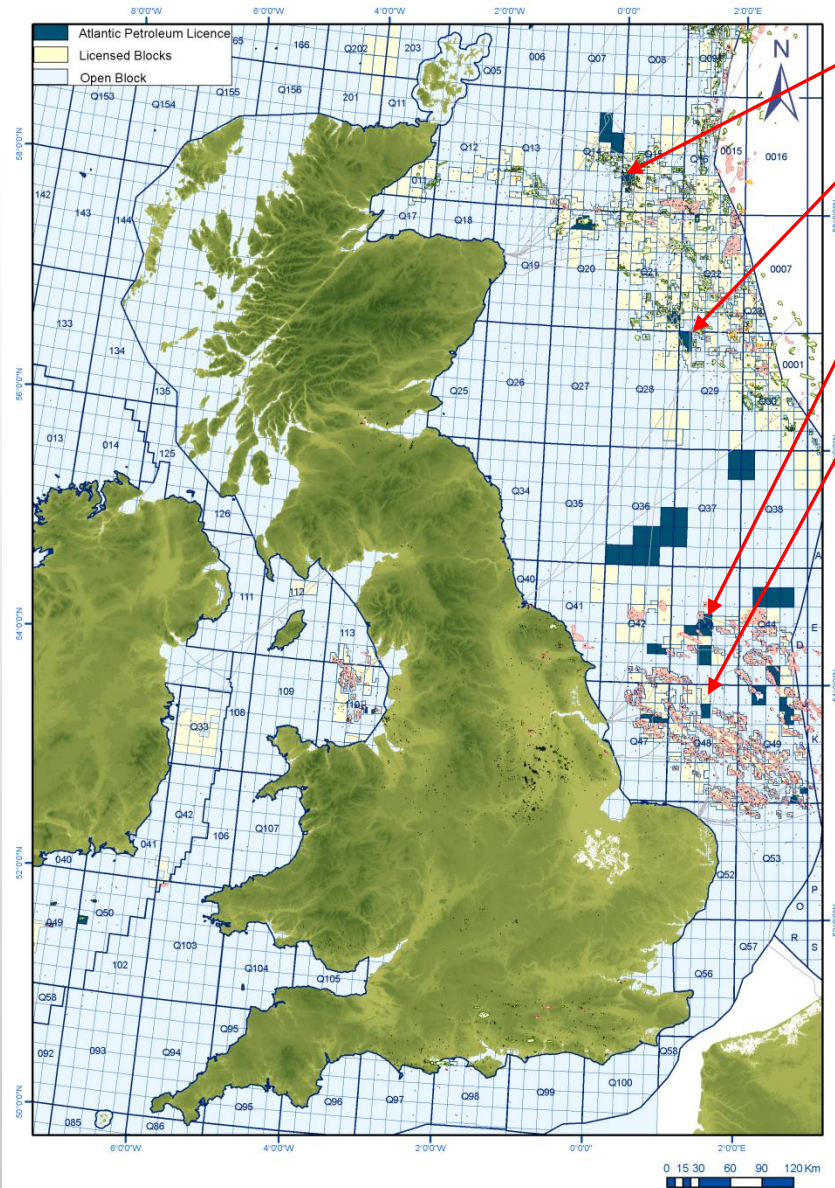
Reserves & Resources



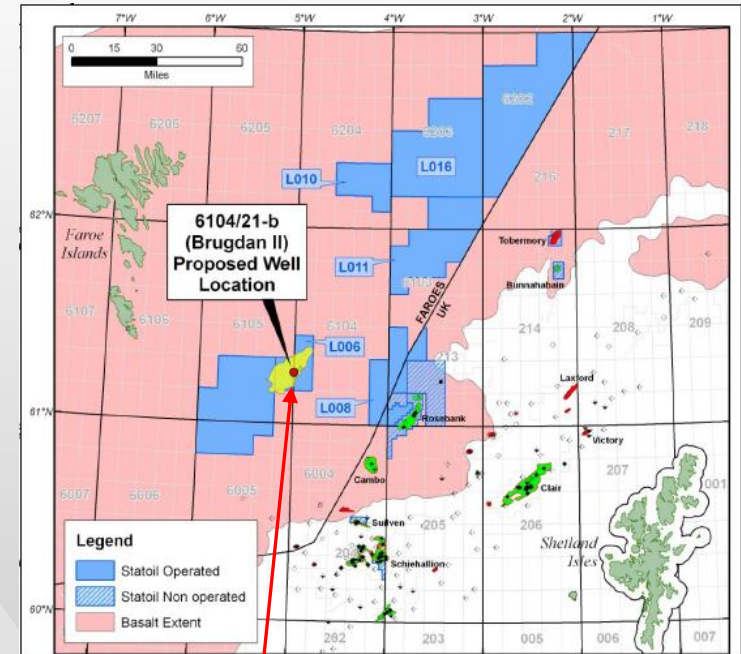
Exploration & Appraisal



AP Licences & Wells planned for 2012 – 2013

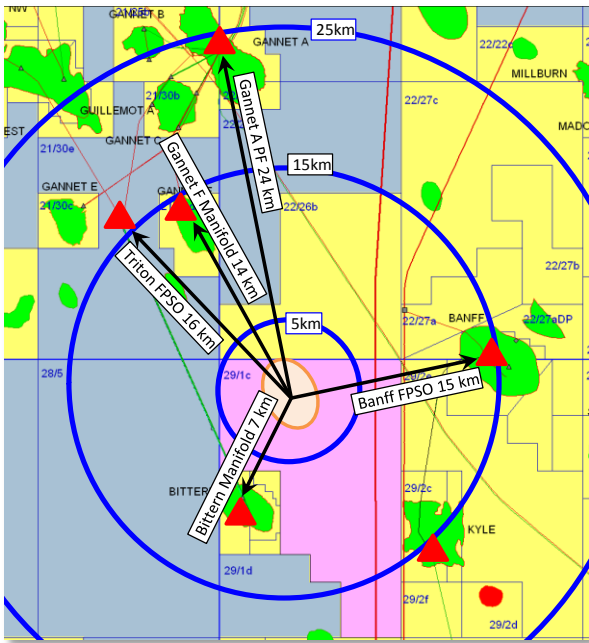


Spaniards – 2012 well – Premier Oil
Orchid – Feb 2012 well - Summit
Pegasus West – 2013 well - Centrica
Endymion – 2013 well - Centrica



Brugdan II – 2012 well – Statoil

UK P.1556, Block 29/1c - Orchid



Orchid, UK Licence P.1556, Block 29/1c

JV partners and Interests:

- Summit Petroleum Limited (Operator) 45%
- Valiant Exploration Limited 30%
- Trap Oil Group plc 15%
- Atlantic Petroleum 10%

- The Orchid exploration well spudded in 1Q 2012
- Well drilled by semi-submersible drilling rig Sedco 711

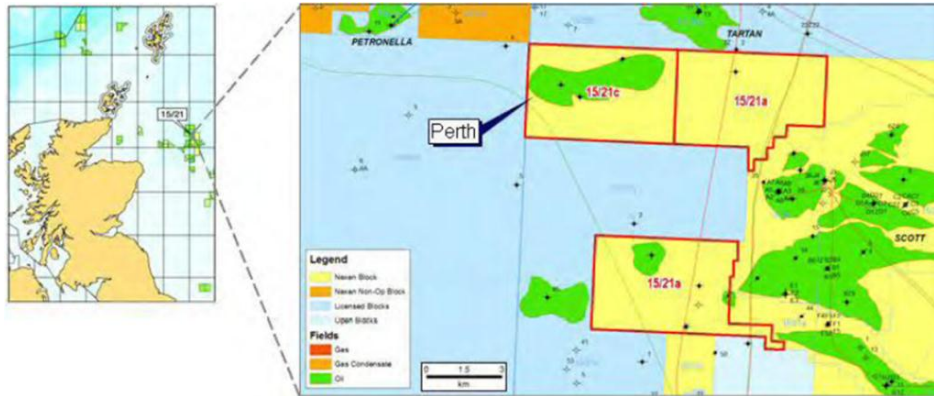
Faroes, L006 - Brugdan II



- Brugdan Deep well planned for spudding June 2012
- Water Depth 400 – 500m
- Equities: Statoil 50%, ExxonMobil 49%, Atlantic Petroleum 1%
- P50 prospective resources net to AP 9.2mmboe unrisks. Risked: 1.2mmboe*

* Fugro Robertson Estimate

Development Assets



Perth, Licences P.218 & P.588, Block 15/21a,b,c,f

JV partners and Interests:

- DEO (Operator) 52.03%
- Faroe Petroleum 34.62%
- Atlantic Petroleum 13.35%

- Large discovery with over 300 mmboe STOIP
- Field Development Plan submitted 30th September 2011
- If sanctioned in 2012 first oil is expected in H1 2014
- Exploration upside exists

Outlook



Outlook

- Total production for 2012 is estimated to be between 700,000 – 800,000 boe net for the year
 - Earnings Before Interest, Taxes, Depreciation, Amortisation and Exploration Expenses (EBITDAX) is predicted in the range of DKK 200.0MM to DKK 270.0MM (2011: DKK 266MM)
 - Continue Blackbird field development drilling
 - Decision on Perth development
 - Participation in exploration drilling in 2012 including the Orchid and Brugdan wells
 - Further expand the Company's activities in North West Europe
 - Continue to build the exploration portfolio including participation in the recently announced UK 27th Round
 - Continue to populate the 2012/2013 drilling programme and look at asset acquisitions
-



AGENDA – ANNUAL GENERAL MEETING 2011

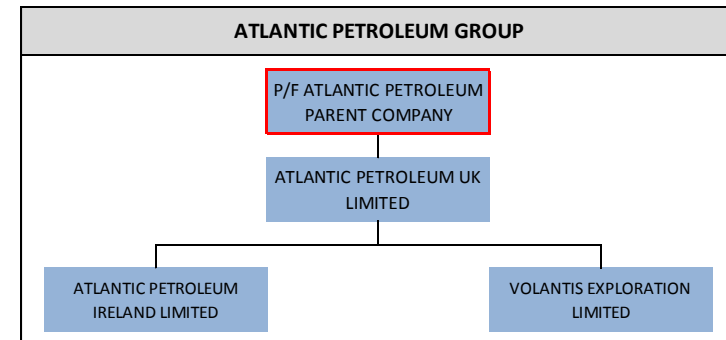
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3. Presentation of Audited Annual Accounts

Parent Company Income Statement

For the year ended 31st December 2011

	2011 DKK	2010 DKK
Revenue	0	0
Costs of sales	0	0
Gross profit	0	0
Exploration expense	-6,493,634	0
Pre-licence exploration costs	-76,345	-222,521
General and administration costs	-15,066,377	-11,122,105
Other operating income	14,746,881	10,647,997
Operating profit	-6,889,475	-696,629
Interest revenue and finance gains	5,402,714	250,950
Interest expenses and other finance costs	-11,881,674	-105,310,768
Profit before taxation	-13,368,435	-105,756,446
Taxation	0	0
Profit after taxation	-13,368,435	-105,756,446



3. Presentation of Audited Annual Accounts

Parent Company Balance Sheet

As at 31 st December 2011	2011 DKK	2010 DKK
Non-current assets		
Intangible assets	325,081	207,982
Intangible exploration and evaluation assets	16,304,588	19,678,747
Property plant and equipment	136,249	182,533
Investment in subsidiary	290,409,037	21,493,753
	307,174,955	41,563,015
Current assets		
Trade and other receivables	595,865	730,348
Receivables from subsidiaries	6,175,527	365,087,950
Cash and cash equivalents	68,847,072	73,465,909
	75,618,464	439,284,207
Total assets	382,793,419	480,847,222

Parent Company Balance Sheet

As at 31st December 2011

	Note	2011 DKK	2010 DKK
Non-current assets			
Intangible assets	10	325,081	207,982
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Total assets		382,793,419	480,847,222
Current liabilities			
Short-term debt	15,17	39,968,085	64,803,334
Trade and other payables	14	2,196,138	2,240,369
		42,164,224	67,043,702
Non current liabilities			
Long-term debt	15,17	65,000,000	97,500,000
		65,000,000	97,500,000
Total liabilities		107,164,224	164,543,702
Net assets		275,629,195	316,303,520
Equity			
Share capital	19	262,670,300	262,670,300
Own shares	21	-27,305,890	0
Share premium account		231,154,090	231,154,090
Retained earnings		-190,889,305	-177,520,870
Total equity shareholders' funds	20	275,629,195	316,303,520

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3. Presentation of Audited Annual Accounts

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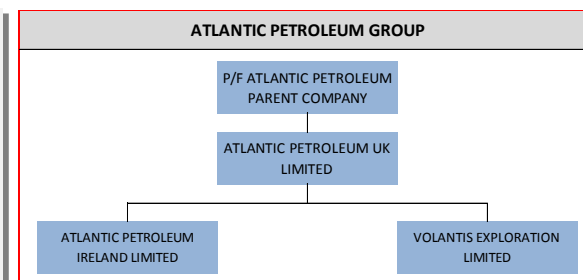
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Trade and other payables	14	2,196,138	2,240,389
		42,164,224	67,043,702
Non current liabilities			
Long-term debt	15,17	65,000,000	97,500,000
		65,000,000	97,500,000
Total liabilities		107,164,224	164,543,702
Net assets		275,629,195	316,303,520
Equity			
Share capital	19	262,670,300	262,670,300
Own shares	21	-27,305,890	0
Share premium account		231,154,090	231,154,090
Retained earnings		-190,889,305	-177,520,870
Total equity shareholders' funds	20	275,629,195	316,303,520

3. Presentation of Audited Annual Accounts

Consolidated Income Statement

For the year ended 31st December 2011

	2011 DKK	2010 DKK
Revenue	434,830,735	422,469,572
Costs of sales	-261,196,369	-256,439,727
Gross profit	173,634,366	166,029,844
Exploration expenses	-17,829,871	-370,681
Pre-licence exploration costs	-1,827,764	-1,331,348
General and administration costs	-27,675,935	-17,019,537
Other operating income	0	22,552
Operating profit	126,300,795	147,330,831
Interest revenue and finance gains	29,473,523	46,660,704
Interest expenses and other finance costs	-28,266,938	-30,908,330
Profit before taxation	127,507,380	163,083,205
Taxation	-60,890,823	-53,976,642
Profit after taxation	66,616,557	109,106,563



GEOGRAPHICAL SEGMENTAL ANALYSIS	Faroe Islands		United Kingdom		Republic of Ireland	
	2011 DKK	2010 DKK	2011 DKK	2010 DKK	2011 DKK	2010 DKK
Revenue						
Oil sales	0	0	424,817,884	414,235,155	0	0
Gas sales	0	0	9,556,047	8,234,416	0	0
Income Manpower and recharges	0	0	456,804	0	0	0
Total revenue	0	0	434,830,735	422,469,572	0	0

COSTS OF SALES	2011	2010
	DKK	DKK
Operating costs	140,157,080	121,983,804
Amortisation and depreciation, plant and equipment: Oil and gas properties	121,039,289	134,455,923
	261,196,369	256,439,727

3. Presentation of Audited Annual Accounts

Consolidated Balance Sheet

As at 31st December 2011

	2011 DKK	2010 DKK
Non-current assets		
Goodwill	36,007,225	0
Intangible assets	684,350	207,982
Intangible exploration and evaluation assets	106,827,414	109,483,257
Tangible development and production assets	446,621,277	403,114,504
Property plant and equipment	1,378,416	491,772
Deferred tax asset	0	3,512,012
	591,518,682	516,809,527
Current assets		
Inventories	1,948,775	11,521,499
Trade and other receivables	83,713,940	69,193,151
Cash and cash equivalents	114,312,942	74,297,295
	199,975,658	155,011,945
Total assets	791,494,339	671,821,471

Interest rate risk profile of financial assets

The interest rate profile of the financial assets of the group as at 31st December was:

	Fixed rate DKK	Floating rate DKK
2011		
Cash and short-term deposits:		
Held in DKK	0	68,499,416
Held in GBP	0	31,199,518
Held in USD	0	14,580,719
Held in EUR	0	33,289
Total	0	114,312,942

Consolidated Balance Sheet

As at 31st December 2011

	Note	2011 DKK	2010 DKK
Non-current assets			
Goodwill	28	36,007,225	0
Intangible assets	12	684,350	207,982
Intangible exploration and evaluation assets	13	106,827,414	109,483,257
Tangible development and production assets	14	446,621,277	403,114,504
Property plant and equipment	15	1,378,416	491,772
Deferred tax asset	24	0	3,512,012
		591,518,682	516,809,527
Current assets			
Inventories	17	1,948,775	11,521,499
Trade and other receivables	18	83,713,940	69,193,151
Cash and cash equivalents	20,23	114,312,942	74,297,295
		199,975,658	155,011,945
Total assets		791,494,339	671,821,471
Current liabilities			
Short-term debt	20,23	39,968,085	84,568,460
Trade and other payables	19	66,898,275	22,046,265
Financial liabilities		51,107	6,843,115
		106,917,468	113,457,839
Non-current liabilities			
Deferred tax liability	24	60,886,298	0
Long-term debt	20,23	65,000,000	97,500,000
Long-term provisions	22	114,194,666	82,962,744
		240,080,965	180,462,744
Total liabilities		346,998,433	293,920,583
Net assets		444,495,907	377,900,888
Equity			
Share capital	25	262,670,300	262,670,300
Own shares	26	-27,906,890	0
Share premium account		231,154,090	231,154,090
Translation reserves		43,369,857	16,241,529
Retained earnings		-65,392,450	-132,165,031
Total equity shareholders' funds		444,495,907	377,900,888

3. Presentation of Audited Annual Accounts

Consolidated Balance Sheet

As at 31st December 2011

	2011 DKK	2010 DKK
Current liabilities		
Short-term debt	39,968,085	84,568,460
Trade and other payables	66,898,275	22,046,265
Financial liabilities	51,107	6,843,115
	106,917,468	113,457,839
Non-current liabilities		
Deferred tax liability	60,886,298	0
Long-term debt	65,000,000	97,500,000
Long-term provisions	114,194,666	82,962,744
	240,080,965	180,462,744
Total liabilities	346,998,433	293,920,583

Consolidated Balance Sheet

As at 31st December 2011

	Note	2011 DKK	2010 DKK
Non-current assets			
Goodwill	28	36,007,225	0
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Property plant and equipment	15	1,378,416	491,772
Deferred tax asset	24	0	3,512,012
		591,518,682	516,809,527
Current assets			
Inventories	17	1,948,775	11,521,499
Trade and other receivables	18	93,713,940	69,193,151
Cash and cash equivalents	20,23	114,312,942	74,297,295
		199,975,658	155,011,945
Total assets		791,494,339	671,821,471
Current liabilities			
Short-term debt	20,23	39,968,085	84,568,460
Trade and other payables	19	66,898,275	22,046,265
Financial liabilities		51,107	6,843,115
		106,917,468	113,457,839
Non-current liabilities			
Deferred tax liability	24	60,886,298	0
Long-term debt	20,23	65,000,000	97,500,000
Long-term provisions	22	114,194,666	82,962,744
		240,080,965	180,462,744
Total liabilities		346,998,433	293,920,583
Net assets		444,495,907	377,900,888
Equity			
Share capital	25	262,670,300	262,670,300
Own shares	26	-27,906,890	0
Share premium account		231,154,090	231,154,090
Translation reserves		43,369,857	16,241,529
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Total equity shareholders' funds		444,495,907	377,900,888

3. Presentation of Audited Annual Accounts

Consolidated Balance Sheet

As at 31st December 2011

	2011 DKK	2010 DKK
Equity		
Share capital	262,670,300	262,670,300
Own shares	-27,305,890	0
Share premium account	231,154,090	231,154,090
Translation reserves	43,369,857	16,241,529
Retained earnings	-65,392,450	-132,165,031
Total equity shareholders' funds	444,495,907	377,900,888

	Share capital DKK	Own shares DKK	Share premium account DKK	Retained earnings DKK	Translation reserves DKK	Total DKK
At 1st January 2010	262,670,300	0	231,154,091	-241,342,296	26,478,257	278,960,352
Fair value adjustment on securities available for sale	0	0	0	83,885	0	83,885
Translation reserves	0	0	0	-11,107	-10,238,805	-10,249,912
Loss for the year	0	0	0	109,106,563	0	109,106,562
At 1st January 2011	262,670,300	0	231,154,091	-132,162,955	16,239,453	377,900,888
Own Shares bought (173,250 shares)	0	-36,036,000	0	0	0	-36,036,000
Own Shares sold (42,736 shares)	0	8,730,110	0	0	0	8,730,110
Translation reserves	0	0	0	0	27,284,352	27,284,352
Profit for the year	0	0	0	66,616,557	0	66,616,557
At 31st December 2011	262,670,300	-27,305,890	231,154,091	-65,546,398	43,523,805	444,495,907

Consolidated Balance Sheet

As at 31st December 2011

	Note	2011 DKK	2010 DKK
Non-current assets			
Goodwill	28	36,007,225	0
Intangible assets	12	684,350	207,982
Intangible exploration and evaluation assets	13	106,827,414	109,483,257
Tangible development and production assets	14	446,621,277	403,114,504
Property plant and equipment	15	1,378,416	491,772
Deferred tax asset	24	0	3,512,012
		591,518,682	516,809,527
Current assets			
Inventories	17	1,948,775	11,521,499
Trade and other receivables	18	93,713,940	69,193,151
Cash and cash equivalents	20,23	114,312,942	74,297,295
		199,975,658	155,011,945
Total assets		791,494,339	671,821,471
Current liabilities			
Short-term debt	20,23	39,968,085	84,568,460
Trade and other payables	19	66,898,275	22,046,265
Financial liabilities		51,107	6,843,115
		106,917,468	113,457,839
Non-current liabilities			
Deferred tax liability	24	60,886,298	0
Long-term debt	20,23	65,000,000	97,500,000
Long-term provisions	22	114,194,666	82,962,744
		240,080,965	180,462,744
Total liabilities		346,998,433	293,920,583
Net assets		444,495,907	377,900,888
Equity			
Share capital	25	262,670,300	262,670,300
Own shares	26	-27,305,890	0
Share premium account		231,154,090	231,154,090
Translation reserves		43,369,857	16,241,529
Retained earnings		-65,392,450	-132,165,031
Total equity shareholders' funds		444,495,907	377,900,888

3. Presentation of Audited Annual Accounts

Consolidated Cash Flow Statement

For the year ended 31 st December 2011	2011 DKK	2010 DKK
Operating activities		
Operating profit	134,992,717	147,330,831
Allocated consolidated capitalised interest	5,946,835	5,673,033
Impairment on non-current assets	2,562,189	0
Relinquishment of licence	6,575,760	0
Depreciation, depletion and amortisation	115,550,666	129,104,712
Change in inventories	9,883,965	-7,164,277
Change in trade and other receivables	-15,044,246	4,544,417
Change in trade and other payables	17,946,724	-22,560,688
Interest revenue and finance gains received	19,527,638	13,638,050
Interest expenses and other finance costs paid	-28,008,004	-30,908,330
Income taxes paid	0	27,897
Net cash provided by operating activities	269,934,243	239,685,644
Investing activities		
Capital expenditure	-163,251,878	-83,095,120
Net cash used in investing activities	-163,251,878	-83,095,120
Financing activities		
Short-term debt	-45,134,308	-34,136,312
Long-term debt	-32,500,000	-67,500,000
Realised securities	0	99,910
Net cash used in financing activities	-77,634,307	-101,536,402
Increase/Decrease in cash and cash equivalents	29,048,057	55,054,122
Cash and cash equivalents at the beginning of the period	85,242,427	18,802,488
Currency translation differences	22,459	440,685
Cash and cash equivalents at the end of the period	114,312,943	74,297,295

Consolidated Balance Sheet

As at 31st December 2011

	2011 DKK	2010 DKK
Non-current assets		
Goodwill	36,007,225	0
Intangible assets	684,350	207,982
Intangible exploration and evaluation assets	106,827,414	109,483,257
Tangible development and production assets	446,621,277	403,114,504
Property plant and equipment	1,378,416	491,772
Deferred tax asset	0	3,512,012
	591,518,682	516,809,527
Current assets		
Inventories	1,948,775	11,521,499
Trade and other receivables	83,713,940	69,193,151
Cash and cash equivalents	114,312,942	74,297,295
	199,975,658	155,011,945
Total assets	791,494,339	671,821,471

Independent Auditor's Report

TO THE SHAREHOLDERS OF P/F ATLANTIC PETROLEUM

Auditor's report to the consolidated financial report

We have audited the financial report of P/F Atlantic Petroleum for the financial year 1st January to 31st December 2011, which comprise the accounting policies used, the consolidated statement of financial position as of 31st December 2011, the consolidated statement of income, consolidated statement of comprehensive income and the consolidated cash flow statement for the year then ended, and the accompanying explanatory notes. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards, as adopted by EU and additional Faroese Disclosure Requirements for listed companies.

The Board of Directors' and the Board of Executives' Responsibility

The board of directors and the board of executives are responsible for the preparation and presentation of the financial report giving a true and fair view in accordance with the International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant for the preparation and presentation of the financial report giving a true and fair view and being free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Furthermore, the board of directors and the board of executives are responsible for the preparation of a management review including a fair description in accordance with the Faroese Financial Statements Act.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the groups preparation and presentation of the financial report giving a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the groups internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors and the board of executives, as well as the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

OPINION

In our opinion, the financial report gives a true and fair view of P/F Atlantic Petroleum and its subsidiaries' consolidated assets, consolidated liabilities, and consolidated financial position at 31st December 2011 and of the consolidated results of P/F Atlantic Petroleum and its subsidiaries' operations, consolidated comprehensive income and consolidated cash flow for the financial year 1st January to 31st December 2011 in accordance with the International Financial Reporting Standards, as adopted by EU and additional Faroese Disclosure Requirements for listed companies.

Statement concerning the management review

Our audit did not comprise the management review.

In accordance with the Faroese Financial Statements Act we have read the management review without taking any further action in addition to the performed audit of the financial report. In our opinion, the information appearing from the management review is in accordance with the audited financial report.

Tórshavn 24th February 2012

Sp/F Grannskoðaravirkirð INPACT

løgilt grannskoðaravirkir

Jógvan Amonsson
State Authorised
Public Accountant

Fróði Sivertsen
State Authorised
Public Accountant



AGENDA – ANNUAL GENERAL MEETING 2011

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. [Approval of the remuneration to the Board in 2011 and 2012](#)
5. Decision on how to use profit or cover loss according to the approved Accounts and Annual report
6. Election of Board of Directors
7. Election of auditor, who will sit until the next Annual General Meeting is held
8. Authority to the Board of Directors of the Company to buy own shares
9. Proposal to changes in the Articles of Association of the Company
10. AOB

4. Approval of the remuneration to the Board in 2011 and 2012

A. Approval of the remuneration to the Board in 2011

- *The Board proposes approval of the actual remuneration in 2011 of DKK 1,329,225*

B. Approval of the basis for the remuneration to the Board in 2012.

- *The Board proposes that the basis for the remuneration to the Board in 2012 will be:*
- *The basic remuneration to the Board will be DKK 220,500*
- *The Chairman of the Board receives the basic remuneration x 2*
- *The Deputy Chairman receives the basic remuneration x 1.5*
- *An ordinary Board Member receives the basic remuneration x 1*
- *The Chairman for the Remuneration Committee receives the basic remuneration x 0.5 in addition to his/her general Board remuneration.*



AGENDA – ANNUAL GENERAL MEETING 2011

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. Approval of the remuneration to the Board in 2011 and 2012
5. Decision on how to use profit or cover loss according to the approved Accounts and Annual report
6. Election of Board of Directors
7. Election of auditor, who will sit until the next Annual General Meeting is held
8. Authority to the Board of Directors of the Company to buy own shares
9. Proposal to changes in the Articles of Association of the Company
10. AOB

5. Decision on how to use profit or cover loss according to the approved Accounts and Annual report

The Board of Directors recommends that the result according to the approved Accounts is carried forward to next year.



AGENDA – ANNUAL GENERAL MEETING 2011

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. Approval of the remuneration to the Board in 2011 and 2012
5. Decision on how to use profit or cover loss according to the approved Accounts and Annual report
6. Election of Board of Directors
7. Election of auditor, who will sit until the next Annual General Meeting is held
8. Authority to the Board of Directors of the Company to buy own shares
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10. AOB



6. Election of Board of Directors

Three Members of the Board are to be elected for a period of two years. The three Board Members up for election are Jan Edin Evensen, Diana Leo and David Archibald MacFarlane. The Board proposes re-election of the three Members up for election.



AGENDA – ANNUAL GENERAL MEETING 2011

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

7. Election of auditor, who will sit until the next Annual General Meeting is held

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



AGENDA – ANNUAL GENERAL MEETING 2011

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

8. Authority to the Board of Directors of the Company to buy own shares.

The Board of Directors proposes to the Annual General Meeting to change the current authorization to the Board to buy own shares to the following:

"The Board of Directors is in the period from 24th March 2012 to 23rd March 2017 authorized to buy own shares. The Board can, on behalf of the Company, buy own shares up to a maximum of 10% of the nominal value of the Company's shares, and at a price which can not deviate more than 10% from the share's price on NASDAQ OMX in Copenhagen at the time of the deal."



AGENDA – ANNUAL GENERAL MEETING 2011

1. Election of Chairman of the Meeting
2. The Board of Director's statement of the Company's activity during the previous accounting year
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7. Election of auditor, who will sit until the next Annual General Meeting is held
8. Authority to the Board of Directors of the Company to buy own shares
9. Proposal to changes in the Articles of Association of the Company
10. AOB

9. Proposal to changes in the Articles of Association of the Company

The Board of Directors of the Company proposes to make the following changes in the Articles of Association of the Company:

A 1. In § 6 the number '14' will be changed to '21 days', otherwise the provision is unchanged.

A 2. The current wording "*at the Company's domicile*" in § 6 will be deleted and replaced with a new provision with the following wording as new subclause 2 in § 6:

- *"The Company's General Meetings will be held at the Company's domicile in the municipality of Tórshavn, Faroe Islands, in the municipality of Copenhagen, Denmark, or in London, England."*
- A 3.** The current provision will be added as a new subclause 3 in § 6:
- *"The General Meeting will – as decided by the Board – be held in Faroese or English language."*

9. Proposal to changes in the Articles of Association of the Company

B. The provisions in § 2 subclause 2, § 3 subclause 2, item 4, § 3 B subclause 1, item 4 and in § 3 D subclause 2, item 4 of the Company's Articles of Association which are as follows:

“No shareholder can hold more than 20% of the Company's share capital, and no one can vote at the General Meeting with more than 20% of the votes. Legal persons, who are mutually so closely connected that one of them has decisive influence on the matters of the other, will be considered as one in connection with this limitation of ownership- and voting right, so that these legal persons together only can own and vote for not more than 20% of the share capital.

As examples of close connection between legal persons which fall under this clause are:

- *internal relationships between limited companies which according to the regulations in section 2 of the Companies Act are regarded as belonging to the same group;*
- *internal relationships between other legal persons and limited companies, in which these other legal persons own more than, or can vote for more than 50% of the limited company's share capital;*
- *internal relationships between public institutions.”*

in addition to the first wordings in § 3 subclause 2 item 4, § 3 B subclause 1 item 4 and in § 3 D subclause 2 item 4 of the Company's Articles of Association, which are as follows:

“The new shares are also encompassed by the following restriction on ownership- and voting rights:”

will all be deleted.

9. Proposal to changes in the Articles of Association of the Company

C. The current § 8 will be deleted, and replaced with a new provision with the following wording:

“All shareholders have the right to have a specific item added to the agenda for the General Meeting – subject to following two points. If the request hereof is received at the latest six weeks prior to the date for the General Meeting the shareholder is entitled to have the item added to the agenda. If the request is received later than six weeks prior to the General Meeting the Board decides whether the request has been put forward in due time to be added to the agenda for the meeting.”

D. The current § 9 will be deleted, and replaced with a new provision with the following wording:

“Extraordinary General Meeting will be held when requested by the General Meeting, the Board or by the auditor appointed by the Company’s General Meeting. Extraordinary General Meeting must be summoned at the latest two weeks after the written request has been put forward by shareholders, who among them own at least 5% of the share capital, for debating a specific subject which will be stipulated at the same time.”

E. The current § 10 will be deleted, and replaced with a new provision with the following wording:

“During a consecutive period of three weeks, starting at the latest three weeks prior to the General Meeting, including the day of the General Meeting, the Company must as a minimum provide its shareholders with the following information on its website: summons, information on the total number of shares and voting rights at the day of summon, the documents which will be presented at the General Meeting, the agenda and the complete proposals, and the forms needed for voting by proxy or by letter ballot.”

9. Proposal to changes in the Articles of Association of the Company

F 1. The following provision will be inserted at the start of § 11:

“A shareholder’s right to attend the General Meeting and to vote will be in proportion to the number of shares he/she holds on the record date. The record date is 1 week prior to the General Meeting.”

F 2. Further, the following provisions with regards to § 11:

“Each shareholder can attend the general meeting, provided the shareholder has required an admission card from the Company not later than 5 days prior to the general meeting.

Right to vote at the general meeting have shareholders, who have required an admission card and a voting paper from the Company not later than 5 days prior to the general meeting.”

will be changed to the following wording and inserted at the end of § 11:

“A shareholder, a shareholder’s proxy, and the press have a right to attend the General Meeting if they at the latest three days prior to the General Meeting have notified the Company hereof.”

If F 1 and F 2 are adopted § 11 will be as follows:

“A shareholder’s right to attend the General Meeting and to vote will be in proportion to the number of shares he/she holds on the record date. The record date is 1 week prior to the General Meeting.

A shareholder can give another person written authority to attend the General Meeting, and vote by proxy.

The press can also attend the General Meeting.

A shareholder, a shareholder’s proxy, and the press have a right to attend the General Meeting if they at the latest three days prior to the General Meeting have notified the Company hereof.”

9. Proposal to changes in the Articles of Association of the Company

G. In § 16 the following wording:

“and its size is to be determined by the Board of Directors, but the total board remuneration to all the board members for one year cannot exceed DKK 1,000,000 without approval from the Company’s General Meeting.”

will be deleted and the provision in § 16 will be:

“Members of the Board will receive remuneration for their work at the Board.”



AGENDA – ANNUAL GENERAL MEETING 2011

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