



ATLANTIC PETROLEUM

P/F ATLANTIC PETROLEUM

**CONDENSED
CONSOLIDATED
INTERIM REPORT**

FOR THE 6 MONTHS ENDED 30th JUNE 2018

MAINTENANCE OF THE 2018 PLAN

The stability and plan reported end last quarter has been maintained with priority focussed on cost management aligned to the Company's financial support. When planned revenues arise the company will not be overburdened by unmanaged liabilities. Nevertheless, the London Oil and Gas facility is allowing Atlantic Petroleum to investigate new opportunities, which are ongoing with confidential restrictions and subject to strict risk managed parameters

The Orlando field progresses in the sound hands of Decipher Energy with Atlantic Petroleum continuing to receive updates that the field remains on track to deliver first production by the end of this year. Accordingly, Atlantic Petroleum sees no reason to adjust its position that revenue income forecasts reported in previous reports remain on track.

The long running process of getting all parties aligned in a settlement agreement on Blackbird and Ettrick has concluded with all agreements finalised. The remaining element concerns the longer term guarantee aspects with the details agreed in principle. This final step will be concluded imminently. Having this matter resolved in 2018 will be a major achievement and remove the significant burden carried from Atlantic Petroleum's past.

License P2112 (Badger field) is one coming from Atlantic Petroleum's past and with a higher risk profile than projects being considered now (see Note 1 below). The Company is a 33% equity partner alongside Holywell, and together has invested, during this report period, into reprocessing of existing seismic data. The outcome is anticipated as being higher resolution geophysical detail and ability to better risk grade reserve structure and potential. Once this work is complete (planned for mid-August) a period of specialist interpretation occurs and Atlantic Petroleum will temporarily engage its own technical expert to determine whether there is upgraded asset value and justification for involvement in physical appraisal work.

If factual news develops on any of the above matters Atlantic Petroleum will make separate announcement(s) that will be un-tied to the reporting cycle.

HIGHLIGHTS & OUTLOOK

Highlights for Q2 2018 are:

- Net loss: DKK 3.4MM (Q1: DKK 2.7MM)
- Gross profit: DKK 0.0MM (Q1: DKK 0.0MM)
- Operating loss: DKK -4.1MM (Q1: DKK -2.3MM)
- Net assets/share-holders' equity: DKK -152.0MM (Q1: DKK -150.7MM)
- Bank debt: DKK 53.0MM (Q1: DKK 52.3MM)
- G&A cost: DKK 2.8MM (Q1: DKK 1.7MM)

With Orlando revenues not expected to hit the p&l till early 2019 Atlantic Petroleum does not expect to show a net profit or dividend for 2018.

PERFORMANCE SUMMARY

► KEY METRICS

DKK 1,000	3 months to 30 th June 2018	3 months to 30 th June 2017	6 months to 30 th June 2018	6 months to 30 th June 2017	Full year 2017
Income statement					
Revenue	0	6,724	0	6,724	0
Impairment on producing assets	0	0	0	0	0
Gross profit	0	6,724	0	6,724	0
Exploration expenses	-663	-564	-1,285	-570	-5,762
EBITDAX	-1,087	3,926	-2,783	10,728	-54,140
Operating profit/loss (EBIT)	-1,773	3,316	-4,091	10,112	-59,996
Depreciations	-23	-46	-23	-46	-94
Profit/Loss before taxation	-723	1,064	-3,440	6,428	-68,071
Profit/Loss after taxation	-723	1,064	-3,440	6,428	-67,724
Financial position					
Non-current assets	6,360	94,659	6,360	94,659	6,253
Current assets	53,964	61,186	53,964	53,443	56,914
Total assets	60,324	155,845	60,324	148,102	63,167
Current liabilities	-154,216	-125,451	-154,216	-117,708	-155,353
Non-current liabilities	-58,152	-105,739	-58,152	-105,739	-58,146
Total liabilities	-212,368	-231,190	-212,368	-223,447	-213,499
Net assets/Equity (- is negative)	-152,044	-75,345	-152,044	-75,345	-150,332
Cash flow and cash					
Cash provided by operating activities	-14	-1,344	-2,925	7,303	30,370
Change in cash and cash equivalents	-295	-2,197	-1,612	-6,739	-4,891
Cash and cash equivalents	-249	-54	562	0	446
Bank debt – excluding drawdown on the exploration finance facility	-690	-936	53,004	67,894	51,697
Share related key figures					
Earnings per share Basic	-0.20	0.29	-0.93	1.74	-18.31
Earnings per share Diluted	-0.20	0.29	-0.93	1.74	-18.31
Share price in DKK on OMX CPH/IS and Oslo Stock Exchange	7/9	10/13	7/9	10/13	8/10

LICENSE PORTFOLIO 30TH JUNE 2018

STATUS

In 2018 Atlantic Petroleum holds, (excluding Blackbird and Ettrick), a total of 3 oil & gas licences at report publication date. These are in the UK North Sea and Irish Celtic Sea.

Where Atlantic Petroleum is required to contribute to licence costs these are met from the London Oil and Gas loan facility so ensuring the Company meets its fiduciary obligations.

A summary of licenses and works ongoing is as follows:

UNITED KINGDOM

BADGER (33.3%) - UK License P2112 – Appraisal and Development.

2017 saw Spirit Energy exit the licence leaving Atlantic Petroleum and Holywell Resources holding full equity and a licence extension of two years. Work progresses on PSDM reprocessing to better evaluate reserves in place and recoverability with the potential to drill an appraisal well early in 2019. Further updates will be provided.

AURORA (10%) – UK License P2126 – Appraisal and Development.

Work progresses with partners Spirit Energy and Neptune to evaluate a potential work plan and resource estimates. Further updates will be provided.

IRELAND

ARDMORE, HOOK, HELVICK and DUNMORE (18.33%) – Celtic Sea Licence - Development.

These licences are being appraised by the Partners (Provident Resources) to evaluate low cost production solutions to allow 6.9mm BOE reserve recovery. Work will progress throughout 2018 and further updates will be provided.

More information on our licences on **WWW.PETROLEUM.FO**

EXPLORATION & EVALUATION

No wells or major activities are currently planned.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

THE FOLLOWING SIGNIFICANT EVENTS HAVE OCCURRED AFTER 30th JUNE 2018:

- There have been no significant events occurring after 30th June 2018.

ENDORSEMENT AND SIGNATURES OF THE MANAGING DIRECTOR AND THE BOARD OF DIRECTORS

The Condensed Consolidated Interim Report for the first six months of 2018 comprises the Consolidated Statement of Financial Position of P/F Atlantic Petroleum and its subsidiaries. The Condensed Consolidated Interim Report is prepared in accordance with International Financial Reporting Standard 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 2018, and of the results of the Group’s operations and cash flow for the period 1st January – 30th June 2018.

London 31th August 2018

Management:

Graeme Lee Fawcett
CEO

Board of Directors:

Henrik Olesen
Chairman

Charles Hendry
Deputy Chairman

Yves Francois Paletta

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE 6 MONTHS ENDED
30th JUNE 2018**



CONSOLIDATED INCOME STATEMENT

DKK 1,000	Note	3 months to 30 th June 2018	3 months to 30 th June 2017	6 months to 30 th June 2018	6 months to 30 th June 2017	Full year 2017
Revenue	4	0	6,724	0	6,724	0
Costs of sales	5	0	0	0	0	0
Gross profit/loss		0	6,724	0	6,724	0
Exploration expenses		-663	-564	-1,285	-570	-5,762
Pre-licence exploration cost		-8	0	-8	0	-293
General and administration cost		-1,079	-2,928	-2,775	-5,629	-10,025
Depreciation PPE and intangible assets		-23	0	-23	-46	-87
Other operating cost/income		0	84	0	9,633	-43,829
Operating profit/loss	4	-1,773	3,316	-4,091	10,112	-59,997
Interest income and finance gains		2,507	-5	2,509	0	0
Interest expenses and other finance costs	6	-1,457	-2,247	-1,858	-3,684	-8,075
Profit/loss before taxation		-723	1,064	-3,440	6,428	-68,071
Taxation	7	0	0	0	0	347
Profit/loss after taxation		-723	1,064	-3,440	6,428	-67,724
Earnings per share (DKK):						
Basic	14	-0.20	0.29	-0.93	1.74	-18.31
Diluted	14	-0.20	0.29	-0.93	1.74	-18.31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK 1,000	3 months to 30 th June 2018	3 months to 30 th June 2017	6 months to 30 th June 2018	6 months to 30 th June 2017	Full year 2017
Items that may be recycled in P/L:					
Profit/loss for the period	-723	1,064	-3,440	6,428	-67,724
Exchange rate differences	-544	1,770	1,728	1,519	684
Value of Futures contracts					0
Total comprehensive profit/loss in the period	-1,267	2,834	-1,712	7,947	-67,040

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKK 1,000	Note	At 30 th June 2018	At 30 th June 2017	At 31 st December 2017
Non-current assets				
Goodwill	8	0	0	0
Intangible assets	9	0	2	0
Intangible exploration and evaluation assets	10	0	0	0
Tangible development and production assets	11	0	60,683	0
Property plant and equipment	12	136	199	159
Tax repayable		0	33,775	0
Deferred tax asset		6,224	0	6,094
		6,360	94,659	6,253
Current assets				
Trade and other receivables		53,402	53,443	56,468
Cash and cash equivalents		562	0	446
		53,964	53,443	56,914
Total assets		60,324	148,102	63,167
Current liabilities				
Short term bank debt		53,004	19,632	51,697
Trade and other payables		101,212	97,642	103,656
Current tax payable		0	434	0
		154,216	117,708	155,353
Non-current liabilities				
Long term bank debt		0	48,262	0
Convertible loan facility		11,936	8,611	11,936
Long term provisions		46,216	48,866	46,123
Deferred tax liability		0	0	87
		58,152	105,739	58,146
Total liabilities		212,368	223,447	213,499
Net assets		-152,044	-75,345	-150,332
Equity				
Share capital		3,698	3,698	3,698
Share premium account		0	0	0
Futures Contracts Value		0	0	0
Translation reserves		103,621	102,728	101,893
Retained earnings		-259,363	-181,771	-255,923
Total equity shareholders' funds		-152,044	-75,345	-150,332

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK 1,000	Share capital	Share premium account	Share based Payments LTIP and Bonus	Futures contracts value	Translation reserves	Retained earnings	Total
At 1st January 2017	3,698	0	618	0	101,209	-188,199	-82,674
LTIP awarded, net	0	0	-618	0	0	0	-618
Translation reserves	0	0	0	0	1,519	0	1,519
Result for the period	0	0	0	0	0	6,428	6,428
At 30th June 2017	3,698	0	0	0	102,728	-181,771	-75,345
LTIP awarded, net	0	0	0	0	0	0	0
Translation reserves	0	0	0	0	-835	0	-835
Result for the period	0	0	0	0	0	-74,152	-72,769
At 1st January 2018	3,698	0	0	0	101,893	-255,923	-150,332
LTIP awarded, net	0	0	0	0	0	0	0
Translation reserves	0	0	0	0	1,728	0	1,728
Result for the period	0	0	0	0	0	-3,440	-3,440
At 30th June 2018	3,698	0	0	0	103,621	-259,363	-152,044

CONSOLIDATED CASH FLOW STATEMENT

DKK 1,000	6 months to 30 th June 2018	6 months to 30 th June 2017	Full year 2017
Operating activities			
Operating profit/loss	-4,091	10,112	-59,997
Impairment on exploration and evaluation assets	0	0	5,762
Relinquishment and disposal of licences	0	0	-94
Depreciation, depletion and amortisation	23	46	94
Impairment on producing licences	0	0	61,527
Change in trade and other receivables	3,066	728	-4,088
Change in trade and other payables	-2,444	-25,228	16,363
Interest revenue and finance gain received	2,509	0	0
Interest expenses and other finance cost	-1,858	-3,684	-8,075
Income taxes	-130	25,329	18,877
Net cash flow provided by operating activities	-2,925	7,303	30,370
Investing activities			
Capital expenditure	6	-2,579	-4,890
Net cash used in investing activities	6	-2,579	-4,890
Financing activities			
Change in short term debt	1,307	-27,592	-2,276
Change in long term debt	0	16,129	-32,647
Net cash flow provided from financing activities	1,307	-11,463	-30,371
Change in cash and cash equivalents	-1,612	-6,739	-4,891
Cash and cash equivalents at the beginning of the period	446	4,924	4,924
Currency translation differences	1,728	1,815	413
Total cash and cash equivalents at the beginning of the period	2,174	6,739	5,337
Cash and cash equivalents at the end of the period	562	0	446

NOTES TO THE ACCOUNTS

ACCOUNTING POLICY

1. GENERAL INFORMATION

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

The principal activities of the Company and its subsidiaries (the Group) are oil and gas exploration, late term appraisal, development and production in the UK and Ireland. In the future the Company will consider participation in global based oil and gas projects subject to those projects meeting the Company's position of zero exposure to exploration or early appraisal risk and that projects, countries, companies and individuals are compliant with applicable EU, UK, USA and localised sanction(s), business ethics, environmental and social responsibility regulations.

The Annual and Consolidated Report and Accounts of the Group as at and for the year ended 31st December 2017 are available upon request from the Company's registered office at Yviri við Strond 4, P.O. Box 1228, FO-110 Tórshavn, Faroe Islands or at www.petroleum.fo.

This Condensed Consolidated Interim Report is presented in DKK.

2. 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 2017.

3. 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 2017.

4 GEOGRAPHICAL SEGMENTAL ANALYSIS

DKK 1,000	6 months to 30th June 2018	6 months to 30th June 2017	Full year 2017
Revenues by origin:			
Faroe Islands	0	0	0
United Kingdom	0	6,724	0
Norway	0	0	0
Other	0	0	0
	0	6,724	0
Operating loss/profit by origin:			
Faroe Islands	-2,339	-2,307	-6,626
United Kingdom	-1,319	4,169	-49,890
Norway	0	8,250	650
Other	0	0	-4,131
	3,658	10,112	-59,997

5 COST OF SALE

DKK 1,000	6 months to 30th June 2018	6 months to 30th June 2017	Full year 2017
Operating costs	0	0	0
Produced oil in inventory at market value	0	0	0
Amortisation and depreciation, PPE:	0	0	0
Oil and gas properties	0	0	0
Impairment	0	0	0
	0	0	0

6 INTEREST INCOME & EXPENSE AND FINANCE GAIN & COST

DKK 1,000	6 months to 30th June 2018	6 months to 30th June 2017	Full year 2017
Interest income and finance gain:			
Exchange differences	2,509		
Unwinding of discount on decommissioning provision	0		
Short term deposits	0	0	0
	2,509	0	0
Interest expense and other finance cost:			
Bank loan and overdrafts	1,429	1,881	3,346
Interest on convertible loan	0	0	1
Creditors	0	1	1,627
Unwinding of discount on decommissioning provision	0	0	252
Others	0	27	2,849
Exchange differences	429	1,775	8,075
	1,858	3,684	11,120

7 TAXATION

DKK 1,000	6 months to 30th June 2018	6 months to 30th June 2017	Full year 2017
Current tax :			
Tax repayable/(payable) in UK	0	0	435
Tax repayable in Norway	0	0	0
Tax payable in Ireland	0	0	0
Total current tax	0	0	435
Deferred tax:			
Deferred tax cost in UK	0	0	-88
Deferred tax income in UK	0	0	0
Deferred tax income/cost in Norway	0	0	0
Total deferred tax	0	0	-88
Tax credit/tax on loss/profit on ordinary activities	0	0	347

8 GOODWILL

DKK 1,000	At 30st June 2018	At 30th June 2017	At 31st December 2017
Costs			
At 1 st January	57,617	57,617	57,617
Exchange movements	0	0	0
At end of period	57,617	57,617	57,617
Impairment			
At 1 st January	57,617	57,617	57,617
Exchange movements	0	0	0
At end of period	57,617	57,617	57,617
Net book value at end of period	0	0	0

9 INTANGIBLE ASSETS

DKK 1,000	At 30th June 2018	At 30th June 2017	At 31st December 2017
Costs			
At 1 st January	12,260	6,738	6,738
Exchange movements	0	0	-240
Additions	0	0	-5,762
At end of period	12,260	6,738	12,260
Amortisation and depreciation			
At 1 st January	12,260	6,704	6,704
Exchange movements	0	0	-202
Charge this period	0	32	-5,758
At end of period	12,260	6,736	12,260
Net book value at end of period	0	2	0

10 INTANGIBLE EXPLORATION AND EVALUATION (E&E) ASSETS

	At 30 th June 2018	At 30 th June 2017	At 31 st December 2017
DKK 1,000			
Costs			
At 1 st January	0	0	0
Exchange movements	0	0	0
Additions	0	0	0
Disposal/relinquishment of licences	0	0	0
Explorations expenditures written off/sold	0	0	0
Consolidated interest written off	0	0	0
At end of period	0	0	0

11 TANGIBLE DEVELOPMENT AND PRODUCTION (D&P) ASSETS

	At 30 th June 2018	At 30 th June 2017	At 31 st December 2017
DKK 1,000			
Costs			
At 1 st January	786,046	1,098,455	1,098,455
Exchange movements	-29,083	-58,842	-35,901
Additions	0	187	-279,508
At end of period	756,963	1,039,800	786,046
Amortisation and depreciation			
At 1 st January	786,046	1,036,150	1,036,150
Exchange movements	-29,083	57,033	-31,354
Depreciation, charge	0	0	0
Impairment, charge	0	0	-218,751
At end of period	756,963	979,117	786,046
Net book value at end of period	0	60,683	0

12 PROPERTY, PLANT AND EQUIPMENT

	At 30 th June 2018	At 30 th June 2017	At 31 st December 2016
DKK 1,000			
Costs			
At 1 st January	2,673	2,736	2,736
Exchange movements	3	-49	-63
Additions	0	0	0
At end of period	2,676	2,687	2,673
Amortisation and depreciation			
At 1 st January	2,517	2,517	2,517
Exchange movements	3	-43	-56
Charge this period	23	14	53
At end of period	2,540	2,488	2,514
Net book value at end of period	136	199	159

13 DIVIDENDS

No interim dividend is proposed. (30th June 2017: DKK nil)

14 EARNINGS PER SHARE

	Profit or loss after tax		Weighted average number of shares		Earnings per share	
	2Q 2018 DKK 1,000	2Q 2017 DKK 1,000	2Q 2018 1,000	2Q 2017 1,000	2Q 2018 DKK	2Q 2017 DKK
Basic						
3 months to 30th June	-290	1,064	3,698	3,698	-0.08	0.29
Diluted						
3 months to 30th June	-290	1,064	3,698	3,698	-0.08	0.29
Basic						
6 months to 30th June	-3,007	6,428	3,698	3,698	-0.81	1.74
Diluted						
6 months to 30th June	-3,007	6,428	3,698	3,698	-0.81	1.74

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

15 CAPITAL COMMITMENTS AND GUARANTEES AT 30th June 2018

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations the wholly owned subsidiary Atlantic Petroleum (Ireland) Limited, has in connection with the sale and purchase agreement with ExxonMobil Exploration and Production Ireland (Offshore) Limited and the related Joint Operating Agreement regarding Irish Continental Shelf Petroleum Exploration Licence No. 3/04 (Frontier) relating to Blocks 44/18, 44/23, 44/24, 44/29 and 44/30.

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations its wholly owned subsidiary Atlantic Petroleum UK Limited has in connection with the share purchase agreement with the vendors of the entire issued share capital of Atlantic Petroleum North Sea Limited (was known as Volantis Exploration Limited).

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations the wholly owned subsidiary of Atlantic Petroleum UK Limited, Atlantic Petroleum North Sea Limited (was known as Volantis Exploration Limited), has in connection with the sale and purchase agreement with Iona Energy Company (UK) Ltd regarding UK licence P1606, block 3/3b and P1607, block 3/8d.

P/F Atlantic Petroleum has provided guarantees on behalf of Atlantic Petroleum Norge AS to the Norwegian government for liabilities relating to its exploration and appraisal activities.

P/F Atlantic Petroleum has provided a guarantee dated 30th October 2014 in favour of Third Energy Offshore Limited for the due and punctual payment of all sums which Atlantic Petroleum UK Limited is obliged to pay from time to time under Licences P1724 and P1727 and under the Joint Operating Agreement dated 24th May 2013 in respect of the Licences.

P/F Atlantic Petroleum has provided a guarantee dated 16th December 2014 in favour of Dana Petroleum (BVUK) Limited for the due and punctual payment of all sums which Atlantic Petroleum North Sea Limited is obliged to pay from time to time under Licences P273, P317 and P1580 and under the Ettrick Field Area Operating Agreement dated 7th February 2006 in respect of the Licences in so far as they relate to the Rest of Block Sub-Areas.

P/F Atlantic Petroleum has provided a parent guarantee to the UK Department for Energy and Climate Change in connection with Atlantic Petroleum UK Limited assets in the UKCS:

- (i) the parent will always provide necessary finance to enable Atlantic Petroleum UK Limited to fulfil its obligations in the UK area
- (ii) the parent will not alter Atlantic Petroleum UK Limited legal rights, so that the Company cannot fulfil its obligations
- (iii) the parent will undertake Atlantic Petroleum UK Limited financial obligations if the Company fails to do so

P/F Atlantic Petroleum has a senior secured loan agreement with P/F Eik Banki. The Company has offered the following security to lender in connection with the loan agreement:

- (i) shares in Atlantic Petroleum UK Limited and Atlantic Petroleum North Sea Limited
- (ii) receivables from Atlantic Petroleum UK Limited
- (iii) charge over proceeds from insurance coverage

The Company has provided lender with a negative pledge and investment in new ventures shall be endorsed by the lender.

16 CONTINGENT CONSIDERATIONS

Further to the sale of Pegasus to Third Energy Offshore Limited (TEOL), TEOL are due to make further payments to Atlantic Petroleum UK Limited of up to £9 million if certain events occur.

17 RELATED PARTY TRANSACTIONS

Intra-group related party transactions, which are eliminated on consolidation, are not required to be disclosed in accordance with IAS 24.

GLOSSARY

APA	Awards in Predefined Areas
Appraisal well	A well drilled as part of an appraisal drilling programme which is carried out to determine the physical extent, reserves and likely production rate of a field
BOEPD	Barrels of Oil Equivalent per Day
BOE	Barrels of Oil Equivalent
BOPD	Barrels of Oil per Day
Brown Field Allowance	A UK tax allowance for certain mature fields, known as brown fields, will shield a portion of income from the Supplementary Charge, encouraging companies to invest in getting the very most out of existing fields and infrastructure in the UK Continental Shelf
DECC	UK Department of Energy & Climate Change
DKK	Danish kroner. The currency used in the Kingdom of Denmark
EBIT	Operating Profit - Earnings before Interest and Taxes
EBITDAX	Earnings before Interest, Taxes, Depreciation, Amortizations and Exploration Expenses
EBIT Margin	% (Operating Margin) (EBIT/Sales)
EBITDAX Margin	% (EBITDAX/Sales)
E&P	Exploration & Production
Exploration	A general term referring to all efforts made in the search for new deposits of oil and gas
Exploration well	A well drilled in the initial phase in petroleum exploration
Farm out	A contractual agreement with an owner who holds a working interest in an area to assign all or part of that interest to another party in exchange for payment or fulfilling contractually specified conditions
FDP	Field Development Plan
FPSO	A Floating Production, Storage and Offloading unit used by the oil and gas industry for the processing of hydrocarbons and for storage of oil
Gross Margin	% (Gross profit or loss/Sales)
ISA	International Standard on Auditing
IFRS	International Financial Reporting Standards
Lead	Areas thought to contain hydrocarbons.
Lease Undertaking	When a discovery is made in a licensed area and the licensee is not in a position to declare the discovery commercial during the period of the licence but expects to be able to do so in the foreseeable future, the licensee may apply for a Lease Undertaking. This is an undertaking by the Minister, subject to certain conditions, to grant a Petroleum Lease at a stated future date. The holder of a Lease Undertaking is required to hold a Petroleum Prospecting Licence which will govern activities under the Lease Undertaking
Ltd	A limited liability company
MM	Million
NCS	Norwegian Continental Shelf
Net Cash	Cash and cash equivalents less Short & Long Term Debt
Oil field	An accumulation of hydrocarbons in the subsurface
PPE	Property, Plant and Equipment
Prospect	An area of exploration in which hydrocarbons have been predicted to exist in economic quantity
Return on Equity	(ROE) (%) (Profit for the period excl. Minorities/Average Equity excl. Minorities)
ROE	Return on Equity
Spud	To start drilling a well
TSR	Total Shareholder Return
Water injector well	A well into which water is pumped in order to increase the yield of adjacent wells
2D/3D	2D and 3D seismic is an acoustic measuring technology which generates a cross-section of the deep seabed and is used primarily when initially reconnoitring for the presence of oil or gas reservoirs. 3D has a narrower grid, which gives a better map of the area
Wildcat	An exploration well drilled in an unproven area to find out whether petroleum exists in a prospect

CONTACTS

P/F Atlantic Petroleum

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Reg. No. Faroes 2695

SUBSIDIARIES

- **Atlantic Petroleum UK Ltd**
- **Atlantic Petroleum North Sea Ltd**
- **Volantis Netherlands BV**
- **Atlantic Petroleum (Ireland) Ltd**
- **Atlantic Petroleum Norge AS**

For subsidiary's contact details please see company website