



Interim Consolidated Financial Statements of P/F Atlantic Petroleum for first six months of 2007

The Interim Consolidated Profit after taxation for first six months of 2007 was a loss amounting to DKK -39,313,613 and for the 2Q 2007 a loss amounting to DKK -35,211,531.

Tórshavn, Faroe Islands 24th August 2007 – Atlantic Petroleum (OMX: FO-ATLA) the international upstream oil and gas company, today announced results for the second quarter ending 30th June 2007.

2Q Highlights

P/F Atlantic Petroleum's consolidated profit after taxation for the first six months of 2007 amounted to DKK -39,313,613, compared to DKK -6,380,768 for the first six months of 2006. The consolidated profit after taxation for 2Q of 2007 amounted to DKK -35,211,531, compared to DKK -4,047,318 for 2Q of 2006.

The consolidated result before taxation for the first six months of 2007 was DKK -39,313,613, compared to DKK -6,359,503 for the first six months of 2006. The consolidated result before taxation for 2Q of 2007 was DKK -35,211,531, compared to DKK -4,026,053 for 2Q of 2006.

The consolidated operating profit for the first six months of 2007 was DKK -40,766,945, compared to DKK -5,154,458 for the first six months of 2006. The consolidated operating profit for 2Q 2007 was DKK -37,693,592, compared to DKK -4,027,254 for 2Q of 2006.

The Company's consolidated total assets amounted to DKK 346,720,777 at the end of June 2007, compared to DKK 361,416,965 at the year end 2006.

The Company's total shareholders' equity amounted to DKK 258,899,329 at the end of June 2007, compared to DKK 296,676,942 at the year end 2006.

The financial result for 2Q of 2007 is as anticipated, before the deduction of costs for the Balgownie well amounting to approx DKK 34 millions, which did not encounter oil and gas in commercial quantities. This loss will be deducted from future taxable income.

The Chestnut and Ettrick Field developments are progressing as planned. First oil from the Chestnut Field is forecast to be in late 2007 and from Ettrick in first half of 2008. The previous announced investments in these fields are expected to increase due to increases in industry costs.

Expectations are unchanged for the 2007 results. We expect a positive result for 2007, before deduction of any unsuccessful exploration/appraisal wells drilled in 2007. This is however subject to uncertainties. Firstly, the exact date in 4Q for first oil from the Chestnut Field is not yet finalised. Secondly, unknown factors such as the oil price and exchange rates may have an impact on the result.

The result after deduction for unsuccessful exploration/appraisal wells drilled in 2007 is also difficult to predict, as the results from the Hook Head well currently being drilled and the Blackbird well, due to be drilled later this year, are still unknown. The costs for these two wells, on a dry hole basis, are approx DKK 27 million for Atlantic Petroleum's share.

Wilhelm Petersen, P/F Atlantic Petroleum's CEO stated:

"We are again proud to announce our achievements in connection with the financial statements. In the second quarter of 2007 we have drilled one exploration well, farmed into two exploration licences, farmed into the Martin discovery and commenced the drilling of the Hook-Head appraisal well in Ireland. Also we have signed a mandate letter of a US\$50 million senior debt facility with the Bank of Scotland, to finance the increased capital spending associated with the company's growth."

Announcement of Financial Result for First Six Months of 2007

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Summary of figures

	6 Months 2007 DKKK	6 Months 2006 DKKK	Full year 2006 DKKK	Full year 2005** DKKK	Full year 2004* DKKK	Full year 2003 DKKK
Net sale	0	0	0	0	0	1,035
Operating profit	-40,767	-5,154	-11,467	-11,805	-2,360	-805
Profit before taxation	-39,314	-6,360	-8,089	-10,389	-2,543	-1,718
Profit after taxation	-39,314	-6,381	-8,103	-10,398	-2,546	-1,730
Non-current assets	272,371	134,219	180,561	93,362	62,549	22,021
Current Assets	74,349	131,231	180,856	16,564	78,540	18,963
Total assets	346,720	265,450	361,417	109,926	141,089	40,984
Current liabilities	61,822	40,669	45,599	4,057	33,289	178
Non current liabilities	25,999	15,089	19,141	6,532	0	0
Total liabilities	87,821	55,758	64,740	10,589	33,289	178
Net assets	258,899	209,692	296,677	99,337	107,801	40,807
Equity	258,899	209,692	296,677	99,337	107,801	40,807
Net cash provided from operating activities	17,204	-103,887	-10,452	-8,893	-1,941	-1,940
Net cash used in investing activities	-111,449	-34,859	-48,572	-27,840	-7,730	-7,730
Net cash used in financing activities	-16,679	129,302	222,150	46,527	3,500	3,500
(Dec.)/increase in cash and cash equivalents	-110,923	-9,445	163,126	9,794	-6,171	-6,171
Cash and cash equivalents	62,254	442	173,018	9,887	4,760	4,759
Equity ratio	74.7%	79.0%	82.1%	90.4%	76.4%	99.6%
Full time equivalent positions	7	6	6	6	5	6
Shareprice at end of period (OMX IS) DKK/Share	1,050	550	551	433	-	-
Shareprice at end of period (OMX CPH) DKK/Share	1,068	-	570	-	-	-
Operations:						
Production (working interest) (mboepd)	0	0	0	0	0	0
Drilled exploration/appraisal wells	1	0	1	1	1	0

* 2004 was the first year, for which consolidated accounts were prepared and at the same time the company changed its accounting policies.

Therefore the 2004 figures are not fully comparable to previous years.

**The 2005 figures have been restated to IFRS and a new FO GAAP accounting policy.

Therefore the 2005 and 2006 figures are not fully comparable to previous years.



Actual and comparison figures of the preceding four quarters:

	3 months 30 June 2007 DKK	3 months 31 March 2007 DKK	3 months 31 December 2006 DKK	3 months 30 September 2006 DKK	3 months 30 June 2006 DKK
Revenue	0	0	0	0	0
Cost of sales	0	0	0	0	0
Gross profit	0	0	0	0	0
Exploration expense	-34,369,553	-4,291	-144,965	-455,542	-2,543,600
Pre-licence costs	-749,819	-654,338	-1,109,540	0	0
General and administration costs	-2,653,948	-2,431,384	-2,454,675	-2,173,305	-1,483,654
Other operating income	79,728	16,660	25,800	0	0
Operating profit	-37,693,592	-3,073,353	-3,683,380	-2,628,847	-4,027,254
Interest revenue and finance gains	2,525,419	1,259,088	2,360,396	1,511,215	121,671
Interest expenses and other finance costs	-43,358	-2,287,817	-150,991	862,229	-120,469
Profit before taxation	-35,211,531	-4,102,082	-1,473,974	-255,403	-4,026,053
Taxation	0	0	9,873	-2,439	-21,265
Profit after taxation	-35,211,531	-4,102,082	-1,464,101	-257,842	-4,047,318

Consolidated Income Statement

The result after taxation for the first six months of 2007 amounted to DKK -39,313,613, compared to DKK -6,380,768 for the first six months of 2006. The consolidated result after taxation for 2Q 2007 amounted to DKK -35,211,531 compared to DKK -4,047,318 for 2Q of 2006.

The Company's result before taxation for the first six months of 2007 amounted to DKK -39,313,613, compared to DKK -6,359,503 for the first six months of 2006. The consolidated result before taxation for 2Q 2007 was DKK -35,211,531, compared to DKK -4,026,053 for 2Q of 2006.

The earnings per share (Basic) were DKK -34.92 in the first six months of 2007 compared to DKK -8.43 in the first six months of 2006. This calculation is based on a year to date basis.

The earnings per share for 2Q 2007 was DKK -31.28, compared to DKK -5.33 for 2Q 2006.

The calculation of the earnings per shares is based on the recommendations by the "Den Danske Finansanalytikerforening".

Consolidated Revenue

The Revenue in the first six months of 2007 and in the 2nd quarter of 2007 was nil (0), compared to nil (0) for the first six months of 2006 and in 2Q of 2006, since oil production has not yet started.



Consolidated Expenses

The exploration expenses amounted to DKK 34,373,844 in the first six months of 2007, compared to DKK 2,584,374 in the first six months of 2006. The exploration expenses amounted to DKK 34,369,553 in 2Q 2007, compared to DKK 2,543,600 in 2Q of 2006. The reason for the high exploration costs in 2006, compared to previous periods, is that the exploration well on the Balgownie prospect did not encounter commercial reserves. Consequently, in accordance with the company's "successful effort" method of accounting, the Balgownie well investment, amounting to approx DKK 34 million has been expensed off.

General and administration costs amounted to DKK 5,085,332 for the first six months of 2007, compared to DKK 2,570,084 for the first six months of 2006. General and administration costs amounted to DKK 2,653,948 in 2Q of 2007, compared to DKK 1,483,654 in 2Q of 2006.

Interest revenue and finance gains amounted to DKK 2,155,845 for the first six months of 2007, compared to DKK 125,389 for the first six months of 2006. Interest revenue and finance gains amounted to DKK 2,525,419 in 2Q of 2007, compared to DKK 121,671 in 2Q of 2006.

Interest expenses and other finance costs amounted to DKK 702,513 in the first six months of 2007, compared to DKK 1,330,433 in the first six months of 2006. Interest expenses and other finance costs amounted to DKK 43,358 in 2Q of 2007, compared to DKK 120,469 in 2Q of 2006.

Taxation in the first six months of 2007 amounted to DKK 0, compared to DKK 21,265 in the first six months of 2006. Taxation in 2Q of 2006 amounted to DKK 0, compared to DKK 21,265 in 2Q of 2006.

Consolidated Balance Sheet

P/F Atlantic Petroleum's total assets at the end of June 2007 amounted to DKK 346,720,777, compared to DKK 361,416,965 at year end 2006.

Consolidated Assets

Exploration and evaluation assets, which comprise exploration licences and unappraised discoveries, amounted to DKK 30,170,968 at the end of June 2007, compared to DKK 23,932,256 at year end 2006.

Development and production assets, amounted to DKK 241,766,639 at the end of June 2007, compared to DKK 156,295,575 at the year end 2006. The increase reflects the development of the Chestnut and Ettrick, which are ongoing.

Property, plant and equipment amounted to DKK 433,890 at the end of June 2007, compared to DKK 332,777 at the year end 2006.

Trade and other receivables amounted to DKK 5,284,260 at the end of June 2007, compared to DKK 1,427,336 at the year end 2006.

Securities amounted to DKK 6,811,261 at the end of June 2007, compared to DKK 6,411,176 at the year end 2006.

Cash and cash equivalents amounted to DKK 62,253,760 at the end of June 2007, compared to DKK 173,017,845 at the year end 2006.

Consolidated Liabilities

Total current liabilities amounted to DKK 61,822,493 at the end of June 2007, compared to DKK 45,598,877 at year end 2006.

Total non current liabilities amounted to DKK 25,998,956 at the end of June 2007 compared to DKK 19,141,146 at the year end 2006. There are two reasons for the change in this figure. As the Ettrick field is expected to commence production within one year, a deferred payment amounting to approx DKK 9 million has been transferred from non-current to current liabilities. Secondly, a provision for abandonment costs on Ettrick amounting to approx DKK 16 millions have been provided for in 2Q 2007.

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Consolidated Equity

The total shareholders' equity amounted to DKK 258,899,329 at the end of June 2007, compared to DKK 296,676,942 at the year end 2006.

Cash flow

Net Cash flow from operating activities for the first six months of 2007 amounted to DKK 17,204,466, compared to a negative cash flow for the first six months of 2006 of DKK -103,887,370.

Capital expenditure for the first six months of 2007 amounted to DKK -111,448,825, compared to DKK -34,859,476 for the first six months of 2006. The Capital expenditures relate principally to the development programme for the Chestnut and Ettrick Fields and the drilling of the Balgownie exploration well.

Net cash used in financing activities, amounted to DKK -16,678,638 for the first six months of 2007, compared to DKK 129,301,687 for the first six months of 2006. The positive result from financing activities in 2006 reflects the share capital increase in June 2006. The negative result in first half of 2007 reflects a repayment of a bank overdraft facility.

Cash and cash equivalents at the end of June 2007 was DKK 62,253,760 compared to DKK 442,130 at the end of June 2006. The increase in net cash relates primarily to the proceeds from the share capital increases during 2006, but the majority of these proceeds have been invested in exploration and development activities.

Dividend Payments

There will be paid no dividends for first six months of 2007.

Related Party Transactions

The Parent Company (P/F Atlantic Petroleum) settles certain expenditures on behalf of its Subsidiaries (Atlantic Petroleum UK Limited and Atlantic Petroleum Ireland Limited). At the end of June 2007 the Subsidiaries owed DKK 223,084,977 to the ultimate parent company P/F Atlantic Petroleum. At the year end 2006 the amount was DKK 125,444,606.

Audit

The Consolidated Financial Statement for 2Q of 2007 has been reviewed by P/F Grannskoðaravirkjó Impact *State Authorized Public Accountants* and SPEKT *State Authorized Public Accountants Sp/f* who are the Company's auditors.

Personnel

At the end of June 2007, there were 6 full-time-equivalent positions at P/F Atlantic Petroleum. At the end of June 2006 there were 7 full-time-equivalent positions.



Highlights 2Q 2007 and Post Events

On 17th August 2007 the Hook Head 50/11-3 appraisal well was spudded in the Celtic Sea. The well lies in Standard Exploration Licence (SEL) 2/07, which includes the Hook Head discovery and is operated by Providence Resources.

On 16th August 2007 Atlantic Petroleum farmed into UK Licence P1047, by purchasing 17.5% equity for a consideration of £1.2 million, plus a deferred payment of £200,000. The licence contains the Marten discovery for which the operator currently quotes total reserves in the order of 9 MMBbls oil plus 8 BCF gas.

On 22nd June 2007 Atlantic Petroleum signed a mandate letter for a US\$50 million senior debt facility with the Bank of Scotland, to finance the increased capital spending associated with the company's growth.

On 19th June 2007 Atlantic Petroleum announced, with reference to an announcement on 8th June 2007, that it had signed a Farmout Agreement with Fox Energy Exploration Limited to farm out 16.66% interest in UKCS Blocks 14/9a and 14/14b (Licences P.1211 and P1288). In consideration of the assignment, which is subject to the consent of the Secretary of State for Trade and Industry, Fox Energy will pay 100% of the costs of a seismic survey. Atlantic Petroleum also granted Fox Energy an option to acquire an additional 13.33% of the licence after completion of the high resolution seismic processing by paying 50% of Atlantic Petroleum's share of the costs of an exploration well. In the event that the option is exercised by Fox Energy, Atlantic Petroleum would retain a 20% interest in the licence.

On 8th June 2007 Atlantic Petroleum announced that it had completed a Farmout Agreement with Granby Oil and Gas Plc. to farm into 50% interest in UKCS Block 14/9a (under Licence P.1288) and Block 14/14b (under Licence P.1211). The blocks contain the Anglesey prospect, which consists of a series of tilted Jurassic fault blocks.

On 7th June 2007 Atlantic Petroleum announced that the 30/23b-4 exploration well on the Balgownie prospect on Block 30/23b in the Central Graben region of the UK North Sea had been plugged and abandoned. Analysis of the data collected suggested that hydrocarbon saturations were present, but not at commercial levels.

On 14th May 2007 Atlantic Petroleum announced that it had spudded the 30/23b-4 exploration well on the Balgownie prospect on Licence P1228. Atlantic Petroleum's share of the costs for the well amounts to approximately DKK 34 million pre-tax. The well was drilled by the Global Santa Fe Galaxy II Jack-up in a water depth of 238 feet.

On 3rd May 2007 Atlantic Petroleum announced that it had farmed into UK Licence P1228 for 15% equity. The licence is operated by Endeavour Energy UK Limited. The farmout was subject to approval by the dti and government regulatory authorities. The licence block lies on the edge of the Central Graben of the North Sea. It contains the Balgownie and Cullen prospects and the operator carries mean reserves in excess of 50 MMBbls for Balgownie.



Outlook

Activities have increased considerably in 2007 and Atlantic Petroleum intends to further increase the activities in the future. Atlantic Petroleum has farmed into new licences in the UK and Ireland, and will drill two further exploration/appraisal wells in 2007. If any of these wells encounter the prognosed reserves, they will add significant value to the company.

The Chestnut and Ettrick Field developments are progressing as previously announced. First oil from the Chestnut Field is forecast to be in late 2007 and from Ettrick in the first half of 2008.

Atlantic Petroleum is also constantly reviewing potential farm-in opportunities, including exploration, appraisal and development ventures, to add to the current portfolio of oil and gas assets.

Expectations are unchanged for the 2007 results. We expect a positive result in 2007, before deduction of any unsuccessful exploration/appraisal wells drilled in 2007. This is however subject to uncertainties. Firstly, the exact date in 4Q for first oil from the Chestnut Field is not yet finalised. Secondly, unknown factors such as the oil price and exchange rates may have an impact on the result.

The result after deduction for unsuccessful exploration/appraisal wells drilled in 2007 is also difficult to predict, as the results from the Hook Head well currently being drilled and the Blackbird well, due to be drilled later this year, are still unknown. The costs for these two wells, on a dry hole basis, are approx DKK 27 million for Atlantic Petroleum's share.

Status on Licences

Below is a brief outline of the status and expectation on the licences in which Atlantic Petroleum is participating:

United Kingdom

- *UK Licence P.099, Block 110/14c and 110/14d:* The potential development of the West Lennox field is on hold, until the Crosby prospect has been drilled. An exploration well is expected to be drilled on Crosby in 2008. Atlantic Petroleum holds 25% in this licence.
- *UK Licence P.1478, Blocks 110/9c & 110/14e:* These blocks lie adjacent to the P099 West Lennox & Crosby licence. The awarded blocks contain the Dee lead. The partnership sees the area comprising West Lennox, Crosby and Dee as an area that could be developed jointly. Atlantic Petroleum holds 20% in this licence.
- *UK Licence P.1211 and P1288, Blocks 14/9a and 14/14b:* The blocks contain the Anglesey prospect which consists of a series of tilted Jurassic fault blocks. The blocks are located in around 130m water depth, some 150 km north-east of St. Fergus and 30km north of the Claymore field. A high-resolution 2D seismic survey has been acquired over the licence area in order to confirm the prospect and to select a well location. Under a farm out agreement Fox Energy will pay 100% of the costs of the seismic survey. If the interpretation of the seismic confirms the prospect, it is expected that an exploration well will be drilled in 2008. Atlantic Petroleum holds 33.33% in this licence, but Fox has an option to acquire an additional 13.33% of the licence after completion of the high resolution seismic processing by paying 50% of Atlantic Petroleum's share of the costs of an exploration well. In the event that the option is exercised, Atlantic Petroleum would retain a 20% interest in the licence.
- *UK Licence P1228, Block 30/23b:* Atlantic Petroleum farmed into 15% equity in this licence in May 2007. The licence lies on the edge of the Central Graben in the North Sea. An exploration well, 30/23b-4, was drilled on the Balgowrie prospect in May-June 2007. It encountered hydrocarbon saturations, but not at commercial levels. The licence also contains the Cullen prospect.



- *UK Licence P1047, Block 20/3c*: On 16th August 2007 Atlantic Petroleum farmed into this licence which contains the Marten discovery, by purchasing 17.5% equity for a consideration of £1.2 million, plus a deferred payment of £200,000. The operator currently quotes total reserves in the order of 9 MMBbls oil plus 8 BCF gas for the discovery. The block lies in the Moray Firth area of the North Sea, around 12km southeast of the Ettrick Field, in which Atlantic Petroleum has an 8.27% equity. Development options are being investigated and include tying a number of small sour discoveries, including Bright (also part of the Atlantic Petroleum's portfolio in Block 20/3a), Polecat and Marten, to the Ettrick FPSO or Buzzard FPSO.
- *UK Licence P.354, Block 22/2a*: The development for the Chestnut Field is progressing. The Sevan 300 floating production unit, the Hummingbird, is undergoing installation and commissioning of the production and support facilities in Rotterdam, and will be ready for tow out later in the year with first oil anticipated soon after this. Atlantic Petroleum holds 15% equity in this licence.
- *UK Licence P273 & P.317, Blocks 20/3a & 20/2a*: The development for the Ettrick Field is progressing according to plan. Drilling of the first phase of development wells commenced in March 2007 with the spudding of the 20/2a-E1 well, which ultimately will be a production well. First oil from the Ettrick Field is expected to be in the first half of 2008. Work is also ongoing to determine whether the North Ettrick and Jarvis discoveries can be tied into the Ettrick development. In the Ettrick exploration area an exploration well is planned for 2007 on the Blackbird prospect, to the south of the Ettrick Field. In the event of encountering commercial reserves, the prospect will add incremental value to the Ettrick Field and may extend the lifetime of the Ettrick Field. Atlantic Petroleum holds 8.27% in these licences.
- *UK Licence P.218 & P.588, Blocks 15/21a, b & c*: The development of the Perth Field is progressing. First oil is expected to be at the earliest in 2010. Exploration in the Perth area will continue in 2007 with minor geological studies and no wells planned. The whole of Block 15/21d was included in a partial relinquishment within the P.588 licence, as it was not considered prospective and the relinquishment reduces licence fees. Atlantic Petroleum holds 3.75 % in these licences.

Faroe Islands

- *Faroes Licences 013 & 014*: This 2nd Round Licence contains the Stella Kristina and Marselius prospects. 2D seismic was acquired in 2006 and is currently being processed prior to being interpreted and tied to data from the Brugdan well on Licence 006. Atlantic Petroleum's strategy with these two licences is to mature the understanding of the geology and then farm-out a portion of the Company's equity on the licences. Atlantic Petroleum holds 40% in each of the two licences.
- *Faroes Licence 006*: A "wildcat" exploration well was drilled on the Brugdan prospect in 2006, and the well was plugged and abandoned with minor gas shows. The results from the well are now being analysed. Atlantic Petroleum holds 0.025% interest in this licence, while having the option to increase the licence share to 1.2905%.

Ireland

- *Standard Exploration Licence 2/07*: This licence includes four discoveries (Hook Head, Ardmore, Helvick & Dunmore) and further exploration structures. Seismic acquisition was carried out in 2006 over a number of the structures. Interpretation of the seismic data has been completed over Hook Head and the drilling of an appraisal well on the Hook Head structure commenced 17th August 2007. Interpretation continues on the other fields contained within licence 2/07 (Ardmore, Helvick and Dunmore). Subject to the results of the Hook Head well and other wells in the Celtic Sea area, integrated development options may be pursued. Atlantic petroleum holds 10% in this licence.

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- *Standard Exploration Licence 3/07*: In March 2007 Atlantic Petroleum farmed into this licence for 10% equity. The licence includes the Blackrock & Rushane prospects. OBC seismic data was acquired in 2006 and is currently being interpreted.

Market Conditions

The market conditions are unchanged from the 1Q 2007 announcement. The relative high oil price level continues and is not expected to decrease considerably in the near future. The high price is, as for all other E&P oil companies, positive for Atlantic Petroleum. On the other hand, the oil companies do not reap all the benefits of the high oil prices, as these prices are also reflected in high cost levels for oil related services.

Financial Calendar

- 3rd quarter 2007 interim financial statement will be issued 16th November 2007
- 2007 Annual results 5th March 2008
- Annual General Meeting 22nd March 2008
- 1st quarter 2008 interim financial statement will be issued 23rd May 2008
- 2nd quarter 2008 interim financial statement will be issued 22nd August 2008

Presentation of the Result

A web cast will be available on the company's website www.petroleum.fo.

Financial Statement and Further Details

Further details can be obtained from Wilhelm Petersen, Managing Director, tel +298 350 100 (wilhelmp@petroleum.fo) or Teitur Samuelsen, Financial Manager, tel +298 350 100 (teiturs@petroleum.fo). This announcement will be available, together with other information about Atlantic Petroleum, on the company's website: www.petroleum.fo. On the website, it is also possible to sign up for the Company e-mail newsletter.