

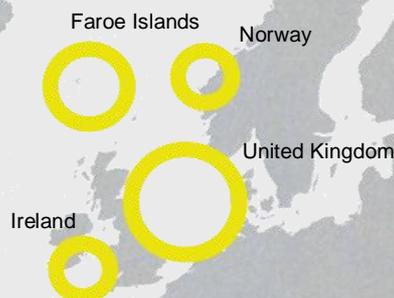
P/F ATLANTIC PETROLEUM  
**CONDENSED  
CONSOLIDATED  
INTERIM REPORT**

FOR THE 9 MONTHS ENDED 30<sup>th</sup> SEPTEMBER 2012



**ATLANTIC PETROLEUM**

# LICENCE PORTFOLIO



	Licence	Block(s)	Operator	AP equity %	Field/Prospect/Lead	
<b>United Kingdom</b>						
Central North Sea	P.218, P.588	15/21a (part),b,c,f,	Parkmead	13.35%	Perth	
	P.317, P.273	20/2a,3a	Nexen	8.27% - 9.40%	Etrick & Blackbird	
	P.354	22/2a	Centrica	15%	Chestnut	
	P.1100	20/4, 20/9a	Nexen	20%	Polecat	
	P.1556	29/1c	Summit	10%	Orchid	
	P.1580	20/3f	Nexen	8.27%	Blackbird Extension	
	P.1610, P.1766	13/23a, 22d	Dana Petroleum	20%	Magnolia	
	P.1655	15/21g,21a (part)	EnCore Oil	3.24%	Spaniards	
	P.1767	14/9, 14a, 15	Bridge Energy	30%	Anglesey	
	P.1791	21/30e	Bridge Energy	20%	Biscuits	
	To be confirmed**	Block 15/16e	Parkmead	33%	Birnam	
	To be confirmed**	Blocks 30/12c, 30/13c & 30/18c	Parkmead	30.5%	Skerryvore	
	Southern North Sea	P.1673	44/28a	Centrica	5%	Fulham
		P.1716	49/29e,30b	Tullow Oil plc	35%	Foxtrot
P.1724		43/13b	Centrica	10%	Pegasus	
P.1727		43/17b,18b	Centrica	10%	Harmonia Flank	
P.1729		43/23	Centrica	10%	Trent-West	
P.1734		48/8c	Centrica	10%	Endymion	
P.1747		49/2c	Centrica	10%	Marjan	
P.1748		49/4d,9d	Centrica	10%	Dory & Granby	
P.1827		36/20,25 & 37/16,21	Centrica	10%	Lead K	
P.1828		36/23,24,26,27,28,29	Centrica	10%	Area Y	
P.1857		49/30f	Volantis / Atlantic Petroleum	50%	Fizzy Extension	
P.1858		42/24a,25c	Volantis / Atlantic Petroleum	100%	Ptelea	
P.1860		47/9d,10d	Volantis / Atlantic Petroleum	100%	Rose East	
P.1883		37/5,10a & 38/1,6a	Volantis / Atlantic Petroleum	100%	Dogger Sub-Basin	
P.1899		44/4a,5 & 45/1	Centrica	10%	Lead B	
P.1905		44/30b	Centrica	10%	Pilot	
P.1906		47/2b,3g,7a,8d	Centrica	10%	Greater York	
P.1924		44/17e	Volantis / Atlantic Petroleum	100%	Ketch Wedge Lead A	
P.1927		48/13c,14b,18e,19d	Volantis / Atlantic Petroleum	100%	Eldon	
West of Shetland	To be confirmed**	Block 205/12	Parkmead	30%	Davaar	
	To be confirmed**	Blocks 205/23, 205/24, 205/25, 205/28, 205/29 & 205/30	Parkmead	43%	Eddystone	
<b>Ireland</b>						
Ireland	SEL 2/07	part block 49/9	Providence Resources	18.33%	Helvick	
		part blocks 49/13,14,18,19	Providence Resources	13.75%	Nemo	
		part blocks 50/6, 7	Providence Resources	18.33%	Dunmore	
		part block 50/11	Providence Resources	18.33%	Hook Head	
<b>Norway</b>						
Norway	PL270*	Block 35/3	VNG Norge AS	15%	Agat	
	PL559*	Block 6608/10/11	Rocksourc ASA	10%	Northern Ridge	
<b>Faroe Islands</b>						
Faroe Islands	L 006	6104/16a,21, 6105/25	Statoil	1%	Brugdan Deep	
	L 014	6104/14	Valiant	40%	Marselius	
	L 016	6202/6a,7,8,9,10a,11,12, 13,14,15,16,17,18,21a,22a, 6203/14a,15a,16,17,18,19,20,21, 22,23,24a,25a	Statoil	10%	Kúlubøkan	

\* Licences acquired through acquisition of Emergy Exploration in November 2012

\*\* These licences were provisionally awarded in October 2012 in the 27<sup>th</sup> UK Licensing Round and have not yet been allocated a licence number

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STRONG PRODUCTION PERFORMANCE UNDERPINS ATLANTIC PETROLEUM'S  
POSITIONING FOR THE FUTURE

# REPORT FOR 3Q 2012

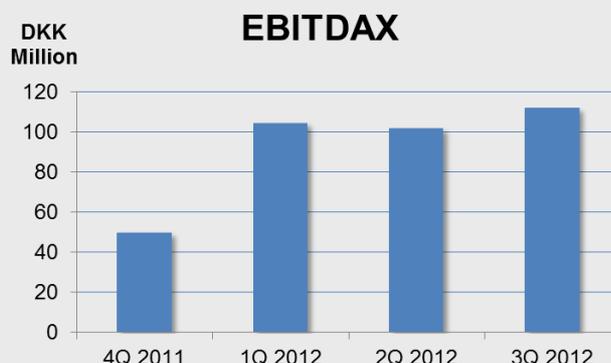
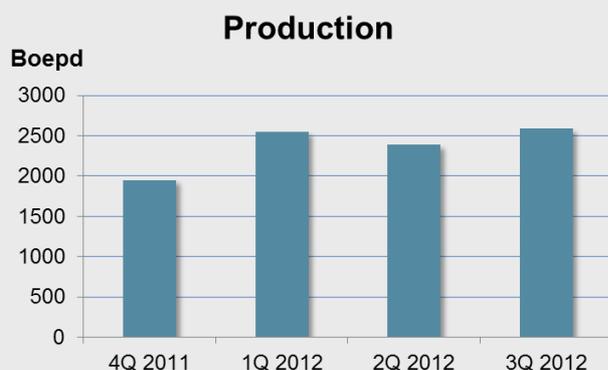
## KEY METRICS

DKK 1,000	9 months to 30 <sup>th</sup> September 2012	9 months to 30 <sup>th</sup> September 2011	Full year 2011
<b>Profit and loss:</b>			
Revenue	437,312	336,980	434,831
Gross profit	180,024	135,180	173,634
Operating profit (EBIT)	132,943	109,076	126,301
EBITDAX	317,984	215,798	265,170
Profit before taxation	115,627	101,641	127,526
Profit after taxation	37,749	40,699	66,635
<b>Balance sheet:</b>			
Non-current assets	584,759	541,341	576,967
Current assets	380,276	216,599	199,976
Total assets	965,034	757,940	776,943
Current liabilities	94,578	93,367	106,917
Non-current liabilities	379,190	261,534	240,719
Total liabilities	473,768	354,901	347,637
Net assets/Equity	491,267	403,039	429,306
<b>Cash flow and net cash:</b>			
Cash generated from operations	318,926	235,549	269,934
Change in cash and cash equivalents	186,463	73,027	29,048
Net cash	201,019	17,831	9,345
<b>Financial statement related key figures:</b>			
Gross Margin	41.2%	40.1%	39.9%
EBIT Margin	30.4%	32.4%	29.0%
EBITDAX Margin	72.7%	64.0%	61.0%
Return on Equity	8.2%	10.1%	16.5%
<b>Share related key figures:</b>			
Earnings per share Basic	15.12	15.49	25.77
Earnings per share Diluted	15.07	15.49	25.77
Share price in DKK on OMX CPH/IS	187.5/190	131/132	157/153
<b>Other key numbers/figures:</b>			
Full time equivalent positions	15	9	11

## 3Q 2012 HIGHLIGHTS

### Record Performance for the Group in 3Q 2012

- Revenue in 3Q 2012 DKK 157.9MM
- EBIT DKK 55.7MM
- EBITDAX DKK 111.9MM
- Cash generated from operations in the first nine months 2012 was DKK 319.0MM, a new record
- Overall, 2012 first nine months performance exceeds the 2011 full year
- Cash and cash equivalents at end 3Q 2012 was DKK 298.5MM, (DKK 114.3MM: end 2011). Cash and cash equivalents at 28<sup>th</sup> November 2012 were DKK 304.6MM
- Production in 3Q 2012 amounted to 238,000 boe corresponding to an average of 2,587 boepd net to the Group
- Production from the Etrick field was relatively stable and towards the higher end of expectations. Operator Nexen continues to look at ways to maximise field reserves
- Blackbird field production has been stable throughout the last quarter. A water injector, spudded in July 2012 has been completed. Work continues on the tie-in of Blackbird water-injection to the Aoka Mizu facility
- The Chestnut field production has been stable and at the high end of expectation
- The Perth field development process has been delayed by the Parkmead acquisition of operator DEO Petroleum. Parkmead and the Joint Venture are in discussion with DECC over the forward plan for the Perth development
- The Faroes wildcat exploration well Brugdan II well on Licence L006 was spudded in June. As of November 2012 the well has been temporarily suspended until 2013
- Agreement has been reached to acquire a 20% stake in P.1610, Block 13/23a and P.1766, Block 13/22d containing the Magnolia prospect in return for carrying a share of the cost of the initial exploration well. The equity was acquired from Summit Petroleum. The Magnolia exploration well will be drilled in 1Q 2013
- Agreement has been reached to acquire a 20% stake in P.1100, Blocks 20/4a and 20/9a containing the Polecat discovery in return for carrying a share of the cost of an appraisal well. The equity was acquired from Nexen Petroleum UK Limited. The Polecat appraisal well spudded on the 23<sup>rd</sup> October. The well reached a total depth of 10,850 feet and has been plugged and abandoned following wireline logging. Following the well result Atlantic Petroleum estimates contingent resources of 15-20 mmmboe on the Polecat structure and will discuss potential development options with the operator.
- Atlantic Petroleum has been offered for award four licences in the UK 27<sup>th</sup> Licensing Round. five applications are still outstanding
- Atlantic Petroleum has established a subsidiary in the Netherlands in preparation for activities in the country



## 2012 OUTLOOK

### Atlantic Petroleum Increases its 2012 Guidance for Production and EBITDAX

- Production for the year is expected to exceed the current guidance range of 800,000 – 870,000 boe. New guidance is in the range 900,000 – 940,000 boe
- EBITDAX for the year is expected to exceed the current guidance range of DKK 270MM – DKK 350MM. New guidance is in the range DKK 375MM – DKK 425MM
- The Blackbird field development will be completed with the drilling and tie-in of a water injector well in 4Q 2012
- Planning is underway for further production well targets on the Ettrick field, with spud sometime in 2013
- Chestnut production is expected to be above initial expectations, as a new flare limit allowing increased oil production has been approved by DECC. The operator plans to implement technical and commercial improvements for maximizing recovery
- On the Perth field, await results of discussion between the Joint Venture and DECC over future plans.
- Plan for the spudding of the Magnolia exploration well in 1Q 2013
- The recently announced Norwegian acquisition of Emery Exploration AS, provides Atlantic Petroleum with access to a very attractive region to operate in with significant remaining exploration potential, stable operating environment and a fiscal regime that is particularly attractive for exploration activities. In particular the Group will participate in the 22<sup>nd</sup> Norwegian Licensing Round
- The Group continues to actively evaluate a number of business development opportunities across the value chain to enhance and build upon existing activity

Planned Activities (2012 to 2013)			2012				2013			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Faroe Islands	L.006 Brugdan Deep	Brugdan II well			■	■				
	L.014 Marselius	2D Seismic		■						
	L.016 Kúlubøkan	3D Seismic (proposal)			■					
UK	Exploration	P.1100 Polecat	Polecat appraisal well				■			
		P.1556 Orchid	Orchid well	■	■					
		P.1655 Spaniards	Spaniards well				■			
		P.1724 Pegasus West	Pegasus West well							■
		P.1734 Endymion	Endymion well							■
		P.1610 & P.1766 Magnolia	Magnolia well					■		
		P.1899 Lead B	3D Seismic						■	
	P.1906 Greater York	3D Seismic						■		
	Development	P.273 & P.317 Ettrick (Producing field)	Water injector	■						
			Producer						■	
		P.1580 Blackbird (Producing field)	Water injector			■				
Producer									■	



## STATUS ON KEY LICENCES

### UNITED KINGDOM

#### Exploration & Evaluation

##### **UK Licences P.218 & P.1655, Blocks 15/21a (Gamma Subarea), 15/21g, Spaniards/Gamma (3.24%)**

A sub-area of P.218, block 15/21a has been created (called 15/21a Gamma Subarea) as part of an asset cross assignment associated with the P.1655 Spaniards licence. The Spaniards East well was spudded on 15<sup>th</sup> October, the costs being 100% paid for by the P.1655 group with no cost exposure for Atlantic Petroleum.

##### **UK Licence P.1724, Block 43/13b, Pegasus (10%)**

This licence was part of the Volantis acquisition in 2011 and contains the 43/13b-6 & -6Z discovery drilled in 2010 - 2011. Long lead items have been approved for a well expected to be drilled on the Pegasus West structure in 2013.

##### **UK Licence P.1734, Block 48/8, Endymion (10%)**

Work continues on defining the Endymion prospect, which has a contingent well commitment and is to be drilled in 2013/14.

##### **UK Licence P.1100, Blocks 20/4a & 20/9a, Polecat (20%)**

On the 25<sup>th</sup> September, it was announced that the company had obtained a 20% interest in licence P.1100 containing the Polecat discovery, in return for carrying a share of the cost of an appraisal well. The equity was acquired from Nexen Petroleum U.K. Limited. The Polecat well spudded on the 23<sup>rd</sup> October and reached a total depth of 10,850 feet. The well has been plugged and abandoned following wireline logging. Following the well result Atlantic Petroleum estimates gross resources of 15-20 mmboc on the Polecat structure and will discuss potential development options with the operator.

##### **UK Licences P.1610 & P.1766, Block 13/23a and 13/22d, Magnolia (20%)**

On the 25<sup>th</sup> September, it was announced that agreement has been reached to acquire a 20% stake in P.1610, Block 13/23a and P.1766, Block 13/22d containing the Magnolia prospect in return for carrying a share of the cost of the initial exploration well. The equity was acquired from Summit Petroleum. The well will be spudded by operator Dana in 1Q 2013

##### **UK Licences P.218 & P.588, Blocks 15/21a, b, c & f, Perth Field (13.35%)**

The development process has been delayed by the Parkmead takeover of operator DEO, announced in May. New operator Parkmead has held discussions with the JV and DECC over the future timelines for the Perth discovery. Currently, we await the results of those discussions

#### Development & Production

##### **UK Licences P.354, Block 22/2a, Chestnut (15%)**

The Chestnut field is currently producing at around 7,000 barrels of oil per day, net 1,050 boepd to Atlantic Petroleum. As a result of DECC approving an increased flare limit oil production has increased and continues ahead of budget.

##### **UK Licences P.273 & P.317, Blocks 20/3a & 20/2a, Etrick (8.27%)**

During 3Q 2012 the Etrick field has produced on average 16,900 boepd, 1,397 boepd net to Atlantic Petroleum. Production continues ahead of budget due to better than expected reservoir performance and uptime. Planning is underway for a new producer to be drilled in 2Q 2013.

##### **UK Licences P.273 & P.317 & P.1580, Blocks 20/3a, 20/2a & 20/3f, Blackbird (9.4%)**

The field produced slightly lower than expected in 3Q 2012 with average production of around 3,400 boepd, 320 boepd net to Atlantic Petroleum. A water injection well has been drilled and completed and tie-in to the Aoka Mizu will be completed in 4Q 2012.

## FAROE ISLANDS

### **Licence 006, Blocks 6104/16a,21 & 6105/25, Brugdan Deep (1%)**

Operator Statoil spudded the Brugdan II well in June and targeted the Paleocene Vaila formation which was not accessed by the previous Brugdan I well. The well was drilled until suspended in November 2012.

### **Licence 014, Block 6104/14, Marselius (40%)**

2D survey acquisition has been completed.

### **Licence 016, Blocks 6202/6a,7,8,9,10a,11,12,13,14,15, 16,17,18,21a,22a, 6203/14a,15a,16,17,18,19,20,21,22,23, 24a,25a, Kúlubøkan (10%)**

The 2012 work programme of a 3D seismic survey over part of the Kúlubøkan structure was completed.

## IRELAND

### **Standard Exploration Licence 2/07: Hook Head, Helvick & Dunmore 18.333%, Nemo 13.75%**

This licence includes four discoveries (Helvick, Hook Head, Ardmore and Dunmore) and further exploration structures. The licence is in its second phase which expires 31<sup>st</sup> January 2013. The work programme consists of reviewing the potential of utilising innovative production technology for marginal oil field developments along with other technical studies on the licence. The results from the nearby Barryroe appraisal well, drilled by Providence in 1Q-2Q 2012, will be considered and may influence the future direction for this licence.



ATLANTIC PETROLEUM IS BUILDING AN EXPLORATION PORTFOLIO THAT WILL ENSURE A STEADY FLOW OF DRILLING OPPORTUNITIES

Atlantic Petroleum employees onboard FPSO Aoka Mizu August 2012

## POST BALANCE SHEET EVENTS

- **On 28<sup>th</sup> November** it is announced the Polecat appraisal well spudded on the 23<sup>rd</sup> October reached a total depth of 10,850 feet and has been plugged and abandoned following wireline logging. Following the well result Atlantic Petroleum estimates contingent resources of 15-20 mmboe on the Polecat structure and will discuss potential development options with the operator.
- **On 27<sup>th</sup> November** it was announced that Atlantic Petroleum and its partners Statoil and ExxonMobil had decided to temporarily suspend operations on the Brugdan II well offshore the Faroe Islands. The Brugdan II well had drilled into sub-basalt section, but the primary objective had not been reached. The decision to suspend the drilling was based on the expected bad weather as we enter the winter season. The Faroese authorities have authorised a suspension until end 2013.
- **On 23<sup>rd</sup> November** it was announced that 100% of the shareholders in Emergy Exploration AS had accepted the offer from Atlantic Petroleum to acquire the shares in Emergy. Atlantic Petroleum now holds 100% of the shares in Emergy and the Company will be renamed Atlantic Petroleum Norge AS.
- **On 13<sup>th</sup> November** it was announced that Atlantic Petroleum had issued a voluntary offer for 100% of the shares in Emergy Exploration AS based in Bergen, Norway. Emergy Exploration is an independent, upstream oil and gas company focused on the Norwegian Continental Shelf.

The Offer for 100% of the shares in Emergy is USD 12.7MM was to be paid in cash or a combination of cash and shares in P/F Atlantic Petroleum, of which 50% will be paid in cash upon acceptance of the Offer and 50% will be paid at the latest on 31<sup>st</sup> January 2013 in cash, shares or a combination of cash and shares. The offer has been pre-accepted by the holders of 90% of the Emergy shares.

Following the transaction, Emergy will change name to Atlantic Petroleum Norge AS with Emergy's current CEO, Jonny Hesthammer, taking up the position as Managing Director.

Emergy has recently been pre-qualified by the Norwegian Ministry of Petroleum and Energy as a licensee on the NCS. This allows Atlantic Petroleum Norge AS to participate in the upcoming 22<sup>nd</sup> Norwegian licensing round with deadline for applications on 4<sup>th</sup> December 2012 and with awards expected by the summer of 2013.

After the completion of the transaction, Atlantic Petroleum will receive 15% ownership in license

PL270 operated by VNG Norge AS in the northern part of the Norwegian North Sea containing 3 discoveries including the Agat gas discovery which, according to VNG Norge's estimate, will add 9 mmboe mean contingent resources net to Atlantic Petroleum and 10% ownership in license PL559 operated by Rocksource ASA in the Norwegian Sea containing numerous exploration prospects with significant resource potential.

- **On 6<sup>th</sup> November** it was announced that the Spaniards East well UK Licence P.1655 spudded on the 15<sup>th</sup> October had reached a total depth of 10,694 feet and was being plugged and abandoned as a dry hole. The well encountered 75 feet of Jurassic sands but these were shown to be water wet on the logs. Atlantic Petroleum has a carried 3.25% interest resulting from a farm-in deal negotiated in 2011.
- **On 26<sup>th</sup> October** it was announced that Atlantic Petroleum UK was offered for award four licences in the UK 27<sup>th</sup> Round. The licence details are as follows:
  - Block 15/16e. DEO (now Parkmead) (Operator) 34%, Atlantic Petroleum UK 33% and Faroe Petroleum 33%
  - Blocks 30/12c, 30/13c & 30/18c. Parkmead (Operator) 30.5%, Atlantic Petroleum UK 30.5%, Bridge 25% and Dyas 14%
  - Block 205/12. Parkmead (Operator) 30%, Atlantic Petroleum UK 30%, Summit 26%, Dyas 14%
  - Blocks 205/23, 205/24, 205/25, 205/28, 205/29 & 205/30. Parkmead (Operator) 43%, Atlantic Petroleum UK 43% and Dyas 14%

A further five licenses Atlantic Petroleum applied for are still outstanding they are under environmental assessment. Atlantic Petroleum applied for 9 licences in total.

- **On 23<sup>rd</sup> October** it was announced that the Polecat appraisal well on UK Licence P.1100 in the Moray Firth had spudded. The well targeted Upper Jurassic reservoirs and was expected to take around 50 days to complete. The well, operated by Nexen, who holds an 80% interest in the licence. Atlantic Petroleum has 20% interest resulting from a farm-in deal negotiated earlier in 2012.
- **On 15<sup>th</sup> October** it was announced that the 15/21(a)-60 Spaniards East exploration well on UK Licence P.1655 in the Moray Firth was spudded. The well was drilled with the Wil Phoenix semi-submersible rig in a water depth of about 460 ft, near to the producing Scott and Telford fields. The well targeted Upper Jurassic reservoirs and was expected to take around 41 days to complete.

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

The Condensed Consolidated Interim Report for the first nine months of 2012 comprises the Consolidated Financial Statements of P/F Atlantic Petroleum and its subsidiaries. The Condensed Consolidated Interim Report is prepared in accordance with International Financial Reporting Standards 34 "Interim Financial Reporting" as adopted by the European Union.

We consider the accounting policies used to be appropriate, such that the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30<sup>th</sup> September 2012, and of the results of the Group's operations and cash flow for the period 1<sup>st</sup> January – 30<sup>th</sup> September 2012.

Tórshavn 28<sup>th</sup> November 2012

### ***Management:***

Ben Arabo  
CEO

### ***Board of Directors:***

Birgir Durhuus  
*Chairman*

Jan E. Evensen  
*Deputy Chairman*

Poul R. Mohr

Diana Leo

David A. MacFarlane

# AUDITOR'S REVIEW REPORT

## TO THE SHAREHOLDERS OF P/F ATLANTIC PETROLEUM

According to agreement with the Company's Board of Directors, we have reviewed the accompanying condensed consolidated interim balance sheet of P/F Atlantic Petroleum and its subsidiaries as of 30<sup>th</sup> September 2012, and the related condensed consolidated statements of income and cash flows and notes for the three months ended 30<sup>th</sup> September 2012.

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

### Basis of Opinion

We conducted our review in accordance with generally accepted review standards as applied in the Faroe Islands. This Standard requires that we plan and perform the review to obtain limited assurance as to whether the preliminary financial information is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical

procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Report does not give a true and fair view of the financial position of the Group as of 30<sup>th</sup> September 2012, and of the results of its operations and its cash flows for the nine months ended 30<sup>th</sup> September 2012 in accordance with International Financial Reporting Standards 34 "Interim Financial Reporting" as adopted by the European Union.

Tórshavn 28<sup>th</sup> November 2012

### SP/F Grannskoðaravirkid *INPACT*

State Authorized Public Accountants

Jógvan Amonsson

State Authorized Public Accountant

Fróði Sivertsen

State Authorized Public Accountant

# **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

## CONSOLIDATED INCOME STATEMENT

	Note	3Q 2012 DKK	3Q 2011 DKK	9 months 2012 DKK	9 months 2011 DKK	Full year 2011 DKK
Revenue	4	157,872,633	95,936,931	437,311,835	336,980,009	434,830,735
Costs of sales	3	-89,768,403	-56,408,474	-257,287,922	-201,872,223	-261,196,369
<b>Gross profit</b>		<b>68,104,230</b>	<b>39,528,457</b>	<b>180,023,913</b>	<b>135,107,786</b>	<b>173,634,366</b>
Exploration expenses		-2,116,890	-247,832	-17,355,538	-6,572,782	-17,811,620
Pre-licence exploration costs		-2,409,032	-570,776	-4,604,628	-1,075,382	-1,827,764
General and administration costs		-7,871,225	-6,619,207	-25,134,569	-18,384,060	-27,675,935
Other operating income		185	0	13,931	0	0
<b>Operating profit</b>	4	<b>55,707,269</b>	<b>32,090,642</b>	<b>132,943,108</b>	<b>109,075,562</b>	<b>126,319,047</b>
Interest income and finance gains		462,271	1,638,008	1,534,661	13,356,973	29,473,523
Interest expenses and other finance costs	5	-7,282,089	9,731,564	-18,850,775	-20,791,381	-28,266,938
<b>Profit before taxation</b>		<b>48,887,451</b>	<b>43,460,214</b>	<b>115,626,995</b>	<b>101,641,154</b>	<b>127,525,632</b>
Taxation	6	-32,893,634	-22,982,900	-77,877,727	-60,941,858	-60,890,823
<b>Profit after taxation</b>		<b>15,993,817</b>	<b>20,477,314</b>	<b>37,749,268</b>	<b>40,699,296</b>	<b>66,634,809</b>
Earnings per share (DKK):						
Basic	16	6.41	7.80	15.12	15.49	25.77
Diluted	16	6.36	7.80	15.07	15.49	25.77

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3Q 2012 DKK	3Q 2011 DKK	9 months 2012 DKK	9 months 2011 DKK	Full year 2011 DKK
Profit for the period	15,993,817	20,477,314	37,749,268	40,699,296	66,634,809
Exchange rate differences	6,360,668	4,101,081	22,126,579	-371,679	5,099,677
Share based bonus schemes - LTIP	715,395	0	715,395	0	0
Value of futures contracts	-5,251,432	12,546,857	1,369,013	12,116,861	6,976,867
Own shares	0	0	0	-36,036,000	-36,036,000
Own shares sold	0	0	0	8,730,110	8,730,110
<b>Total comprehensive income in the period</b>	<b>17,818,447</b>	<b>37,125,252</b>	<b>61,960,254</b>	<b>25,138,588</b>	<b>51,405,463</b>

## CONSOLIDATED BALANCE SHEET

	Note	30 <sup>th</sup> September 2012 DKK	30 <sup>th</sup> September 2011 DKK	31 <sup>st</sup> December 2011 DKK
<b>Non-current assets</b>				
Goodwill	7	39,731,069	10,157,161	37,850,859
Intangible assets	8	535,817	656,707	684,350
Intangible exploration and evaluation assets	9	128,967,500	111,906,611	90,432,493
Tangible development and production assets	10	411,827,384	417,796,990	446,621,277
Property plant and equipment	11	1,892,243	824,030	1,378,416
Deferred tax asset		1,804,764	0	0
		<b>584,758,776</b>	<b>541,341,499</b>	<b>576,967,395</b>
<b>Current assets</b>				
Inventories		22,468,849	7,587,988	1,948,775
Trade and other receivables	12	57,970,241	45,297,515	83,713,940
Financial assets		1,317,906	5,336,288	0
Cash and cash equivalents		298,518,557	158,376,879	114,312,942
		<b>380,275,552</b>	<b>216,598,670</b>	<b>199,975,658</b>
<b>Total assets</b>		<b>965,034,328</b>	<b>757,940,169</b>	<b>776,943,052</b>
<b>Current liabilities</b>				
Short term debt	14	19,500,000	43,045,889	39,968,085
Trade and other payables	13	68,945,045	50,320,810	66,898,275
Financial liabilities		0	0	51,107
Tax payable		6,132,580	0	0
		<b>94,577,625</b>	<b>93,366,699</b>	<b>106,917,468</b>
<b>Non-current liabilities</b>				
Deferred tax liability		138,970,220	59,029,636	60,886,298
Long term debt	14	78,000,000	97,500,000	65,000,000
Long term provisions		162,219,880	105,004,357	114,832,938
		<b>379,190,099</b>	<b>261,533,993</b>	<b>240,719,236</b>
<b>Total liabilities</b>		<b>473,767,725</b>	<b>354,900,692</b>	<b>347,636,703</b>
<b>Net assets</b>		<b>491,266,604</b>	<b>403,039,477</b>	<b>429,306,349</b>
<b>Equity</b>				
Share capital		262,670,300	262,670,300	262,670,300
Own shares	17	-27,305,890	-27,305,890	-27,305,890
Share premium account		231,154,090	231,154,090	231,154,090
Futures Contracts Value		1,317,906	5,336,288	-51,107
Share based bonus scheme - LTIP		715,395	0	0
Translation reserves		53,129,892	27,986,713	21,699,042
Retained earnings		-30,415,090	-96,802,024	-58,860,086
		<b>491,266,603</b>	<b>403,039,477</b>	<b>429,306,349</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital DKK	Own shares DKK	Share premium account DKK	Futures contracts value DKK	LTIP reserves DKK	Translation reserves DKK	Retained earnings DKK	Total DKK
<b>At 1<sup>st</sup> January 2011</b>	262,670,300	0	231,154,091	-6,843,115	0	16,239,453	-125,319,840	377,900,889
Own shares bought (173,250 shares)	0	-36,036,000	0	0	0	0	0	-36,036,000
Own shares sold (42,736 shares)	0	8,730,110	0	0	0	0	0	8,730,110
Changes in futures contracts value	0	0	0	12,179,403	0	0	0	12,179,403
Change in translation reserves	0	0	0	0	0	11,745,182	0	11,745,182
Result for the period	0	0	0	0	0	0	28,519,893	28,519,893
<b>At 30<sup>th</sup> September 2011</b>	262,670,300	-27,305,890	231,154,091	5,336,288	0	27,984,635	-96,799,947	403,039,477
Changes in futures contracts value	0	0	0	-5,387,395	0	0	0	-5,387,395
Translation reserves	0	0	0	0	0	-6,285,593	0	-6,285,593
Result for the period	0	0	0	0	0	0	37,939,861	37,939,861
<b>At 1<sup>st</sup> January 2012</b>	262,670,300	-27,305,890	231,154,091	-51,107	0	21,699,042	-58,860,086	429,306,350
Futures contracts value	0	0	0	1,369,013	0	0	0	1,369,013
LTIP awarded in the period	0	0	0	0	715,395	0	0	715,395
Translation reserves	0	0	0	0	0	31,430,851	0	31,430,851
Result for the period	0	0	0	0	0	0	28,444,996	28,444,996
<b>At 30<sup>th</sup> September 2012</b>	<b>262,670,300</b>	<b>-27,305,890</b>	<b>231,154,091</b>	<b>1,317,906</b>	<b>715,395</b>	<b>53,129,892</b>	<b>-30,415,090</b>	<b>491,266,604</b>

## CONSOLIDATED CASH FLOW STATEMENT

	9 months 2012 DKK	9 months 2011 DKK	Full year 2011 DKK
<b>Operating activities</b>			
Operating profit	132,943,108	109,075,561	134,992,717
Allocated consolidated capitalised interest	6,223,341	4,402,455	5,946,835
Impairment on non-current assets	15,727,605	0	2,562,189
Relinquishment/Disposal of licences	379,314	6,573,062	6,575,760
Depreciation, depletion and amortisation	163,437,555	96,020,692	115,550,666
Change in inventories	-20,423,270	3,323,399	9,883,965
Change in trade and other receivables	35,988,177	14,739,119	-15,044,246
Change in trade and other payables	1,966,480	8,849,311	17,946,724
Interest revenue and finance gains received	17,192,411	13,356,973	19,527,638
Interest expenses and other finance costs paid	-34,508,525	-20,791,381	-28,008,004
<b>Net cash inflow from operating activities</b>	<b>318,926,198</b>	235,549,191	269,934,244
<b>Investing activities</b>			
Capital expenditure	-124,995,577	-93,874,546	-163,251,878
<b>Net cash outflow from investing activities</b>	<b>-124,995,577</b>	-93,874,546	-163,251,878
<b>Financing activities</b>			
Change in own shares	0	-27,305,890	0
Change in short term debt	-20,468,085	-41,341,933	-45,134,308
Change in long term debt	13,000,000	0	-32,500,000
<b>Net cash outflow from financing activities</b>	<b>-7,468,084</b>	-68,647,823	-77,634,308
<b>Change in cash and cash equivalents</b>	<b>186,462,537</b>	73,026,822	29,048,058
Cash and cash equivalents at the beginning of the period	114,312,941	85,242,427	85,242,427
Currency translation differences	-2,256,920	107,629	22,459
<b>Cash and cash equivalents at the end of the period</b>	<b>298,518,557</b>	158,376,878	114,312,944

# NOTES TO THE ACCOUNTS

## ACCOUNTING POLICY

### GENERAL INFORMATION

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

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

The Annual and Consolidated Report and Accounts of the Group as at and for the year ended 31<sup>st</sup> December 2011 are available upon request from the Company's registered office at Yviri við Strond 4, 3<sup>rd</sup> Floor, P.O. Box 1228, FO-110 Tórshavn, Faroe Islands or at [www.petroleum.fo](http://www.petroleum.fo).

This Condensed Consolidated Interim Report is presented in DKK.

### 1 STATEMENT OF COMPLIANCE

This Condensed Consolidated Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting* as adopted by the EU. It does not include all of the information required for full Annual Financial Statements, and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31<sup>st</sup> December 2011.

### 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> December 2011.

### 3 COST OF SALE

	<b>9 months 2012 DKK</b>	9 months 2011 DKK	Full year 2011 DKK
Operating costs	109,198,549	102,049,232	140,157,080
Amortisation and depreciation, plant and equipment:			
Oil and gas properties	167,685,564	99,822,990	121,039,289
Produced oil in inventory at market value	-19,596,191	0	0
	<b>257,287,922</b>	201,872,222	261,196,369

### 4 GEOGRAPHICAL SEGMENTAL ANALYSIS

	<b>9 months 2012 DKK</b>	9 months 2011 DKK	Full year 2011 DKK
<b>Revenues by origin and destination:</b>			
Faroe Islands	0	0	0
United Kingdom	437,311,835	336,980,009	434,830,735
Ireland	0	0	0
Netherlands	0	0	0
	<b>437,311,835</b>	336,980,009	434,830,735
<b>Operating profit/loss by origin:</b>			
Faroe Islands	-11,707,804	-16,680,112	-7,051,004
United Kingdom	145,444,397	125,917,102	133,708,096
Ireland	-166,074	-161,429	-338,045
Netherlands	-627,411	0	0
	<b>132,943,108</b>	109,075,561	126,319,047

### 5 INTEREST INCOME & EXPENSE AND FINANCE GAINS & COSTS

	<b>9 months 2012 DKK</b>	9 months 2011 DKK	Full year 2011 DKK
<b>Interest income and finance gains:</b>			
Short term deposits	1,459,271	1,069,716	1,394,309
Exchange differences	0	10,199,356	26,069,512
Unwinding of discount on decommissioning provision	75,390	2,087,901	2,009,702
	<b>1,534,661</b>	13,356,973	29,473,523
<b>Interest expense and other finance costs:</b>			
Bank loan and overdrafts	5,199,196	7,088,871	9,374,899
Unwinding of discount on decommissioning provision	2,544,437	0	0
Others	90,789	101,053	141,993
Exchange differences	11,016,353	13,601,457	18,750,047
	<b>18,850,775</b>	20,791,381	28,266,939

**6 TAXATION**

	<b>9 months 2012 DKK</b>	9 months 2011 DKK	Full year 2011 DKK
<b>Current tax :</b>			
Overseas corporation tax on interest income	92,414	0	0
Overseas corporation tax – supplementary charge	5,923,556	0	0
<b>Total current tax</b>	<b>6,015,970</b>	<b>0</b>	<b>0</b>
<b>Deferred tax:</b>			
UK deferred tax (liability)	75,190,234	60,941,858	60,890,823
UK deferred tax (asset)	-3,328,478	0	0
<b>Total deferred tax</b>	<b>71,861,757</b>	<b>60,941,858</b>	<b>60,890,823</b>
<b>Tax on profit on ordinary activities</b>	<b>77,877,727</b>	<b>60,941,958</b>	<b>60,890,823</b>

As at 30<sup>th</sup> September 2012, the Group has a net deferred tax assets of DKK 16.4MM (31<sup>st</sup> December 2011: DKK 13.3MM).

This is made up of the following amounts: Effect of capital allowances in excess of depreciation: DKK 8.5MM (31<sup>st</sup> December 2011: DKK 4.4MM) and effect of tax loss available: DKK 17.0MM (31<sup>st</sup> December 2011: DKK 24.9MM).

The loss can be carried forward indefinitely

**7 GOODWILL**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
At 1 <sup>st</sup> January	37,850,859	0	0
Exchange movements	1,880,210	0	0
Additions	0	10,157,161	37,850,859
<b>At end of period</b>	<b>39,731,069</b>	<b>10,157,161</b>	<b>37,850,859</b>

**8 INTANGIBLE ASSETS**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
<b>Costs</b>			
At 1 <sup>st</sup> January	928,708	207,982	207,982
Exchange movements	27,359	0	0
Additions	40,194	474,865	720,726
<b>At end of period</b>	<b>996,261</b>	<b>682,847</b>	<b>928,708</b>
<b>Amortisation and depreciation</b>			
At 1 <sup>st</sup> January	244,359	0	0
Exchange movements	9,512	0	0
Charge this period	206,574	26,140	244,359
<b>At end of period</b>	<b>460,445</b>	<b>26,140</b>	<b>244,359</b>
<b>Net book value at end of period</b>	<b>535,816</b>	<b>656,707</b>	<b>684,349</b>

**9 INTANGIBLE EXPLORATION AND EVALUATION (E&E) ASSETS**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
<b>Costs</b>			
At 1 <sup>st</sup> January	90,432,493	109,483,257	109,483,257
Exchange movements	3,329,292	-743,540	2,170,069
Additions	53,809,872	71,152,713	72,037,779
Additions from Business Combinations	0	45,543,112	21,123,955
Reclassified to/from Development and production assets	0	-106,956,149	-104,062,864
Disposal/relinquishment of licences	-17,355,538	-6,572,782	-6,493,634
Reclassified to development and production assets	0	0	-3,826,069
Consolidated interest written off	-1,248,619	0	0
<b>At end of period</b>	<b>128,967,500</b>	111,906,610	90,432,493

**10 TANGIBLE DEVELOPMENT AND PRODUCTION ASSETS**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
<b>Costs</b>			
At 1 <sup>st</sup> January	799,633,050	625,194,756	625,194,763
Exchange movements	38,188,352	-5,465,314	16,154,413
Additions	114,632,152	11,396,880	50,556,468
Additions moved from exploration and evaluation assets	0	106,956,149	104,062,864
Consolidated interests moved from exploration and evaluation assets	0	0	3,664,542
<b>At end of period</b>	<b>952,453,554</b>	738,082,471	799,633,049
<b>Amortisation and depreciation</b>			
At 1 <sup>st</sup> January	353,011,771	222,080,259	222,080,259
Exchange movements	16,774,945	-1,944,060	5,746,267
Charge	170,839,455	100,149,282	125,185,244
<b>At end of period</b>	<b>540,626,170</b>	320,285,481	353,011,771
<b>Net book value at end of period</b>	<b>411,827,384</b>	417,796,990	446,621,277

**11 PROPERTY PLANT AND EQUIPMENT**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
<b>Costs</b>			
At 1 <sup>st</sup> January	3,038,911	1,363,772	1,363,772
Exchange movements	102,651	-5,619	16,609
Additions from business combinations	0	101,173	0
Additions	982,726	463,261	1,658,530
<b>At end of period</b>	<b>4,124,287</b>	1,922,587	3,038,911
<b>Amortisation and depreciation</b>			
At 1 <sup>st</sup> January	1,660,494	872,000	872,000
Exchange movements	40,947	-2,793	8,255
Charge this period	530,603	229,351	780,239
<b>At end of period</b>	<b>2,232,044</b>	1,098,559	1,660,494
<b>Net book value at end of period</b>	<b>1,892,244</b>	824,028	1,378,417

**12 TRADE AND OTHER RECEIVABLES**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
Trade receivables	53,252,788	36,215,458	73,935,150
Prepayments	3,120,258	3,500,758	5,419,977
Other taxes and VAT receivables	1,236,676	993,424	1,722,544
Other receivables	360,519	4,587,876	2,636,269
	<b>57,970,241</b>	45,297,514	83,713,940

**13 TRADE AND OTHER PAYABLES**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
Trade payables	31,241,108	17,903,011	39,987,916
Accruals	227,824	32,037,855	2,052,174
Other payables	37,476,113	379,945	24,858,186
	<b>68,945,045</b>	50,320,810	66,898,275

**14 SHORT AND LONG TERM DEBT**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
Short term bank debt	19,500,000	43,045,889	39,968,085
Long term bank debt total	78,000,000	97,500,000	65,000,000
	<b>97,500,000</b>	140,545,889	104,968,085

**15 DIVIDENDS**

No interim dividend is proposed. (30<sup>th</sup> September 2011: DKK nil)

**16 EARNINGS PER SHARE**

	Profit after tax		Weighted average number of shares		Earnings per share	
	30 <sup>th</sup> Sep. 2012 DKK	30 <sup>th</sup> Sep. 2011 DKK	30 <sup>th</sup> Sep. 2012 DKK	30 <sup>th</sup> Sep. 2011 DKK	30 <sup>th</sup> Sep. 2012 DKK	30 <sup>th</sup> Sep. 2011 DKK
<b>Basic</b>						
<b>3 months to 30<sup>th</sup> Sep.</b>	<b>15,993,817</b>	20,477,314	<b>2,496,189</b>	2,487,828	<b>6.41</b>	7.80
<b>Diluted</b>						
<b>3 months to 30<sup>th</sup> Sep.</b>	<b>15,870,881</b>	20,477,314	<b>2,496,189</b>	2,487,828	<b>6.36</b>	7.80
<b>Basic</b>						
<b>9 months to 30<sup>th</sup> Sep.</b>	<b>37,749,268</b>	40,699,296	<b>2,496,189</b>	2,560,864	<b>15.12</b>	15.49
<b>Diluted</b>						
<b>9 months to 30<sup>th</sup> Sep.</b>	<b>37,626,332</b>	40,699,296	<b>2,496,189</b>	2,560,864	<b>15.07</b>	15.49

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

**17 OWN SHARES**

	<b>30<sup>th</sup> September 2012 DKK</b>	30 <sup>th</sup> September 2011 DKK	Full year 2011 DKK
At 1 <sup>st</sup> January	27,305,890	0	0
Acquired in the period	0	36,036,000	36,036,000
Sold in the period	0	-8,730,110	-8,730,110
<b>At end of period</b>	<b>27,305,890</b>	<b>27,305,890</b>	<b>27,305,890</b>

Atlantic Petroleum held at end 3Q 2012 130,514 own shares market value being DKK 24.5MM.

**18 LONG TERM INCENTIVE PLAN**

	<b>At 30<sup>th</sup> Sep. 2012</b>		At 31 <sup>st</sup> December 2011	
	Options of Nominal value DKK 100	Weighted average Exercise price DKK	Options of Nominal value DKK 100	Weighted average Exercise price DKK
<b>1<sup>st</sup> January</b>	0	0	0	0
Granted during the period	22,352	0	0	0
Lapsed during the period	0	0	0	0
Exercised during the period	0	0	0	0
<b>Outstanding at end of period</b>	<b>22,352</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Exercisable at end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The total fair value of the options granted is estimated to be DKK 4,118,236 provided that all the options are exercised by 24<sup>th</sup> March 2015.

A standard Monte-Carlo valuation model has been used to calculate the fair value of the awards. The fair value takes account of the likelihood of meeting the relative Total Shareholder Return (TSR) and share price multiplier conditions. These conditions must be included in the date of grant of fair value due to their market based nature. The model projects the TSR of the Company and the comparator group to the end of the performance period at which point it places a value on the award taking into account the Company's TSR ranking against the comparator group, the absolute share price of the Company against the multiplier targets and the associated increase/decrease in the share price.

This simulation is replicated approximately 10,000 times to provide a realistic range of performance scenarios taking account of the volatility of the Company's shares. The average projected payout from the awards is calculated and then discounted at the risk free rate of interest to the date of grant. This is the fair value provided. Lapses and forfeitures have been ignored in the calculations. The key modeling assumptions for the award during 2012 were as follows:

Date of grant: 24<sup>th</sup> March 2012  
Market price on the day of issue: DKK 169.50  
Volatility: 38.63%  
Risk-free interest rate: 0.43%  
Yearly dividend: DKK 0.00  
Exercise price: DKK 0.00  
Expected life: 3 years

Marketability discount: to reflect there is not a deep or liquid market for the company's shares and there is typically a significant bid/offer spread, a 5% marketability discount to the fair value has been applied to replicate the price a willing market participant would be prepared to pay for a share in the Company.

## 19 CAPITAL COMMITMENTS AND GUARANTEES

In connection with Atlantic Petroleum UK Ltd.'s assets in the UKCS, P/F Atlantic Petroleum has provided the following security to the UK Department for Energy and Climate Change:

1. A security is provided that P/F Atlantic Petroleum can always provide the necessary finance to enable Atlantic Petroleum UK Ltd. to fulfil its obligations in the UK area.
2. A security is provided that P/F Atlantic Petroleum will not change Atlantic Petroleum UK Ltd.'s legal rights, so that this company cannot fulfil its obligations.
3. A security is provided that if Atlantic Petroleum UK Ltd. fails to fulfil its financial obligations, P/F Atlantic Petroleum will undertake to do so.

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations which Atlantic Petroleum UK Limited has in connection with purchase of assets from Premier Oil in accordance with the "Sales and Purchase Agreement".

P/F Atlantic Petroleum has provided a parent guarantee to fulfil all obligations which Atlantic Petroleum UK Limited has in connection with the farm-in agreement with Summit Petroleum Limited regarding UK Licence P.1556, block 29/1c

The Group had capital expenditure committed to, but not provided for in these accounts at 30<sup>th</sup> September 2012 of approximately DKK 65MM. The capital expenditure is in respect of the Group's interests in its exploration and development production licenses.

The Group had capital expenditure committed to, but not provided for in these accounts at 23<sup>rd</sup> November 2012 of approximately DKK 37MM. The capital expenditure is in respect of the Group's purchase of the Norwegian company Emery Exploration AS.

P/F Atlantic Petroleum has loan facilities with the following bank: P/F Eik Banki Føroya.

The Company has a long term loan facility at P/F Eik Banki Føroya of DKK 97.5MM. The loan will be repaid in 5 equal instalments due at 11<sup>th</sup> December each year. The loan will be fully repaid in 2016.

In connection with the loan facility, P/F Atlantic Petroleum has charged the following security:

- (i) its shares in its wholly owned subsidiary Atlantic Petroleum UK Ltd. and Its inter-company receivables from Atlantic Petroleum UK Limited
- (ii) its inter-company receivables from Atlantic Petroleum UK Ltd.
- (iii) prior to investments approval shall be obtained by the lender
- (iv) P/F Atlantic Petroleum has provided the lender with a negative pledge.

## 20 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

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
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)
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.
FPSO	A Floating Production, Storage and Offloading unit used by the offshore oil and gas industry for the processing of hydrocarbons and for storage of oil.
Gross Margin	% (Gross profit or loss/Sales)
Lead	Areas thought to contain hydrocarbons.
MM	Million
Monte Carlo	The Monte Carlo method approximate solutions to quantitative problems by employing statistical sampling that calculates a representative range of resulting values.  Monte Carlo simulation results are pre-determined by the possible values of the underlying input variables, which can encompass multiply source of uncertainties.
NCS	Norwegian Continental Shelf
Net Cash	Cash and cash equivalents – Short & Long Term Debt
Oil field	An accumulation of hydrocarbons in the subsurface.
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 reconnoitering 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

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## SUBSIDIARIES

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- **Volantis Exploration Ltd**
- **Volantis Netherlands BV**
- **Atlantic Petroleum (Ireland) Ltd**
- **Atlantic Petroleum Norge AS**

For subsidiary's contact details please see company website