



ATLANTIC PETROLEUM

P/F ATLANTIC PETROLEUM

CONDENSED CONSOLIDATED INTERIM REPORT

FOR THE 9 MONTHS ENDED 30th SEPTEMBER 2024

LOOKING FORWARD

Production rates for 2024 have been were 2,900 – 3,400 barrels of oil per day which was in line with Atlantic Petroleum's expectations. This has provided the company with steady cashflow throughout the year and the expectation is that the Orlando field will continue to produce at stable rates into 2025.

Atlantic Petroleum receives a 2% revenue share in deferred consideration from the Orlando field production up to the first 5MM barrels of Orlando production. Thereafter the deferred consideration increases to 4.35% of the sales proceeds. The deferred consideration receivable is now valued at DKK 19.7MM.

However, looking at the production profile of Orlando and the current reserves estimates, it is unlikely that the Orlando revenue share can cover the total debt of the company and this in turn will make it very difficult to raise any additional funds to grow the company.

Therefore, the Board will immediately take up negotiations with the creditors on an agreement reducing the overall debt significantly. Unless this is achieved it is unlikely that the company can continue as a going concern. The board has set a deadline for achieving a debt solution during the course of 2024 and will update the market accordingly.

For this reason, the accounts have been prepared on a Going Concern basis.

In the event that no debt solution is achieved in 2024, and the Group is therefore unable to continue as a going concern, downward adjustments would be required to the fair value of the Group's economic interest in the Orlando asset to present the value of the asset on a break up basis.

HIGHLIGHTS & OUTLOOK

Highlights for the first 9 months in 2024 were:

- G&A cost was DKK 1.7MM
- Operating profit was DKK 2.1MM
- Net loss was DKK 0.8MM
- Net assets/share-holders equity was DKK -115.3MM
- Bank debt was DKK 59.4MM

General and administration costs have been reduced to a minimum level, and the Group has no exposure to production costs on assets.

The Board is prioritising a solution to the Group debt. Pending a debt solution, the Group will be actively pursuing growth through participation in production or near production assets in low political risk countries in the Northern Hemisphere.

PERFORMANCE SUMMARY

► KEY METRICS	9 months to 30 th Sep 2024	9 months to 30 th Sep 2023	3 months to 30 th Sep 2024	3 months to 30 th Sep 2023	Full year 2023
DKK 1,000					
Income statement					
Revenue	0	0	0	0	0
Impairment on producing assets	0	0	0	0	0
Gross profit	0	0	0	0	0
Exploration expenses	0	0	0	0	0
Earning before interest, tax, depreciation, amortization and exploration expense (EBITDAX)	2,068	0,055	-2,245	5,543	-16,404
Operating profit (EBIT)	2,068	0,055	-2,245	5,543	-16,404
Depreciations	0	0	0	0	0
Profit before taxation (EBT)	-0,778	-1,462	-3,300	6,461	-20,731
Profit after taxation	-0,778	-1,462	-3,300	6,461	-20,731
Financial position					
Non-current assets	6,495	30,810	6,495	30,810	11,916
Current assets	13,384	15,098	13,384	15,098	14,086
Total assets	19,879	45,908	19,879	45,908	26,002
Current liabilities	111,496	82,126	111,496	82,126	118,242
Non-current liabilities	23,652	62,617	23,652	62,617	23,647
Total liabilities	135,148	144,742	135,148	144,742	141,889
Net assets/Equity	-115,269	-98,834	-115,269	-98,834	-115,886
Cash flow and cash					
Cash provided by operating activities	140	-38,579	360	-12,053	1,737
Change in cash and cash equivalents	-2,675	-1,088	638	201	-2,193
Cash and cash equivalents	8	44	8	44	1,136
Bank debt – excluding drawdown	59,438	59,438	59,438	59,438	59,438
Share related key figures					
Earnings per share Basic	-0.21	-0.40	-0.89	1.74	-5.61
Earnings per share Diluted	-0.21	-0.40	-0.89	1.74	-5.61
Share price in DKK on OMX CPH	2.44	2.44	2.44	4.08	2.71

OUR PORTFOLIO 30TH SEPTEMBER 2024

STATUS ON KEY LICENCES

SECURING REMAINING VALUE

Atlantic Petroleum will look to further rationalise on best commercial terms for the Group. Nevertheless, the strategy for 2024 will be to pursue near-production or production opportunities in low political risk countries in the Northern Hemisphere that bring low liabilities and strong upside.

As of September 30th 2024 the status of Group assets is:

Country	License	Field/Discovery/Prospect	Company	Equity	Comments
Ireland	SEL 2/07	Hook Head/Dunmore/Helvick	AP I	18.33%	Commerciality uncertain

Development & Production

PRODUCING ASSETS

The Group does not hold producing assets.

DEVELOPMENT & NEAR DEVELOPMENT

The Group holds no development or near development assets.

Exploration & Appraisal

Atlantic Petroleum has no exploration activity planned for 2024.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

THE FOLLOWING SIGNIFICANT EVENTS HAVE OCCURRED AFTER 30th SEPTEMBER 2024:

- No significant events after the Balance Sheet Date.

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

The Condensed Consolidated Interim Report for the first nine months of 2024 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 September 2024, and of the results of the Group’s operations and cash flow for the period 1st January – 30th September 2024.

Tórshavn 29th November 2024

Management:

Mark T. Højgaard
CEO

Board of Directors:

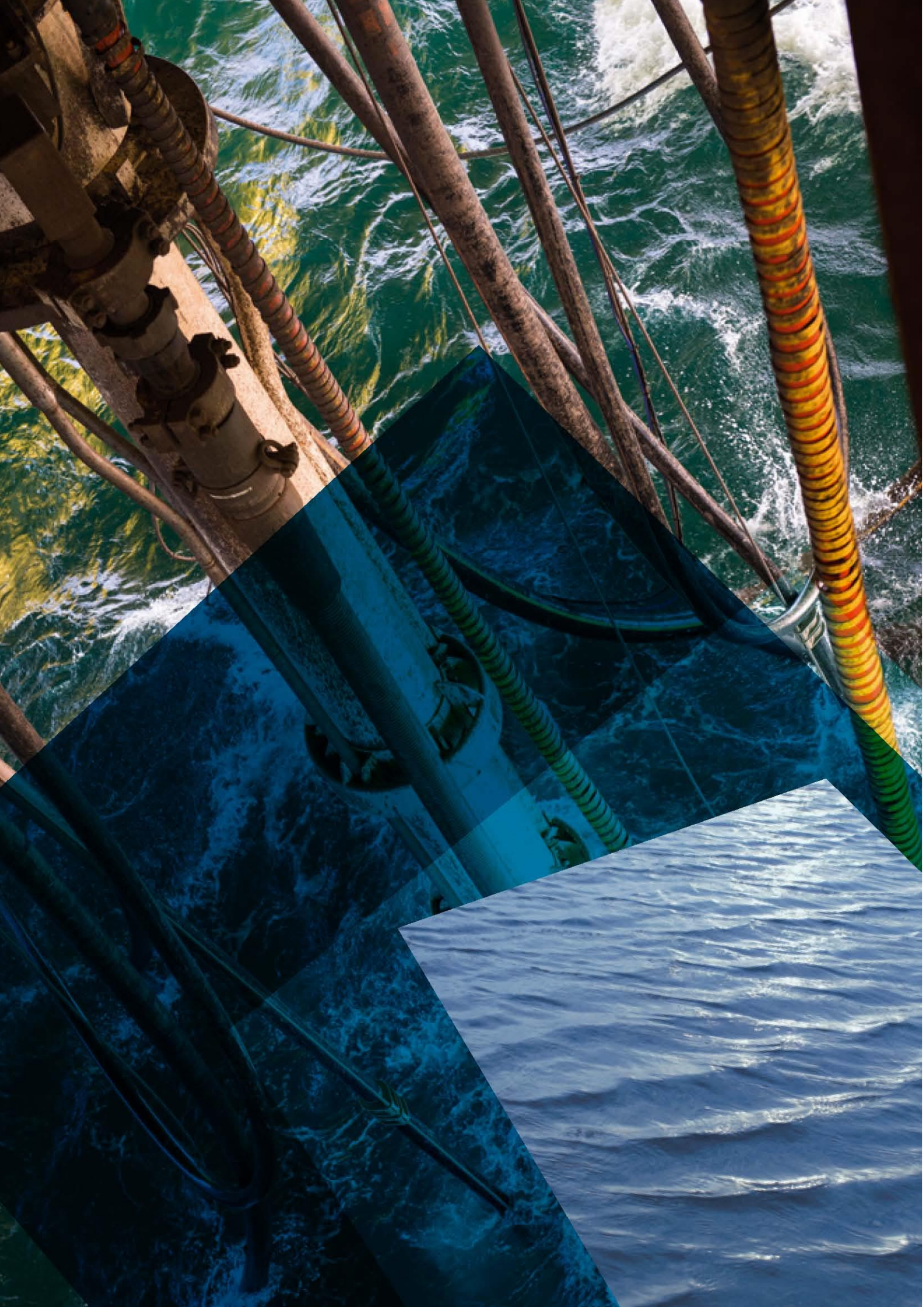
Ben Arabo
Chairman

Mourits Joensen
Deputy Chairman

Mark T. Højgaard
Board Member

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE 9 MONTHS ENDED
30th SEPTEMBER 2024**



CONSOLIDATED INCOME STATEMENT

DKK 1,000	Note	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	3 months to 30 th Sept 2024	3 months to 30 th Sept 2023	Full Year 2023
Revenue	5	0	0	0	0	0
Costs of sales	6	0	0	0	0	0
Gross profit		0	0	0	0	0
Exploration expenses		0	0	0	0	0
Orlando deferred consideration	14	3,744	2,089	-1,993	5,898	-14,413
Pre-licence exploration cost		0	0	0	0	0
General and administration cost		-1,676	-2,034	-252	-303	-2,347
Depreciation PPE and intangible assets		0	0	0	0	0
Other operating cost/income		0	0	0	0	0
Operating profit		2,068	55	-2,245	5,598	-16,760
Interest income and finance gains	7	0	0	0	0	0
Interest expenses and other finance costs	7	-2,846	-1,516	-1,055	864	-3,971
Profit before taxation		-778	-1,462	-3,300	6,461	-20,731
Taxation	8	0	0	0	0	0
Profit after taxation		-778	-1,462	-3,300	6,461	-20,731
Earnings per share (DKK):						
Basic		-0.21	-0.40	-0.89	1.74	-5.61
Diluted		-0.21	-0.40	-0.89	1.74	-5.61

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK 1,000	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	3 months to 30 th Sept 2024	3 months to 30 th Sept 2023	Full Year 2023
Items that may be recycled in P/L:					
Profit for the period	-778	-1,462	6,461	6,461	-20,731
Exchange rate differences	1,396	963	-408	-408	3,181
Total comprehensive Income in the period	618	-498	6,053	6,053	-17,550

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DKK 1,000	Note	at 30 th Sept 2024	at 30 th Sept 2023	at 31 st Dec 2023
Non-current assets				
Intangible assets	10	0	0	0
Intangible exploration and evaluation assets	11	0	0	0
Tangible development and production assets	12	0	0	0
Property plant and equipment	13	0	0	0
Other receivables	14	6,495	30,810	36,498
Tax repayable		0	0	0
Deferred tax asset		0	0	0
		6,495	30,810	36,498
Current assets				
Trade and other receivables	14	13,376	15,053	16,615
Cash and cash equivalents		8	44	65
		13,384	15,098	16,680
Total assets		19,879	45,908	53,178
Current liabilities				
Short term bank debt		59,438	59,438	59,438
Trade and other payables	15	48,186	18,943	64,814
Current tax payable		3,876	3,745	3,641
		111,496	82,126	127,893
Non-current liabilities				
Long term bank debt		0	0	0
Convertible loan facility	15	11,936	50,899	11,936
Long term provisions		11,716	11,718	11,685
Deferred tax liability		0	0	0
		23,652	62,617	23,621
Total liabilities		135,148	144,742	151,514
Net assets		-115,269	-98,834	-98,336
Equity				
Share capital	16	3,698	3,698	3,698
Translation reserves		94,593	90,980	90,016
Retained earnings		-213,560	-193,512	-192,050
Total equity shareholders' funds		-115,269	-98,834	-98,336

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK 1,000	Share capital	Translation reserves	Retained earnings	Total
At 1st January 2023	3,698	92,528	-192,399	-96,173
Translation reserves	0	-2,572	0	-2,572
Result for the period	0	0	7,554	7,554
At 30th September 2023	3,698	90,979	-193,512	-98,834
Translation reserves	0	2,218	0	2,218
Result for the period	0	0	-19,270	-19,270
At 31st December 2023	3,698	93,197	-212,782	-115,886
Translation reserves	0	1,396	0	1,396
Result for the period	0	0	-778	-778
At 30th September 2024	3,698	94,593	-213,560	-115,269

CONSOLIDATED CASH FLOW STATEMENT

DKK 1,000	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	Full year 2023
Operating activities			
Operating profit	2,068	19,432	-16,760
Other income	0	0	0
Impairment on exploration and evaluation assets	0	0	0
Relinquishment and disposal of licences	0	0	0
Depreciation, depletion and amortisation	0	0	0
Impairment on producing licences	0	0	0
Change in inventories	0	0	0
Change in trade and other receivables	4,995	-17,213	28,247
Change in trade and other payables	-6,894	1,812	-9,088
Interest revenue and finance gain received	0	0	0
Interest expenses and other finance cost	-29	-14,747	-15
Income taxes	0	0	0
Net cash flow provided by operating activities	140	-10,717	1,737
Investing activities			
Capital expenditure	-2,816	-2,869	-3,956
Net cash used in investing activities	-2,816	-2,869	-3,956
Financing activities			
Change in short term debt	-3	0	0
Change in long term debt	5	10,686	26
Net cash flow provided from financing activities	1	10,686	0
Change in cash and cash equivalents	-2,675	2,838	-2,193
Cash and cash equivalents at the beginning of the period	1,136	17	65
Currency translation differences	1,547	-2,762	3,264
Cash and cash equivalents at the end of the period	8	93	1,136

NOTES TO THE ACCOUNTS

1. GOING CONCERN

It was announced on the 22nd of March 2019 that LOG, the group's main lender, had entered into administration and would not advance further funds under the facility agreement. The terms of the LOG facility restrict the Group from seeking alternate funding means, however these restrictions were lifted by LOG's administrators. Atlantic Petroleum secured a bridging loan of DKK 7.5MM in March 2022, and repayments commenced during 2023, continuing during 2024. Repayments of the LOG facility commenced in 2023, continuing during 2024.

The projected royalty receipts are forecast to be insufficient to meet the Group's liabilities in full. Accordingly, the Board is of the opinion that a debt restructuring is necessary to address the deficiency in shareholders' funds. Discussions have taken place over several year, however, no agreement has been reached, and there is no certainty that a debt restructuring can be achieved.

Repayments to the company's creditors continue during 2024, however, there are no formal agreements in place to restructure the debt and revise the terms of the original Agreements. Dialogue with LOG and Betri Banki is ongoing and although the outcome is uncertain, the Directors believe that there remains a possibility that the debt can be restructured to enable the company to meet its liabilities. For this reason, and given the continuing repayment of liabilities, forecast to continue during 2024 based on continuing royalty receipts, the accounts have been prepared on a going concern basis.

Accordingly, there is material uncertainty regarding the going concern status of the Group. The ability of the Group to continue as a going concern is dependent on a debt restructuring, and ongoing production from the Orlando field.

In the event that a debt restructuring cannot be agreed, and the Group is unable to continue to trade, significant downward adjustments would be required to the fair value of the Group's economic interest in the Orlando asset to present the value of the asset on a break-up basis.

2. GENERAL INFORMATION

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

The principal activities of the Company and its subsidiaries (the Group) are oil and gas exploration, appraisal, development and production historically 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 31st December 2023 are available upon request from the Company's registered office at Lucas Debesargøta 8, P.O. Box 1228, FO-110 Tórshavn, Faroe Islands or at www.petroleum.fo.

This Condensed Consolidated Interim Report is presented in DKK.

3. 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 2023.

4. 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 2023.

5. Geographical segmental analysis

DKK 1,000	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	Full year 2023
Revenues by origin:			
United Kingdom	0	0	0
	0	0	0
Operating loss/profit by origin:			
Faroe Islands	-1,161	-1,377	-1,643
United Kingdom	3,288	1,713	-14,810
Norway	0	0	0
Other	-60	-281	-306
	2,068	55	-16,760

6. Cost of sales

DKK 1,000	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	Full year 2023
Operating costs	0	0	0
Produced oil in inventory at market value	0	0	0
Amortisation and depreciation, PPE:			
Oil and gas properties	0	0	0
Impairment	0	0	0
	0	0	0

7. Interest income & expense and finance gain & cost

DKK 1,000	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	Full year 2023
Interest income and finance gain:			
Short term deposits	0	0	0
Time Value	0	0	0
Unwinding of discount on decommissioning provision	0	0	0
Exchange differences	0	0	0
	0	0	0
Interest expense and other finance cost:			
Bank loan and overdrafts	3	5	9
Creditors	25	0	0
Time Value	0	0	0
Unwinding of discount on decommissioning provision	0	0	0
Others	1	6	0
Exchange differences	2,816	1,505	3,956
	2,816	1,516	3,971

8. Taxation

11 Tax	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	Full year 2023
DKK 1,000			
Current tax :			
Tax repayable/(payable) in UK	0	0	0
Tax repayable/(payable) in NO	0	0	0
Tax repayable/(payable)	0	0	0
Total current tax	0	0	0
Deferred tax:			
Deferred tax cost in UK	0	0	0
Deferred tax	0	0	0
Total deferred tax	0	0	0
Tax credit/tax on loss/profit on ordinary activities	0	0	0

9. Dividends

No interim dividend is proposed. (30th September 2023: DKK nil)

10. Intangible assets

DKK 1,000	at 30 th Sept 2024	at 30 th Sept 2023	At 31 st Dec 2023
Costs			
At 1 st January	12,260	0	0
Exchange movements	0	0	0
Additions/Adjustments	0	0	0
At end of period	12,260	0	0
Amortisation and depreciation			
At 1 st January	12,260	0	0
Exchange movements	0	0	0
Charge this period	0	0	0
At end of period	12,260	0	0
Net book value at end of period	0	0	0

11. Oil and gas – Intangible exploration and evaluation assets

DKK 1,000	at 30 th Sept 2024	at 30 th Sept 2023	At 31 st Dec 2023
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
At end of period	0	0	0

12. Oil and gas – Tangible development and production assets

DKK 1,000	at 30 th Sept 2024	at 30 th Sept 2023	At 31 st Dec 2023
Costs			
At 1 st January	0	0	0
Exchange movements	0	0	0
Disposal/Additions	0	0	0
At end of period	0	0	0
Amortisation and depreciation			
At 1 st January	0	0	0
Exchange movements	0	0	0
Depreciation, charge	0	0	0
Impairment, charge	0	0	0
At end of period	0	0	0
Net book value at end of period	0	0	0

13. Property, plant and equipment assets

DKK 1,000	at 30 th Sept 2024	at 30 th Sept 2023	At 31 st Dec 2023
Costs			
At 1 st January	0	0	0
Exchange movements	0	0	0
Additions	0	0	0
At end of period	0	0	0
Amortisation and depreciation			
At 1 st January	0	0	0
Exchange movements	0	0	0
Charge this period	0	0	0
At end of period	0	0	0
Net book value at end of period	0	0	0

14. Trade and other receivables

All trade and other receivables are due within one year except for the Orlando deferred consideration DKK 19.7MM.

The carrying values of the trade and other receivables are equal to their fair value as at the balance sheet date.

Orlando deferred consideration

Under the Sale and Purchase Agreement regarding Orlando, APNS is due to receive deferred considerations equalling 2% of the sale proceeds from the first 5,000,000 barrels of Orlando petroleum and an amount equalling 4.35% of the Orlando petroleum in excess of the first 5,000,000 barrels.

The deferred consideration receivable is currently valued at DKK 19.7MM.

Reserves are based on the information disclosed by the Operator of the Orlando field in April 2024, which disclose reserves at 1st January 2024.

Based on this, the reserves remaining at 1st January 2024 are estimated to be 2.4 MMBbl.

Production rates are based on a 21% decline profile with initial production at 10,000 bopd, however as a result of issues with the upper completion, peak rates have been restricted to around 5,000 bopd. A workover was carried out in the third quarter of 2022. Production recommenced in Q3 2022. Production rates are expected to be 2,800 – 3,000 bopd for the remainder of the year.

The valuation is therefore based on a production of 3,000 bopd with a declining production profile.

Oil price is based on Brent crude futures.

Exchange rates are based on exchange rates at 30th September 2024.

15. Trade and other payables

All trade and other payables are due within one year except for the bridge loan (DKK 7.0MM).

16. Earnings per share

DKK 1,000	9 months to 30 th Sept 2024	9 months to 30 th Sept 2023	Full year 2023
Basic			
Profit/loss after tax	-778	-1,462	-20,731
Weighted average number of shares	3,697,863	3,697,863	3,697,863
Earnings per share	-0.21	-0.40	-5.61
Diluted			
Profit/loss after tax	-778	-1,462	-20,731
Weighted average number of shares	3,697,863	3,697,863	3,697,863
Earnings per share	-0.21	-0.40	-5.61

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.

17. CAPITAL COMMITMENTS AND GUARANTEES AT 30th September 2024

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 Betri 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.

Atlantic Petroleum UK Limited had a loan facility at 30th September 2024 with P/F Betri Banki of DKK 56.8MM. P/F Atlantic Petroleum has provided a parent guarantee for this loan facility.

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

18. RELATED PARTY TRANSACTIONS

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

Atlantic Petroleum has a key management personnel service agreement with Grannskođarastovan Sp/f for at monthly fee of DKK 30.000. Outstanding balance at 30th September 2024 is DKK 1.24MM

CONTACTS

P/F Atlantic Petroleum

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Reg. No. Faroes 2695

SUBSIDIARIES

- **Atlantic Petroleum UK Ltd**
- **Atlantic Petroleum North Sea Ltd**
- **Atlantic Petroleum (Ireland) Ltd**

For subsidiary's contact details please see company website