

13th June 2017

Faroe Petroleum plc

(“Faroe”, “Faroe Petroleum”, the “Company”)

Brasse appraisal well preliminary results and commitment to Drill Stem Test

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway, the UK and Atlantic Margin, is pleased to announce the results of the Brasse appraisal well in the Norwegian North Sea (Faroe 50% and operator, Point Resources 50%).

The Faroe-operated Brasse appraisal well (31/7-2 S) has been drilled to a total depth of 2,450 metres, targeting a seismic anomaly approximately two kilometres to the southeast of the main discovery well (31/7-1 announced July 2016). The appraisal well successfully penetrated the oil-water contact on the flank of the Brasse field and encountered approximately 8.5 metres of gross oil-bearing Jurassic reservoir above the oil water contact. Preliminary results based on extensive coring, wireline logs and pressure data show that the well has encountered oil in a sand rich reservoir of very good quality. Preliminary analysis confirms the same oil-water contact as in the 31/7-1 discovery well and side-track and indicates good pressure communication within the reservoir.

The joint venture has now committed to perform a Drill Stem Test (“DST”) for further confirmation of well productivity, investigation of reservoir distribution and to provide important additional information for development project planning. Advanced pressure gauges, which communicate with surface after the well has been plugged and abandoned, will be installed in the 31/7-2 S appraisal well to provide long term pressure monitoring of the reservoir.

The joint venture will shortly decide on whether to drill a potential side-track to the current well (31/7-2 S). The joint venture will also decide on whether to drill a potential second appraisal on the Brasse discovery later this year, dependent upon further analysis of the 31/7-2 S well and DST results. Evaluation work on the recently awarded prospective Brasse Extension area (Faroe 50% and operator) also continues, ahead of a potential decision to drill in 2018. An update of the Brasse oil and gas resources estimates will be announced following completion of the ongoing Brasse appraisal drilling and testing operations.

The Brasse discovery is located within tie-back distance to existing infrastructure: 13 kilometres to the south of the Brage field platform, in which the Company holds a 14.3% working interest and 13 kilometres to the south east of the Oseberg Field Centre.

Graham Stewart, Chief Executive of Faroe Petroleum commented:

“We are very pleased to announce the results of this important appraisal well which firms up the southern extent of the Faroe-operated Brasse field. This well proves the presence of excellent hydrocarbon bearing reservoir to the south of the original discovery and data gathered and yet to be gathered from the forthcoming DST will provide key information as we continue to progress towards development sanction. Importantly, preliminary analysis of the well results confirms Brasse as a commercial discovery.

“Brasse is a significant project for Faroe and the region and it also highlights Faroe’s ability to continue to add significant value through low-cost drilling in our core areas.

“While continuing with an exciting ongoing exploration programme in Norway, Faroe is also actively investing in pre-development and development of several of our own discoveries, each of which has the potential to transform the value of the Company in the coming years.”

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Andrew Roberts, Group Exploration Manager of Faroe Petroleum and a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester University), who has been involved in the energy industry for more than 30 years, has read and approved the exploration and appraisal disclosure in this regulatory announcement.

The Company’s internal estimates of resources contained in this announcement were prepared in accordance with the Petroleum Resource Management System guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers.

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Company’s obligations under Article 17 of those Regulations.

Notes to Editors

The Company has, through successive licence applications and acquisitions, built a substantial and diversified portfolio of exploration, appraisal, development and production assets in Norway, the UK and Ireland.

Faroe Petroleum is an experienced licence operator having operated several exploration wells successfully in Norway and the UK and is also the production operator of the Schooner and Ketch gas fields in the UK Southern Gas Basin and the Trym and Oselvar fields in the Norwegian North Sea. Faroe also has extensive experience working with major and independent oil companies both in Norway and in the UK.

The Company's substantial licence portfolio provides a considerable spread of risk and reward. Faroe has an active E&A drilling programme and has interests in a portfolio of producing oil and gas fields in the UK and Norway, including the Schooner and Ketch gas fields and the Blane oil field in the UK, and interests in the Brage, Ringhorne East, Ula, Tambar, Oselvar and Trym fields in Norway. In December 2016 the Company completed the acquisition of a package of Norwegian producing assets from DONG Energy including interests in the Ula, Tambar, Oselvar and Trym fields. Full year average production for 2017, is estimated to be between 12,000-15,000 boepd. The investment programme to increase production from the Company's existing fields continues, with the planned installation of gas lift and drilling of two infill wells on Tambar (Faroe 45%) and the recommencement of infill drilling on the Brage field (Faroe 14.3%).

In November 2013 and March 2014 Faroe announced the Snilehorn and Pil discoveries in the Norwegian Sea in close proximity to the Njord and Hyme fields. More recently, in July 2016 the Company announced the Brasse discovery, next to the Brage field, and the Njord North Flank discovery, next to the Njord field, both in Norway.

Norway operates a tax efficient system which incentivises exploration, through reimbursement of 78% of costs in the subsequent year. Faroe has built an extensive portfolio of high potential exploration licences in Norway which, together with its established UK North Sea positions provides the majority of prospects targeted by the Company's sustainable exploration drilling programme.

Faroe Petroleum is quoted on the AIM Market of London Stock Exchange. The Company is funded from cash reserves and cash flow, and has access to a \$250million reserve base lending facility, with a further US\$100million available on an uncommitted "accordion" basis. Faroe has a highly experienced technical team who are leaders in the areas of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.

Brasse Discovery & Appraisal well

