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Faroe Petroleum plc (“Faroe Petroleum” or the “Company”)

Oil discovery in the Snilehorn well in the Norwegian Sea

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and undeveloped field opportunities in the Atlantic margin, the North Sea and Norway, is pleased to announce an oil discovery in well 6407/8-6 and sidetrack 6407/8-6A on the Snilehorn Prospect in the Norwegian Sea (Faroe 7.5%).

Highlights:

- The exploration well 6407/8-6 and sidetrack 6407/8-6A discover oil in the Snilehorn Prospect
- Main bore encountered oil columns totaling approximately 191 metres in the Ile, Tilje and Grey-Beds formations
- The sidetrack encountered oil columns totaling approximately 124 metres in the Melke, Ile and Tilje formations
- The operator’s initial volumetric estimates of the size of the discovery are between 57 and 101million barrels of recoverable oil equivalent (“mmboe”), net to Faroe c. 4 - 8 mmboe
- Total vertical depth of the well was 3,400 metres below sea level and ended in the upper Triassic Grey-Beds Formation

The well, which spudded on 18th September, was targeting oil and gas in the Jurassic Ile, Tilje and Åre formations (analogous to the Hyme oil field reservoirs). The main bore (6407/8-6) encountered oil columns of approximately 40 metres thickness in the Ile formation, 130 metres in the Tilje formation and in addition approximately 21 metres in the Triassic Grey-Beds formation. Oil-down-to situations were encountered in all three formations in the main bore.

The sidetrack (6407/8-6A) encountered oil columns of approximately 6 metres thickness in the Melke formation, 75 metres in the Ile formation and 43 metres in the Tilje formation. In the sidetrack, oil-down-to situations were encountered in the Melke and Ile formations. The oil-bearing Triassic interval found in the main bore was not encountered in the sidetrack. Pressure data indicates communication between the main bore and the sidetrack and the reservoir properties are as expected.

The preliminary volumetric estimates of the size of the discovery as assessed by Statoil as operator are between 57 and 101 million barrels of recoverable oil equivalent (net to Faroe c. 4 - 8 mmboe).

The vertical depth of the well was 3,400 metres below sea level and ended in the upper Triassic formation. The drilling operations have been undertaken by Statoil (35%) utilising the Songa Trym rig and the well will now be plugged and abandoned as planned.

The Snilehorn Prospect is located four kilometres from the Hyme producing oil field which in turn is approximately 19 kilometres from the Njord field production facilities. Hyme produces into the Njord field facilities (Faroe holds a 7.5% interest in both fields) and is one of six recent fast-track development projects,



which have been successfully executed by Statoil. Hyme was brought on stream earlier this year, only 3.5 years after the Hyme exploration well was drilled.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce a significant discovery on the Snilehorn prospect, our second successful exploration well in the Norwegian Sea this year, following the Rodriguez discovery in January. The Snilehorn discovery has the potential to add new production at a low cost through a tie-back via the nearby Hyme field facilities, in which Faroe also participates with a 7.5% interest.

“This discovery marks an excellent start to our fully-funded, high impact exploration and appraisal drilling campaign. We are also very pleased to have spudded the Faroe-operated Novus well yesterday, the second well of our six well programme.”

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Andrew Roberts, 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 25 years, has read and approved the technical disclosure in this regulatory announcement.

Notes to Editors

The Company has, through successive licence applications and acquisitions, built a substantial, diversified portfolio of exploration, appraisal, development and production assets across the Atlantic margin, the UK and Norwegian North Sea, Norwegian Sea, Barents Sea and offshore Iceland. Faroe Petroleum has extensive experience working with major and independent oil companies and its joint venture partners include BP, Centrica, DONG, E.ON Ruhrgas, GDF, OMV, Repsol, RWE Dea, Statoil and Wintershall.

The Company’s licence portfolio provides considerable spread of risk and reward, encompassing some 60 licences. Faroe has a very active drilling programme ahead and it currently has interests in four principal producing oil and gas fields in the UK and Norway, including interests in the Blane oil field in the UK, and interests in the producing Njord, Brage and Ringhorne East fields in Norway, which collectively produced on



average 7,200 boepd (economic production) in 2012. Full year production for 2013 is estimated to be between 5,500 bopd and 6,500 bopd following the extended shut in of the Njord platform.

Faroe announced in January 2013 a significant discovery in the Rodriguez prospect located on the Halten Terrace, in the Norwegian Sea. The discovery was made in the Lower Cretaceous, and led to the decision to fast-track drilling of the forthcoming Solberg well.

Norway operates a tax efficient system which encourages exploration, through reimbursement of 78% of costs in the subsequent year.

Faroe Petroleum is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger, London and Torshavn. The Company is well financed from a strong cash reserve, excellent cash flow and largely undrawn \$250m borrowing base facility, with a fully funded drilling programme in through 2014. Faroe has highly experienced technical teams who are leaders in the areas of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.