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

Licence Award

Faroe Petroleum, the AIM quoted oil and gas Company focusing on exploration, appraisal and undeveloped field opportunities in the Atlantic Margin, the North Sea and Norway, announces that it has been awarded a further Norwegian licence, under the Norwegian APA Round, as announced by the Norwegian Ministry of Petroleum and Energy yesterday.

The new licence, which includes the stratigraphic interval above the base of the chalk, covers approximately 390 square kilometres. The licence contains a chalk prospect and lead, which are both located approximately 10 km to the north east of the Valhall Field. The licence is situated within the prolific chalk basin, which has to date produced well over 3.5 billion barrels of oil. The co-venturers are DNO (30% and operator), Ener (20%), Lundin (20%) and Faroe (20%). The work programme consists of the reprocessing of existing 3D seismic data over the licence to identify a drilling location in advance of a drill or drop decision within two years.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

'Faroe Petroleum is very pleased to have been awarded this further licence, which brings to seven the number of licences we now have in Norway, firmly establishing Faroe Petroleum as a significant player in the region, and one of the most successful licence applicants in the 2006 APA Round. We are very excited about the potential in Norway and look forward to progressing these opportunities to the drilling phase. With our strong cash position, our shareholders benefit from significant participation in a portfolio which holds a good balance of high, medium and low risk/reward opportunities.'

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