

17 October 2007

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)
Faroe Petroleum acquires additional near term production gas interests**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration in the Atlantic Margin, the North Sea and Norway, is pleased to announce that it has agreed to acquire from First Oil Expro Ltd (“First Oil”) an 18.75% equity stake (representing 50% of First Oil's equity stake) in the Wissey gas field development project in the Southern North Sea (“SNS”). The acquisition is in line with the Company's stated strategy of diversifying the asset portfolio and reducing the overall risk profile.

Development of the Wissey field has recently commenced and the project is being operated by Tullow Oil UK Limited (62.5%), a highly experienced and successful operator in the Southern North Sea area (“SNS”). The field is situated in UK Block 53/4D, approximately 10 kilometres east of the Tullow operated Horne and Wren platform from where the Wissey gas will be transported to the Thames host facility for separation and compression and from there on to the Bacton terminal.

First gas is expected in the second half of 2008 at an initial rate of 60 mmscf (11.25 million standard cubic feet per day (mmscfd) net to Faroe which corresponds to 1,800 barrels of oil equivalent (boe)). The net reserves attributable to Faroe Petroleum in respect of Wissey are estimated to be 5.9 billion cubic feet of gas (approximately 1 million boe), with the potential for further upside. Faroe estimates that its share of the Wissey development costs will be £13.5 million, which includes a cost carry for First Oil of £4.5m, all of which will be financed through a combination of existing cash and debt.

This SNS asset complements Faroe Petroleum's existing SNS Orca and Minke assets, acquired from ConocoPhillips in 2006, where initial production has recently commenced from the Minke Main field. Attractive non-operated, near-term production opportunities, such as Wissey, are being targeted to create a small portfolio of producing interests which will generate tax efficient cash flow to underpin running costs and introduce gearing through bank debt.

The completion of the transaction is subject to the finalisation of the assignment under the Wissey joint operating agreement including the decommissioning security arrangements.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“This transaction is our third Southern North Sea acquisition in 15 months, and secures Faroe Petroleum another attractive non-operated development asset with near term cash flow. This leveraged acquisition is designed to further strengthen the Company as we pursue our high impact exploration strategy in the Atlantic Margin, North Sea and Norway to maximise returns for shareholders”

Ends

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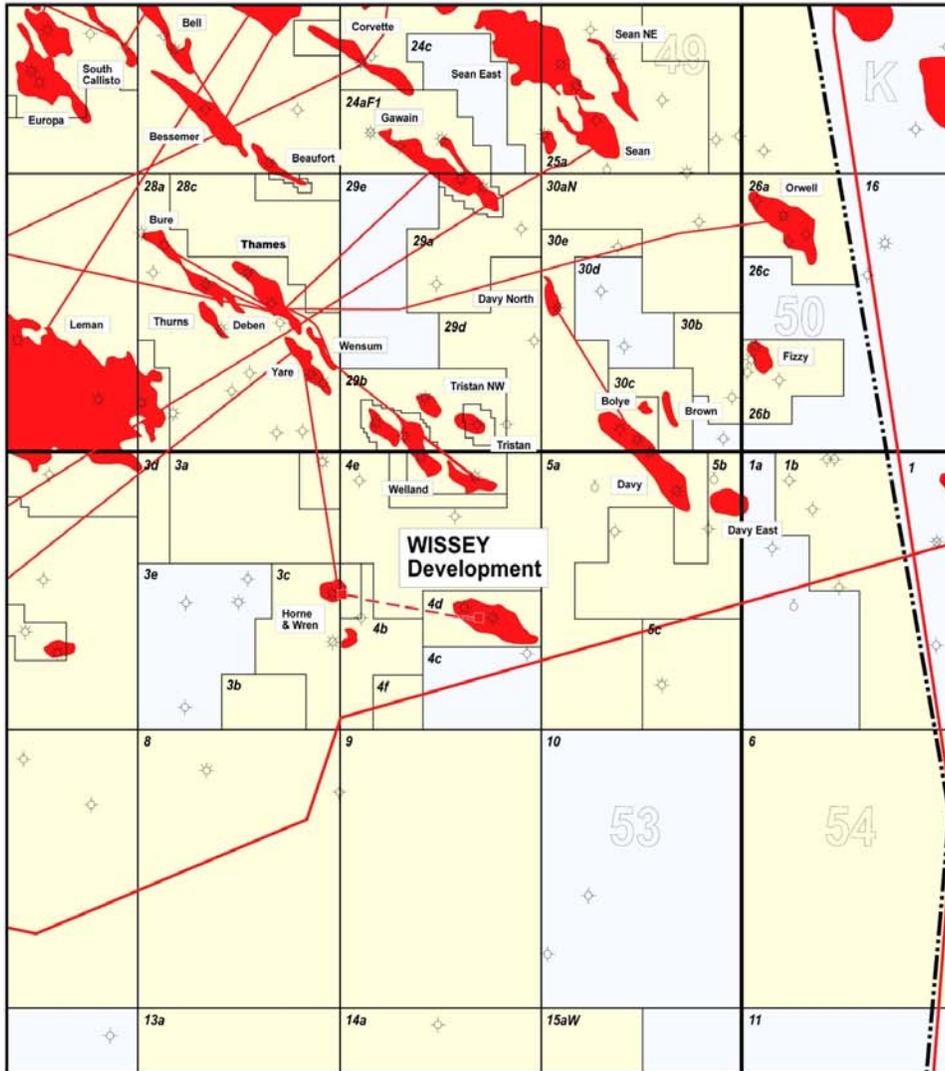
David Ramsay, who is a Petroleum Engineer (MEng degree in Petroleum Engineering from Heriot-Watt university (1991)), Asset Manager at Faroe Petroleum and who has been involved in the energy industry for more than 18 years, has read and approved the technical disclosure in this regulatory announcement.

Notes to Editors

The Company is actively building a balanced portfolio of operated and non-operated exploration and appraisal properties, with significant stakes and an active work programme. Faroe Petroleum has through successive licence applications and acquisitions built a substantial portfolio of exploration and appraisal assets in the Atlantic Margin, the UK and Norwegian North Sea and Norwegian Sea. The 34 licence portfolio provides considerable spread of risk and reward, encompasses eight licences West of Shetlands, five licences offshore the Faroe Islands, seven licences in the Moray Firth area of the UK Central North Sea, seven licences in the Southern gas basin and seven licences in the Norwegian North Sea and Norwegian Sea. The Company operates five of its Atlantic Margin licences and four of its North Sea licences. Faroe Petroleum joint venture partners include BP, Chevron, ConocoPhillips, DONG, DSM, Eni, E.ON Ruhrgas, GDF, Oilexco, OMV, RWE, Shell and Statoil all of which have an outstanding track record in oil and gas exploration and development.

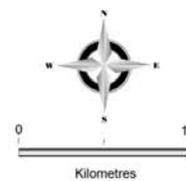
Faroe Petroleum is quoted on the Alternative Investment Market (AIM) of the London Stock Exchange and has its headquarters in Aberdeen, UK. Faroe Petroleum has a highly experienced team of professionals focused on creating exceptional value for its shareholders. The company recently enhanced its capability through the establishment of a new Norway based team in Stavanger, designed to capitalise on the significant opportunities in that region; most of this new team joined Faroe from Paladin Resources Norge following Paladin's acquisition by Talisman in 2006.

Southern North Sea Quad 53 - Wissey Field Development



LEGEND

- - Gas Fields
- - Gas Pipeline
- Licenced Acreage



September 2007