

27 February 2008

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)
Acquires 15% Interest in Norwegian Licences PL271 and PL302**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and development in the Atlantic Margin, the North Sea and Norway, is pleased to announce that it has agreed to acquire a 15% interest in Norwegian Licences PL271 and PL302 from Noreco ASA,.

PL271 and PL302 contain the Yoda Prospect. An exploration well to target the prospect is expected to commence drilling within the next few days. The licences also contain two additional prospects; the Vader and Agira prospects. The Joint Venture Partners in these Norwegian licenses are StatoilHydro (40% and Operator), Talisman (30%) and Noreco (15% retained interest).

This transaction is in line with the Company’s stated strategic objectives of building a portfolio of valuable licenses in Norway and participating in high impact exploration wells.

Yoda Oil Prospect (Faroe 15%) drilling February 2008

The Yoda target is an Upper Jurassic oil prospect located in the Norwegian Southern North Sea. The Yoda prospect is a four-way dip closure within the Upper Jurassic Ula sandstone interpod play, proven by a number of producing fields in the area (e.g. Ula, Gyda, Rev).

The Yoda Prospect will be drilled by StatoilHydro using the Mærsk Giant rig. The well is expected to commence imminently, and the drilling and contingent testing operations are expected to take approximately 73 days.

In addition to the Yoda Prospect, there is significant additional upside potential in the licences. The Vader and Agira prospects are two further Upper Jurassic prospects, and a successful exploration well in Yoda will significantly de-risk this additional exploration potential. Licences PL271 and PL302 are located close to infrastructure both on the Norwegian and UK side of the border.

Faroe has agreed to carry Noreco’s well cost obligations in respect of the Yoda exploration well, in return for a 15% share in the licence. The transaction is subject to the consent of Norwegian Authorities and all joint venture parties.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“I am very pleased to be able to announce this transaction which, secures Faroe a material stake in two high quality licences with significant prospectivity, and adds a further near term well to our already exciting drilling programme. We are delighted with the continued focused expansion of our Norwegian portfolio, which now comprises 18 licences, and complements our significant UK and Atlantic margin positions.”

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Andrew Roberts, who is a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester university), exploration manager of Faroe Petroleum Norge AS and who has been involved in the energy industry for more than 25 years, has read and approved the technical disclosure in this regulatory announcement.



