

26 March 2008

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

Completion of E.ON Transaction

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 that the cross-border swap transaction with E.ON Ruhrgas agreed on 30th November 2007 has been completed.

The transaction, which is in line with the Company’s stated strategy of diversifying the asset portfolio and enhancing capital efficiency, has added interests in the two UK gas fields, Schooner and Topaz, to the Faroe Petroleum portfolio. These gas assets complement the Group’s existing interests in the Wissey, Minke, Orca, Breagh and Trym gas fields. The transaction also adds an interest in the undrilled Norwegian exploration prospect, Grosso, which is expected to be drilled at the end of this year.

Ends

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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 45 licence portfolio provides considerable spread of risk and reward, encompasses seven licences West of Shetlands, six licences offshore the Faroe Islands, four licences in the Moray Firth area of the UK Central North Sea, ten licences in the Southern gas basin and eighteen licences in the Norwegian North Sea and Norwegian Sea.. 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 with offices in Aberdeen, Stavanger and Torshavn. Faroe Petroleum has a highly experienced team of professionals focused on creating exceptional value for its shareholders..