

2 April 2008

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)  
Faroes William well results**

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, announces the completion of drilling operations on the William wildcat exploration well on Licence 007 in the Faroe Islands. Participants in the well were Anadarko 25%, BP (operator) 50%, and Shell 25%. (Faroe Petroleum has an assigned interest of 5% from Shell). The well, which was successfully drilled to a depth of 3,383 metres below sea level (approximately 11,100 feet), did not find hydrocarbons in commercial quantities.

Faroe’s participation in this well was part of a cross-border package transaction with Shell, announced on 30 November 2007, in which Faroe secured interests in two sought after Norwegian assets.

Faroe’s cost exposure on the William well was part of the overall package consideration and was therefore capped. The package included:

- Acquisition of a 10% interest in the Trym undeveloped gas field in Norway;
- Acquisition of a 10% interest in prospective Granat exploration licence in Norway;
- Farm-in in to a 5% interest in high risk / high reward William exploration well.

The main asset in the package was the 10% interest in the proven Trym gas and condensate field, located in Norway. Shell has recently sold its 50% interest to Bayern Gas and DONG, resulting in equity shares of DONG 40%, Bayern Gas 50% and Faroe Petroleum 10%.

The Trym discovery well was drilled in 1990 and tested gas and condensate at rates of 29.6 million standard cubic feet per day and 3,800 barrels per day, respectively. The base case gas reserves for the field are 120 billion cubic feet (bcf) (12 bcf net to Faroe) and condensate reserves of 4.7 million barrels (mmbbls) (0.47 mmbbls net to Faroe), in total 2.5 million barrels of oil equivalent net to Faroe. The licence also benefits from several additional prospects with potential for tie back for development.

A field development plan for Trym is expected to be submitted to the Norwegian authorities in late 2008 via sub-sea tie-back to one of a choice of existing fields and export routes.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"Although we are disappointed that William was not a discovery, it was always acknowledged to be a high risk prospect and the technical information gathered from this exercise will aid us greatly in future exploration on the Faroese shelf. The Company took on a limited share of Shell’s cost exposure in the well as part of the

consideration paid to acquire our interests in the important Trym and Granat assets, the value of which we estimate to far exceed our cost exposure.

“We now look forward to development sanction of the Trym gas field later in 2008. Trym is the seventh gas field interest in our portfolio and is expected to be a significant cash generator for Faroe once it comes on stream, contributing to our forward exploration programme.”

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#### **Note**

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.

#### **Notes to Editors**

Faroe Petroleum is an independent oil and gas company focused on value creation through exploration and appraisal drilling in the Atlantic Margin (Faroe Islands and UK West of Shetlands), the North Sea and the Norwegian Sea.

The Company is actively building a balanced portfolio of operated and non-operated exploration and appraisal properties, with significant stakes and an active 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, five 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 licenses in the Norwegian North Sea and Norwegian Sea. The Company operates four of its Atlantic Margin licences. Faroe Petroleum joint venture partners include Bayern Gas, BP, Chevron, Conoco Phillips, 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 listed on the Alternative Investment Market 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.

[www.faroe-petroleum.com](http://www.faroe-petroleum.com)