

14 April 2008

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)
Acquires 10% interest in Norwegian Licences PL006C and PL006D containing
South East Tor discovery**

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 10% interest in Norwegian licences PL006C and PL006D from Noreco ASA. Net contingent oil reserves acquired are approximately 1.9 million barrels (mmbbls) with further upside being the target of the forthcoming appraisal and exploration activity.

PL006C and PL006D contain the South East Tor discovery and the Hyme prospect. A well to appraise South East Tor is planned for the last quarter of 2008/first quarter of 2009. At the same time, a side-track from this appraisal well will also be drilled to target the adjacent Hyme prospect. The Joint Venture Partners in both of these Norwegian licences are Lundin Petroleum (75% and Operator) and Noreco (15% retained interest).

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

South East Tor Discovery and Hyme Prospect - drilling Q4 2008/1Q 2009 (Faroe 10%)

The South East Tor oil discovery (2/5-3) lies in 67 metres of water within the Upper Cretaceous Tor and Ekofisk chalk formations and there are prolific producing reservoirs in the nearby Ekofisk, Valhall and Tor fields.

South East Tor and Hyme will be drilled by Lundin using the Mærsk Gallant rig. The well is expected to commence in Q4 2008/1Q 2009.

Well 2/5-3 was drilled in 1972 on the crest of a salt induced anticline. The well encountered oil in both the Tor and Ekofisk Formations at approximately 3,000 metres below sea-level. The well was successfully tested, with 43° API oil quality at 4,525 barrels of oil per day (bopd) from the Tor Formation and also 4,281 bopd from a separate test in the Ekofisk Formation. The discovery has subsequently been appraised by two appraisal wells in 1973 and 1988.

The Hyme prospect is a stratigraphic trap located on the western flank of the South East discovery.

South East Tor and Hyme are located within tie-back distance of a number of potential production hosts in the area.

Faroe has agreed to carry part of Noreco’s well cost obligations in respect of the combined South East Tor and Hyme well, in return for a 10% share in the licence. The consideration corresponds to a post tax acquisition cost of 3.2 \$/bbl based on the gross contingent oil reserves of approximately 19 mmbbls (source Norwegian Petroleum Directorate). The resources estimates have been reviewed by Senergy. The transaction is subject to the consent of the Norwegian Authorities and all joint venture partners.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to be able to announce this transaction, our third in Norway this year; which secures Faroe a stake in an attractive combined appraisal and exploration well. This adds a further well to our already substantial drilling programme, and gives us access to our first appraisal well in Norway. As with other exploration and appraisal wells in Norway, the Company recovers from the State 78% of the costs the year after being incurred. This latest opportunity is a good fit with our growing drilling programme in Norway and complements our significant UK and Atlantic margin positions”

Ends

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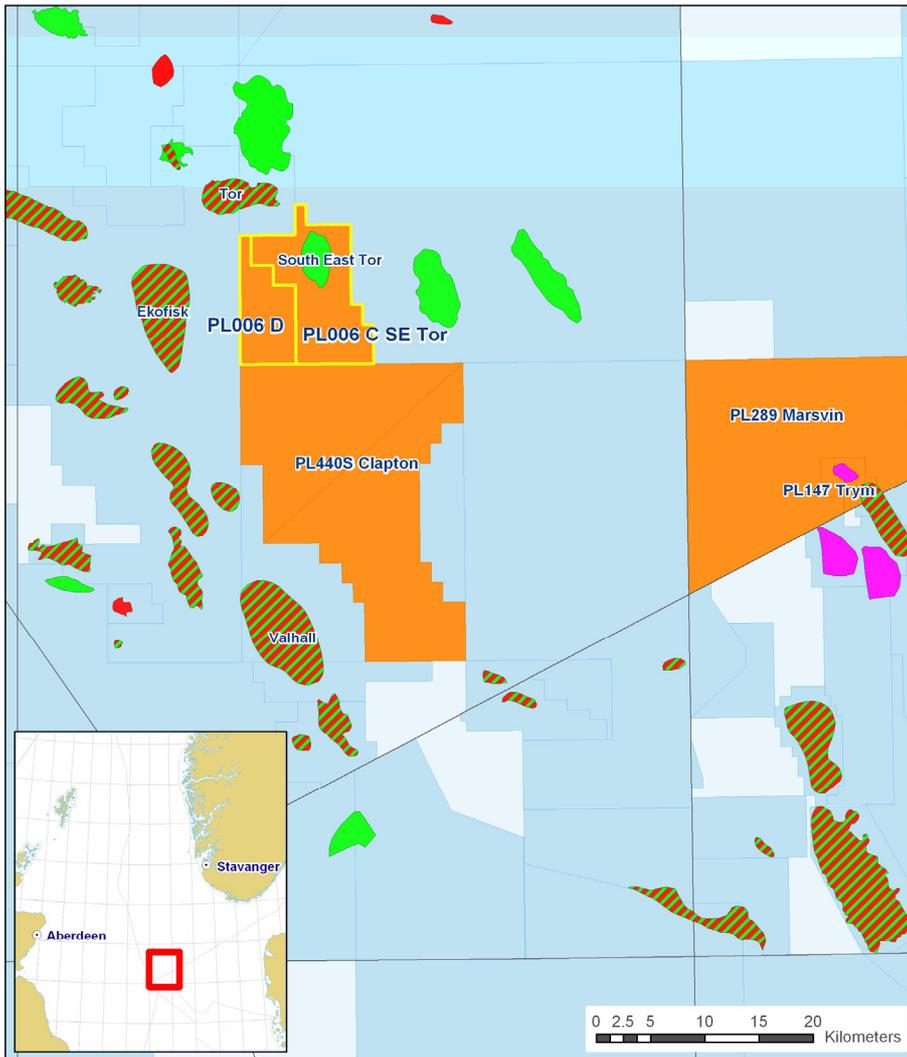
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Andrew Roberts, who is a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester university), exploration manager of Faroe Petroleum Norge AS and who has been involved in the energy industry for more than 25 years, has read and approved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



Faroe Petroleum

South East Tor



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