

21 April 2008

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

£25 million of Debt Finance Secured for Development and Production assets

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 a multi-currency borrowing base facility of £25 million arranged by Societe Generale to finance its principal producing fields and future developments.

Faroe currently has two producing assets; Minke and Schooner gas fields, in the UK Southern North Sea, and one development asset in Wissey. Over the next 12 months it is expected that Faroe will approve development plans for three additional fields in which the Company holds interests. The debt facility is targeted at maximising the debt capacity in these anticipated developments.

This debt facility agreement is in line with the Company’s stated strategic objective of maximising shareholder value by using equity funds for exploration and appraisal activities and funding developments through debt.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to have secured this borrowing base debt facility with Societe Generale. This compliments Faroe’s strong cash balances following last year’s equity raising and we are in a strong position to pursue our programme of development, appraisal and exploration going forward.”

- Ends -

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