

DRAFT

1 May 2008

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

Secures further near term, high impact Atlantic Margin Well in swap deal

Faroe Petroleum (FPM.L), the independent oil and gas company focusing principally on exploration, appraisal and development in the Atlantic Margin, the North Sea and Norway, announces an agreement has been entered into with DONG E&P (UK) Ltd (“DONG E&P”) for a like for like swap of 10% of Faroe’s Glenshee licence covering blocks 217/21,22,26 and 216/30 for 10% of DONG E&P’s Glenlivet licence in block 214/30. Glenlivet is a large Palaeocene gas prospect in a proven play, located close to Total’s Laggan gas field. The Glenlivet prospect is scheduled to be drilled by DONG E&P in Q2 or Q3 of 2009 with the contracted Transocean Rather

Situated approximately 15 kilometres from the proposed Laggan gas export pipeline to Sullom Voe in the Shetland Islands, the Glenlivet prospect is an analogue to other undeveloped gas discoveries in the vicinity. A discovery at Glenlivet could become a significant part of the planned new UK gas gathering system for West of Shetland for which Laggan is the focal point. Glenlivet operator DONG E&P is also a 20% equity partner within the Laggan Group.

Faroe has held the Glenshee licence, located on the prolific Corona Ridge, for a little over one year, and this significant oil prospect is being matured ahead of a drilling decision, which will be taken no later than 2010. Faroe will retain a 20% stake in Glenshee, together with Chevron (operator and 70%).

This exchange of licence interests is subject to BERR and co-venturer consent.

The Company has an extensive portfolio of 46 licences, which includes the largest Atlantic Margin portfolio among independent oil companies. This transaction is in line with Faroe Petroleum’s stated strategic objective of building a portfolio of valuable licences in the Atlantic Margin, the North Sea and Norway and participating in high impact exploration and appraisal wells.

John Bentley, Non-Executive Chairman of Faroe Petroleum, commented:

“With declining UK gas production and increasing gas demand, we see potential for significant gas opportunities in this West of Shetlands area as regional export infrastructure decisions, which will pave the way for several important gas field developments to proceed, are now making good progress. We are therefore delighted with this latest transaction which adds a further near term high impact well to our drilling programme.

The Company is participating in an exciting, fully funded programme of more than 20 wells over the next 20 months alone, comprising exploration, appraisal and development wells in Norway, the UK and the Atlantic Margin. We look forward to updating the market on further drilling progress in the near term.”

Ends

DRAFT

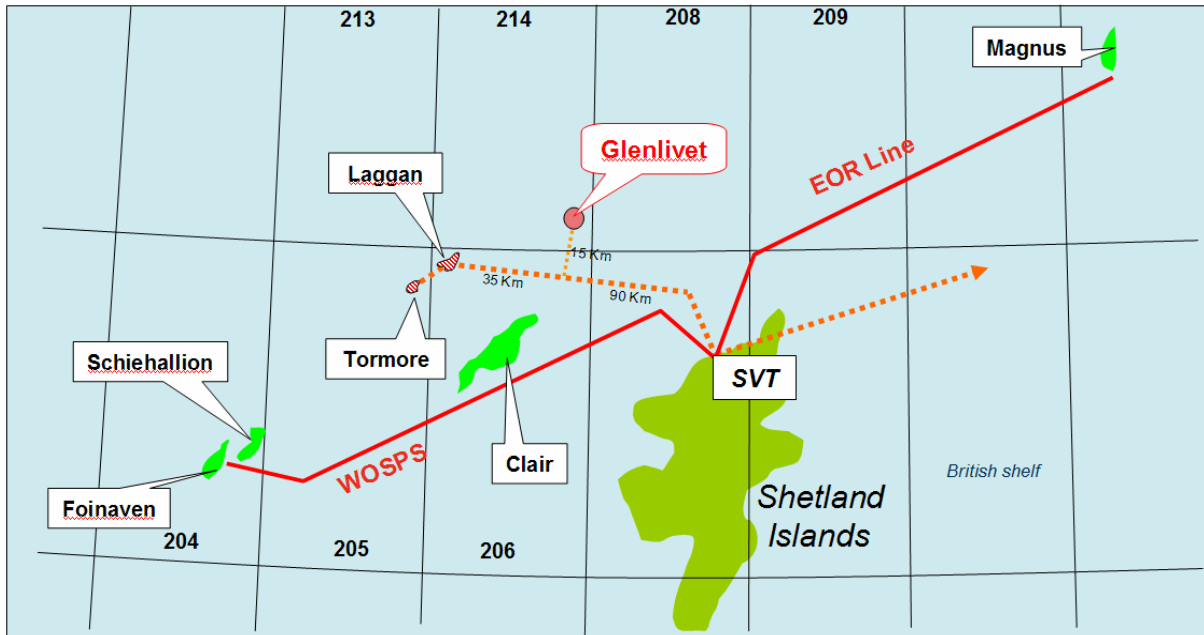
Enquiries:

Faroe Petroleum plc
Graham Stewart
Tel: 01224 0650 920
gstewart@faroe-petroleum.com

Panmure Gordon
Katherine Roe
Tel: 020 7459 3600
Katherine.roe@panmure.com

Financial Dynamics
Billy Clegg/Edward Westropp
Tel: 020 7831 3113
edward.westropp@fd.com

James Jordan, who is a Geophysicist (BSc MSc in Geology from University College London), exploration manager of Faroe Petroleum UK/Faroes and who has been involved in the energy industry for more than 19 years, has read and approved the technical disclosure in this regulatory announcement.



Location map showing the Glenlivet prospect and proximity to possible Laggan and Tormore gas export pipeline route