

12 May 2008

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

Drilling of Topaz well commences

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 drilling of the Topaz well 49/2a-X (in Block 49/2a in the UK Southern Gas Basin), has been commenced by the Noble Al White rig.

UK Topaz Gas Field (Faroe 7.5% pre-unitised interest)

This undeveloped gas field (discovered in 1987) straddles Blocks 49/1a and 49/2a and is located 14 kilometres south east of the producing Schooner field in which Faroe also holds a 4.83% interest. The Company acquired its 7.5% interest in Topaz from E.ON Ruhrgas in November 2007 as part of a cross border package acquisition which included an interest in the Schooner field.

Field partners are RWE Dea UK SNS Limited (57.5% and acting as operator) and GDF Britain Limited (35%) and the planned development will be a single well tieback to Schooner and the CMS system. The gross reserves are estimated to be 32bcf, with net reserves attributable to Faroe estimated to be 2.4bcf. Production is expected to commence in early 2009 and continue until 2017.

Graham Stewart, Chief Executive of Faroe commented:

“We are pleased to be able to report the commencement of drilling on the Topaz gas field. We acquired this asset as part of a cross-border swap transaction with E.ON Ruhrgas in November last year, since when the outlook for gas prices has continued to improve. Production from Topaz will enhance our gas production portfolio and therefore strengthen the business as a whole, creating further value for our shareholders through our balanced portfolio of production, appraisal and exploration assets.”

- Ends -

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Notes to Editors

General

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 47 licence portfolio provides considerable spread of risk and reward, encompasses eight 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 twenty 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 AIM Market 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.

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.