

8 December 2008

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

Two new prospective licences at minimal cost commitment

Faroe Petroleum, the independent oil and gas company focusing principally on exploration in the Atlantic Margin, the North Sea and Norway, is pleased to announce that it has been awarded two new prospective Faroese licences in the Faroes 3rd Licensing Round announced by the Trade and Industry Minister yesterday.

The following awards, which have no well commitments, have been made:

Kúlubokan (33 full and part blocks in quads 6201, 6202 & 6203) – Faroe 10%

This extensive licence, which covers 5,300 square kilometres, contains a significant four-way dip closed structure. The co-venturers are Statoil Færøylene AS (“Statoil”) (50% and Operator), Dong Føroyar P/F (30%) and Atlantic Petroleum P/F (10%). The work programme consists of a seismic programme to identify a drilling location in advance of a drill or drop decision.

Rannva Extension (9 full and partial blocks in quads 6007 & 6008) – Faroe 100%

This licence covers some 1,200 square kilometres and has been awarded 100% to the Company as Operator, and is located adjacent to Faroe’s existing Rannva licence (Faroe 100%) which contains the very substantial Rannva “A” lead on the crest of the Wyville-Thomson Ridge. A low cost seismic reprocessing programme will be undertaken to further delineate the structure.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“This latest award secures us prime acreage in one of our core areas, for a very modest capital commitment, further strengthening our opportunity base going forward. Faroe continues to manage prudently its ongoing capital programme which includes a significant number of wells over the coming two years. Our strong cash position and growing UK gas production put the Company in a good financial position to capitalise on attractive new opportunities going forward.”

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Jim Jordan, who is a Geologist, BSc (Hons), MSc from University College London and Exploration Manager of Faroe Petroleum's Atlantic Margin area and who has been involved in the energy industry for 20 years, has read and approved the technical disclosure in this regulatory announcement.

Notes to Editors

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, appraisal and development assets across the Atlantic Margin, the UK and Norwegian North Sea and the Norwegian Sea. The Company's substantial portfolio provides considerable spread of risk and reward, now encompasses eight licences West of Shetlands, seven licences offshore the Faroe Islands, six licences in the Moray Firth area of the UK Central North Sea, eleven 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.

The Company is well financed and is pursuing an active, fully funded drilling programme with wells in each of its core areas being drilled over the coming two years.

Faroe Petroleum is quoted on the AIM Market of the London Stock Exchange with offices in Aberdeen, Stavanger and Torshavn. The Company has a highly experienced team of professionals focused on creating exceptional value for its shareholders.



Faroe Petroleum

Faroe 3rd Round Awards

