

4 September 2008

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)
Norwegian Marsvin well commences**

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 drilling has commenced on the Norwegian Licence PL289, well 3/7-7 (Faroe 14%), which holds the significant Marsvin oil prospect.

The Licence is located in water depths of around 65 metres in southern Norwegian waters on the border with Denmark and in close proximity to Norwegian Licence PL147 which contains the Trym gas / condensate field (Faroe 10%), which is progressing towards near term development. The Marsvin target is a substantial Upper Jurassic oil prospect, located on the south west flank of the Søgne Graben, straddling the border between Norway and Denmark. The Joint Venture Partners in this Norwegian licence are DONG (40% and operator), Talisman (30%) and GDF Suez (16% interest).

The drilling operation, using the Maersk Guardian jack-up rig, is expected to take around 80 days.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"Marsvin is a further exciting prospect with significant resource potential, which brings to three the number of North Sea wells we are currently drilling. In addition to Marsvin we are currently drilling the Topaz gas field appraisal well and the East Breagh exploration well, both in the UK southern North Sea. The West Breagh appraisal well is programmed to start drilling in mid September and three further wells are scheduled to be drilled later in the year in Norway: the Hyme exploration well; the South East Tor oil appraisal well; and the Grosso exploration well. We look forward to updating the market as we progress with our fully funded, drilling programme of over 20 wells which has excellent potential to add significant shareholder value."

Ends

Enquiries:

Faroe Petroleum plc
Graham Stewart
Tel: 01224 650 920
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

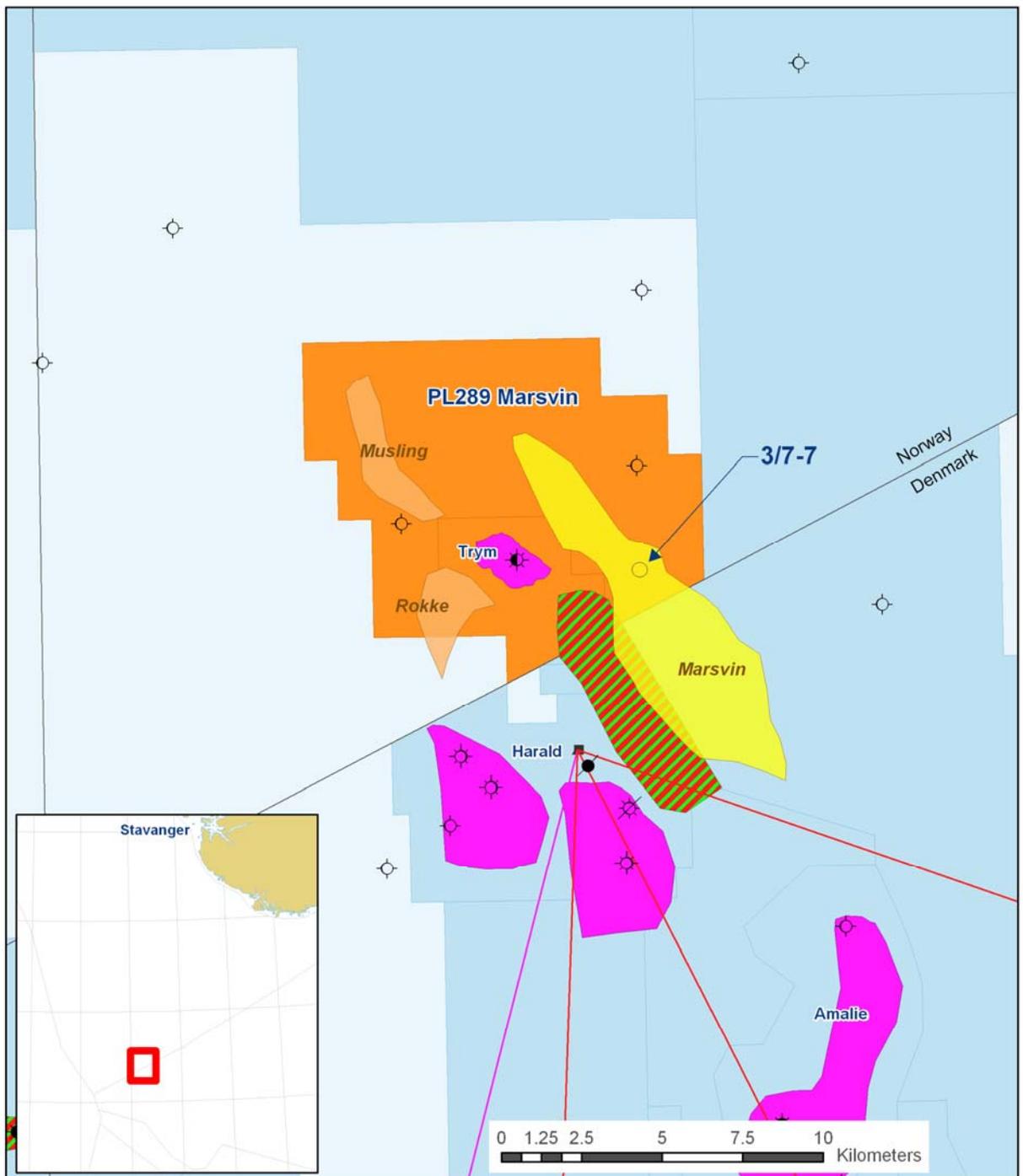
Andrew Roberts, who is a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester university), Exploration Manager of Faroe Petroleum

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

Well 3/7-7 Marsvin



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 48 licence portfolio provides considerable spread of risk and reward, encompasses eight licences West of Shetlands, five licences offshore the Faroe Islands, five 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 Suez, 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. The Company has a highly experienced team of professionals focused on creating exceptional value for its shareholders.