

10 September 2008

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

Farm-in to UK Block 22/11b containing significant Fulmar prospect

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 it has agreed to farm-in for a 10% interest in UK Block 22/11b from Bow Valley Petroleum (UK) Limited (“Bow Valley”) by participating in the drilling of well 22/11b-13. Block 22/11b, awarded to Bow Valley in 2007, in the 24th UK Licensing Round, contains the significant Fulmar prospect, which offers a good fit with Faroe’s strategy to participate in high impact exploration wells in prolific areas. Drilling commenced on 19th August 2008.

Highlights

- Significant exploration well – drilling under way
- Close proximity and similar geology to several Fulmar reservoir discoveries
- Shallow water and close to infrastructure

The 22/11b-13 well will target an Upper Jurassic Fulmar sand prospect – a play which has been recognized on the flanks of the Central Graben, where good quality sands have been deposited after erosion from the neighbouring high areas. The prospect lies in close proximity and on trend with a number of discoveries with good quality Fulmar reservoir, including the Wood (Block 22/18), Howe (Block 22/12), Huntington (Block 22/14), and most recently Talisman’s Cayley. Considerable further upside has also been identified on the licence.

The well, located in 90 metres water depth, is being drilled in an area close to significant oil infrastructure, approximately 10 kilometres from the Nelson field and 18 kilometres from the Montrose field. The Transocean Prospect semi-submersible drilling rig will be employed under a drilling management arrangement with AGR.

Commenting on the news, Graham Stewart, Chief Executive said:

"This is an attractive prospect with significant resource potential and moderate risk, offering a good fit with Faroe’s strategy of participating in a very active drilling programme in its core areas of the North Sea, Norway and the Atlantic Margin.

“Faroe has commenced a significant, fully funded drilling campaign of over 20 wells in two years. In addition to Fulmar L, the Company is at present drilling simultaneously three further wells: the Topaz gas field appraisal well; the East Breagh exploration well and the Marsvin exploration well. The West Breagh appraisal well is programmed to start drilling after East Breagh, later in September and three further wells are scheduled to be drilled later in the year in Norway: the Hyme and Grosso exploration wells and the South East Tor oil appraisal well. We look forward to updating the market on progress."

Ends

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.

Enquiries:

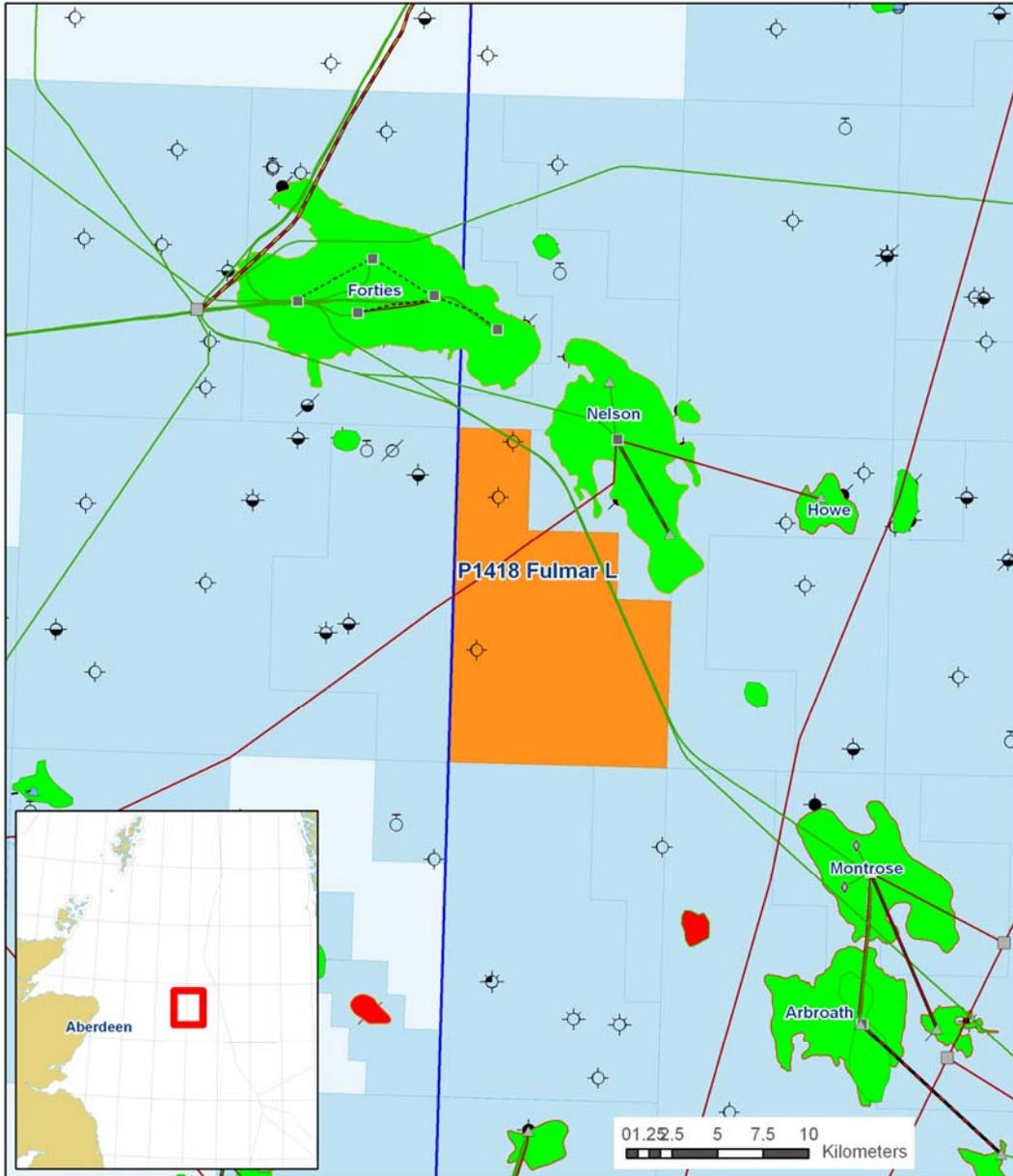
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Faroe Petroleum

Fulmar L



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 49 licence portfolio provides considerable spread of risk and reward, encompasses eight licences West of Shetlands, five licences offshore the Faroe Islands, six 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.

The Company is pursuing an active, fully funded drilling programme with wells in each of its core areas being drilled over the coming 18 months.

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.