

23 September 2008

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

Topaz Gas Field to Progress to Development

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 Topaz well (operated by RWE Dea UK SNS Limited) (Faroe interest 7.5%) has been successfully drilled and tested by the Noble Al White drilling rig. Flow rates on test achieved commercial thresholds and the joint venture has agreed to take the project forward to development.

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

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 the Tullow operated Schooner and the CMS system. Production is expected to commence in the third quarter of 2009.

This UK Southern North Sea undeveloped gas field 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) to which the Topaz gas will be transported. 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.

Graham Stewart, Chief Executive of Faroe commented:

“We are pleased to report that the Topaz gas field will proceed to early development following the successful well test, to become our fourth field on production. Since acquiring Topaz in November last year, the outlook for gas prices has continued to improve. Enhanced production revenues will strengthen further the business as a whole, as we continue our exciting exploration and appraisal drilling programme over the coming years.”

- Ends -

Enquiries:

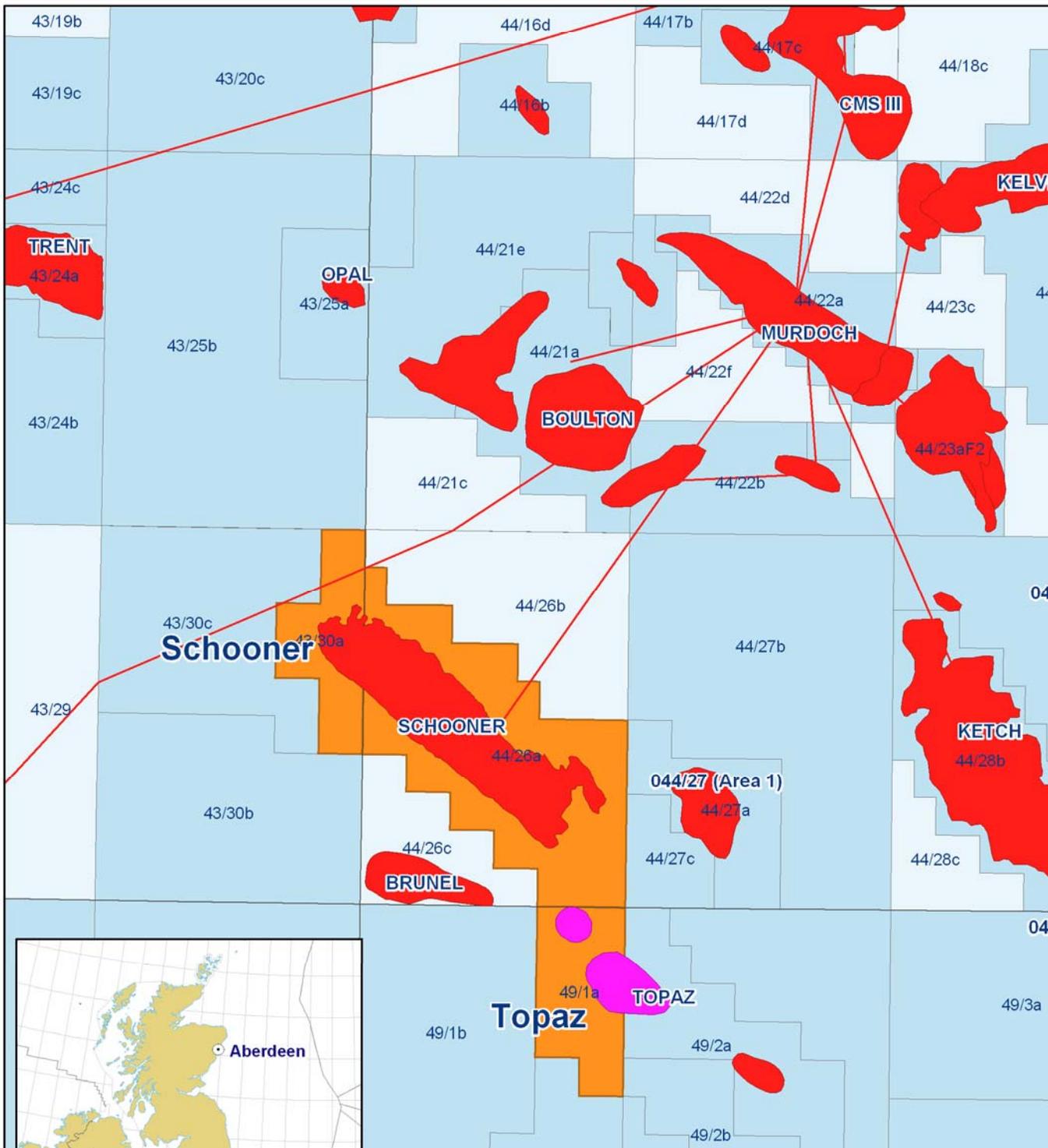
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Faroe Petroleum

Schooner and Topaz Gas Fields



Notes to Editors

General

The Company is actively building a balanced portfolio of operated and non-operated exploration and appraisal properties, with material stakes and a very active work programme. Faroe Petroleum has through successive licence applications and commercial transactions built a substantial portfolio of exploration and appraisal assets in the Atlantic Margin, the UK and Norwegian North Sea and Norwegian Sea. The Company's 49 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.

Trine Bjørvik, who has a degree in Petroleum Engineering from Rogaland Regional College 1982 and an MBA from the Norwegian School of Business and Administration is Asset Manager at Faroe Petroleum, has been involved in the energy industry for more than 25 years and has read and approved the technical disclosure in this regulatory announcement.