

3 October 2008

**Faroe Petroleum plc  
("Faroe Petroleum", "Faroe" or the "Company")**

**Exploration Well Success on the East Breagh 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 the successful drilling of the East Breagh exploration well in the Southern North Sea.

After detecting the presence of gas and sand while drilling at 7,500 feet, a 110 foot core was taken. Drilling was then resumed and the well reached a final depth of 8,000 feet on 30th September, with gas shows of up to 20% while coring and drilling. Preliminary analyses of both the core and the well logs indicate two gas bearing intervals with approximately 72 feet net sand in total. The upper section shows 30 feet of high quality reservoir with porosity of up to 18% and permeability up to 50 md, confirmed from core data. Preliminary geological analysis indicates that these upper gas sands correlate with the sands encountered in the successful West Breagh well (42/13-3), drilled by the partnership in late 2007.

With these encouraging results, the partnership have agreed to test the Upper and Lower reservoir sections to complete the evaluation. Directly following the imminent testing of the East Breagh well, a high angle / horizontal appraisal well is planned for West Breagh (42/13-5) to further evaluate this part of the field.

The joint venture partners are Faroe (10%), Sterling Resources (45% and operator), Stratic (10%), Regernesys (15%), Encore (15%) and Petroventures (5%).

**Graham Stewart, Chief Executive of Faroe Petroleum, commented:**

"We are very pleased to be able to announce the success of this important well, our second successful well in the Breagh area. These wells will provide key data for assessing the economic viability of developing the Breagh gas field and creating potential for considerable value creation for our shareholders".

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**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.