

13 November 2008

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

UK 25th Licensing Round Awards

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 been awarded two new exploration licences, one west of Shetland and one in the Southern Gas basin, under the UK 25th Licensing Round, the results of which were announced by the Minister of the Department of Energy and Climate Change yesterday.

The following awards have been made jointly to Faroe Petroleum and its industry partners:

Defiant (Block 208/21) – Faroe Petroleum 30%

This West of Shetland Frontier Licence, which has been offered to Hurricane Exploration plc (70% and Operator) and Faroe (30%), is situated on the Corona Ridge play, to the East of the Glenlivet prospect (Faroe 10% equity). The licence work programme comprises the purchase and reprocessing of 2D and 3D seismic data and additional geotechnical studies, prior to making a drill or drop decision.

Narwhal (Block 44/29c) - Faroe Petroleum 20%

This Southern Gas Basin Traditional Licence has been awarded to the joint venture (GDF SUEZ E&P UK Ltd (40% and operator), RWE DEA SNS Limited (40%) and Faroe (20%)). The Narwhal lead sits to the West of Orca (Faroe equity 5.89%) and the licence work programme requires 3D seismic reprocessing and other geotechnical studies ahead of a drill or drop decision.

Additionally, a further application made by Faroe in the same licensing round remains subject to appropriate environmental assessments of the potential effects of any work programme on certain Special Areas of Conservation / Special Protection Areas. There will be a consultation on the recommendations of the environmental assessments before any decision is made, on whether to make an associated licence award.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“These licence awards, in two of our core areas, are a welcome, low cost means of adding to our prospect inventory.

Faroe Petroleum has built a substantial licence portfolio, much of which has been secured through licensing rounds. Our portfolio is progressing well as we continue our significant, fully-funded drilling programme of over 20 exploration and appraisal wells over the coming two years, including four wells in the next three months.”

- Ends -

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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 Company's substantial portfolio provides considerable spread of risk and reward, encompasses nine licences West of Shetlands, five 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.