

21 October 2008

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

East Breagh Well Test Update

- East Breagh well test successfully completed
- Results consistent with estimates used for development planning
- Additional upside potential in lower reservoir

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 it has completed the testing of the East Breagh well (Faroe 10%), in UK Southern North Sea Block 42/13.

Operated by Sterling Resources plc, the well was tested from the upper zone perforations at 7,490 to 7,560 feet measured depth (“md”) at controlled rates of up to 10.2 million standard cubic feet per day (“mmscfd”). The final rate was held for a period of 12 hours prior to shutting in for pressure build up. The stabilized test was completed on a 32/64 inch choke setting at a flowing wellhead pressure (“fwhp”) of approximately 1,630 pounds per square inch (“psi”) of pressure. A further rate increase was not attempted for operational reasons, but the Operator confirms that a calculated rate of 12.5 mmscfd would be achievable at a fwhp of 1,000 psi.

As previously reported on 3 October 2008, a lower, poorer quality reservoir sand was also logged in the well. As part of the testing protocol this lower formation was perforated first from 7,635 to 7,746 feet md and tested at rates of up to 1.6 mmscfd before perforating the upper zone. This is the first time such a lower unit has been tested individually and in addition to proving gas, it provides further upside and potential for stimulation in further wells.

The Operator, Sterling Resources has confirmed that the productivity from the upper sands is in line with expectations and that producible gas in the lower section can be considered an added bonus. The Operator added further that this test confirms that the flow rate potential for a vertical well at Breagh is consistent with the estimates used for development planning. The next phase of drilling in the block will be the deviated West Breagh well, which will determine the potential flow rate for high angle wells. Drilling of West Breagh is anticipated to commence in late October utilising the Ensco 70 drilling rig.

Graham Stewart, Chief Executive of Faroe commented:

“We are very pleased to report the success of this well test, which is in line with expectations. This positive result, combined with the significant resource already confirmed in adjoining West Breagh, will assist in making an early development decision for this substantial gas field, following further near term drilling on West Breagh. “

- Ends -

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.

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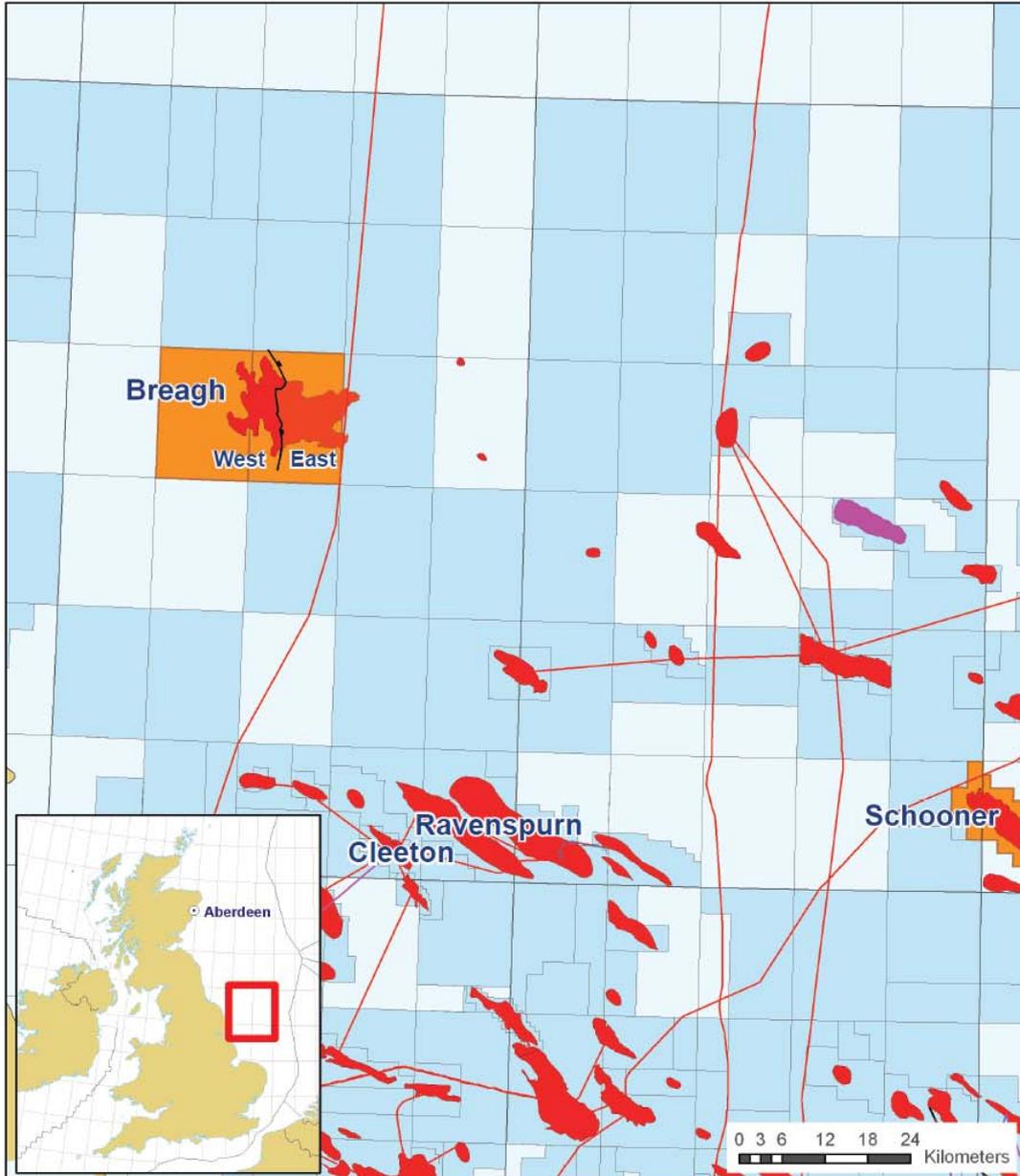
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Faroe Petroleum

Location of Breagh Gas Field



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 well financed and 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.