

22 December 2008

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)  
Faroe Petroleum awarded three new licences in Norway**

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 been awarded three new prospective licences under the 2008 Norwegian APA Round, as announced by the Norwegian Ministry of Petroleum and Energy yesterday.

The following three awards, which have no well commitments, have been made:

**Halten Terrace Area**

The Company has been awarded two licences in the prolific Halten Terrace hydrocarbon province of the Norwegian Sea. These licences offer excellent exploration and appraisal opportunities in an area which is in active development.

- PL475 BS, Faroe Petroleum Interest: 30%. This licence covers approximately 38 square kilometres and is an extension of our existing PL475 Santana licence where a well has been committed and is scheduled to be drilled in 2010. This license extension contains an appraisal opportunity called the Maria Prospect. The work program involves reprocessing of 3D seismic data over the license. Partners are Revus Energy (operator), Concedo and Centrica.
- PL510, Faroe Petroleum Interest: 20%. This licence covers approximately 298 square kilometres and contains a large number of prospects and leads located close to our existing, highly attractive acreage in the Halten Terrace area. The work program involves reprocessing of existing 3D seismic data to better define the distribution of reserves, prior to a decision being taken within two years on whether to drill an exploration well. Partners are Centrica (operator), E.ON Ruhrgas and North Energy.

**Northern North Sea**

The Company has been awarded one licence in the northern North Sea. This licence offers an exciting exploration opportunity in this mature production area.

- PL507, Faroe Petroleum Interest: 30%. This licence covers approximately 973 square kilometers and significant hydrocarbon potential has been identified within this license located close to our existing PL414 Kalvklumpen license. The work program involves reprocessing of existing seismic and a feasibility study to identify the potential for using electromagnetic (EM) data to further derisk the prospectivity, prior to a decision being taken within two years to acquire further 3D and/or EM seismic data. Partners are Revus Energy (operator), Spring Energy and Centrica.

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

“Faroe Petroleum is very pleased to have been awarded all three licences applied for in this 2008 Norwegian APA licensing round. These new assets have only modest capital commitments and complement the Company’s existing licence portfolio in Norway, now totalling 23 Norwegian licences, which have been awarded or acquired since our entry in 2006.

“All Norway exploration and appraisal expenditure benefits from the very favourable financing arrangements provided through the country’s attractive tax regime under which the State pays 78% of costs. Faroe continues to prudently manage its ongoing capital programme, which includes a significant number of wells in its fully funded drilling programme over the coming two years. These include one appraisal well and two exploration wells to be drilled in Norway during the next three months.”

- Ends -

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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.



# Faroe Petroleum

APA2008 offers

