

5 March 2009

Faroe Petroleum plc (the “Company”)

**Farm-down Agreement with Spring Energy
for Norwegian Licences PL405 and PL405B**

Faroe Petroleum, the independent oil and gas company focusing on exploration, production, appraisal and undeveloped field opportunities in the Atlantic Margin, North Sea and Norway, is pleased to announce that it has entered into a farm-down agreement with Spring Energy for a 15% share in Norwegian licences PL405 and PL405B. Faroe Petroleum will retain 15% equity in both licences.

Spring Energy has acquired a 15% share in PL405 and PL405B in exchange for carrying (i.e. paying a share) of Faroe’s costs associated with the first exploration well drilled on these licenses. This transaction is in line with Faroe Petroleum’s strategy of reducing its exploration cost exposure whilst retaining material remaining interests. The licences cover several Upper Jurassic Ula formation prospects, and were awarded to Faroe Petroleum in APA2006 and APA2007 with a drill or drop decision that expires in 2009.

The transaction is contingent upon joint venture partner consent being granted (Centrica Resources Norge AS (operator) and Petro-Canada Norge AS), approval from Norwegian authorities and the existing licencees committing to drill a well.

Graham Stewart, chief executive of Faroe Petroleum commented:

“This farm-down agreement is a part of the continued active management of our portfolio. Our Norwegian portfolio consists of 23 prospective licences, and we continue to participate actively in licence rounds and subsequently manage our cost exposure by pursuing farm-in and farm-down opportunities

“We are very pleased to have reached an agreement with Spring Energy and we look forward to a successful relationship together.”

- Ends -

For further information:

Faroe Petroleum plc

Graham Stewart

Tel: + (44) 1224 650 920

Panmure Gordon

Katherine Roe/Ashton Clanfield

Tel: + (44) 20 7459 3600

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Billy Clegg/Edward Westropp

Tel: + (44) 20 7831 3113

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 licence portfolio provides considerable spread of risk and reward, encompasses over fifty licences with eight licences West of Shetlands, six 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 three 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, with substantial equity, an undrawn debt facility and production revenues from three UK gas fields. Faroe is pursuing an active, fully funded drilling programme with exploration wells in each of its core areas being drilled over the coming 18 months. Notably the Company is also participating in three significant exploration wells in the Atlantic Margin scheduled to be drilled in summer 2009.

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.