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Faroe Petroleum plc (the “Company”)

Norway Hyme (FPM 10%) Exploration Well Results

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, announces that the drilling of well 2/5-14S has been completed on the Norwegian Licence PL006c Hyme exploration prospect (Faroe 10%).

The purpose of the Hyme exploration well was to test a promising yet high risk stratigraphic trap within the Upper Cretaceous Tor and Ekofisk chalk formations located on the western flank of the South East Tor oil discovery. The well results were mixed: the main objective Chalk reservoir at the Hyme location encountered indications of hydrocarbons but lower than expected porosity; however, the well penetrated a number of better developed Paleocene sandstones, which showed good indications of hydrocarbons. While it was not possible to recover fluid samples from this horizon due to well stability concerns, the Paleocene sands will be further investigated, as they have the potential to add significant further resource potential to the adjacent undeveloped South East Tor oil field (Faroe 10%).

The Hyme drilling operation was undertaken using the Mærsk Gallant rig on behalf of licence partners Lundin (75% and operator), Noreco (15%) and Faroe (10%). The operator has concluded drilling operations and plugging and abandonment procedures are underway.

The joint venture agreed to drill the South East Tor appraisal well immediately after completing the Hyme exploration well and from the same location. However, the operator has decided not to drill the planned South East Tor appraisal well back to back with the Hyme exploration well. The operator will conduct further analysis, incorporating the Hyme results and prepare a new drilling plan to optimise the South East Tor appraisal well, to be drilled at a future date, which will evaluate both the chalk and the newly discovered Paleocene.

The South East Tor oil field lies in 67 metres of water within the Upper Cretaceous Tor and Ekofisk chalk formations. There are prolific producing reservoirs in the nearby Ekofisk, Valhall and Tor fields. The South East Tor discovery well 2/5-3 was drilled in 1972 on the crest of a salt induced anticline. The well encountered oil in both the Tor and Ekofisk Formations at approximately 3,000 metres below sea-level, and was successfully tested, with 43° API oil quality at 4,525 barrels of oil per day (bopd) from the Tor Formation and also 4,281 bopd from a separate test in the Ekofisk Formation. The discovery has subsequently been appraised by two appraisal wells in 1973 and 1988. South East Tor is located within tie-back distance of a number of potential production hosts in the area.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“The results for the main objective Chalk formation in this high risk Hyme exploration well are somewhat disappointing, but the discovery of hydrocarbon in the Paleocene sands is very encouraging and represents new and additional upside for the South East Tor field. We are very much looking forward to drilling the



appraisal well on South East Tor structure, which we believe has the potential to prove up an attractive development project. Our minority costs associated with the Hyme exploration well qualify for 78% tax rebate under Norway's fiscal system, designed to encourage exploration."

"The Company has a NOK 500 million revolving credit facility with the Bank of Scotland and Barclays Bank, secured on excellent terms, for financing the tax rebates available on exploration and appraisal activity in Norway. This facility has been drawn upon to pay the majority of costs on all our Norway wells going forward, thereby conserving the Company's equity capital to continue its ongoing portfolio drilling and acquisition programme."

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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.

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, Oilsexco, 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 in 2009 and the first half of 2010 including three significant exploration wells in the Atlantic Margin.

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.