

27 August 2009

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

Completion of Breagh disposal

Faroe Petroleum plc, 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 yesterday completed the disposal of its entire 10% interest in the Breagh Gas Field in the UK Southern North Sea Gas basin to RWE Dea UK SNS Limited, for approximately \$41.6m (approximately £25.5m) plus interest and working capital adjustments.

Graham Stewart, Chief Executive of Faroe, commented:

“We are very pleased to have completed the disposal of the Breagh field. Having invested a total of £8.8m in Breagh over a two and a half year period we will record a gain on disposal of approximately £16.7m. With the Breagh proceeds and before completion of the cash generative Trym field swap with DONG, expected soon, Faroe will have approximately £38m of cash resources.

“Through the intelligent use of our portfolio, together with revenues from production, our Norwegian Government-backed exploration finance facility and cash reserves; we have ensured our ability to sustain a very active, high potential value exploration portfolio.

“We will build upon our firm, fully-funded, nine well exploration drilling programme in order to significantly enhance value for our shareholders going forward.”

- Ends -

Enquiries

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Notes to Editors

The Company is actively building a balanced portfolio of exploration, appraisal and production 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, development and production 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, encompassing nearly 50 licences with eight licences West of Shetlands, six licences offshore the Faroe Islands, two licences in the Moray



Firth area of the UK Central North Sea, nine licences in the Southern gas basin and 21 licences in the Norwegian North Sea, Norwegian Sea and Barents Sea. In addition Faroe has interests in five producing oil and gas interests in the UK and Norway. Faroe Petroleum's joint venture partners include BP, Chevron, ConocoPhillips, DONG, DSM, Eni, E.ON Ruhrgas, GDF, OMV, RWE Dea, Shell and Statoil all of which have an outstanding track record in oil and gas exploration and development.

Faroe is currently drilling the Glenlivet exploration well, in the West of Shetlands area of the UK, and expects to commence a second well in this area, Tornado, in the coming weeks.

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.