

14 September 2009

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

Gas discovery from West of Shetland Glenlivet exploration well

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 the discovery of gas at the Glenlivet exploration well, West of Shetland, (Faroe 10%) and the preliminary drilling results.

Highlights

- Palaeocene reservoir encountered gas filled - preliminary log analysis indicating a net gas column of 201 feet. A gas water contact has not been encountered
- The penetrated net reservoir section has excellent reservoir quality with high porosity and the permeability is also expected to be very high
- Immediate appraisal of the discovery is being considered with the planning of a potential sidetrack well ongoing. The final decision on this operation is expected in the next 2 days
- The Glenlivet discovery is located close to the planned UK west of Shetlands gas gathering system and Glenlivet has the potential to become significant part of this
- The Glenlivet exploration well has so far been executed without incident, on time and on budget, by operator Dong

Glenlivet is a large Palaeocene gas prospect in a proven gas play, and the 214/30a-2 well was drilled by DONG E&P (UK) Ltd (“DONG E&P”) using the Transocean Rather semi-submersible drilling rig. The well was drilled in a water depth of 1,430 feet and reached total depth of 7,654 feet measured depth on Friday, 11 September 2009. The Palaeocene reservoir was encountered close to prognosis, with the upper reservoir section drilled with good indications of a gas filled sand, which was subsequently confirmed by open-hole wireline logs. Preliminary log analysis indicates a net gas column of 201 feet and excellent reservoir quality. The average porosity in the penetrated reservoir section is high and permeability is also expected to be very high.

Further analysis of the results is underway and the drilling of a potential immediate side track well on the discovery is currently being evaluated by the partnership, with a decision expected in the next two days. Whilst it is too early to assess the commerciality of the discovery, if proved to be commercial, Glenlivet could become a significant part of the planned new UK west of Shetland gas gathering system for which the Total-operated Laggan gas field is the focal point. Glenlivet is situated approximately 15 kilometres from the proposed Laggan gas export pipeline to Sullom Voe in the Shetland Islands, and Glenlivet licence operator DONG E&P is also a 20% equity partner within the Laggan development project. The Glenlivet licence also contains another gas discovery, Laxford (Faroe 10%) and a number of further potential exploration targets, all situated close to the Glenlivet discovery. Some of these additional opportunities may also have the potential to be commercialised through the planned new UK west of Shetlands gas gathering system.

Graham Stewart, Chief Executive of Faroe Petroleum commented:

“We are very pleased to report the successful outcome of this strategically important exploration well. Glenlivet is Faroe’s first Atlantic Margin discovery and confirms the presence of a significant accumulation of hydrocarbons in a high quality reservoir. We look forward to providing a further update on the results of the Glenlivet well analysis in the near future”.



“The Glenlivet well is the first of a firm five-well Atlantic Margin exploration drilling programme which Faroe is undertaking over the coming months. The second well in the programme, operated by OMV, is scheduled to commence drilling by the end of September 2009 and will test the Tornado oil prospect, located close to BP’s producing Schiehallion field. Following Tornado we are scheduled to drill three further high impact exploration wells, the Anne Marie oil prospect in the Faroes (operated by Eni), the Cardhu oil prospect in the UK (operated by BP) and the Lagavulin oil prospect in the UK (operated by Chevron)”.

- Ends -

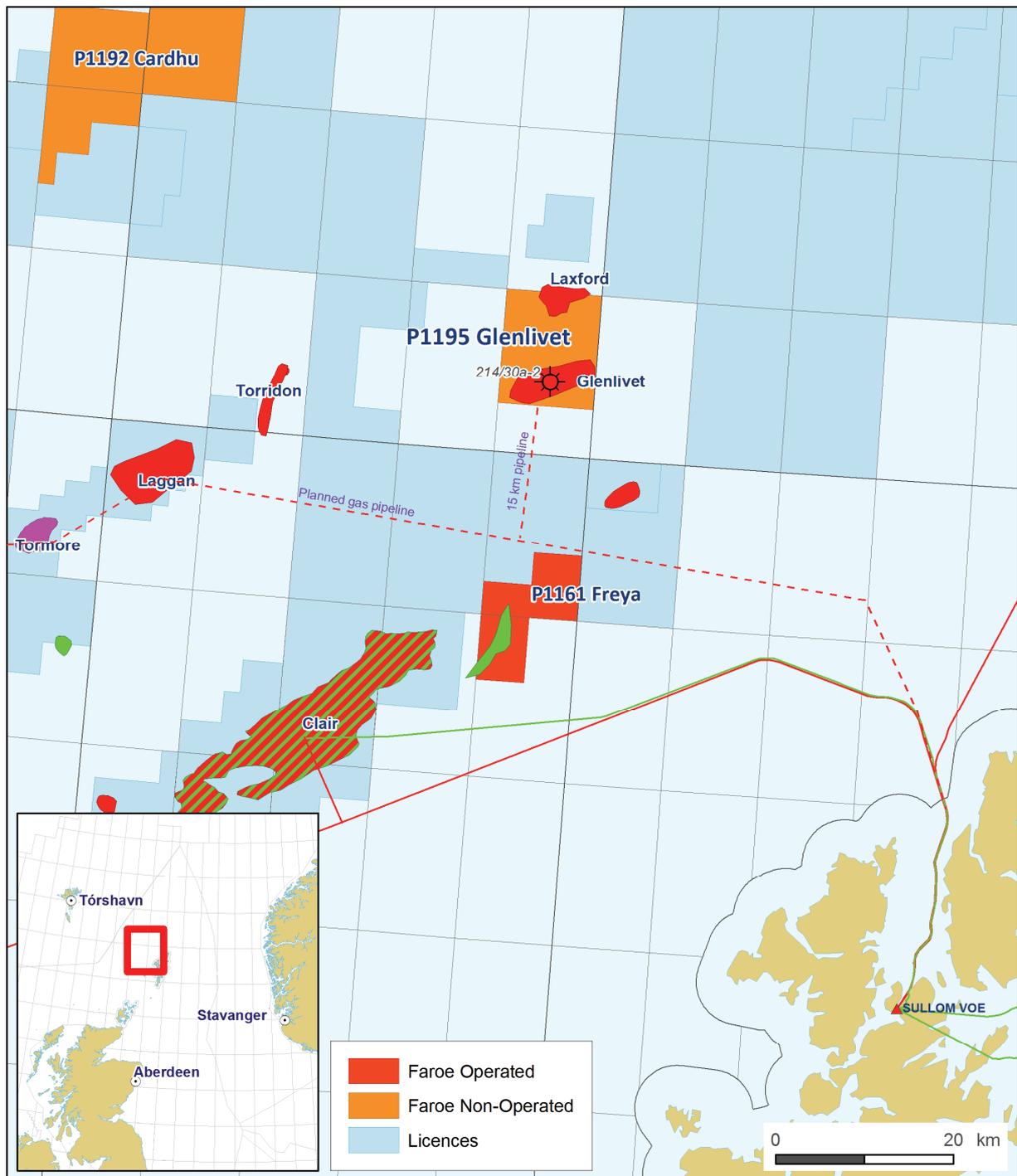
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James Jordan, who is a Geophysicist (with a BSc and MSc in Geology from University College London), is Faroe Petroleum’s Exploration Manager for UK and the Faroe Islands and who has been involved in the energy industry for more than 19 years, has read and approved the technical disclosure in this regulatory announcement.



Location map showing the Glenlivet prospect



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 19 licences in the Norwegian North Sea, Norwegian Sea and Barents Sea. In addition Faroe has interests in five producing oil and gas fields 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 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.