

23 April 2010

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

Gas and Condensate Discovery Norwegian Sea Fogelberg 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 a gas and condensate discovery on the Fogelberg prospect (Faroe 15%), located in PL433 in the Norwegian Sea. Following a period of coring and extensive data acquisition, the well reached a vertical depth of 4,736 metres below the sea surface and was terminated in the Åre formation in lower Jurassic.

The objective of the well was to prove hydrocarbons in the Garn, Ile, Tofte and Tilje Formations in middle and lower Jurassic reservoirs. Gas and condensate was encountered in the Garn and Ile formations, while the fluid contacts and content within the deeper Tofte and Tilje formations remain inconclusive at this stage, although they may be water bearing.

The gross size of the discovery has been estimated to be in a range between 105 and 530 billion cubic feet (between 19 and 95 million barrels of oil equivalent) of recoverable gas and condensate of which Faroe Petroleum has a 15% net share. The volumetric uncertainty remains relatively large at this stage due to the position of the Fogelberg well which is located relatively high on the structure. An appraisal well is likely to be needed to prove the down-dip extent and the actual size of the discovery.

Fogelberg is located 18 kilometres north west of the producing Åsgard complex where large quantities of gas and condensate are being processed and transported to several landing points on the European continent. Through the Gassled system, Norway has a well established and regulated access and pricing regime for third party gas transportation.

Faroe was awarded the Fogelberg licence in 2007, as one of its first licences on the Halten Terrace in the Norwegian Sea. Since then, Faroe has built a significant portfolio of seven licences in this prolific area (as shown in the attached map). The Company has detailed knowledge of the petroleum system in this oil province, confirmed by the Fogelberg discovery which is the Company’s first in this core area. The discovery reduces the risk on several of the Company’s identified exploration prospects in this area, which will now become the focus of potential follow up drilling, in addition to appraisal of the Fogelberg discovery itself.

Partners in the well are Centrica Resources Norge AS (operator 28%), Petro-Canada Norge AS, (30%) E.ON Ruhrgas Norge AS (15%) and North Energy AS (12%).

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

“We are very pleased to report the successful outcome of this exploration well. Fogelberg is Faroe’s first Norwegian discovery and in addition to its commercial potential, we believe we may have now unlocked the considerable upside in our licence position in this core Halten Terrace area in which we hold six further licences. This significant position has been assembled through our own technical work which resulted in licence awards in recent licence round applications”.



“The Fogelberg well is the first of a firm five well exploration drilling programme which Faroe Petroleum is participating in through 2010. The second well in the programme, to be operated by Wintershall, is the Maria well (Faroe 30%) which is scheduled to commence drilling in the next few weeks. We are also 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).”

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Andrew Roberts, who is a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester university), Group Exploration Manager of Faroe Petroleum 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 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 39 licences located in the West of Shetlands, offshore the Faroe Islands, the UK North Sea and Norway. 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, DONG, Eni, E.ON Ruhrgas, GDF, OMV, RWE Dea, Statoil and Wintershall all of which have an outstanding track record in oil and gas exploration and development.

The Company had considerable exploration success in 2009 with significant discoveries in the Glenlivet and Tornado prospects, both located in the UK west of Shetlands area.

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.



Location map showing the Fogelberg prospect

