

22 July 2010

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

Maria Oil Discovery, Norwegian Sea

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, is pleased to announce an oil discovery in well 6406/3-8 T2 on the Maria prospect (Faroe 30%).

Highlights

- Gross oil column of 210ft (64m), in better than expected reservoir;
- Preliminary analysis indicates:
 - Gross volumes in place (STOIIP) of between 250 and 520 mmboe; and
 - Gross recoverable volumes currently estimated at between 75 and 155 mmboe of oil and associated gas;
- Situated on the Halten Terrace, close to existing development infrastructure.

The Maria prospect (Blocks 6407/1 & 6406/3) is situated on the Halten Terrace, between Smørbukk Sør (3 km to the northwest) and the Trestakk oil discovery (5 km to the south) and the Tyrihans gas field (6 km to the south east). Maria consists of two segments, Maria South and Maria North, located respectively up dip to the south west and north east of the 6406/3-5 well (drilled in 1988). The Maria well 6406/3-8 T2 has been drilled on the Maria South segment and is the first exploration well to be drilled on licence 475BS, which was awarded in the APA 2008 licensing round. The well was drilled to a vertical depth of 4,216m in the lower Jurassic Tilje formation.

The well proved oil in the main target Garn formation in Jurassic sandstones. Preliminary log analysis indicates a thicker than expected gross oil column of 210 ft (64m) in a better than expected reservoir with excellent properties and a high net to gross ratio. Initial analysis indicates that the Maria oil has properties similar to the oil in the nearby Trestakk discovery, at around 40 degrees API.

The preliminary analysis indicates volumes in place (STOIIP) of between 250 and 520 mmboe with recoverable volumes currently estimated at between 75 and 155 mmboe of oil and associated gas. Extensive data collection and sampling programmes have been undertaken, including logging, fluid sampling and several mini drill stem tests.

The current equity holders in the licence are Wintershall Norge ASA 25% (operator), Concedo ASA 10%, Spring Energy Norway AS 15%, Centrica Resources (Norge) 20%, and Faroe Petroleum Norge AS with the largest equity stake at 30%. The drilling operation was undertaken by Wintershall as operator using the Songa Delta drilling rig in water depth of 303m. The well is now being plugged and abandoned.



Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce a discovery on the Maria Prospect which is our second successful well on the Halten Terrace in the Norwegian Sea this year, following the announcement of the Fogelberg discovery in April. Maria is clearly material to Faroe, with net recoverable volumes to Faroe Petroleum estimated to be between 22 and 46mmboe, and alongside our Maria partners Wintershall, Concedo, Centrica and Spring Energy we look forward to the further evaluation of this discovery.”

“The next three 2010 exploration wells in our programme after Maria will be drilled in the deep water Atlantic margin, and will all be targeting substantial oil prospects. These are the Anne Marie well in the Faroe Islands, which is due to spud soon, and North Uist/Cardhu and Lagavulin in the UK operated by Eni, BP and Chevron respectively.”

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Andrew Roberts, Exploration Manager of Faroe Petroleum and a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester University) 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 has extensive experience working with major oil companies and its joint venture partners include BP, Chevron, DONG, Eni, E.ON Ruhrgas, GDF, OMV, RWE Dea, Statoil and Wintershall.



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 and in 2010, the Fogelberg discovery in the Norwegian Sea.

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 Maria prospect



Faroe Petroleum

6406/3-8 Maria Discovery

