

26 July 2010

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

Spudding of Anne Marie 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 that drilling operations have commenced on the Anne Marie prospect (Faroe Petroleum 12.5%), located offshore, the Faroe Islands.

The commitment well (6004/8a-1) is located in 1,106m of water depth, 190km South East of Torshavn, targeting potentially oil bearing sandstone of Eocene and Palaeocene age in a structural trap. The well is being drilled by the Norwegian semi-submersible rig Seadrill West Phoenix, which is expected to remain in operation for about 75 days.

The Joint Venture is composed of Eni Denmark BV as operator with a 30% of Participating Interest, Dana Petroleum 25%, OMV 20%, CIECO 12.5%, and Faroe Petroleum 12.5%.

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

“We are pleased to announce the spudding of this important and high impact exploration well on the first licence awarded to the Company in 2000 under the First Faroese Licensing Round.”

“This is the first of three 2010 exploration wells to be drilled in the deep water Atlantic margin, all of which are targeting substantial oil prospects. The second and third wells, operated by BP and Chevron respectively, will be in UK waters, targeting the North Uist/Cardhu and Lagavulin prospects.”

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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 license 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 license portfolio provides considerable spread of risk and reward, encompassing 39 licenses 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.



Faroe Petroleum

Anne-Marie well location

