

1 November 2010

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

Results of Anne Marie exploration well and operational update on Lagavulin exploration well

Faroe Petroleum plc, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in the Atlantic margin, the North Sea and Norway, is pleased to announce the results of drilling on the Anne Marie exploration prospect (Faroe Petroleum 12.5%), located offshore in Licence 005 in the Faroe Islands, and provide an operational update on drilling on Lagavulin, UK west of Shetlands.

Anne Marie

Well 6004/8a-1 on the Anne Marie prospect was spudded on 23/07/2010 and drilled to a total depth of 3,901m, in 1,106 metres water depth, 190 kilometres south east of Tórshavn. Total depth was reached on 25 October 2010. Hydrocarbons have been found in thin sandy layers dispersed in a thick volcano-clastic sequence of Paleocene age, indicating robust evidence of the presence of an active petroleum system. Further analyses are in progress to evaluate the size and the characteristics of the discovery.

The Norwegian semi-submersible drilling rig Seadrill West Phoenix, which was used for the drilling operation, is expected to plug and abandon the well as planned and move away from the location in the coming days.

The joint venture is composed of Eni Denmark BV as operator with 25% participating interest, Dana Petroleum 25%, OMV 20%, Cieco E&P (Faroe) Limited 12.5%, First Oil Expro 5% and Faroe Petroleum 12.5%.

Lagavulin

The Lagavulin exploration well (Faroe 10%), operated by Chevron, in the UK Atlantic Margin to the west of the Shetland Islands, was spudded earlier this month. The well is being drilled with the Stena Carron drillship operating 230 kilometres (143 miles) north east of Chevron’s Rosebank/Lochnagar discovery. The Lagavulin well will target a number of potential oil bearing reservoirs of pre-Cretaceous to Paleocene age located within a large, elongated four-way structural closure. Lagavulin, which lies across blocks 217/10 and 210/14 and 15, has a reserve potential of more than 500 million barrels of oil equivalent, classing Lagavulin as one of the largest undrilled structural closures on the Atlantic Margin. The well is expected to take around 120 days to complete from spud.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“Whilst we did not encounter thick reservoir sands at the Anne Marie well location, the discovery gives us significant encouragement to continue exploration efforts in this licence, which we have held together with ENI for over 10 years.”

“Our high impact exploration programme continues with the drilling of Lagavulin, and Faroe’s ongoing multi-well exploration drilling programme will carry on through 2011 and beyond as we push forward to test our substantial northern seas portfolio of over 40 significant licences, to which we have this week added a further four, as operator, awarded under the UK’s 26th Licensing Round.”



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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 opportunities, with significant stakes and a fully funded, dynamic 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 over 40 licences located in the West of Shetlands, offshore the Faroe Islands, the UK North Sea and Norway. Faroe Petroleum has one of the largest portfolios in the Atlantic Margin area. In addition Faroe Petroleum 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 has had considerable exploration success in 2009 and 2010 with significant discoveries in the Glenlivet and Tornado prospects, both located in the UK west of Shetlands area, and with the Fogelberg and Maria discoveries in the Norwegian Sea.

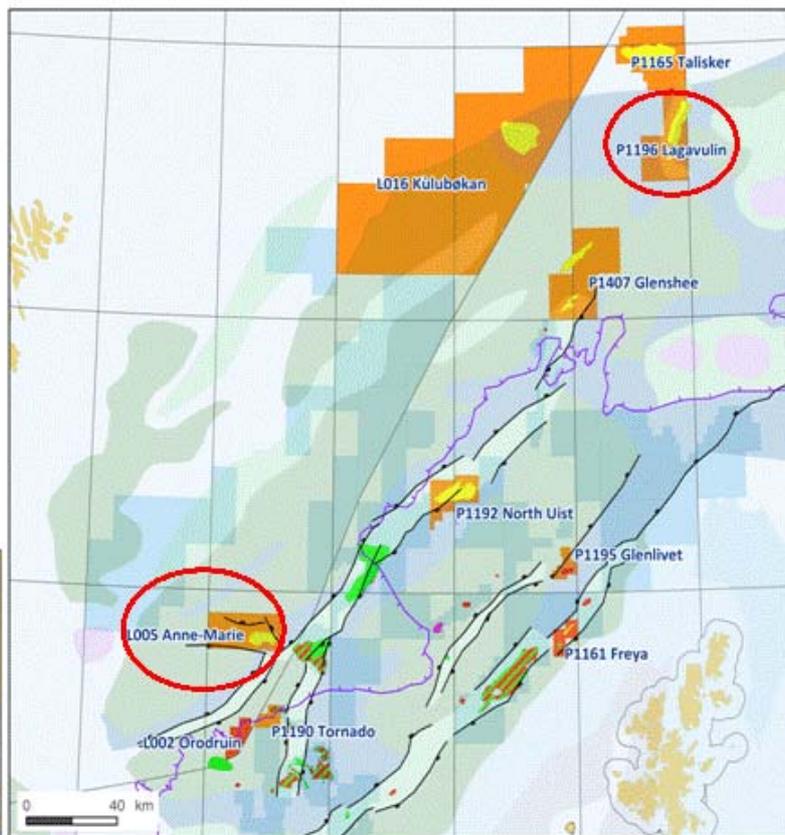
Faroe Petroleum announced on 26 October the acquisition from ENI of an 18% equity interest in the producing Blane oil field in the North Sea. This acquisition, which is subject to joint venture partner consent, the resolution of pre-emption rights and regulatory approval, is designed to significantly increase the Company's oil and gas revenue generation capacity. Blane is a good quality oil field with low operating costs, material potential upside and is very tax efficient for Faroe Petroleum, providing shelter for both past and future tax losses and eliminating the Capital Gains Tax liability from the sale of Breagh.

As a central element of the Company's business model, ensuring the sustainability of its continuing drilling programme, Faroe Petroleum actively participates in licensing rounds in its core areas. On 28 October the Company was awarded four new exploration licences in the UK West of Shetlands area, in the UK's 26th



Licensing Round, with significant participating interests and as operator in each licence. These licences cover a large area, extending over some 23 blocks or part blocks.

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 and is a leader in oil and gas exploration and appraisal, focused on creating exceptional value for its shareholders.



Location of Anne Marie and Lagavulin



Faroe Petroleum

UKCS 26th Round Awards

