

30 November 2010

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

Rig Secured for Clapton - Operated Licence (PL440S)

Faroe Petroleum, 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 that it has signed a rig contract securing the Maersk Guardian jack-up rig to drill the Clapton prospect in late 2011 or early 2012. Earlier this month, Faroe was approved by the Norwegian authorities and its licence partners as the operator of licence PL440S where the Clapton exploration well has been committed.

Faroe Petroleum has increased its stake in Licence PL440S from 20% to 40%, the remaining co-venturers being Det norske oljeselskap (whose stake has decreased from 30% to 10%), Norwegian Energy Company (12%), Lundin (18%) and Dana (20%).

The Clapton prospect is formed on the edge of a salt induced structure referred to as the Mode Dome which was previously explored in the 1980s. The main targets in the structure are the Upper Cretaceous Hod, Tor and Ekofisk formations, which is a proven reservoir in the Central Graben both in Norway and UK.

Faroe Petroleum recently raised £60m net through a placing of new shares. This ensures the Company is well funded to take forward its exploration programme including the Clapton well. In addition in Norway, the Company benefits significantly from the Norwegian tax regime under which 78% of exploration and appraisal-related expenditure is reimbursed in the following tax year, which in turn is supported by the Company’s revolving credit facility with Bank of Scotland.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce that we will be operating our first well in Norwegian waters. The significant Clapton prospect was identified and mapped by Faroe Petroleum for the 2006 APA license round and lies in a very prolific area close to the Ekofisk, Valhall and Eldfisk giant oil fields. Clapton is a good example of an opportunity which Faroe has taken up the value chain; from identification, licence award, mapping, derisking, securing the operatorship and finally drilling.”

“We recently announced that we have provisionally been awarded four new exploration licences west of Shetland under the UK 26th Licensing Round, all with significant participating interests and as operator. The Clapton transaction and these new awards are significant steps for the Company and are in line with the Company’s ambition to hold bigger stakes and be the operator of key assets. “

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For further information please contact:

Faroe Petroleum plc
Graham Stewart

Tel: +44 1224 650 920



Panmure Gordon (UK) Limited
Katherine Roe/Callum Stewart

Tel: +44 20 7459 3600

Oriel Securities Limited
Michael Shaw/ Ashton Clanfield

Tel: +44 20 7710 7600

Financial Dynamics
Billy Clegg/Edward Westropp

Tel: +44 20 7831 3113

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 more than 40 licences located in the West of Shetlands, offshore the Faroe Islands, the UK North Sea and Norway. 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 proprietary technical teams at the leading edge of seismic and geological interpretation, reservoir engineering and field development.

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 is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger and Torshavn. The Company has a highly experienced team of professionals focused on creating exceptional value for its shareholders.