

19 January 2011

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

New exploration licences awarded in Norway

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 been offered three new prospective licences in the Norwegian Sea under the 2010 Norwegian APA Licence Round.

Licence PL475CS, Blocks 6406/3 (part) and 6507/10 (part) – ‘Maria Extension’ (Faroe Petroleum 30%, Wintershall Norge ASA 25% (operator), Concedo ASA 10%, Spring Energy Norway AS 15%, Centrica Resources (Norge) 20%). Faroe Petroleum has been awarded a 30% interest in PL475CS, which contains the northern and southern extensions to the Maria Discovery (PL475BS), which was drilled successfully in 2010, resulting in a significant oilfield discovery. In addition, this new licence contains the Migra lead, located to the south of Maria. The work programme will follow the current programme for PL475BS, which has no remaining work commitments.

Licence PL590, Blocks 6507/7 (part), 6507/10 (part) and 6507/11 (part) – ‘Milagro’ (Faroe Petroleum 30%, North Energy (operator) 40% and Wintershall Norge ASA 30%). Faroe Petroleum has been awarded a 30% interest in PL590, which is located to the north of the Maria Discovery and the Santana prospects. The licence area contains a number of promising leads and the Milagro Prospect; which are all located within the Grinda Graben and are potential tie-back candidates to a Maria development. The work programme will include seismic reprocessing and optional seismic acquisition.

Licence PL592 Block 6506/9 (part) ‘Grayling’ (Faroe Petroleum 50%, Centrica Resources (Norge) 50% (operator)). Faroe Petroleum has been awarded a 50% interest in PL592, which is located immediately north of the Fogelberg Discovery (PL433). The area contains the Grayling Prospect within the Lower Cretaceous sands, analogous to the T-Rex Prospect, which is scheduled to be drilled in the second quarter of 2011. The work programme includes seismic reprocessing and other geological studies. A discovery in this licence could be potential tie-back candidates to a Fogelberg development.

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

"Faroe Petroleum is very pleased to have been awarded these prospective licences in the 2010 Norwegian APA licensing round. As well as continuing our successful relationships with Wintershall and Centrica, we have also been awarded substantial equity interests in each licence.

"These new licences contain some attractive new prospects in close proximity to the Company's existing 2010 Maria and Fogelberg discoveries on the Halten Terrace."

Ends



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Andrew Roberts, who is a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester university), Exploration Manager of Faroe Petroleum Norge AS and 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.

Faroe Petroleum 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 Norway's Norwegian Sea.

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



Location map

