

15 April 2011

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

**Faroe Petroleum awarded important new licence in Norwegian Barents Sea**

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 the 21<sup>st</sup> Norwegian Licence Round award of its second licence in the Norwegian Barents Sea, as announced by the Norwegian Ministry of Petroleum and Energy.

The new licence covers an area of approximately 2100 square kilometres and is located within blocks 7223/3, 6 and 7224/1, 2, 3, 4 & 5. This is the largest single licence awarded within the Barents Sea in this round. The main Kvalross Prospect consists of a wedge of clinoforms contained within a large structural closure. This new licence area is located to the east of the recent significant Statoil discovery, Skrugard, and immediately adjacent to Faroe Petroleum’s Samson Dome licence, which has now completed the acquisition and processing of an extensive 3D seismic survey.

The new licence partners are Faroe Petroleum (40%), together with Wintershall (40% and operator) and Petoro (20%). The licence work programme involves the acquisition of 3D seismic data, with a decision to drill to be taken within three years.

Graham Stewart, Chief Executive of Faroe, commented:

“Faroe was awarded its first licence in the Barents Sea in the 20<sup>th</sup> Norwegian Licensing Round. Since then, our team has continued its efforts to identify new high quality exploration prospects in the Barents Sea, and we are therefore delighted to have been awarded our second prestigious licence in the highly competitive 21<sup>st</sup> Licensing Round. Our team has considerable experience in the Barents Sea, which is becoming an increasingly important oil province, with the Goliat oil field development now underway, and recently, a new large oil discovery by Statoil on the Skrugard prospect. The Barents Sea is an area which complements our strategic position in the Atlantic margin area of West of Shetlands and the Faroe Islands and secures further highly prospective exploration acreage for the Company. Of the 17 wells in the Company's exciting, fully funded 2011 to 2013 drilling programme, 13 are planned to be drilled in Norway, clearly demonstrating Faroe's continuing commitment to create further value in Norway.”

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## 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 the Company 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 is continuing to drill the deep water, high impact Lagavulin prospect West of Shetland, together with operator Chevron. Results are expected from this well in the coming weeks

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.

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.



# Faroe Petroleum

Barents Sea

