

11 January 2012

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

Drilling of Kalvklumpen exploration well commences

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 drilling has commenced on the Kalvklumpen Prospect (Faroe 20%), located in the Norwegian North Sea.

The Kalvklumpen Prospect (block 25/6) is situated east of the abandoned Frøy Field and the recent Atla discovery (Total). The 25/6-4 S Kalvklumpen well is targeting sandstones of the Paleocene Hermod Formation and the Jurassic Brent Group.

The drilling operation will be undertaken by Det Norske Oljeselskap as operator (40% participating interest), using the Songa Delta drilling rig.

The PL 414 licence was awarded to Faroe Petroleum in the APA 2006 licensing round.

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

“We are pleased to announce the spudding of the Kalvklumpen well, the first of our multi-well 2012 exploration drilling programme which includes North Uist (UK, west of Shetlands), Clapton (Norway), Cooper (Norway) and Rodriguez (Norway).”

“Meanwhile, the Norwegian Butch discovery well is being brought to a close and operations on the Norwegian T-Rex exploration well continue. We look forward to providing further updates on progress over the coming period.”

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Jan-Tore Paulsen, Exploration Manager Norway of Faroe Petroleum and a Geophysicist (MSc. in Geophysics from University of Bergen), who has been involved in the energy industry for 15 years, has read and approved the technical disclosure in this regulatory announcement.

All reserve and resource estimates have been compiled in accordance with the 2007 Petroleum Resources Management System produced by the Society of Petroleum Engineers.

Notes to Editors

The Company 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. Faroe 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's 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. In addition Faroe now has interests in 10 producing oil and gas fields in the UK and Norway, including the 2011 acquisitions of an interest in the Blane oil field in the UK and interests in the Brage, Hyme, Njord, Ringhorne East and Jotun fields in Norway.

Faroe Petroleum plc is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger and Torshavn. The Company is well financed with a fully funded drilling programme extending into 2013 and has a highly experienced technical team at the leading edge of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.



Location Map for licences PL414
Showing location of Kalvklumpen well

