

26 March 2012

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

**North Uist exploration well commences West of Shetland**

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 North Uist prospect, West of Shetland (Faroe 6.25%).

This deep water exploration well (Blocks 213/20b, 214/16b, 213/25C) is located near to Chevron's Rosebank oil discovery, also on the Corona Ridge, West of Shetlands. There are several reservoir objectives the most significant of which is North Uist at the Upper Jurassic level. Shallower in the section the well will also test the edge of the Cardhu prospect where sandstones of Paleocene age may be present.

To manage the high well costs in this region, Faroe has secured a financial carry of a portion of the well costs through farm-out arrangements.

The drilling operation will be undertaken by BP Exploration Operating Company Limited (47.5% interest) using the Stena Carron drilling rig. The other joint venture partners are CIECO Exploration and Production (UK) Limited (6.25%), Idemitsu Petroleum UK Ltd (5%) and Nexen Petroleum U.K. Limited (35%).

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

“We are very pleased to announce the spudding of this frontier exploration well in one of our core areas. The North Uist prospect offers significant resource potential and is in close proximity to a number of important discoveries on the Atlantic Margin Corona Ridge, including Rosebank and Cambo.”

“As we progress our exploration drilling programme, in Norway, we are looking forward to the commencement of the Faroe operated Clapton exploration well in the Norwegian North Sea (Faroe 40%) along with the Cooper exploration well on the prolific Halten Terrace in the Norwegian Sea (Faroe 30%).”

For further information please contact:

Faroe Petroleum plc  
Graham Stewart, CEO

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

FTI Consulting  
Billy Clegg/Edward Westropp

Tel: +44 20 7831 3113



Ian Wilson, Exploration Manager U.K. of Faroe Petroleum and a Geologist (PhD in Earth Sciences from University of Leeds), who has been involved in the energy industry 25 years, has read and approved the technical disclosure in this regulatory announcement.

#### **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.



# Faroe Petroleum

## North Uist

