

23 August 2012

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

**Acquires 12.5% interest in Barents Sea Licence PL531 containing the Darwin Prospect**

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 acquired a 12.5% interest in the Darwin prospect in PL531 in the Norwegian Barents Sea.

The Darwin prospect is a high impact wildcat exploration well located on the Veslemøy High in the frontier western part of the Barents Sea. The prospect is a large closure at multiple levels, which is contained within the PL531 licence and located approximately 60 to 80 kilometres to the south west of the recent Statoil Skrugard and Havis oil discoveries. Multiple targets have been identified on 3D seismic. The first exploration well, expected to spud earliest end December 2012, will test the main Darwin prospect and will contribute towards further de-risking of the large upside potential in the remainder of the licence area.

The acquisition of this share in PL531 is an important step towards Faroe’s ambition of building a strategic position in the Barents Sea and builds on our two large existing licences in the Bjarmeland basin further to the East.

Faroe has agreed to carry Talisman Energy Norge AS’ retained 12.5% share of base well cost obligations in respect of the well, in return for a 12.5% share in the licence. Faroe’s costs in respect of this farm-in will be satisfied from existing cash resources.

The drilling operations will be operated by Repsol Exploration Norge AS (20%) using the Aker Barents semi-submersible drilling rig. The other joint venture partners are Talisman Energy Norge AS (25%, retained 12.5%), Marathon Oil Norge AS (10%), RWE Dea Norge AS (25%) and Concedo ASA (20%).

The agreement is subject to approval by the Ministry of Petroleum and Energy in Norway.

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

“We are very pleased to announce this farm-in, which secures Faroe a stake in an attractive, high impact, wildcat exploration well. With drilling operations due to begin around the end of the year, this adds a further exciting well to our already substantial drilling programme and gives us access to our first exploration well in the highly prospective Barents Sea. Licence PL531 is an important new position in the promising western part of the Barents Sea - an area where a major breakthrough was achieved last year with the giant Skrugard oil discovery and which is expected to be highly competed for in the upcoming 22<sup>nd</sup> Licensing Round.”

For further information please contact:

Faroe Petroleum plc  
Graham Stewart, CEO  
Helge Hammer, COO

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

Ida Veland, the Norwegian Business Development Manager of Faroe Petroleum Norge AS and an MSc in Petroleum Engineering from Norwegian University of Science and Technology, 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 Atlantic Margin, 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 fields in Norway.

Faroe Petroleum plc is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger, London 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.



### PL531 Darwin location map

