

15 October 2012

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

**Spaniards East exploration well commences in UK Central North 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 spudding of the Spaniards East exploration well (Faroe 8.4%).

The Spaniards East prospect is located on Block 15/21a, to the South of the Perth field (Faroe 34.62%) and close to the producing Scott field in the Central North Sea. The well, which is targeting Upper Jurassic reservoirs, is expected to take approximately 40 days. The Spaniards East well spudded on 14 October 2012 by the Will Phoenix semi-submersible drilling rig.

The drilling operations are being undertaken by Premier Oil as operator. The other joint venture partners are Serica Energy, Cairn Energy, Parkmead, Maersk Oil and Atlantic Petroleum. Faroe Petroleum has a free-carried interest of 8.4% in the Spaniards East well and will not be required to make any cash contribution to the dry-hole cost of this first well.

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

“We are pleased to announce the spudding of this exploration well adjacent to the Perth field, which will be drilled without cost to Faroe Petroleum.”

“In the meantime Faroe is participating in three further exploration wells scheduled to be drilled in the next six months in both UK and Norwegian waters and we await the results from the BP operated North Uist well, West of Shetland.”

- Ends -

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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 50 licences located in the Atlantic margin (West of Shetlands), the UK North Sea and Norway. In addition Faroe has interests in 10 producing oil and gas fields in the UK and Norway, including interests in the Blane oil field in the UK and the Brage, Hyme, Njord, Ringhorne East and Jotun oil and gas 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 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

## P1655 Spaniards - Location map

