

26 October 2012

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

**Faroe Petroleum awarded several new licences on the UK Continental Shelf**

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 provisionally been awarded seven new exploration licences on the UK Continental Shelf in the UK's 27th Offshore Licensing Round.

**Grouse Extension (Blocks 217/14 & 217/15) – Faroe Petroleum 37.5% and operator**

This west of Shetland traditional licence is located in the North of the Faroe-Shetland Basin. The blocks contain the extension of the Company's existing Grouse prospect, a large structural and stratigraphic trap within post-basalt strata, in a new exciting exploration play in the west of Shetland area. The licence work programme for the Grouse Extension is to be confirmed but it is anticipated that it will tie in with the programme for the existing Grouse licence.

**Glenfarclas (Blocks 208/21 (part), 208/26 & 214/30d) – Faroe Petroleum 33.34% and operator**

This west of Shetland traditional licence is situated on the south-eastern flank of the Faroe-Shetland Basin to the North of the Glenlivet gas discovery in which Faroe Petroleum has a 10% interest. The Glenfarclas Prospect is a large structural and stratigraphic trap of Palaeocene age, and exhibits an amplitude anomaly. The licence work programme for Glenfarclas involves reprocessing 3D seismic data and additional geotechnical studies, prior to making a drill or drop decision.

**Dunvegan (Blocks 205/16b (part), 205/17 (part), 205/21c & 205/22b) – Faroe Petroleum 50% and operator**

This west of Shetland traditional licence is situated at the southern end of the Faroe-Shetland Basin. Dunvegan and the associated leads are combined structural and stratigraphic traps within Lower Cretaceous strata, associated with strong seismic amplitudes and located within a regional three-way closed structure. The licence work programme for Dunvegan involves shooting new long offset 2D seismic data and additional geotechnical studies, prior to making a drill or drop decision.

**Ribbon (Block 206/7b) – Faroe Petroleum 50%**

This west of Shetland Traditional licence, to be operated by E.ON E&P UK Limited, is situated on the eastern flank of the Faroe-Shetland Basin, adjacent to the Clair oil field. Prospectivity has been identified within both Palaeocene and Cretaceous strata. The licence work programme involves reprocessing 3D seismic data and additional geotechnical studies, prior to making a drill or drop decision.

**Blocks 29/12 (part), 29/13 (part) & 29/14 – Faroe Petroleum 33.33%**

This Central North Sea Traditional licence, to be operated by Endeavour Energy (U.K.) Limited, is located on the southern margin of the Central Graben. A number of leads have been identified at both Palaeocene and Jurassic levels. The licence work programme involves obtaining and reprocessing 2D seismic data and additional geotechnical studies, prior to making a drill or drop decision.



### **Greater Perth Area Block 15/16e – Faroe Petroleum 33.33%**

This traditional licence, to be operated by DEO Petroleum Exploration Limited, is located in the Outer Moray Firth, north-east of the Perth oil field, in which the partners hold an interest. Prospectivity has been identified within Upper Jurassic strata and is to be de-risked through a work programme comprised of obtaining and reprocessing 3D seismic data, in addition to other geotechnical studies, prior to making a drill or drop decision.

### **Blocks 3/28c & 9/3e – Faroe Petroleum 50%**

This traditional licence, to be operated by RWE Dea UK SNS Limited, is located on the western edge of the Northern North Sea Viking Graben to the north of the BP operated Bruce field. Prospectivity has been identified within the Palaeocene section in an exciting new play concept for the area. The licence work programme involves reprocessing of 3D seismic data and additional geotechnical studies, prior to making a drill or drop decision.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“I am very pleased to report these new licence awards in both the Atlantic Margin and the North Sea. We have secured a number of significant new leads and prospects in a variety of geological settings which compliment and further diversify our extensive exploration portfolio”.

“In the meantime we await the results of the two UK exploration wells currently being drilled namely the West of Shetland N.Uist well (6.25%) and the North Sea Spaniards East well (8.4%).”

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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 7886 2500

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 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.