

31 January 2013

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

Confirmed discovery at the secondary target from the Rodriguez exploration well

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 further results from the Rodriguez exploration well in PL475 (6407/1-6S) (Faroe 30%) have confirmed a significant gas condensate discovery in the Lower Cretaceous interval.

On 16 January 2013, the Company announced that hydrocarbons may be present in the well’s secondary target, the shallower Lower Cretaceous intervals, where samples had been acquired and were the subject of further analysis. The Operator has now confirmed the discovery of moveable hydrocarbons in these sandstone layers in the Lange formation, which contain an estimated gas condensate column of nine metres net pay and where it is interpreted that we have penetrated the reservoir at the edge of its lateral extent. The Operator’s preliminary volumetric estimates of the size of the discovery are between 19 and 126 million barrels of recoverable oil equivalent (net to Faroe c.6 - 38mmboe). This is the first exploration well drilled on the Rodriguez license PL475 and further appraisal will be required to establish the lateral extent and size of this discovery.

Faroe Petroleum already has the Fogelberg gas discovery in the Norwegian Sea, which is being matured towards a development decision to coincide with gas export capacity becoming available in the Norwegian pipeline system in a few years time. In this context, it is noted that the Norwegian Authorities have recently proposed a significant reduction in gas transportation tariffs for new gas field developments. This proposal is now in a consultation process, to be completed by 15 March 2013. If introduced, this change to tariffs would significantly improve project economics both of Fogelberg and this new gas condensate discovery.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce this gas condensate discovery on the secondary target of this Norwegian Sea exploration well. This significant discovery gives the partnership a good indication of further upside potential on the rest of the licence block with at least two further matured and partially de-risked prospects and we look forward to its further appraisal.

“We have an active 2013 exploration drilling programme which includes several high impact exploration wells including Darwin (Barents Sea), Novus (Norwegian Sea) and two Butch wells (Norwegian North Sea).”

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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

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

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, Norwegian Sea, Barents Sea and offshore Iceland. Faroe Petroleum has extensive experience working with major and independent oil companies and its joint venture partners include BP, Centrica, DONG, E.ON Ruhrgas, GDF, OMV, Repsol, RWE Dea, Statoil and Wintershall.

The Company's licence portfolio provides considerable spread of risk and reward, encompassing over 60 licences. It currently has interests in five principal producing oil and gas fields in the UK and Norway, including interests in the Blane oil field and Schooner gas field in the UK, and interests in the producing Njord, Brage and Ringhorne East fields in Norway.

On 15 January 2013 the Norwegian Ministry of Petroleum and Energy announced a consultation process for a significant reduction in tariffs for new gas and condensate fields which, if implemented, would have a material impact on their associated economics. The consultation process is due to be completed by 15 March 2013.

Faroe Petroleum 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 in 2013 and has highly experienced technical teams who are leaders in the areas of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.



Faroe Petroleum

PL475 Rodriguez South

