

18 September 2013

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

Snilehorn exploration well commences in the Norwegian 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 Statoil-operated Snilehorn exploration well 6407/8-6 (Faroe 7.5%).

The Snilehorn prospect is located four kilometres from the Hyme producing oil field (Faroe 7.5%) in the Norwegian Sea. Hyme produces into the Njord field facilities (Faroe also 7.5%).

The well and a planned side-track will target oil and gas in the Jurassic Ile, Tilje and Åre Formations (analogous to the Hyme reservoir) and, if successful, the plan is to fast-track a development along similar lines to the Hyme development. The water depth is 282 metres and the well is planned to be drilled to a total depth of approximately 3,205 metres. The drilling operations are being undertaken by Statoil (50%) utilising the Songa Trym rig.

Graham Stewart, Chief Executive, Faroe Petroleum commented:

“We are pleased to announce the spudding of the Snilehorn exploration well, the first of our six well programme which, if successful, offers an opportunity to add new production at a low cost through a fast-track tie-back to the nearby Hyme field in which Faroe also participates with 7.5%.

“We now look forward to one of our most exciting periods ahead, with a long programme of fully-funded high impact exploration and appraisal wells planned, in which we have material equity stakes. The programme commences with the Snilehorn well and has the potential to generate considerable shareholder value.”

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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, diversified 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 some 60 licences. Faroe has a very active drilling programme ahead and it currently has interests in four principal producing oil and gas fields in the UK and Norway, including interests in the Blane oil field in the UK, and interests in the producing Njord, Brage and Ringhorne East fields in Norway, which collectively produced on average 7,200 boepd (economic production) in 2012.

Faroe announced in January 2013 a significant discovery in the Rodriguez prospect located on the Halten Terrace, in the Norwegian Sea. The discovery was made in the Lower Cretaceous, and led to the decision to fast-track drilling of the forthcoming Solberg well.

Norway operates a tax efficient system which encourages exploration, through reimbursement of 78% of costs in the subsequent year.

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 from a strong cash reserve, excellent cash flow and largely undrawn \$250m borrowing base facility, with a fully funded drilling programme in 2013 and beyond. Faroe 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.