

26 February 2013

**Faroe Petroleum plc  
("Faroe Petroleum" or the "Company")**

**Project update and sell-side investment analyst site visit in Norway**

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 provide a project update and announce that it is hosting a site visit for sell-side investment analysts this week in Stavanger, Norway.

**Hyme Oil Field (Norwegian Sea) – production commences (Faroe 7.5%)**

Production has commenced on the Statoil operated Hyme oil field in the southern part of the Norwegian Sea. This field ties back to the Njord A platform, which is located 19 kilometres away, in which Faroe also holds a 7.5% interest.

The Hyme field was discovered in June 2009 and has been developed through a dual-lateral production well and a water injection well, drilled through a sub-sea template. The installation of five new risers and modifications to the Njord A platform to receive Hyme production also formed part of the development. The operator estimates that the Hyme field contains approximately 30 million barrels of oil equivalent (mboe) (net to Faroe 2.25 mboe), predominantly oil, and expects the field to extend the production life of the Njord field to beyond 2020.

First oil has taken just over two years from the development decision and has been delivered on schedule and on budget of approximately NOK 4.5 billion (Faroe net share approximately £37.5m). Faroe has funded its share of the development costs from cash flow generated from its producing interests. It is expected that the field will generate between 10-15% of the Company's estimated 2013 daily production.

The partners in the Hyme development are Core Energy AS (17.5%), VNG Norge AS (2.5%), E.ON Ruhrgas Norge AS (17.5%), GDF Suez E&P Norge AS (20%) and Statoil Petroleum AS (35% and operator).

**Darwin exploration well (Norwegian Barents Sea) – rig on contract (Faroe 12.5%) for near-term spud**

The Aker Barents semi-submersible drilling rig is now on contract and the spudding of the high impact wildcat Darwin exploration well (7218/11-1) (Faroe 12.5%), acquired from Talisman Energy Norge AS in August 2012, is expected shortly.

The Darwin prospect is located on the Veslemøy High in the frontier western part of the Barents Sea approximately 60 to 80 kilometres to the south west of the recent significant Statoil Skrugard and Havis oil discoveries. Multiple targets have been identified on 3D seismic and this well will test the main Darwin prospect and contribute towards further de-risking of the large upside potential in the remainder of the licence area.

The drilling operations are being operated by Repsol Exploration Norge AS (20%) and the other joint venture partners are Talisman Energy Norge AS (12.5%), Marathon Oil Norge AS (10%), RWE Dea Norge AS (15%), Det norske oljeselskap ASA (10%) and Concedo ASA (20%).



## **Sell-side investment analyst visit to Norway this week**

A sell-side analyst visit is taking place this week on 26–27 February in Stavanger, Norway. The event, which is expected to be very well attended, will include presentations by Faroe's management and operational team and will allow the analysts to gain a deeper understanding of the licence portfolio and the Company's growth strategy. A supporting presentation, which includes the above new material information, will shortly be made available on our web site.

- Ends -

Graham Stewart, Chief Executive of Faroe Petroleum commented:

“We are delighted to see the Hyme oil field come on stream on schedule and on budget. This important, high quality field, will provide a significant boost to our production income and funding for the forward programme, while also extending the field life of Njord.”

“The Darwin well is the next frontier well in our drilling programme, and our first in Norwegian waters of the Barents Sea. Darwin is a very exciting prospect, and follows only a few months after Statoil's nearby successes with the giant Skrugard and Havis oil discoveries. In the meantime, we await the near term results of another frontier well, North Uist, located west of Shetland, which has suffered lengthy delays due to technical drilling difficulties.”

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## 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 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.

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.