

4 July 2007

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

Breagh rig contract

Faroe Petroleum, the AIM listed oil and gas company focusing on exploration, appraisal and undeveloped field opportunities in the Atlantic Margin, the North Sea, the Southern Gas Basin and Norway, announces that a rig contract has been entered into with AGR for the drilling of the Breagh appraisal well located in Block 42/13 in the Southern North Sea Gas Basin (“SNS”). Faroe Petroleum has a 10% interest in this Sterling Resources operated discovery.

The Breagh appraisal well is scheduled to spud in September and will be drilled by the ENSCO 85, which has an established track record of drilling in the SNS. A further announcement will be made to the market when the actual spud date is known.

- Ends -

For further information, call:

Billy Clegg/Edward Westropp, Financial Dynamics

020 7831 3113