

21st June 2007

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

Faroe Petroleum Achieves First Production from Minke Main Gas Field

Faroe Petroleum, the independent oil and gas company focusing on exploration, appraisal and undeveloped field opportunities in the Atlantic Margin, North Sea and Norway, is pleased to announce the start-up of gas production from the Minke Main gas field in the Southern North Sea.

The Minke Main field (in block 44/24a) is located in the UK Southern Gas Basin, near to the UK-Dutch median line, approximately 25 kilometres east of the producing Caister-Murdoch gas fields and 13 kilometres south west of the D15 platform in the Dutch sector. Located in 45 metres of water, the field is operated by GDF Britain and has been developed as a single well sub-sea tie-back to the D15 platform facilities located offshore Holland. Net reserves attributable to Faroe Petroleum in respect of Minke Main are estimated to be 2.57 billion cubic feet of gas.

Production from the field will be 60 million standard cubic feet of gas per day equating to approximately 600 barrels of oil equivalent per day net to Faroe. The gas will be transported via a new 15 kilometre pipeline to the Dutch D15 platform (operated by the Gaz de France affiliate GDF ProNed), where it enters the existing NGT Pipeline System for delivery at Uithuizen in the Netherlands. Faroe Petroleum has entered into a gas sales agreement with Gaz de France S.A. to buy its equity share of gas under a traditional oil-indexed contract.

The ownership interests in the Minke field are GDF Britain Ltd (15.6% and operator), E.ON Ruhrgas UK Median Limited (42.7%), RWE Dea UK (35.8%) and Faroe Petroleum (U.K.) Limited (5.9%).

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“I am delighted that Faroe Petroleum has secured its first production, which represents a significant milestone for the Company. We have brought to fruition the first step towards generating strong cashflow designed to make a material contribution towards financing our exploration and appraisal activities focused on the UK and Faroese Atlantic Margin, the North Sea and Norway.

GDF have done an excellent job bringing this challenging field safely to production with the well achieving production rates up to 75 million standard cubic feet of gas per day on test when drilled. Minke Main is one of three undeveloped gas field discoveries we acquired in mid 2006 from ConocoPhillips as a package of licence interests. The other two undeveloped discoveries in the package are the adjacent Minke Graben, which may be drained through Minke Main, and the Orca gas fields with two tested discovery wells. These fields offer considerable additional reserve and value potential to Faroe Petroleum, and development decisions for them are anticipated later this year.”

Ends

Note

David Ramsay, Asset Manager at Faroe Petroleum, who is a Petroleum Engineer (MEng degree in Petroleum Engineering from Heriot-Watt university (1991)), and who has been involved in the energy industry for more than 18 years, has read and approved the technical disclosure in this regulatory announcement.

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Notes to Editors

The Company is actively building a balanced portfolio of operated and non-operated exploration and appraisal properties, with significant stakes and an active work programme. Faroe Petroleum has through successive licence applications and acquisitions built a substantial portfolio of exploration and appraisal assets in the Atlantic Margin, the UK and Norwegian North Sea and Norwegian Sea. The 34 licence portfolio provides considerable spread of risk and reward, encompasses eight licences West of Shetlands, five licences offshore the Faroe Islands, seven licences in the Moray Firth area of the UK Central North Sea, seven licences in the Southern gas basin and seven licences in the Norwegian North Sea and Norwegian Sea. The Company operates five of its Atlantic Margin licences and four of its North Sea licences. Faroe Petroleum joint venture partners include BP, Chevron, Conoco Phillips, DONG, DSM, Eni, E.ON Ruhrgas, GDF, Oilexco, OMV, RWE, Shell and Statoil all of which have an outstanding track record in oil and gas exploration and development.

Faroe Petroleum is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and has its headquarters in Aberdeen, UK. Faroe Petroleum has a highly experienced team of professionals focused on creating exceptional value for its shareholders. The company recently enhanced its capability through the establishment of a new Norway based team in Stavanger, designed to capitalise on the significant opportunities in that region; most of this new team joined Faroe from Paladin Resources Norge following Paladin's acquisition by Talisman in 2006.