

**Faroe Petroleum plc (“Faroe Petroleum”, “Faroe” or the “Company”)  
UK 24<sup>th</sup> Licensing Round Awards**

Faroe Petroleum, the AIM quoted oil and gas company focusing on exploration and development opportunities in the Atlantic margin, the North Sea and Norway, announces that it has been awarded five licences, two West of Shetland and three in the North Sea, under the UK 24<sup>th</sup> Licensing Round announced by the Minister of the Department of Trade and Industry today. This award increases the number of licences held by the Company to thirty three, of which it operates nine.

#### HIGHLIGHTS

- five licences including nine blocks and seven part-blocks covering approximately 2,300 sq km gross
- two Licences awarded to Faroe as an operator in its own right
- further joint ventures with Chevron and Oilexco
- six large exploration leads identified on the acreage together with one smaller undeveloped discovery
- three “Traditional” and two “Promote” licences awarded

The following awards have been made:

**Glenshee (Blocks 217/21, 22, 26 & 216/30) – Faroe Petroleum 30%**

This West of Shetland Traditional Licence which has been awarded to Chevron U.K. Limited (70% and Operator) (“Chevron”), and Faroe Petroleum (30%), covers 800 square kilometres and is situated on the prospective Corona Ridge play in close proximity to the 22<sup>nd</sup> Round Talisker licence interest, also held by Faroe and Chevron U.K. Limited. The work programme consists of high technology electro magnetic /telluric acquisition and associated studies.

**Marjun (Blocks 204/16,17,21,22) - Faroe Petroleum 100% and Operator**

This Promote Licence which covers 600 square kilometres is adjacent to the UK Faroes border line and contains an extension of the Faroes Marjun discovery and other exploration leads. The work programme consists of high technology seismic acquisition, and geological studies in the first two years to identify a drilling location and to screen the entire area for prospectivity in advance of a drill or drop decision.

**The Greater Halibut Area**

Oilexco North Sea Limited (“Oilexco”) and Faroe Petroleum drilled the first wildcat exploration well in this under-explored play in 2006 on the North Halibut licence (Well 14/21a-1) in the inner Moray Firth and Oilexco has now taken up its rights to acquire a 55% working interest and operatorship in this Licence. Oilexco and Faroe have been actively working up a regional study of

the play which has culminated in the application for and successful award of the following licences in this core area:

**Halibut Lead A (14/16, 17 part, 21b & 22b, 13/20) – Oilexco (55% and Operator) Faroe Petroleum 45%**

This Traditional Licence which covers 600 square kilometres contains a substantial lead and is situated immediately to the North of the Company's existing acreage on the Halibut Horst, and is directly adjacent to the oil prone Witch Ground Graben.

The work programme consists of shooting new high technology seismic, and geological studies in the first two years to identify a drilling location and to screen the entire area for prospectivity in advance of a drill or drop decision.

**Halibut Area (Block 13/14,15) – Oilexco (55% and Operator) Faroe Petroleum 45%**

This Promote Licence which covers 400 square kilometres contains a substantial lead and is located in a reservoir and oil migration fairway some 20 kilometres to the north west of the Company's existing acreage on the Halibut Horst.

The work programme consists of high technology seismic acquisition, and geological studies in the first two years to identify a drilling location and to screen the entire area for prospectivity in advance of a drill or drop decision.

**Keira (Block 12/29) - Faroe Petroleum 100% and Operator**

This Traditional Licence, located immediately North of the Company's Inner Moray Firth Olivia Licence (Blocks 18/3, 4) covers approximately 200 square kilometres and contains the 12/29-1 oil discovery which tested 38 degree API oil (Beatrice type) from Jurassic reservoir.

There are low risk exploration leads up-dip from this discovery well on block, and an appraisal well will be planned up-dip from the discovery to test both the Jurassic oil column and the exploration potential in the deeper Devonian reservoirs.

The work programme consists of high technology seismic acquisition, and geological studies in the first two years to identify a drilling location and to screen the entire area for prospectivity in advance of a drill or drop decision.

*Graham Stewart, Chief Executive of Faroe Petroleum, commented:*

*We are very pleased with these awards, which have come in the same week as the award of our six new Norwegian licences. These new licences further broaden and improve the balance of our portfolio. We have significantly consolidated our position in the West of Shetlands area as well as in the Moray Firth area of the Central North Sea. The new licences, cover a total area of approximately 2,300 square kilometres, adding greater potential for near term drilling activity in the proximity of infrastructure, and enhancing our potential to create significant value for our shareholders."*

**Enquiries:**

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