

Press Release

09/11/2007

Gas production from the first well at Minke gas field commenced on the 27th June 2007, after a successful drilling and development campaign by the Operator, Gaz de France Britain (GDF). Due to an earlier than expected decline in production, preliminary tests have been carried out on the well by GDF to determine the cause. These tests indicate an event has occurred in the well which has led to restriction in the initially observed reservoir connection. GDF and the field partners, E.ON Ruhrgas and RWE Dea UK, are currently actively working together to determine the cause and take appropriate remedial action. The event is not believed to have significantly affected the gas initially in place (GIIP) in Minke. The well continues to produce at a rate of around 20 mmscfd, approximately 50% lower than expected at this stage.

Faroe Petroleum holds a 5.89% interest in the Minke field, which Faroe Petroleum acquired as a package from ConocoPhillips in 2006, and is the first development of previously undeveloped gas discoveries/fields in Quadrant 44 in the UK Southern Gas Basin. The highly prospective Quadrant 44 benefits from Minke's sub-sea infrastructure, which has been designed to accommodate two wells through tie-in, and thereby optimise access to its export facility through the nearby GDF-operated D15 platform.

Graham Stewart, chief executive commented:

'While this technical setback is disappointing, we remain confident in the Operator GDF and our partners, all of whom are highly experienced in gas field developments, to take appropriate remedial action as appropriate. We are also pleased with the Operator's progress towards a development decision on the nearby Orca gas field (Faroe 5.89% UK Portion), which is expected during 2008.'

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