

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company please forward this document, together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Faroe Petroleum plc

(Incorporated and registered in England and Wales with registered No. 4622251)

Notice of Extraordinary General Meeting

in respect of a

Proposed Placing of 30,612,245 new Ordinary Shares

at 147 pence per share

Nominated Adviser and Joint Broker

PANMURE GORDON & CO

Joint Broker



Your attention is drawn to the letter from the Chairman of Faroe Petroleum plc set out on pages 5 to 9 of this document which contains your Board's recommendation to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of the Extraordinary General Meeting of the Company, to be held at the offices of Financial Dynamics, 26 Southampton Buildings, London WC2A 1PB, England at 2.30 p.m. on 27 December 2007, is set out at the end of this document. You will find attached a Form of Proxy for use at the Extraordinary General Meeting. To be valid, the Form of Proxy should be completed and returned to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to be received no later than 2.30 p.m. on 24 December 2007.

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EXPECTED TIMETABLE

Latest time and date for receipt of completed Forms of Proxy	2.30 p.m. on 24 December 2007
Extraordinary General Meeting	27 December 2007
Dealings in Placing Shares to commence on AIM	28 December 2007
Despatch of definitive share certificates, or CREST accounts credited, by	7 January 2008

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“2006 Act”	the Companies Act 2006
“Act”	the Companies Act 1985 (as amended) and, to the extent in force, the 2006 Act
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM rules for Companies and the AIM Rules for Nominated Advisers published by the London Stock Exchange
“BERR”	the Department for Business Enterprise and Regulatory Reform
“Board” or “Directors”	the directors of the Company whose names are set out on page 5 of this document
“Company” or “Faroe Petroleum”	Faroe Petroleum plc
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 2.30 p.m. on 27 December 2007, notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the Extraordinary General Meeting
“FSMA”	Financial Services and Market Act 2000 (as amended)
“Group”	the Company and its subsidiaries
“Licence Portfolio”	the Company’s participating interests in the licences set out in paragraph 5 of Part II of this document
“London Stock Exchange”	London Stock Exchange plc
“Optionholders”	the holders of options to subscribe for ordinary shares in the Company and/or its subsidiaries
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placing”	the placing of the Placing Shares
“Placing Agreement”	the conditional agreement dated 30 November 2007 between the Company, Panmure Gordon and Tristone Capital relating to the Placing, summary details of which are set out on page 11 of this document
“Placing Price”	147 pence per Placing Share
“Placing Shares”	the 30,612,245 new Ordinary Shares to be issued pursuant to the Placing

“Prospectus Rules”	the Prospectus Rules made by the Financial Services authority with effect from 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004, as revised from time to time
“Resolutions”	the resolutions set out in the notice of Extraordinary General Meeting, which is at the end of this document
“Shareholder(s)”	holder(s) of Ordinary Shares
“Tristone Capital”	Tristone Capital Limited
“UK”	the United Kingdom of Great Britain and Northern Ireland

PART I

LETTER FROM THE CHAIRMAN

Faroe Petroleum plc

(Incorporated and registered in England and Wales with registered No. 4622251)

Directors:

John William Sharp Bentley (*Non-executive Chairman*)
Graham Duncan Stewart (*Chief Executive*)
Roger Witts (*Finance Director*)
Nils Súni Sørensen (*Executive Director*)
Helge Hammer (*MD, Faroe Petroleum Norge AS*)
Meinhard Jacobsen (*Non-executive Director*)

Registered Office:

51 Eastcheap
London
EC3M 1JP

30 November 2007

To Shareholders and, for information only, to Optionholders

Dear Shareholder

Proposed Placing of 30,612,245 new Ordinary Shares and notice of Extraordinary General Meeting

Introduction

Your Board has today announced that the Company has conditionally raised £45 million before expenses (approximately £43 million net of expenses) through a Placing with institutional investors of 30,612,245 new Ordinary Shares in the Company at 147 pence per Ordinary Share. Certain of the Directors are also subscribing for a total of 96,634 Placing Shares at the Placing Price. The purpose of this document is to provide you with further information on the Placing and to convene the Extraordinary General Meeting to seek Shareholder approval for the Resolutions necessary to effect the Placing.

Development of the business to date

The Directors announced, on 10 September 2007, the interim results for the six months ended 30 June 2007, which stated that the Company's portfolio of licences totalled 34: 5 in the Faroes, 20 in the UK, 2 in the Netherlands and 7 in Norway. Since then the Company has announced:

- the acquisition of an 18.75 per cent. interest in the UK Wissey field gas development;
- a farm out of a 12.5 per cent. interest in its Faroes Licence 005 and the granting of an option over 2.5 per cent. of its West of Shetland Cardhu licence;
- the successful drilling and testing of an appraisal well on the Breagh gas discovery in the UK Southern North Sea (10 per cent.);
- the acquisition of interests in the UK Schooner gas field (4.83 per cent.) and Topaz gas field development (7.5 per cent.);
- the swap of interests in the Company's Norwegian Fogelberg exploration licence (15 per cent.) for an interest in PL376 (10 per cent.); and
- a farm in to Faroes Licence 007, where the William well is currently being drilled, and acquisition of interests in the Norwegian Granat exploration licence (10 per cent.) and Trym field development asset (10 per cent.).

Further details of the licences held by the Company and licences to be acquired by it (subject to certain conditions) are set out in paragraph 5 of Part II of this document.

The Company is in the process of relinquishing four UK exploration licences which it has decided, in the normal course of portfolio management and following thorough technical assessment, not to take forward, namely Licence P984 covering Blocks 14/21a, 1422a, Licence P1160 covering Blocks 205/19a, 20a, Licence P1353 covering Blocks 18/3, 4 and Licence P1294 covering Block 14/23a. The Company has satisfied all work commitments in connection with these licences. The Company has also applied to BERR for a deferment of the drill or drop commitment for Licence P1161 covering Blocks 206/5a, 10a, which is otherwise required by 1 December 2007, and in the Faroes the Company is negotiating the extension of its option over a 4.04 per cent. interest in Licence 006, which is otherwise due to expire on 30 November 2007.

The Company has built a strategic position in the Atlantic Margin (UK and Faroes) to become the third largest gross acreage holder in the area. This includes acreage held as a sole licence holder and acreage held through a number of joint ventures with major oil companies (e.g. BP, Chevron, Eni, Shell and Statoil). In addition to the Company's exposure in the UK and Faroes, the Company has now established itself firmly in Norway, being the most successful new entrant in the APA 2006 licensing round, with seven new licences awarded, and has the greatest number of licences in Norway of any oil and gas company trading on AIM. The Directors believe that the Norwegian oil and gas market is significantly under-developed in comparison with the UK North Sea and holds great potential for the Company to create significant additional Shareholder value.

Current business strategy

The Company's business strategy to create value for Shareholders can be summarised as follows:

- to discover substantial hydrocarbon resources West of Shetlands, Faroes and Norway by drilling attractive high-impact exploration wells with material equity stakes;
- to acquire and de-risk promising exploration and appraisal acreage in the wider North Sea and Norway in order to grow the underlying value of the Company; and
- to acquire and exploit development and production assets on sensible metrics to strengthen underlying portfolio value.

The risk/reward profile of the Company's portfolio can be generalised as follows:

- Atlantic Margin: higher-risk with a significant number of high-impact opportunities;
- North Sea: opportunities for lower-risk exploration and the exploitation of appraisal assets; and
- Southern Gas Basin: opportunities for low-risk development and production assets with near term cash flow potential.

The Directors continue to believe that the opportunity for a significant step change in value will only be created through the successful drilling of targeted assets. The Company has prepared a significant drilling campaign across its portfolio with the prospect of drilling 26 wells by the end of 2009. Each of these wells has a different risk and reward profile and the Directors are of the opinion that the drilling campaign, when considered in its entirety, has a good chance of delivering successful results, with accompanying significant increase in the value of the business.

While continuing to pursue the drilling of the exploration portfolio, the Company has been building a portfolio of non-operated gas interests in producing/near producing fields, close to infrastructure in the UK Southern North Sea. The 2006 acquisition of Orca Minke has now been augmented with the acquisition of an interest in the Wissey development (18.75 per cent.) and, as announced earlier today, the acquisition of interests in the Schooner gas field (4.83 per cent.) and the Topaz (7.5 per cent.) gas field development. As such, production risk is being diversified across several fields. Production achieves a number of objectives for the Company, notably cash flow to finance running costs and, in time, work programme costs, the utilisation of accumulated tax losses from exploration activity, which effectively increases the profitability

of production, and the ability to utilise debt finance. The Company's targeted gas acquisitions all benefit from any upside in the gas price and are managed by experienced operators (Gaz de France, RWE and Tullow).

Reasons for the Placing

As the growth of the Company accelerates, especially with the expansion into Norway, the Directors and management team are reviewing a greater number of good-quality investment opportunities which the Board believes will continue to increase shareholder value. This has been demonstrated through the recent acquisitions and farm in transactions completed in the second half of 2007. The Company is seeking an increase in its capital resources to fund this growth and specifically for the following activities:

- increasing the level of exploration and appraisal drilling activity, while maintaining material equity interests by:
 - accelerating the maturing of its existing licences; and
 - farming into attractive exploration and appraisal prospects in Norway and the UK;
- accelerating growth in Norway;
- funding development and production acquisitions (development programmes will be substantially debt financed);
- farming out from a position of financial strength to secure favourable commercial terms; and
- continuing the licence application programme.

The Directors believe that the costs of the above activities require the Company to be appropriately funded. The Company's current strategy will be part funded through a combination of its current cash reserves, bank debt, production revenues and the raising of further equity capital from farm out arrangements. The Directors are proposing to fund the remaining cash requirement of the strategy through the Placing.

Details of the Placing

Subject to the passing of the Resolutions at the Extraordinary General Meeting, the Company is proposing to raise £45 million before expenses (approximately £43 million net of expenses) through the issue of the Placing Shares pursuant to the Placing. The Placing Shares will represent approximately 30 per cent. of the enlarged issued share capital of the Company. Panmure Gordon and Tristone Capital have conditionally placed the Placing Shares with institutional investors at the Placing Price. Certain of the Directors are also subscribing for a total of 96,634 Placing Shares at the Placing Price.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares.

Admission is expected to take place on 28 December 2007. Share certificates in respect of Placing Shares to be held in certificated form are expected to be despatched by no later than 7 January 2008. Placing Shares to be held in uncertificated form are expected to be delivered in CREST by no later than 7 January 2008.

The Placing has only been made to persons falling within article 19 or article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) and who are also qualified investors for the purposes of section 86(7) of FSMA and no other person may now participate in the Placing or rely on any communication relating to it. The offer of the Placing Shares has not been made to the public for the purposes of the Prospectus Rules. This document does not constitute an offer, or the solicitation of an offer, to subscribe for or buy any of the Placing Shares.

Current trading and prospects

The Directors announced on 10 September 2007 the interim results for the six months ended 30 June 2007, since when the Company has entered into contracts to acquire a number of production, development and

exploration assets as set out on page 5. The Company has also mandated a leading oil and gas lending bank to provide a credit facility to finance in part the development assets.

Extraordinary General Meeting

A notice convening the Extraordinary General Meeting to be held on 27 December 2007 at 2.30 p.m. at the offices of Financial Dynamics, 26 Southampton Buildings, London WC2A 1PB, is set out at the end of this document. At this meeting special resolutions will be proposed, *inter alia*, to:

- (a) increase the authorised share capital of the Company from £12,000,000 to £18,000,000 by the creation of an additional 60,000,000 Ordinary Shares;
- (b) authorise the Directors, pursuant to Section 80 of the Act, to allot up to:
 - (i) 30,612,245 new Ordinary Shares in respect of the Placing; and
 - (ii) 42,535,134 new Ordinary Shares following the implementation of the Placing (representing approximately 41 per cent. of the issued share capital of the Company following the implementation of the Placing); and
- (c) disapply statutory pre-emption rights, *inter alia*, in relation to:
 - (i) the Placing; and
 - (ii) the allotment of equity securities for cash up to an aggregate nominal amount of £522,475.80 (representing approximately five per cent. of the issued share capital of the Company following the implementation of the Placing).

The proposed increase in the authorised share capital of the Company to 180,000,000 Ordinary Shares contained in (a) above is necessary to allow for the issue of the Placing Shares and to leave further headroom for any subsequent issues. The allotment authority contained in (b) above is required for the issue of the Placing Shares and any further issues prior to the annual general meeting to be held in 2008. The allotment authority contained in (b) as reduced to approximately 40 per cent. following the implementation of the Placing, represents the following:

- 7,703,414 Ordinary Shares in connection with various employee share options and other option arrangements; and
- 34,831,720 Ordinary Shares equivalent to approximately one third of the issued share capital of the Company following the Placing.

The allotment authorities contained in (b) and (c) above will expire at the Company's forthcoming 2008 annual general meeting and such authorities as will be required on an ongoing basis will be proposed at such time.

Action to be taken

A Form of Proxy for use at the Extraordinary General Meeting by Shareholders is enclosed. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy as soon as possible in accordance with the instructions printed thereon to the Company's registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 2.30 p.m. on 24 December 2007. The completion and return of a Form of Proxy will not affect your right to attend and vote at the Extraordinary General Meeting if you wish.

Additional information

Your attention is drawn to the additional information about the Group set out in Part II of this document.

Recommendation

The Board believes that the Placing is in the best interests of the Company and Shareholders as a whole. The Directors therefore unanimously recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as they intend to do in respect of their own beneficial holdings, which amount in aggregate to 330,861 Ordinary Shares (representing approximately 0.45 per cent. of the current issued share capital of the Company).

Yours faithfully

John Bentley
Chairman

PART II

ADDITIONAL INFORMATION

1. Responsibility statement

The Directors, whose names appear on page 5 of Part I of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Share capital

(a) The authorised and issued share capital of the Company as at the date of this document is as follows:

<i>Authorised</i>		Ordinary Shares of 10p each	<i>Issued</i>	
<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>
120,000,000	12,000,000		73,882,916	7,388,292

(b) The authorised and issued share capital of the Company as it will be following the passing of the Resolutions at the Extraordinary General Meeting and the implementation of the Placing is as follows:

<i>Authorised</i>		Ordinary Shares of 10p each	<i>Issued</i>	
<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>
180,000,000	18,000,000		104,495,161	10,449,516

3. Directors' and other interests

(a) The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the 2006 Act) in the issued and to be issued share capital of the Company are as follows:

<i>Name</i>	<i>No. of Ordinary Shares (pre Placing)</i>	<i>Per cent. of issued share capital (pre Placing)</i>	<i>No. of Ordinary Shares (post Placing)</i>	<i>Per cent. of issued share capital (post Placing)</i>	<i>No. of Ordinary Shares over which options granted</i>
John Bentley	–	–	17,007	0.02	–
Graham Stewart	87,131	0.12	104,138	0.10	2,782,280
Roger Witts	–	–	15,000	0.01	–
Nils Súni Sørensen	228,133	0.31	245,140	0.23	1,100,506
Helge Hammer	9,800	0.01	26,807	0.03	456,848
Meinhard Jacobsen	5,797	0.01	19,403	0.02	–

Save as disclosed above, at the date of this document, no Director has any interest, beneficial or otherwise, in the share capital of the Company or any of its subsidiaries.

(b) Save as disclosed in paragraph 3(a), the Company is only aware of the following persons who, at the date of this document, directly or indirectly, jointly or severally, hold three per cent. or more of the issued share capital of the Company or exercise or could exercise control over the Company. In so far as is known as at the date of this document, their post-Placing holdings are also disclosed below.

<i>Name</i>	<i>No. of Ordinary Shares (pre Placing)</i>	<i>Per cent. of share capital (pre Placing)</i>	<i>No. of Ordinary Shares (post Admission of Placing Shares)</i>	<i>Per cent. of share capital (post Admission of Placing Shares)</i>
Dana Petroleum plc	12,674,629	17.16	17,926,166	17.16
AXA Framlington Investment Mgmt.	11,728,808	15.87	12,511,121	11.97
Fidelity Investments International	–	–	6,122,450	5.86
3i Group Plc	4,347,483	5.88	4,347,483	4.16
Lansdowne Partners Limited Partnership	3,698,120	5.01	6,635,224	6.35
MHR Advisors LLC (see note 1)	3,623,220	4.90	3,623,220	3.47
Henderson Global Investors	3,474,032	4.70	5,390,389	5.16
Cavendish Asset Management	3,401,110	4.60	3,401,110	3.25
RAB Capital	2,982,727	4.04	2,982,727	2.85
Active Capital Trust	2,760,000	3.74	2,760,000	2.64
Artemis Investment Mgmt.	2,358,749	3.19	4,120,729	3.94

Notes:

1. Held in the names of MHR Institutional Partners LP, MHRM LP and MHR Capital Partners LP.

4. Placing Agreement and other arrangements

Under the terms of the Placing Agreement, Panmure Gordon and Tristone Capital have agreed, conditional *inter alia* upon the passing of the Resolutions and upon Admission taking place before 8.00 a.m. on 28 December 2007, or such later time and date as the Company, Panmure Gordon and Tristone Capital may agree being not later than 8 a.m. on 11 January 2008, to use reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price.

The Placing Agreement contains an indemnity and warranties from the Company in favour of Panmure Gordon and Tristone Capital together with provisions which enable Panmure Gordon and Tristone Capital to terminate the Placing Agreement in certain circumstances prior to Admission, including where the warranties are found to be untrue or inaccurate and in certain circumstances of *force majeure*. Under the Placing Agreement the Company has agreed to pay Panmure Gordon and Tristone Capital an overall commission including corporate finance fees of up to five per cent. of the value of the Placing Shares at the Placing Price, plus reasonable legal costs and expenses.

The Company is to pay all other costs, charges and expenses of or incidental to the Placing.

5. Licence Portfolio

As at the date of this document, the Group holds or has contracted to acquire the following interests in oil and gas exploration licences:

<i>Licence No</i>	<i>notes</i>	<i>Blocks/Part Blocks</i>	<i>Area</i>	<i>Interest</i>	<i>Operator</i>
002 – Oroduin		Part Blocks: 6004/12, 16 & 17	Offshore Faroes	100 per cent.	Føroya Kolvetni P/F
005 – Anne Marie	i	6004/1, 2, 3, 6, 7 & 8	Offshore Faroes	12.5 per cent.	ENI Denmark B.V
006 – Brugdan	ii	6105/25 & 30 6104/21 & 26 Part Blocks: 6005/5,6004/1 6104/16 & 17	Offshore Faroes	4.04 per cent.	Statoil Færøylene AS
009 – Sildrekin		6105/22, 23, 24, 26, 27, 28, 29, 6005/1, 2, 3, 4 (part)	Offshore Faroes	10 per cent.	Statoil Færøylene AS
012 – Rannvá		6007/21, 22, 23, 24, 28 (part), 29 (part)	Offshore Faroes	100 per cent.	Føroya Kolvetni P/F

<i>Licence No</i>	<i>notes</i>	<i>Blocks/Part Blocks</i>	<i>Area</i>	<i>Interest</i>	<i>Operator</i>
007 – William	iii	6005/4 (part), 7, 8, 9, 12, 13, 14 (part)	Offshore Faroes	5 per cent.	BP Amoco Exploration (Faroes) Limited
P1196 – Lagavulin		217/10, 14, 15	UK – West of Shetland	10 per cent.	Chevron North Sea Limited
P1165 – Talisker		217/3a, 217/4a, 217/5, 221/28a, 221/29a, 221/30a	UK – West of Shetland	12.5 per cent.	Chevron North Sea Limited
P1192 – Cardhu	iv	213/20, 214/16, 213/25C	UK – West of Shetland	5 per cent.	Shell U.K. Limited
P1190 – Tornado		204/13	UK – West of Shetland	10 per cent.	OMV (U.K.) Limited
P1161 – Freya		206/5a, 206/10a	UK – West of Shetland	100 per cent.	Faroe Petroleum (U.K.) Limited
P1160 – Seonaid	v	205/19a, 205/20a	UK – West of Shetland	100 per cent.	Faroe Petroleum (U.K.) Limited
P984 – Halibut North	v	14/21a, 22a	UK – Central North Sea	45 per cent.	Faroe Petroleum (U.K.) Limited
P1294 – Halibut East	v	14/23a	UK – Central North Sea	100 per cent.	Faroe Petroleum (U.K.) Limited
P1353 – Olivia	v	18/3,4	UK – Central North Sea	100 per cent.	Faroe Petroleum (U.K.) Limited
P1404 – Halibut West		13/25	UK – Central North Sea	50 per cent.	Faroe Petroleum (U.K.) Limited
P1407 – Glenshee		217/21, 22, 26 & 216/30	UK – West of Shetland	30 per cent.	Chevron North Sea Limited
P1552 – Marjun		204/16, 17, 21b, 22b	UK – West of Shetland	100 per cent.	Faroe Petroleum (U.K.) Limited
P1457 – West Athena		14/16, 17a, 21b & 22b, 13/20	Central UK North Sea	45 per cent.	Oilexco North Sea Ltd
P1498 – West Claymore		13/14, 15	UK Central North Sea	45 per cent.	Oilexco North Sea Ltd
P1456 – Keira		12/29	UK Central North Sea	100 per cent.	Faroe Petroleum (U.K.) Limited
P1328 – Breagh		42/12	UK – Southern North Sea	10 per cent.	Sterling Resources (UK) Ltd
P1230 – Breagh		42/13	UK – Southern North Sea	10 per cent.	Sterling Resources (UK) Ltd
P.039 – Wissey	vi	53/4d	UK – Southern Gas Basin	18.75 per cent.	Tullow Oil UK Limited
P454 – Orca Minke		44/29b	UK – Southern Gas Basin	5.89 per cent.	GDF Britain Limited
P611 – Orca Minke		44/24a	UK – Southern Gas Basin	5.89 per cent.	GDF Britain Limited
P773 – Orca Minke		44/30	UK – Southern Gas Basin	5.89 per cent.	GDF Britain Limited
D15b – Orca Minke		D15b	Netherlands	5 per cent.	GDF Production Nederland B.V
D18a – Orca Minke		D18a	Netherlands	2.5 per cent.	GDF Production Nederland B.V
Schooner Field	vii	43/30a, 44/26a	UK – Southern North Sea	4.83 per cent.	Tullow Oil SK Limited
Topaz Field	viii	49/1a,2a,2b	UK – Southern North Sea	7.5 per cent.	RWE Dea UK Limited
PL433 – Fogelberg	ix	6506/9 & 12 part	Norwegian Sea	15 per cent.	Centrica Resources Norge AS
PL376	ix	35/6 and 35/9	North Sea	10 per cent.	Statoil ASA
PL431 – T-Rex		6506/12, 6406/2&3 part	Norwegian Sea	30 per cent.	Centrica Resources Norge AS

<i>Licence No</i>	<i>notes</i>	<i>Blocks/Part Blocks</i>	<i>Area</i>	<i>Interest</i>	<i>Operator</i>
PL424 – Shuttle		33/2, 3&6, 34/1 & 4 part	North Sea	20 per cent.	Norske ConocoPhillipsAS
PL414 – Kalvklumpen		25/3, 5&6 part	North Sea	20 per cent.	Det Norske Oljeselskap
PL405 – Butch Cassidy		7/9 & 12, 8/7, 8, 10 & 11	North Sea	30 per cent.	Centrica Resources Norge AS
PL421 – Icarus		35/8 part	North Sea	30 per cent.	Petro-Canada Norge AS
PL440S – Clapton		2/8	North Sea	20 per cent.	Noil Energy AS
PL381 Granat	iii	part blocks 6407/5, 8	Norwegian Sea	10 per cent.	A/S Norske Shell
PL 147 Trym	iii	3/7	North Sea	10 per cent.	A/S Norske Shell

(i) Assignment of a 12.5 per cent. interest to CIECO Exploration and Production (UK) Limited ('CIECO') awaiting completion

(ii) Subject to extension of option arrangement

(iii) Subject to completion of package acquisition with Shell U.K. Limited and A/S Norske Shell

(iv) Option granted to CIECO over 2.5 per cent.

(v) Licence relinquishment underway

(vi) Subject to completion of acquisition from First Oil Expro Limited

(vii) FP is acquiring a 70 per cent. interest in P689 covering Block 43/30a which equates to a 4.83 per cent. interest in the Schooner Field covering Blocks 43/30a and 44/26a (P516)

(viii) FP is acquiring a 25 per cent. interest in P520 Block 49/1a which equates to a 7.5 interest in the Topaz field (subject to final unitisation)

(ix) Subject to completion of swap with E.On Ruhrgas Norge AS

Dated: 30 November 2007

Faroe Petroleum plc

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of Financial Dynamics, 26 Southampton Buildings, London WC2A 1PB, England on 27 December 2007 at 2.30 p.m. to consider and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions:

SPECIAL RESOLUTIONS

1. THAT:

- (a) the authorised share capital of the Company be and is hereby increased from £12,000,000 to £18,000,000 by the creation of an additional 60,000,000 ordinary shares of 10p each in the capital of the Company (“Ordinary Shares”);
- (b) the Directors of the Company be and they are hereby authorised generally and unconditionally pursuant to and in accordance with section 80 of the Companies Act 1985 (“the Act”) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £7,314,737.90 provided that:
 - (i) this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2008; and
 - (ii) the Company may, pursuant to this authority, make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired,

and all authorities previously conferred upon the Directors pursuant to section 80 of the Act shall be revoked but without prejudice to any exercise of such other authorities prior to the date on which this resolution is passed; and

- (c) the Directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority conferred by paragraph (b) of this resolution as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:
 - (i) the allotment of up to 30,612,245 Ordinary Shares pursuant to the placing described in a circular to shareholders dated 30 November 2007;
 - (ii) the allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of Ordinary Shares in proportion (as nearly as may be) to their respective holdings of Ordinary Shares on a record date fixed by the Directors (but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with any legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in relation to fractional entitlements or otherwise howsoever);
 - (iii) the allotment of equity securities pursuant to the terms of any share option arrangements or share option scheme for Directors and employees of the Company and/or its subsidiaries currently in existence or operation or subsequently approved by the shareholders of the Company in general meeting;
 - (iv) the allotment of equity securities (otherwise than pursuant to sub-paragraphs (i), (ii), or (iii) above) having, in the case of relevant shares (as defined in section 94(5) of the Act), a nominal amount or, in the case of any other equity securities giving the right to

subscribe for or convert into relevant shares, having a nominal amount not exceeding in aggregate £522,475.80 (being equal to approximately five per cent. of the proposed issued share capital of the Company immediately following the placing referred to in sub-paragraph (i) above);

provided that in each case this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2008 save that the Company may, before the expiry of such power, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired and that all powers previously conferred upon the Directors pursuant to section 95 of the Act shall be revoked but without prejudice to any exercise of such other authorities prior to the date on which this resolution is passed.

2. THAT the Articles of Association of the Company be and they are hereby amended, subject to the passing of resolution 1 above, by the deletion of Article 3 and the substitution therefor of a new Article 3 as follows: "The authorised share capital of the Company is £18,000,000 divided into 180,000,000 Ordinary Shares of 10 pence each".
3. THAT the Memorandum of Association of the Company be and they are hereby amended, subject to the passing of resolution 1 above, by the deletion of the first sentence of clause 6 and the substitution therefor of a new sentence as follows: "The share capital of the Company is £18,000,000 divided into 180,000,000 Ordinary Shares of 10 pence each".

By order of the Board

Julian Galloway Money Riddick
Company Secretary

Registered Office
51 Eastcheap
London EC3M 1JP

Notes:

1. A member who is unable to be present at the meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company. In the case of an individual, this form must be signed by the appointer or by his attorney duly authorised in writing. In the case of a corporation this proxy must be under its common seal or executed in the manner permitted by section 36A(4) of the Act or under the hand of an officer or attorney duly authorised in writing. To be effective this proxy and any power of attorney or other authority under which it is signed must reach the Company's registrars, Capita Registrars Plc, not less than 48 hours before the time of the meeting.
2. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other registered holders of the share. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of the Company as at 2.30 p.m. on 24 December 2007 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at the time.

