

28 February 2013

**Faroe Petroleum plc
("Faroe Petroleum" or the "Company")**

Norwegian and UK Asset Acquisitions

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in the Atlantic margin, the North Sea and Norway, is pleased to announce that it has acquired a 25% interest in the Pil prospect in the Norwegian Sea and a 50% interest in the Lowlander discovery in the UK Central North Sea.

Licence PL586, Pil Prospect (Norwegian Sea) – acquisition (Faroe 25%)

The Pil prospect is located within tie-back distance (33 kilometres) to the producing Njord field in which the Company holds a 7.5% interest. The prospect is a combined structural and stratigraphic closure and the primary target is at the shallower upper Jurassic Rogn formation sandstone which has proved to be an effective reservoir in the producing Draugen field located 60 kilometres to the north east.

This exploration well is scheduled to be drilled in the first half of 2014 using the Transocean Arctic drilling rig. Faroe Petroleum has acquired this interest from the operator VNG and the acquisition is subject to approval by the Ministry of Petroleum and Energy in Norway.

Lowlander (UK Central North Sea) – acquisition (Faroe 50%)

The Company has entered into an agreement with Talisman Sinopec to acquire a 50% interest in UK Licence P.324, block 14/20c containing the Lowlander oil discovery.

Lowlander was discovered in 1987 by the 14/20b-17 well (drilled by Texaco) and represents an Upper Jurassic Piper sand oil accumulation located in the Central North Sea, approximately 200 kilometres north east of Aberdeen. Lowlander was fully appraised by subsequent wells and the field has sour characteristics, similar to those of the Perth Field (Faroe 34.62%), which is located 16 kilometres from Lowlander. The work programme will include a joint Perth/Lowlander development study.

The acquisition is subject to approval by the Department of Energy and Climate Change.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce the acquisition of the Pil exploration prospect which builds on our existing acreage in the area centred on the Njord field with its Hyme satellite together with the Snilehorn exploration well which is scheduled to be drilled later in the year. The Pil exploration well is to be drilled in the first half of 2014, which adds to our already substantial forward drilling programme.

“The next well to spud in our programme will be the Darwin frontier well, our first in Norwegian waters of the Barents Sea; and in the meantime, we await the near term results of another frontier well, North Uist, located west of Shetland.



“Our acquisition of a 50% share of Lowlander helps create the potential for an attractive joint Perth/Lowlander development. The collective volumes in these fields are significant, considering their central location in the UK North Sea, and we look forward to making progress in the near term towards their development.”

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Notes to Editors

The Company has, through successive licence applications and acquisitions, built a substantial portfolio of exploration, appraisal, development and production assets across the Atlantic margin, the UK and Norwegian North Sea, Norwegian Sea, Barents Sea and offshore Iceland. Faroe Petroleum has extensive experience working with major and independent oil companies and its joint venture partners include BP, Centrica, DONG, E.ON Ruhrgas, GDF, OMV, Repsol, RWE Dea, Statoil and Wintershall.

The Company's licence portfolio provides considerable spread of risk and reward, encompassing some 60 licences. Faroe has a very active drilling programme ahead and it currently has interests in four principal producing oil and gas fields in the UK and Norway, including interests in the Blane oil field in the UK, and interests in the producing Njord, Brage and Ringhorne East fields in Norway.

Faroe announced in January 2013 a significant discovery in the Rodriguez prospect located on the Halten Terrace, in the Norwegian Sea. The discovery was made in the Lower Cretaceous.

Faroe Petroleum is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger, London and Torshavn. The Company is well financed with a fully funded drilling programme in 2013 and has highly experienced technical teams who are leaders in the areas of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.



Pil, Licence P586

