

12 May 2014

Faroe Petroleum plc ("Faroe", "Faroe Petroleum", the "Company")

Butch East exploration well results

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, announces that drilling has reached target depth on the Centrica-operated Butch East exploration well 8/10-5S and a subsequent updip appraisal well 8/10-5A, the first of two back-to back-wells in Licence PL405, following up the Butch Main discovery (Faroe 15%).

The Butch East exploration well spudded on 29 December 2013 and reached total depth in 8/10-5A of 2,307 metres in the Zechstein salt formation. The well targeted sandstones of the Upper Jurassic reservoir of the Ula formation and whilst a good quality reservoir was confirmed, no hydrocarbons were encountered at this location.

Butch East, which is adjacent to the Company's 2011 Butch discovery, is situated in approximately 65 metres of water depth in the Norwegian North Sea, close to significant existing infrastructure with the giant Ula field approximately seven kilometres to the north-west, Tambar approximately 10 kilometres to the south-west and Gyda approximately 20 kilometres to the south.

The Butch East drilling operations are being undertaken by Centrica (40%) using the Maersk Giant jack-up drilling rig, together with the other joint venture partners Suncor Norge AS (30%) and Tullow Oil Norge AS (15%). Well 8/10-5S will now be plugged and abandoned.

The operator is currently working on a development plan for the Butch Main discovery, in parallel with drilling the follow-up prospects at Butch East and Butch South West. The Maersk Giant will now move to drill a separate segment at the Butch South West well, and an announcement will be made in due course once the well has spudded.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"This is the first of two back-to-back wells, following the successful 2010 Butch Main discovery, on the untested eastern and south-western sides of the large central Butch salt structure. Whilst the results for the Butch East well are disappointing, Butch South West is structurally independent and a highly prospective target with significant upside potential. Once Butch East operations are completed, we will move on directly to drill Butch South West

"In the meantime drilling operations are continuing on the first of two side-tracks on the significant Pil discovery in the Norwegian Sea, results from which are expected to be announced in the near future."

- Ends -

Notes to Editors

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Andrew Roberts, Exploration Manager of Faroe Petroleum and a Geophysicist (BSc. Joint Honours in Physics and Chemistry from Manchester University) who has been involved in the energy industry for more than 25 years, has read and approved the technical disclosure in this regulatory announcement.

Notes to Editors

The Company has, through successive licence applications and acquisitions, built a substantial, diversified 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 substantial licence portfolio provides considerable spread of risk and reward. 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, which collectively produced on average 6,059 boepd (economic production) in 2013. Subject to completion of the recently announced acquisition of operated interests in the Schooner and Ketch gas fields, full year average economic production for 2014 is estimated to be between 7,000 boepd and 10,000 boepd.

In November 2013 and March 2014 Faroe announced the Snilehorn and Pil discoveries in the Norwegian Sea in close proximity to the Hyme and Njord fields and in April 2014 the Company announced the Solberg discovery.

Norway operates a tax efficient system which incentivises exploration, through reimbursement of 78% of costs in the subsequent year. Faroe has built an extensive portfolio of high potential exploration licences in Norway which, together with its established UK west of Shetlands and North Sea positions provides the majority of prospects targeted by the Company's sustainable four to five well per annum drilling programme.

Faroe Petroleum is quoted on the AIM Market of London Stock Exchange plc with offices in Aberdeen, Stavanger, London and Torshavn. The Company is funded from cash reserves and cash flow, and has access to a \$250m borrowing base facility, with a fully funded drilling programme through 2014. Faroe 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.





PL405 Butch

