

27 May 2014

Faroe Petroleum plc (“Faroe”, “Faroe Petroleum”, the “Company”)

Pil oil discovery - successful side-track appraisal well drilled

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway, the Atlantic margin and the North Sea, is pleased to announce the completion of a successful initial side-track appraisal well on the Pil oil and gas discovery (Faroe 25%) in the Norwegian Sea.

The Pil side-track well (6406/12-3 B), to appraise for additional hydrocarbons along the Pil structure and down-dip from the initial discovery well, has reached a total depth of 3,996 metres below sea level. Results based on extensive coring, wireline logs and pressure data show that the well has encountered oil in reservoir sands with a very high net to gross ratio. Preliminary data indicate a gross hydrocarbon-bearing reservoir section with approximately 80 metres of oil in the Upper Jurassic reservoir of the Rogn Formation. The oil-bearing interval in the side-track well was found to be at a similar pressure level to the oil bearing interval in the initial discovery well.

As announced on 6 March 2014, the Pil discovery well (6406/12-3S) encountered a gross hydrocarbon-bearing reservoir section with approximately 135 metres of oil and 91 metres of gas in the Upper Jurassic reservoir of the of the Rogn Formation. A subsequent drill stem test generated a stable flow rate of 6,710 bopd of 37° API oil from a 56/64” choke, providing clear evidence of a prolific reservoir.

A second side-track well is planned to commence in the coming days to test the separate Bue prospect, which has the potential to add further volumes to the Pil discovery.

The Pil discovery is located within tie-back distance some 33 kilometres to the south east of the Njord platform in which the Company holds a 7.5% working interest. The vertical depth of the well is currently at 3,605 metres. The Pil licence drilling operations are operated by VNG Norge AS (30%) using the Transocean Arctic drilling rig, with partners Spike Exploration Holdings AS (30%) and Rocksource Exploration Norway AS (15%).

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce the results of this successful side-track appraisal well on the Pil discovery, which proves further resource potential in this already significant discovery. The successful well result on this Pil appraisal side-track adds further value to Faroe’s already substantial position in this prolific part of the Norwegian Sea, and we aim to unlock further potential in this exciting core area.

“In the near term we look forward to reporting results from exploration drilling on both the nearby Bue prospect (Faroe 25%) and the Butch South West prospect (Faroe 15%) in the Norwegian North Sea.”

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Andrew Roberts, Group 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 exploration and appraisal 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 an 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. Full year economic production for 2014 is estimated to be between 7,000 boepd and 10,000 boepd following the acquisition of the Schooner and Ketch producing interests announced in April 2014.

Norway operates a tax efficient system which incentivises exploration, through reimbursement of 78% of costs in the subsequent year.

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 an undrawn \$250m borrowing base facility. 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.