

22 September 2014

**Faroe Petroleum plc**

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

**Sale of Glenlivet Field Interest**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, is pleased to announce the sale of its ten percent interest in the undeveloped West of Shetland Glenlivet gas field to Total E&P UK Limited.

The consideration for the sale of the Glenlivet interest is £10 million, with an effective date of 1 January 2014, of which a proportion is deferred until the submission of the field development plan and certain production targets being achieved.

This 2009 West of Shetland gas discovery is situated in the Faroe Shetland Basin in water depths of around 500 metres, approximately 35 kilometres north east of the Laggan gas field and 19 kilometres north of the Edradour gas discovery. Glenlivet is planned to be developed in conjunction with the Edradour field as part of the wider West of Shetlands Laggan and Tormore gas development, sanctioned in 2010 and operated by Total E&P UK Limited.

Total also operates the Edradour discovery and has recently acquired a 60% interest in Glenlivet and taken over operatorship from DONG E&P UK Limited.

**Graham Stewart, Chief Executive of Faroe Petroleum, commented:**

“We are pleased to announce the sale of our Glenlivet interest to Total, which is in line with our stated strategy to monetise our exploration successes to the Company's greatest economic benefit. Total's West of Shetland gas development project to export gas from Laggan, Tormore, Edradour and Glenlivet is a highly capital intensive investment in infrastructure, and one of the most significant UK upstream investments in recent years. Faroe's timely transaction will release significant capital for investment in Faroe's high impact exploration and appraisal portfolio.”

- Ends -

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### **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 in the Norwegian Sea. In July 2014 the Company announced the successful drilling of the Bue side-track well, and provided an update of the resource range for the Pil and Bue discoveries of between 80 and 200 mmboe (gross).

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 and 2015. 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.