

10 April 2015

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

Results of Skirne East (Shango) exploration well

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 results of the Skirne East exploration well (Faroe 20%) in Norway.

Highlights:

- The Total E&P Norge AS ("Total") operated Skirne East exploration well 25/6-5S, in the Norwegian North Sea is a gas discovery, which encountered a net 10 metre gas column in the high quality Middle Jurassic Hugin formation
- The preliminary volumetric gross estimate of the size of the discovery is 3 to 10 million barrels of oil equivalent ("mmboe") recoverable (0.6 to 2.0 mmboe net to Faroe)
- The partnership will now consider the potential for development of the Skirne East discovery

Exploration well 25/6-5S has encountered a net gas-bearing reservoir section estimated at 10m in the Middle Jurassic Hugin formation, confirming hydrocarbons at the same reservoir level as in the adjacent producing Skirne field. Reservoir properties were found to be excellent and extensive data gathering has been conducted.

The preliminary resource estimate for the Skirne East discovery is in the range of 3 to 10 mmboe gross (0.6 to 2.0 mmboe net to Faroe).

The Skirne East exploration well 25/6-5S spudded on 13 March 2015 and was drilled to a total depth of 2,366 metres below sea level. The Skirne East discovery in Licence PL 627 is located in the Norwegian North Sea on the northern part of the Utsira High approximately 5 kilometres from the Total operated producing Skirne field. The partners are Total (40%), Centrica Resources Norge AS (20%) and Det norske oljeselskap AS (20%).

The Skirne East exploration well will now be plugged and abandoned as planned.

Graham Stewart, Chief Executive of Faroe Petroleum commented:

"We are pleased to announce the result of the Skirne East well which, although smaller than predicted, is a promising discovery particularly in light of the nearby Atla field which was recently developed with reserves within the resource range of the Skirne East discovery.

"During the coming months we expect to start drilling the first of two follow-up wells at the significant Pil discovery (Faroe 25%) on the Blink and Boomerang prospects, and also the Bister prospect to follow up on our recent significant Snilehorn discovery located close to the producing Njord field infrastructure.

"Our Norwegian position is now one of the most significant of any UK independent E&P company and with our robust balance sheet, despite challenging market conditions, the Company is set for another exciting year in 2015."

– Ends –

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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 and diversified portfolio of exploration, appraisal, development and production assets across the Atlantic margin, the UK and Norwegian North Sea, Norwegian Sea, Barents Sea and the Celtic Sea. 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, Maersk, OMV, Repsol, RWE Dea, Statoil, Tullow 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 seven principal producing oil and gas fields in the UK and Norway, including interests in the Schooner and Ketch gas fields and Blane oil field in the UK, and interests in the producing Njord, Hyme, Brage and Ringhorne East fields in Norway. Full year average economic production for 2015 is estimated to be between 8,000 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 producing Njord and Hyme 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 mmboc (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 North Sea positions, provides the majority of prospects targeted by the Company's sustainable drilling programme.



Faroe Petroleum is quoted on the AIM Market of London Stock Exchange. 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 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.