

20 May 2015

**Faroe Petroleum plc**

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

**Results of Bister exploration well**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, announces that drilling has reached target depth on the Statoil operated Bister exploration well in the Norwegian Sea (Faroe 7.5%).

The Bister exploration well 6407/8-7 spudded on 27 April 2015 and reached total vertical depth of 2,990 metres below sea level in the Åre Jurassic formation. This was followed by side-track 6407/8-7A which was drilled to a total vertical depth of 2,770 metres below sea level. The well and side-track targeted hydrocarbons in the Jurassic, Ile, Tilje and Åre formations (analogous to the Hyme oil field and Snilehorn reservoirs) and whilst good quality reservoirs were confirmed, no hydrocarbons were encountered at this location.

The Bister prospect is located in the Norwegian Sea in Licence PL 348/C, which is adjacent to the 2013 Snilehorn discovery (PL 348B) and nearby the producing Njord field and Hyme field (PL 348) (all Faroe 7.5%), and the results from the well will be used to calibrate the seismic interpretations in the licence, which still contains promising exploration targets. Statoil Petroleum AS is the operator of the PL348 licences and the Njord field.

The Bister well was operated by Statoil (35%) using the Transocean Spitsbergen drilling rig with partners GDF SUEZ E&P Norge AS (15%), E.ON E&P Norge AS (17.5%), Core Energy AS (22.5%) and VNG Norge AS (2.5%) and will now be plugged and abandoned as planned.

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

"Whilst the results for the Bister exploration well are disappointing, this was an opportunity to add further resources to an already resource rich licence, which includes the producing Hyme field and the significant 2013 Snilehorn discovery.

"This is the second well in our 2015 exploration programme, following the successful completion of the Skirne East discovery last month. During the coming months we also expect to start drilling the first of two follow-up wells at the significant Pil discovery (Faroe 25%) on the Blink and Boomerang prospects."

– 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, E.ON Ruhrgas, GDF, Maersk, OMV, Repsol, Shell, Statoil, Total, 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 six 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, 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 mboe (gross). More recently, in April 2015, the Company announced the Shango (Skirne East) discovery in the Norwegian North Sea.

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. 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.