22 September 2015

FAROE PETROLEUM PLC
("Faroe Petroleum", "Faroe", the "Company" or the "Group")

Unaudited Interim Results for the six months ended 30 June 2015

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, announces its unaudited Interim Results for the six months ended 30 June 2015.

Highlights

Operations – strong production performance and exploration continuing to deliver resource growth

- Strong production performance and low operating costs
    - Average first half production of 10,971 boepd (H1 2014: 7,592 boepd[1]) as a result of good performance and high uptime in the main producing fields
    - Balanced product mix of approximately 45% gas and 55% liquids
    - Average operating cost per boe approximately $22 (2014: $33) – improvement due to higher volumes, cost efficiencies and weaker Norwegian krone
    - Acquisition of Roc GB, announced in September 2015, increases our equity holdings in Blane and Enoch oil fields, strengthening our tax efficient UK production base
- Exploration programme continuing to deliver resource growth
    - An oil discovery of 13-31 mmboe (net to Faroe 3-8 mmboe) was made on the Boomerang well in September 2015, adding to the 2014 Pil and Bue discoveries; the second of the two follow-up wells, Blink, to be drilled in Q4 2015
    - Shell-operated Portrush well in Norway announced as dry in September 2015
    - Two Norwegian exploration wells drilled and completed in H1 2015 – Bister was dry and Skirne East (Shango) was a gas discovery
    - Further new exploration licence awards – five APA licences awarded in Norway in January 2015

Finance – enhanced cash flows and robust balance sheet

- Revenue £55.3 million (H1 2014: £53.5 million) and EBITDAX £39.8 million (H1 2014: £15.6 million)
- Realised hedging gains of £4.2 million net after premium (H1 2014: £0.5 million loss) – mainly on oil sales
- Operating profit £5.6 million (H1 2014: £15.4 million loss) and profit before tax £0.4 million (H1 2014: £20.1 million loss) – reflecting higher revenue, hedging gains, lower opex per boe and lower expensed exploration and appraisal costs
- Operating netback per boe $31 (2014: $38) – sharp drop in oil prices has been materially offset by combination of gains on oil hedges, stable gas prices and significant reduction in operating costs
- Exploration and appraisal capex £25.2 million (H1 2014: £65 million), equivalent to £6.3 million (H1 2014: £16.7 million) on a post-tax basis, taking account of 78% Norway exploration tax rebate
- Development and production investments £7.5 million (H1 2014: £9.8 million)
- Cash and net cash at 30 June 2015 £104.7 million and £81.7 million respectively (31 December 2014: £92.6 million and £69.6 million)
- Reserve based lending facility £145 million of which £23 million is drawn (31 December 2014: £23 million)

Outlook – narrowing of production guidance and continuing high-impact exploration programme

- Production guidance for full year 2015, excluding the impact of the recently announced Roc GB acquisition[2], narrowed to 9,000-10,000 boepd (previously 8,000-10,000 boepd) following strong performance in H1 2015 and successful Brage infill well
- Significant portion of production hedged, to underpin revenue
    - Gas – approximately 90% hedged in H2 2015, 70% in 2016 and 50% in 2017 (on a post-tax basis) at 45-50 pence per therm
    - Oil – approximately 33% hedged in H2 2015 and Q1 2016 (on a post-tax basis) at $60-90 per barrel

[1] Includes production from Schooner and Ketch from 1 January 2014, the effective date of the acquisition.

[2] Production from Blane will be included in economic production from 1 January 2015 upon completion of the acquisition of Roc GB.

- Fully funded exploration and appraisal programme continuing as planned, with Blink exploration well, followed by two Barents Sea wells and at least one near field well in 2016
- Net exploration, development and production capital expenditure for 2015 forecast at approximately £100 million pre-tax (2014: £135 million), equivalent to £37 million on post-tax basis (2014: £71 million)
- Development plans for Butch, Njord and Pil are all progressing as planned with decisions scheduled for 2016 – all will benefit from significantly reduced industry costs
- With a balanced portfolio and a strong balance sheet, Faroe is well positioned to pursue growth opportunities

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"I am pleased to report that Faroe Petroleum continues to be in robust health despite low oil prices, by virtue of our high quality and low cost production portfolio and prudent financial management, resulting in a strong cash position and low gearing. Production has been at an all-time high for the Company and operating cost per boe of $22 at an all-time low. Our strong production performance and the addition of a new well on the Brage field mean that we are narrowing our production guidance to 9,000-10,000 boepd (previously 8,000-10,000 boepd).

"The drilling programme in 2015 has been very active, notably with exploration wells following the significant 2014 Pil and Bue oil discoveries. Preliminary results from Boomerang added to the Company's resource base and drilling is about to commence on the potentially significant Blink well, the final well in our 2015 programme.

"Faroe's consistent strategic focus, high quality portfolio and strong balance sheet have ensured that we are well placed to weather a long period of low commodity prices and take advantage of attractive growth opportunities."

Ends

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CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

We are pleased to announce the 2015 Half Year Financial Results. While the sector as a whole has suffered significantly due to continuing low oil prices, Faroe has benefited from strong operational performance over the period, which has mitigated the negative effect on cash flow. This is mainly a result of strong production, hedging gains, lower unit production costs and weakness in the Norwegian krone. Our exploration programme in 2015 has continued with several exploration wells being drilled in Norway, where we benefit materially from the state exploration tax rebate.

Faroe's production portfolio is beginning to see the positive effects of cost-cutting measures by field partners and our own initiatives. Average operating expenditure per barrel of oil equivalent in the period was $22 compared to $33 for the whole of 2014.

The challenging market conditions look set to continue for some time but with our strong operational and financial position Faroe is well positioned to weather the continuing low commodity prices and sector malaise, and is focusing on a number of growth opportunities.

Consistent strategy

Our strategy is to grow reserves and resources through monetising exploration and appraisal successes as well as asset transactions. This consistent strategy and business model, underpinned by a strong balance sheet and rigorous financial discipline, has again delivered strong results in the period and paves the way for further growth.

Exploration portfolio

The year began with Faroe being awarded five new exploration licences in the APA 2014 licensing round in Norway. Three of these new licences are in the same area as the 2014 Pil and Bue discoveries. Faroe's continuing high success rate in exploration licensing rounds has proven to be a very cost effective means of maintaining a material portfolio of high quality exploration prospects. The continuous high-grading of this portfolio provides the majority of Faroe's targets for our drilling programme. In 2015, we have a five well programme, the results from four of which have so far been announced, Shango (or Skirne East), Bister, Portrush and Boomerang. Of the results so far, we have seen two discoveries: the Total-operated Skirne East well; and the VNG-operated Boomerang well, the first of two follow-up wells on the significant Pil and Bue discoveries in 2014. Neither Bister nor Portrush found hydrocarbons. The results of the fifth exploration well, Blink, which is a further follow-up well to test nearby upside close to the Pil discovery, will follow in Q4 2015.

Development projects

Faroe's successful exploration programme has delivered a number of significant commercial discoveries which are now progressing towards development. Work on the Njord Future Project is progressing according to plan. This project, operated by Statoil, may incorporate the Snilehorn oil discovery and possibly also the Pil area oil discoveries, as additional sub-sea tie-backs. Concept selection for this significant and high value investment programme is scheduled for H1 2016; suspension of production and tow-to-shore of the Njord A facility are currently planned for Q2 2016.

On the Centrica-operated shallow water Butch oil field development project, alternative development scenarios are currently being evaluated in parallel, encompassing subsea tie-back solutions and a fixed standalone facility. Concept selection is expected in the coming months and the field development plan is currently scheduled for submission in H2 2016. The significant VNG-operated Pil area is also being matured towards development, with a variety of potential scenarios under consideration, including sub-sea tie-back options to Njord A and Draugen as well as standalone development options.

Production portfolio

The Company's tax efficient production portfolio remains core to our strategy and is the principal source of funding for the Group's drilling programme.

The latest addition to our production portfolio was the acquisition of Roc Oil GB, announced on 1 September 2015, which consolidates Faroe's position in both the Blane and Enoch oil fields in the UK. The Roc assets comprise an additional 12.5% interest in the Blane Field (Faroe already owns an 18.0% interest in Blane) and an additional 12.0% interest in the Enoch field (Faroe already owns a 1.9% interest in Enoch), both in the UK Central North Sea, for a total initial consideration of $17 million. Completion of the acquisition, which has an effective date of 1 January 2015, is anticipated in the final quarter of 2015. Blane has been one of Faroe's best performing fields with significant remaining field life, while Enoch is scheduled to return to production in Q4 2015. The acquisition provides further valuable tax synergies to the Group.

Faroe delivered net average production of 10,971 boepd in the first half of 2015. Faroe's production is spread across a balanced and high quality portfolio of assets with an approximately even split between Norway and UK and also between oil and gas. Of Faroe's producing assets, two UK gas fields are operated by Faroe, the Schooner and Ketch fields.

Outlook

A continuing commitment to exploration is central to Faroe's strategy. Benefiting directly from Norway's tax incentives, this permits us to participate in a larger number of wells with relatively high equity stakes targeting prospects at low cost exposure. Our programme targets high-graded prospects offering considerable resource potential and is fully funded from existing cash, cash flow and our Norwegian exploration finance facility. Despite the low commodity price climate, Faroe aims to continue with a material exploration programme benefiting from significantly lower rig rates. Already in 2016 we have a planned Norwegian exploration programme including at least three wells, targeting attractive prospects in the Barents Sea together with Wintershall and Eni, and at least one near field well. The net cost to the Company for this programme, with an average equity over 35%, is expected to be less than £10 million after tax. We also plan to continue building our production portfolio through a combination of acquisitions and asset swaps, drawing upon existing resources.

Our exploration programme has been successful in recent years leading to a series of potential field developments, namely Maria, which was subsequently swapped with Petoro for production assets, Fogelberg, Butch, Snilehorn and Pil. Together with the Njord Future Project the significant reserve and production additions from these assets have the potential to transform Faroe in the coming years, for which no significant capital expenditure is expected before 2017.

Market conditions are challenging for the sector, and there are no signs of an upturn in the oil price in the near term. However, the combination of Faroe's strong balance sheet, undrawn debt capacity, a healthy and profitable production base, continuing exciting exploration programme and excellent portfolio of tradeable assets mean that Faroe is exceptionally well positioned to not only weather the storm but grow materially in value.

John Bentley
Chairman

Graham Stewart
Chief Executive

REVIEW OF ACTIVITIES

Faroe Petroleum's principal focus remains on creating value from exploration, appraisal, development and production opportunities in Norway and the UK. The Company has continued to manage its substantial high quality portfolio in the first half of 2015, with exploration drilling activity still ongoing near the Pil and Bue discoveries, which were made in 2014. Production averaged 10,971 boepd in H1 2015, significantly higher than last year and a number of high quality development projects are moving forward.

Exploration

During the first half of 2015 Faroe participated in two exploration wells in the Norwegian Sea and added to the licence portfolio through awards in the Norwegian APA licensing round. The drilling programme in H2 2015 included three wells in the Norwegian Sea, of which two have now been drilled with one remaining.

Drilling operations

The Skirne East (Shango) exploration well (well 25/6-5S) spudded on 13 March 2015 and the results were announced on 10 April 2015. The well encountered a net gas-bearing reservoir section estimated at 10 metres 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. 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).

On 20 May 2015 Faroe announced the results of the Statoil-operated Bister well, located in the Norwegian Sea in Licence PL 348/C, which is adjacent to the 2013 Snilehorn discovery (PL 348B) and close to the producing Njord field and Hyme field (PL 348) (all Faroe 7.5%). The well and a side-track targeted hydrocarbons in the Jurassic, Ile, Tilje and Åre formations analogous to the Hyme and Snilehorn reservoirs and, whilst good quality reservoirs were confirmed in this well, no hydrocarbons were encountered at this location. Although the results are disappointing, much valuable data has been secured and the licence contains several further promising exploration targets, which are being evaluated for the potential to drill further wells.

The active 2015 exploration drilling programme has continued in H2 2015, including two follow-up wells, Boomerang and Blink (Faroe 25%), following the 2014 Pil and Bue discoveries in the Norwegian Sea, and the Portrush well in the vicinity of Njord. Results from the Portrush well, located in the Norwegian Sea in licence PL793 (Faroe 20%) and less than 10 kilometres south east of the producing Njord field (Faroe 7.5%), were announced on 11 September 2015. The objective section in the Upper Jurassic reservoir rocks was encountered with a thickness of about 330 metres, and whilst 134 metres was reservoir sand, no hydrocarbons were encountered. Well 6407/10-5 was drilled to a vertical depth of 2,850 metres below sea level, and was terminated in the objective interval. The water depth at the site was 336 metres. The well, which will be permanently plugged and abandoned, was drilled at very low cost, benefiting from significantly reduced rig rates.

Results from the Boomerang exploration well were announced on 17 September 2015. Located approximately 30 kilometres to the south west of the producing Njord field (Faroe 7.5%) the well targeted prospective resources in the Upper Jurassic reservoirs analogous to the Pil, Bue and Draugen field reservoirs. The main well bore encountered a 26 metre gross Upper Jurassic Intra-Spekk/Rogn sandstone. Preliminary analysis shows that the well encountered sandstones with good reservoir properties and moveable oil. Preliminary estimates of recoverable volumes in the discovery range between 13 and 31 mmboe. The secondary objective of the main well bore was to investigate the extent, thickness and properties of Upper Jurassic Melke reservoir rocks, as well as the extent and level of the Pil oil-water contact. Hydrocarbons were confirmed above the Pil oil-water contact in an 80 metre gross interval of Melke age sandstone of varying reservoir quality and the main Pil reservoir sandstone was encountered within the water leg, as planned, giving important appraisal information for the Pil development. An exploration side-track was drilled into the southern segment of the Boomerang prospect with the main objective testing the hydrocarbon potential in the Upper Jurassic sandstone of the Spekk and Melke formations. The well had indications of hydrocarbons but the presence of moveable hydrocarbons was not proven.

The campaign is set to continue with a further exploration well (6406/12-5S) on the Blink prospect.

Licence rounds

In January 2015 Faroe announced that it had been awarded five new prospective exploration licences under the 2014 Norwegian APA (Awards in Pre-defined Areas) Licence Round on the Norwegian Continental Shelf. Three of the licences are located in the Njord area, close to licence PL 586, which includes the Pil, Bue and Boomerang discoveries.

Faroe aims to build on its recent licensing round success and submitted applications in the Norwegian APA 2015 Round in September 2015. Faroe also plans to apply in the Norwegian 23rd Licensing Round this year, focussing on the Norwegian Barents Sea.

Production

During the first half of 2015, Faroe achieved net average production of 10,971 (1H 2014: 7,592boepd). The Njord and Hyme fields, which were brought back on stream in July 2014 after a year-long shut-down for repairs, have produced at high uptime during 2015. The other main producing fields have also performed well. Production exceeded expectation in July and August 2015, as a result of good performance from the first of two new development wells drilled on Brage this year, which came on stream in June. On that basis, full year production guidance has been narrowed to 9,000-10,000 boepd compared to previous guidance of 8,000-10,000 boepd.

Following the Schooner and Ketch acquisition in 2014, Faroe's production is generated from across a well balanced portfolio of gas and oil assets in the UK and Norway with the principal fields being Njord, Hyme, Brage and Ringhorne East in Norway and Schooner, Ketch and Blane in the UK. During H1 2015, approximately 35% of total production came from UK fields and approximately 45% of total production was gas.

The sector has been focussed on reducing costs following the decline in oil prices, and Faroe's production portfolio is benefiting from these initiatives. Average operating expenditure per barrel of oil equivalent (opex/boe) in the period was $22 compared to $33 for the whole of 2014. This has been achieved due to a combination of lower costs, good production performance and a weaker Norwegian krone.

Pre-development projects

Following a series of successful exploration wells over recent years, Faroe now has potentially three important and significant projects in Norway progressing towards development: the Butch, Snilehorn and Pil fields together with the Njord project, known now as the Njord Future Project. Collectively these projects are of great significance as they have the potential to add considerable value to Faroe.

Njord Future Project

The Njord partnership is continuing its evaluation of a number of potential scenarios for the long-term further development of the Njord Area, currently encompassing Njord and Hyme, and possibly also Snilehorn, Pil and Bue. The area also contains significant remaining exploration potential including the Blink exploration prospect in the Pil licence, which will be drilled shortly. Following a full scenario evaluation and incorporating available exploration and appraisal results, the partnership will decide on the final development concept for the Njord Future Project and commence the front-end engineering and design studies. Concept selection is scheduled for H1 2016, with suspension of production and tow-to-shore of the Njord A facility currently planned for Q2 2016, allowing commencement of the Njord Future Project work on shore.

Snilehorn Project

The Snilehorn oil discovery from late 2013, located four kilometres from the Hyme producing field which in turn is approximately 19 kilometres from the Njord A facility, is being matured towards field development, expected to be a subsea satellite development tied back to either the Njord or the Draugen field.

Butch Project

Concept selection for the Butch Main discovery is expected in the coming months. A number of concepts are being considered, including subsea tie-back to the Ula field and a standalone development with a lease contract of a jack-up rig. The plan is to submit the field development plan in 2016.

Pil Project

Following its discovery in 2014, the Pil area, including the significant Pil and Bue fields have so far been proven to have a resource range between 80 and 200 mmboe. The Boomerang well results recently announced an additional preliminary net recoverable resource range of 13 to 31 mmboe, and further potential currently being evaluated to determine their impact on the Pil area development. Furthermore the Blink exploration well is now on track to be drilled in Q4 of this year to complete the drilling campaign ahead of a decision on the Pil area development concept expected in 2016. Development solutions involving sub-sea tie-back to Njord or Draugen as well as standalone options are all being considered at present.

FINANCE REVIEW

The first half of 2015 saw a significant increase in cash flow from operations, as a result of stronger production, hedging gains and lower unit production costs, despite a more than halving of the Brent oil price compared to H1 2014. Faroe's active exploration programme in Norway, which benefits significantly from the 78% exploration tax rebate, has continued with a five well exploration programme in 2015, of which Skirne East, Bister, Portrush and Boomerang have all been drilled with discoveries on Skirne East and Boomerang, and the final 2015 well Blink about to be drilled.

Revenue averaged $53.7 per boe (2014 full year: $71.4 per boe) after taking account of underlift in H1 2015 of £12.5 million, included in cost of sales (2014 full year: overlift of £18.4 million). This fall is predominantly explained by the fall in oil prices during H2 2014. Operating costs fell to $22.2 per boe compared to $33.5 per boe in 2014, caused by a combination higher volumes, greater cost efficiencies and the benefit of a weaker Norwegian krone. DDA per boe fell to $16.2 compared to $21.1 per boe in 2014, reflecting impairment charges in 2014.

Income statement
Revenue in the period was £55.3 million (H1 2014: £53.5 million). Revenue adjusted for under-lifts and over-lifts was £67.9 million (H1 2014: £40.1 million). The increase reflects a significant increase in production, mainly due to Njord and Hyme coming back on stream in July 2014 having been shut in for repairs for approximately one year; it also includes revenue from the Schooner and Ketch gas fields being included in H1 2015. These four assets contributed 55% of Adjusted Revenue in H1 2015 with Brage (20%), Ringhorne East (10%) and Blane (7%) accounting for most of the rest. Hedging gains of £4.2 million net of premium were realised in H1 2015 (H1 2014: £0.5 million loss) and are included in revenue. Hedging gains were predominantly from oil sales where Faroe has hedged a significant portion of production at $90 per barrel.

Cost of sales for the period was £36.0 million (H1 2014: £44.8 million). Cost of sales excluding over-lifts and under-lifts (see paragraph above) was £48.5 million (H1 2014: £31.4 million) reflecting an increase in production. DDA for the period was £20.4 million (H1 2014: £7.0 million). With higher production and lower opex per boe, EBITDAX in H1 2015 was significantly higher at £39.8 million compared to £15.6 million in H1 2014.

Pre-tax expensed exploration costs for the half year were £9.0 million (H1 2014: £19.9 million) and include write-offs of a number of licences where active exploration activity has ceased. Expensed exploration costs also include £3.3 million (H1 2014: £3.2 million) of pre-award expenditure, which comprises costs associated with licence round applications. Expensed administration costs in 2015 were £2.7million (H1 2014: £4.1million).

The Group made a small profit before tax of £0.4 million (H1 2014: £20.1 million loss) which mainly reflects the improved operating profit as outlined above. The non-cash tax charge for the period was £7.1 million (H1 2014 tax credit: £16.4 million) largely reflecting higher profits from production in Norway and smaller exploration write-offs. The tax charge also includes a reduction of £5.0 million in the UK deferred tax asset caused by a decrease in the supplementary corporation tax rate from 32% to 20%. The post-tax loss was £6.7 million (H1 2014: £3.7 million).

Taxation
Faroe is an active and very successful explorer in Norway with a substantial licence portfolio and relatively high average equity positions. Thanks to Norway's progressive taxation incentive for exploration, Faroe is able to pursue a multi-well exploration programme in Norway for a fraction of the cost of a similar programme outside Norway. The Company benefits directly from a 78% exploration tax rebate, meaning that for every £1 spent the Norwegian Government will return 78p of eligible expenditure in the form of a rebate at the end of the following year, to the extent it is not offset by current year profits from producing assets. The Group had a tax receivable at 30 June 2015 of £54.0 million (31 December 2014: £45.8 million) consisting of 78% of exploration expenditure, net of production profits in Norway. The Company will receive the 2014 tax rebate in December 2015.

At 30 June 2015 the Group had unrelieved UK tax losses of approximately £58.7 million (31 December 2014: £67.5 million). The unrelieved tax losses are available indefinitely for offset against future taxable profits in the UK. At current rates, the carried forward losses are expected to be utilised over the coming four to six years, depending upon commodity prices, and were recognised as a deferred tax asset in 2014 at the prevailing rate at the time of 62%, being corporation tax of 30% and supplementary corporation tax ('SCT') of 32%. In March 2015 it was announced that the SCT would decrease to 20% from 1 January 2015 which necessitated a reduction in the recognised deferred tax asset of £5.0 million.

Balance sheet and cash flow
Expenditure of £32.8 million (H1 2014: £75.1 million) on intangible and tangible assets, prior to tax rebate, was made in the period, of which £25.2 million (post tax £6.3 million) related to exploration expenditure, primarily on

the Skirne East, Bister and Boomerang wells. £7.5 million related to development expenditure, principally reflecting infill drilling on the Brage field.

The net assets of Faroe Petroleum decreased during the period to £233.7 million (31 December 2014: £245.5 million).

Closing gross cash was £104.7 million (31 December 2014: £92.6 million) and net cash increased to £81.7 million (31 December 2014: £69.6 million) in the period.

Hedging

The Group operates a policy to hedge a proportion of its production, principally in order to safeguard revenues and budgets. Hedged volumes, on a post-tax basis, currently amount to approximately 55% of total estimated production in 2015, approximately 44% of estimated production in 2016 and 30% in 2017. The hedging instruments selected are primarily put options with floors predominantly at $90 per barrel for oil in 2015 and 45-50p/therm for gas through to 2017. Current hedging contracts for 2016 and 2017 are predominantly gas.

Open hedge contracts are marked to market at the end of each period with unrealised gains or losses taken to the Income Statement as other income/expense as a non-cash item. Unrealised hedging losses for H1 2015 were £2.0 million (H1 2014: £nil). Realised hedging gains in the period, net of premium, were £4.2 million (H1 2014: £0.5 million loss), and are mainly from oil sales.

Dividend

The Directors do not recommend payment of a dividend.

Group Income Statement	Unaudited Six months to 30 June 2015	Unaudited Six months to 30 June 2014	Audited Year to 31 December 2014
	£'000	£'000	£'000
Revenue	55,331	53,483	129,222
Cost of sales	(35,984)	(44,835)	(102,815)
Asset impairment	-	-	(38,468)
Gross profit / (loss)	19,347	8,648	(12,061)
Other (expense) / income	(1,986)	-	4,583
Net gain on disposal	-	-	783
Exploration and evaluation expenses	(9,043)	(19,905)	(139,374)
Administrative expenses	(2,733)	(4,101)	(6,570)
Operating profit / (loss)	5,585	(15,358)	(152,639)
Finance revenue	472	214	650
Finance costs	(5,692)	(4,982)	(13,807)
Profit / (loss) on ordinary activities before tax	365	(20,126)	(165,796)
Tax (charge) / credit	(7,050)	16,389	110,815
(Loss) for the period	(6,685)	(3,737)	(54,981)
(Loss) / earnings per share – basic (pence)	(2.49)	(1.71)	(22.6)
(Loss) / earnings per share – diluted (pence)	(2.49)	(1.71)	(22.6)

Statement of Other Comprehensive Income	Unaudited Six months to 30 June 2015	Unaudited Six months to 30 June 2014	Audited Year to 31 December 2014
	£'000	£'000	£'000
(Loss) for the period	(6,685)	(3,737)	(54,981)
Exchange differences on retranslation foreign operations net of tax	(6,050)	(1,506)	1,246
Actuarial gains on defined benefit pension plans net of tax	-	-	-
Total comprehensive (Loss) for the period	(12,735)	(5,243)	(53,735)

Group Balance Sheet	Unaudited 30 June 2015	Unaudited 30 June 2014	Audited 31 December 2014
	£'000	£'000	£'000
Non-current assets			
Intangible assets	140,117	230,108	128,316
Property, plant and equipment:			138,351
development & production	123,967	139,046	
Property, plant and equipment: other	662	894	827
Financial assets	9	12	12
Deferred tax asset	22,249	-	29,964
	287,004	370,060	297,470
Current assets			
Inventories	5,206	4,454	4,342
Trade and other receivables	35,027	36,271	36,543
Current tax receivable	53,969	73,037	45,831
Financial assets	3,708	-	6,110
Cash and cash equivalents	104,679	96,927	92,571
	202,589	210,689	185,397
Total assets	489,593	580,749	482,867
Current liabilities			
Trade and other payables	(33,902)	(45,169)	(34,314)
Financial liabilities	(74,994)	(64,955)	(65,684)
	(108,896)	(110,124)	(99,998)
Non-current liabilities			
Deferred tax liabilities	(65,255)	(128,950)	(58,781)
Provisions	(80,755)	(48,153)	(77,673)
Defined benefit pension plan deficit	(975)	(240)	(954)
	(146,985)	(177,343)	(137,408)
Total liabilities	(255,881)	(287,467)	(237,406)
Net assets	233,712	293,282	245,461
Equity attributable to equity holders			
Equity share capital	26,747	26,701	26,751
Share premium account	262,388	262,659	262,388
Cumulative translation reserve	(8,595)	(4,013)	(2,552)
Retained earnings	(46,828)	7,935	(41,126)
Total equity	233,712	293,282	245,461

Condensed Group Cash Flow Statement	Unaudited Six months to 30 June 2015	Unaudited Six months to 30 June 2014	Audited Year to 31 December 2014
	£'000	£'000	£'000
Profit / (loss) before tax	365	(20,126)	(165,796)
Depreciation, depletion and amortisation	20,648	7,182	33,108
Exploration asset write off	5,707	16,743	131,735
Unrealised hedging gains	1,986	-	(4,583)
Gain on disposal of asset	-	-	(783)
Asset impairment	-	-	38,468
Fair value of share based payments	1,635	1,519	2,429
Movement in trade and other receivables	2,618	24,470	19,387
Movement in inventories	(864)	436	548
Movement in trade and other payables	(412)	(8,134)	(18,674)
Currency translation adjustments	686	1,167	4,292
Expense recognised in respect of equity settled share based transaction	(55)	(15)	(65)
Interest received	(472)	(214)	(650)
Interest and financing fees paid	5,006	3,816	9,515
Tax (payment)/rebate	-	-	22,473
Net cash generated in operating activities	36,848	26,844	71,404
Investing activities			
Purchases of intangible and tangible assets	(32,758)	(75,107)	(136,019)
Proceeds from sale of intangible assets	1,300	-	5,700
Interest received	472	214	650
Net cash used in investing activities	(30,986)	(74,893)	(129,669)
Financing activities			
Proceeds from issue of equity instruments	-	61,773	65,004
Issue costs	-	-	(3,502)
Net proceeds from borrowings	9,310	46,497	44,691
Payment for buyback of share options	-	-	-
Interest and financing fees paid	(2,562)	(1,770)	(4,663)
Net cash provided from financing activities	6,748	106,500	101,530
Net increase / (decrease) in cash and cash equivalents	12,610	58,451	43,265
Cash and cash equivalents at the beginning of period/year	92,571	40,591	40,591
Effect of foreign exchange rate changes	(502)	(2,115)	8,715
Cash and cash equivalents at end of period/year	104,679	96,927	92,571

Group Statement of Changes in Equity	Unaudited Six months to 30 June 2015	Unaudited Six months to 30 June 2014	Audited Year to 31 December 2014
	£'000	£'000	£'000
(Loss) for the period	(6,685)	(3,737)	(54,981)
Other comprehensive (loss)	(6,050)	(1,506)	1,246
Total comprehensive (loss) for period/year	(12,735)	(5,243)	(53,735)
Issue of ordinary shares under ESOP	4	-	65
Share based payments	1,037	1,138	2,080
Buy back of share options	(55)	-	(65)
Share placement	-	65,004	65,004
Share issue costs	-	(3,231)	(3,502)
Net movement in shareholders' funds	(11,749)	57,668	9,847
Opening shareholders' funds	245,461	235,614	235,614
Closing shareholders' funds	233,712	293,282	245,461

Notes

(i) Basis of preparation

The financial information contained in this announcement does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006.

The financial information for the six months ended 30 June 2015 is unaudited. In the opinion of the directors the financial information for this period fairly presents the financial position, results of operations and cash flows for the period in compliance with IFRS.

An unqualified audit opinion was expressed for the year ended 31 December 2014, as delivered to the Registrar.

(ii) Earnings per share

The calculation of earnings per share is based upon the weighted average number of ordinary shares in issue during the period of 268,021,740 (30 June 2014: 218,182,344 and 31 December 2014: 242,807,833).

(iii) Dividend

The Directors do not recommend payment of a dividend.

(iv) Foreign currencies

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(v) Taxation

Tax on profit on ordinary activities	Unaudited Six months to 30 June 2015	Unaudited Six months to 30 June 2014	Audited Year to 31 December 2014
	£'000	£'000	£'000
Current tax			
Overseas tax credit	11,439	49,414	45,831
Amounts underprovided in previous period/ year	-	536	501
Total current tax credit	11,439	49,950	46,332
Deferred tax			
Origination of temporary differences	(13,386)	(34,030)	38,971
Change of tax rate	(4,996)		
Prior period/year adjustment	-	(8)	18,262
Total deferred tax charge	(18,382)	(34,038)	57,233
Foreign exchange differences			
Differences arising from the use of period end and average exchange rates	(107)	477	7,250
Total foreign exchange differences	(107)	477	7,250
Total tax (charge)/credit in the Income Statement*	(7,050)	16,389	110,815

* Non-cash tax (charge)/credit

(vi) Post balance sheet events

On 1 September 2015 the Company announced the conditional acquisition of Roc Oil (GB Holdings) Ltd which holds 12.5% interest in the Blane Unit and a 12% interest in the Enoch Unit, both in the UK North Sea, from Roc Oil (Europe) Ltd, a subsidiary of Roc Oil Company Ltd, for a total consideration of $17 million plus a deferred payment of up to $3 million with an effective date of 1 January 2015.

On 11 September 2015 the Company announced the results of the Portrush exploration well 6407/10-5 (Faroe 20%) in Norway. The objective section in the Upper Jurassic reservoir rocks (the Rogn and Melke formations) was encountered with a thickness of about 330 metres, and whilst 134 metres was reservoir sand, of variable quality, no hydrocarbons were encountered.

On 17 September 2015 the Company announced an oil discovery in the main bore of the Boomerang exploration well 6506/12-4 S (Faroe 25%). The main well bore encountered a 26 metre gross Upper Jurassic Intra-Spekk/Rogn sandstone. Preliminary analysis shows that the well encountered sandstones with good reservoir properties and moveable oil. Preliminary estimates of recoverable volumes in the discovery range between 13 and 31 mmboe. The secondary objective of the main well bore was to investigate the extent, thickness and properties of Upper Jurassic Melke reservoir rocks, as well as the extent and level of the Pil oil-water contact. Hydrocarbons were confirmed above the Pil oil-water contact in an 80 metre gross interval of Melke age sandstone of varying reservoir quality and the main Pil reservoir sandstone was encountered within the water let, as planned, giving important appraisal information for the Pil development. An exploration side-track was drilled into the southern segment of the Boomerang prospect. The well had indications of hydrocarbons but the presence of moveable hydrocarbons was not proven.

(vii) Glossary

boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
DDA	Depletion, depreciation and amortisation
EBITDAX	Earnings before interest, taxation, depreciation, amortisation and exploration expenditure (gross profit plus depreciation on producing assets)
economic production	production to which the Company has an economic entitlement. It includes production between the effective (economic) date and the completion date of an acquisition. Accounting production excludes all pre-completion production.
mmboe	million barrels of oil equivalent
netback	revenue less operating cost per boe
net cash	Cash and cash equivalents less financial liabilities excluding the balance of the Exploration Financing Facility which is directly linked to the Norway tax rebate (disclosed as tax receivable in the balance sheet).

John Wood, is the UK Asset Manager of Faroe Petroleum and an engineer (M.Sc in Petroleum Engineering, Imperial College, London), who has been involved in the energy industry for more than 16 years, has read and approved the technical disclosure in this regulatory announcement.

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.