

6 November 2015

**Faroe Petroleum plc**

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

**Completion of acquisition of interests in UK Blane and Enoch fields**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in the UK and Norway, is pleased to announce that it has completed the previously announced acquisition of Roc Oil (GB Holdings) Limited (“Roc”), which holds a 12.5006% interest in the Blane Unit in the UK North Sea and a 12.00% interest in the Enoch Unit in the UK North Sea

A description of this acquisition was announced by the Company on 1 September 2015 and a summary is set out below:

**Acquisition summary**

- Post-Acquisition Faroe will hold in aggregate a 30.5047% non-operated interest in the Blane Unit (Pre-Acquisition interest 18.0041%) and a 13.86% non-operated interest in the Enoch Unit (Pre-Acquisition interest 1.86%)
- Initial consideration of \$17 million, based on an effective date of 1 January 2015, reduced to \$13.7m at completion after working capital and other corporate adjustments
- The Blane Oil Field (P111-Block 30/3a (Upper), UK North Sea) (“Blane”) is an established oil field with considerable upside potential to increase production, grow reserves and extend field life
- The Enoch field is currently suspended and is planned to be brought back on stream in Q4 2015

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

“We are very pleased to announce the completion of this acquisition, which gives a further boost to our oil and gas production portfolio.

“Blane is a good quality producing field, well known to the Company and which offers upside potential in the form of increasing reserves, production and field life. The transaction is also tax efficient, allowing us to accelerate the use of our tax losses in the UK and is in line with our strategy to grow our production portfolio and to continue the efficient funding of Faroe’s committed exploration, appraisal and development programme.”

– Ends –

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John Wood, UK Asset Manager of the Company with over fifteen years' experience of the oil and gas industry and who holds an M.Sc in Petroleum Engineering from Imperial College, has read and approved the technical 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 9,500 boepd and 10,500 boepd<sup>1</sup>.

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 mmboe (gross). More recently, the Company announced the Boomerang discovery in the Norwegian Sea with a resource range of 13-31 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 North Sea positions provides the majority of prospects targeted by the Company's sustainable exploration 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 2016. 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.

(1) Faroe receives the economic benefit of production from the Blane interest within Roc, from the effective date of 1 January 2015 but can only account for production from the date of completion being 5 November 2015. Faroe's estimated 2015 average economic production of between 9,500 boepd and 10,500 boepd does not include any incremental production from this acquisition.