

17 December 2015

**Faroe Petroleum plc**

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

**Brasse rig contract and Enoch production resumes**

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 award of a rig contract for the drilling of the Faroe-operated, Brasse exploration well in the Norwegian North Sea (Faroe 50%) and the recommencement of oil production from the Enoch field (Faroe 13.86%).

**Rig secured for drilling the Brasse prospect in Norway (Faroe 50% and operator)**

Faroe, has entered into a contract with Transocean Offshore (North Sea) Ltd on behalf of the PL 740 joint venture for the lease of the semi-submersible Transocean Arctic drilling rig. Faroe has budgeted its net share of the well costs after tax to be less than £2m, and the well is expected to be drilled in the summer of 2016.

Brasse will test a structure immediately to the south of the producing Brage field and if successful could be tied-back to Brage (Faroe 14.3%) or alternatively to other nearby installations.

The co-venturer in the PL740 licence is Core Energy AS (50%).

**Enoch oil field UK resumes production (Faroe 13.86%)**

Production from the Enoch field (Faroe 13.86%) in the UK North Sea has recommenced following an extended period of shut-in for repair and maintenance. Initial production rates have been encouraging.

Faroe recently increased its interest in the Enoch field from 1.86% to 13.86% for a nominal consideration. The Enoch field, operated by Talisman Sinopec Energy UK, has been developed as a single well subsea tie-back to the Marathon-operated Brae field.

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

“We are very pleased to announce the signing of the drilling contract for this exciting Faroe-operated exploration well - one of three exploration wells in Faroe’s drilling programme for 2016 in Norway. The Brasse prospect will be drilled using the Transocean Arctic, which is the same rig as we used to make the Pil discovery in 2014. Faroe has taken the opportunity to capitalise on the low cost environment to drill a material prospect which offers real potential for an early and low cost tie-back to the Brage field in which Faroe is an owner.

“Despite the challenging industry backdrop, Faroe is robust with a strong cash position and balance sheet, and continues to perform very well, with production in line with our increased guidance. We look forward to an exciting three well exploration drilling programme for 2016 in Norway, which is firming up on cost efficient terms, and continue to evaluate the potential to take advantage of further good quality growth opportunities.”

– 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 9,500 boepd and 10,500 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 2015, the Company announced the Shango and Boomerang discoveries 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 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.

