

24 May 2016

Faroe Petroleum plc

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

Brasse exploration well commences drilling in the Norwegian North Sea

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal, development and production opportunities in Norway and the UK, is pleased to announce the commencement of the Faroe-operated Brasse exploration well 31/7-1 in the Norwegian North Sea (Faroe 50%).

The Brasse prospect is located immediately south of the producing Brage oil field (Faroe 14.3%) and, if successful, could be tied-back to the Brage facilities or alternatively to other nearby installations. The well will target the Jurassic aged sandstones in a four-way dip-closed structure with a total vertical depth of approximately 2,750 metres in the Early Jurassic Statfjord Formation.

The water depth at the site is 118 metres and the well will be drilled using the semi-submersible Transocean Arctic drilling rig. The co-venturer in the PL740 licence is Core Energy AS (50%).

Graham Stewart, Chief Executive of Faroe Petroleum commented:

“I am pleased to announce the spudding of the Faroe-operated, Brasse exploration well located in close proximity to our producing Brage oil field. This is a near field exploration target which provides significant upside potential to Faroe, in one of our core areas. On a post-tax basis the well is expected to cost Faroe less than £2 million.”

– Ends –

For further information please contact:

Faroe Petroleum plc
Graham Stewart, CEO

Tel: +44 1224 650 920

Stifel Nicolaus Europe Limited
Callum Stewart /Ashton Clanfield

Tel: +44 20 7710 7600

RBC Capital Markets
Matthew Coakes/Daniel Conti/Roland
Symonds

Tel: +44 20 7653 4000

FTI Consulting
Edward Westropp/Tom Hufton

Tel: +44 20 3727 1000

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, ENGIE, Maersk, OMV, Repsol, Shell, Statoil, Total, Tullow and Wintershall.

The Company's substantial licence portfolio provides a 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 production for 2016 is estimated to be between 7,000 boepd and 9,000 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. 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). 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 \$225 million reserve base lending facility, with a fully funded committed 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.

Brasse Exploration well

