

11 July 2016

Faroe Petroleum plc

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

Brasse Oil and Gas Discovery – successful side-track appraisal and volume estimate

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 completion of a successful side-track appraisal well on the Brasse discovery in licence PL740 in the Norwegian North Sea (Faroe 50% and operator).

The objective of the Brasse side-track well (31/7-1A) was to appraise the south-eastern part of the hydrocarbon bearing structure previously identified by the main discovery well. The Brasse side-track reached a total depth of 2,530 metres (MD) and encountered a 25 metre gross oil column and a 6 metre gross gas column. Results based on extensive coring, wireline logging and sampling show that the well has encountered oil and gas in good quality Jurassic reservoir sandstones, similar to those seen in the main well, and provide important information about the reservoir distribution in Brasse. The hydrocarbon-bearing interval in the side-track well was found to be at a similar pressure level to the hydrocarbon-bearing interval in the initial discovery well. Total gross volumes of recoverable hydrocarbons are estimated to be 28-54 mmbbls of oil and 89-158 bcf of gas (43-80 mmmboe in aggregate).

As already announced, the Brasse discovery well (31/7-1) encountered approximately 21 metres of gross oil-bearing and approximately 18 metres of gross gas-bearing Jurassic reservoir. The reservoir is of good quality and believed to be analogous to the effective reservoir at the Brage producing oil field (Faroe 14.3%).

The Brasse discovery is located within tie-back distance to existing infrastructure: 13 kilometres to the south of the Brage field platform, in which the Company holds a 14.3% working interest, 13 kilometres to the east of the Oseberg Sør field platform, and 13 kilometres to the south east of the Oseberg field platform. Faroe and its co-venturer (Point Resources AS (50%)) will now begin assessing options for this discovery, located in one of Faroe’s core areas in the Norwegian North Sea.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce the results of this successful side-track appraisal well on the Brasse discovery, which proves the hydrocarbon and reservoir distribution found in the main discovery well and delineates the lateral extent of the discovered area. This discovery, in one of our core areas, builds, via this low cost exploration and appraisal well, on Faroe’s already significant position in the Norwegian North Sea. Work will now begin on assessing options for monetising this important new asset, given its significant resource estimates and close proximity to existing infrastructure.”

Conference Call

A conference call for sell-side analysts will take place today at 8.00 BST, please find the dial-in details below:

Dial-in: +44 (0) 1452 542303
Password: FAROE PETROLEUM

– Ends –

For further information please contact:

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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 30 years, has read and approved the exploration and appraisal disclosure in this regulatory announcement.

The Company's internal estimates of resources contained in this announcement were prepared in accordance with the Petroleum Resource Management System guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers.

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 (2015) and Boomerang (2015) 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, cash flow and a \$200 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.

Glossary

MD	measured depth
mmbbls	million barrels of oil
mmboe	million barrels of oil equivalent
bcf	billion cubic feet

Brasse Exploration well

