

25 October 2017

Faroe Petroleum plc

("Faroe", "Faroe Petroleum" or the "Company")

Commencement of Tambar infill drilling programme

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 that drilling operations have commenced on the Tambar development project in the producing Tambar field in Norway (Faroe 45%).

Highlights

- The Tambar development project consists of two new infill wells and the installation of gas lift in three existing wells to increase overall field production
- The infill wells, which are being drilled by the Maersk Interceptor drilling rig, will target undrained areas of the field identified in the north and south with the potential to increase 2P reserves further
- The combination of the infill wells and installation of gas lift has the potential to increase Tambar production markedly and extend field life by up to 10 years, contributing to lower unit operating costs in the Ula hub area
- The gas produced by the Tambar field will be transported to and reinjected into the Ula field (Faroe 20%) as part of its successful ongoing Water Alternating Gas ('WAG') injection scheme, which is expected to generate additional production over the life of the Ula field

The Tambar and Tambar East Unit Fields are satellite fields, approximately 16 kilometres to the southeast of the Ula field located in the Norwegian North Sea. Tambar has been developed with an unmanned wellhead platform tied back to the Ula Platform, with three existing wells in the Tambar reservoir and one existing well in Tambar East. The two fields are operated as one by Aker BP with the majority of the developed reserves found in the Tambar Field.

Graham, Stewart, CEO of Faroe Petroleum, said:

"I am pleased to announce the commencement of the high impact work programme on the Tambar field. The joint venture sanctioned the project in April this year and it has been a great achievement by the operator to mobilise the rig and commence drilling operations within such a short space of time.

"Drilling operations are now expected to continue to the end of Q1 next year, and it is hoped that the two new wells will be brought on stream before the end of April 2018.

"The significance of this work programme is not only the impact on reserves and production but it also shows our ability to drive value and upside potential from the existing portfolio. I look forward to updating shareholders on the progress at Tambar and on the commencement of our next exploration well, later in 2017, with the high impact Iris/Hades (Aerosmith) exploration well (Faroe 20%) expected to spud before the end of the year."

- Ends -

For further information please contact:

Faroe Petroleum plc
Graham Stewart, CEO
Tel: +44 1224 650 920

Stifel Nicolaus Europe Limited
Callum Stewart / Nicholas Rhodes / Ashton
Clanfield
Tel: +44 20 7710 7600

BMO Capital Markets
Neil Haycock/ Tom Rider/ Jeremy Low
Tel: +44 20 7236 1010

FTI Consulting
Edward Westropp/ Emerson Clarke
Tel: +44 20 3727 1000

John Wood, UK Asset Manager of the Company with over 15 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 production and development disclosure in this regulatory announcement.

Glossary

"boepd"	barrels of oil equivalent per day
"net"	the portion that are attributed to the equity interests of Faroe
"reserves"	reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status

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 in Norway, the UK and Ireland.

Faroe Petroleum is an experienced licence operator having operated several exploration wells successfully in Norway and the UK and is also the production operator of the Schooner and Ketch gas fields in the U.K. Southern Gas Basin and the Trym and Oselvar fields in the Norwegian North Sea. Faroe also has extensive experience working with major and independent oil companies both in Norway and in the UK.

The Company's substantial licence portfolio provides a considerable spread of risk and reward. Faroe has an active E&A drilling programme and has interests in a portfolio of producing oil and gas fields in the UK and Norway, including the Schooner and Ketch gas fields and the Blane oil field in the UK, and interests in the Brage, Ringhorne East, Ula, Tambar, Oselvar and Trym fields in Norway. In December 2016 the Company completed the acquisition of a package of Norwegian producing assets from DONG



Energy including interests in the Ula, Tambar, Oselvar and Trym fields. Full year average production for 2017, is estimated to be between 13,000-15,000 boepd.

In November 2013 and March 2014 Faroe announced the Snilehorn and Pil discoveries in the Norwegian Sea in close proximity to the Njord and Hyme fields. More recently, in July 2016 the Company announced the Brasse discovery, next to the Brage field, and the Njord North Flank discovery, next to the Njord field, both in Norway.

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 \$250million reserve base lending facility, with a further US\$100million available on an uncommitted "accordion" basis. Faroe has a highly experienced technical team who are leaders in the areas of seismic and geological interpretation, reservoir engineering and field development, focused on creating exceptional value for its shareholders.

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.