

5 February 2018

**Faroe Petroleum plc**

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

**Fogelberg appraisal well commences drilling in the Norwegian Sea**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway, the UK and Atlantic Margin, is pleased to announce the commencement of the Fogelberg appraisal well and contingent sidetrack 6506/9 - 4A & 4S in the Norwegian North Sea (Faroe 28.3%).

Faroe announced the Fogelberg oil and gas discovery in licence PL433 in April 2010. The 6506/9-2 S well encountered gas and condensate in the Middle Jurassic Garn and Ile formations, and no fluid contacts were observed.

The gross size of the discovery has been estimated to be in a range between 105 and 530 bcf (between 19 and 116 mboe including the condensate) of recoverable gas and condensate. The volumetric range is large due to the Fogelberg discovery well being located high on the structure. The main objectives of the appraisal well are to narrow this range in the reserves estimates and to provide additional information for development planning.

Fogelberg is located 18 kilometres north west of the producing Åsgard complex where large quantities of gas and condensate have been and continue to be produced and transported to several landing points on the European continent.

The appraisal well will be drilled with the Island Innovator semi-submersible drilling rig, and the joint venture partners are Spirit Energy Norge AS (operator 51.7%) and PGNiG Upstream Norway AS (20%)\*.

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

“We are pleased to announce the spud of the Fogelberg appraisal well, which aims to derisk and prove up commercial volumes in the Fogelberg field ahead of any decision to develop the field. Fogelberg was one of Faroe's earlier discoveries and has the potential to join a number of development and pre-development projects which are on track to significantly grow Faroe's production, cash flow and value in the coming years. The majority of these developments are a direct result of our drilling success.

“Looking ahead to Faroe's 2018 exploration programme, we continue drilling on the Iris/Hades exploration well in the Norwegian Sea, before drilling the Rugne and Cassidy prospects later in the year.”

– Ends –

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\*The Company's interest in this licence has increased from 15% in 2010 to its current level following the withdrawal of previous licencees and the assignment of a 5% interest to PIGNiG which is in the process of completion.

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.

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.

#### **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. The investment programme to increase production from the Company's existing fields continues, with the planned installation of gas lift and drilling of two infill wells on Tambar (Faroe 45%) and the recommencement of infill drilling on the Brage field (Faroe 14.3%).

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. 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.

#### Glossary

"mmb" million barrels of oil equivalent

"bcf" billion cubic feet

### Fogelberg Discovery and Appraisal Wells

