

10 April 2018

Faroe Petroleum plc

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

Approval of Plan for Development and Operation of Fenja field

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 the Norwegian Minister of Petroleum and Energy has approved the plan for the development and operation (‘PDO’) of the Fenja field.

The Fenja oil field is located 33 kilometres south west of the Njord production facility. The field will be developed with three oil producers, two water injectors and one gas injector which will be converted to a gas producer during the gas blow-down phase towards the end of field life.

The operator, VNG Norge AS, estimates that the field contains gross recoverable resources of 97 million barrels of oil equivalent, and is comprised predominantly of oil. Fenja is expected to come on stream in 2021 with a planned field life of 16 years.

In February 2018 Faroe Petroleum announced that it had executed a transaction with Suncor Energy Norge AS (“Suncor”) for the sale of a 17.5% working interest in the Fenja development for a cash consideration of \$54.5m. The Fenja PDO approval is the principal condition precedent to completion of this transaction. Faroe retains a 7.5% working interest in the Fenja development.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

“We are very pleased to announce approval of the development plan for the Fenja field. When Fenja comes on stream in 2021 it will contribute considerable cash flow and value to Faroe. Fenja is another prime example of Faroe’s successful exploration model which continues to deliver considerable success and value – most recently with the announcement last week of the significant Iris/Hades discoveries in the Norwegian Sea. The vast majority of Faroe’s 2P reserves and 2C contingent resources have been generated very cost-effectively through our outstanding exploration success. The recent monetisation of part of our Fenja equity to Suncor is testimony to the high quality and attractiveness of Fenja and our asset portfolio in general.

“Faroe now has the distinct advantage of being in a fully-funded position, with clear line of sight to deliver material organic production and value growth. We are continuing to pursue actively our significant exploration, appraisal and infill drilling programme with the aim of adding greater near term resource and value. Opportunities to accelerate further growth through potential value-accretive acquisitions and disposals also continue to be a key focus for the Company going forward.

“Aside from the encouraging Fogelberg appraisal results, announced separately today, the Company’s exploration programme continues apace over the coming months with three further committed exploration wells in Norway: the Rungne (Faroe-operated), Cassidy and Pabow wells.”

– Ends –

For further information please contact:

Faroe Petroleum plc
Graham Stewart, CEO

Tel: +44 (0) 1224 650 920

Stifel Nicolaus Europe Limited
Callum Stewart / Nicholas Rhodes / Ashton
Clanfield

Tel: +44 (0) 20 7710 7600

BMO Capital Markets
Neil Haycock / Tom Rider / Jeremy Low

Tel: +44 (0) 207 236 1010

FTI Consulting
Edward Westropp / Emerson Clarke

Tel: +44 (0) 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 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 UK 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 2018, is estimated to be between 12-15,000 boepd.

In November 2013 and March 2014 Faroe announced the Snilehorn and Pil (Fenja) 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. In February 2018, the Company announced the sale of part of its interest in the Fenja field.

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. The Company has also raised a \$100m senior unsecured bond. 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