

23 May 2018

**Faroe Petroleum plc
("Faroe", the "Company")**

Brasse East Well Commitment

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 the commitment by the PL740 Brasse Joint Venture partners (Faroe 50% and operator and Point Resources 50%) to drill the Brasse East exploration well and award the associated rig contract, with commencement of drilling operations expected in Q4 2018.

Recent seismic reprocessing and reinterpretation work has identified significant hydrocarbon potential in the vicinity of the eastern flank of the Brasse field, which was discovered in 2016. Success could add further incremental volumes to the existing 2P reserves of 30.7 mmboe (net to Faroe) for the Brasse field development. This new Brasse East exploration well demonstrates the progressive approach being adopted by the Brasse Joint Venture towards derisking the wider prospective areas both to the east and the north east of the Brasse field, which includes the Brasse Extension prospect. It is envisaged that any additional volumes proven by the Brasse East exploration well may be developed in conjunction with the planned Brasse field development.

Faroe, as licence operator, has entered into a contract for the use of the Transocean Arctic semi-submersible rig for drilling of the Brasse East well, back-to-back and immediately following drilling of the Rungne exploration well in PL 825 (Faroe 40% and operator), for which the Transocean Arctic is already on contract. Both wells are expected to be drilled in H2 2018.

The Brasse discovery is located immediately to the south of the Brage field and to the south east of the Oseberg field. At the end of 2017, the Brasse field development feasibility study phase was completed, confirming several economically attractive development solutions and export routes. Concept studies are currently progressing according to plan. The co-venturer in the Brasse PL 740/PL 740 B/PL 740 C licences is Point Resources AS (50%).

Graham Stewart, CEO, commented:

"I am pleased to announce the addition into our 2018 exploration drilling programme of the Brasse East exploration well, which brings the total number of exploration and appraisal wells planned for the year to six. The Brasse development programme continues apace as we work towards concept selection by year end. If successful the Brasse East well could contribute significant additional hydrocarbons, thereby potentially adding further value to this attractive flagship development project.

"Meantime we await results of the ongoing side-track and potential flow testing operations at the Fogelberg field. We are also preparing for drilling of the exciting, high impact Faroe-operated Rungne exploration well, our next exploration well, scheduled to spud in late summer."

– Ends –

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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 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 has extensive experience working closely with major and independent oil companies both in Norway and in the UK.

The Company's substantial licence portfolio provides a diverse 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 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 (Bauge) 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, close to the Brage field, and the Njord North Flank discovery, close to the Njord field, both in Norway. In February 2018, the Company announced the sale of part of its interest in the Fenja field and in April 2018 announced the significant Iris and Hades discoveries.

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 has had significant success in exploration on the Norwegian continental shelf, and the great majority of the Company’s 2P reserves have been generated directly from Faroe’s exploration success.

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 \$250 million 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.

Indicative map of PL740 containing the Brasse discovery and proposed location for the Brasse East well (31/7-3 S)

