

26 June 2018

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

**Annual General Meeting Statement**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, will be holding its Annual General meeting today at the offices of FTI Consulting, 200 Aldersgate, Aldersgate Street, London EC1A 4HD at 11.00 a.m.

At the meeting, the Chairman, John Bentley will make the following statement on current trading:

*"Faroe Petroleum remains on track to execute its strategic growth-focused objectives. We have delivered considerable progress in the first half of the year in terms of exploration and appraisal success, field investment across multiple assets and on our high-quality development portfolio, which remains on schedule and on budget. Notably our first exploration well in 2018, targeting the Iris and Hades prospects, generated significant discoveries in the primary and secondary objectives. In addition, we have reported a successful appraisal of Fogelberg where production testing is underway. Furthermore, and in accordance with Faroe's continuous monetisation and portfolio management focus, we have sold down 17.5% of our equity in the Fenja field development to Suncor for \$54.5 million, while retaining a 7.5% equity stake, such that Faroe now holds 7.5% equity in the entire Greater Njord Area, an important strategic hub for the business. During the first half of 2018, we also farmed down to Dyas the Fogelberg licence while retaining a 15% equity stake. Following these transactions Faroe is fully funded for its entire near-term investment and development programme, taking full advantage of the continuing low-cost environment. This programme includes key projects on Njord Future, Bauge, Fenja, Oda, Tambar and Ula, as well as the Faroe-operated Brasse field development which, while yet to be committed to, is also fully funded.*

*"Production guidance remains unchanged with an average of 12-15,000boepd.*

*"The Company is in a very strong position, with an outstanding fully funded value growth profile, material exploration success this year already, all underpinned by significant liquidity. As we seek further low cost 2C resource additions, we are maintaining a very active drilling programme. Rigs have so far been committed to drill five wells in the months ahead, all on attractive terms.*

*"I would like to thank all our shareholders for their continued support and look forward to reporting further progress across the business during the remainder of 2018."*

**For further information please contact:**

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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.

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 25 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 (Bauge) 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.