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Faroe Petroleum plc

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

Significant gas/condensate discoveries in Hades and Iris prospects, Norway

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 significant discoveries in both the Hades and Iris prospects in licence PL 644 B (Faroe 20%), located in the Norwegian Sea.

The exploration well 6506/11-10 targeted two formations: the Cretaceous Hades prospect and the Jurassic Iris prospect located directly underneath. The well has been drilled to a total depth of 4,536 metres (MD). Preliminary results based on coring, wireline logs, fluid sampling and pressure data show that the well has encountered gas/condensate bearing reservoir within both prospects.

Hades Discovery

In the Hades prospect, at a depth of 3,932 metres (MD), the well encountered a c. 35 metres gross gas/condensate column within the Cretaceous Lange Formation of which 15 metres are net reservoir sandstones of moderate to good reservoir quality. Preliminary gross volumes of recoverable hydrocarbons for the Hades prospect are estimated to be 19 – 113 mmbœ, exceeding pre-drill estimates.

Iris Discovery

In the Iris prospect, at a depth of 4,223 metres (MD), the well encountered a 218 metre, high net-to-gross sandstone interval, within the Jurassic Garn Formation, containing a 93 metre column of gas/condensate. Within the gas/condensate column, net reservoir has been estimated at 85 metres, consisting of sandstones of moderate to excellent reservoir quality. Pressure data indicates that the Hades and Iris prospects are separate hydrocarbon accumulations. Preliminary gross volumes of recoverable hydrocarbons for the Iris prospect are estimated to be 19 – 132 mmbœ, exceeding pre-drill estimates.

Location within proximity to production infrastructure

The Iris and Hades discoveries are located approximately 8 kilometres to the north of the producing Morvin Field and 20 kilometres to the northwest of the Åsgard Complex, where large quantities of gas and condensate continue to be produced and transported to several landing points on the European continent.

Appraisal programme to be initiated

All data from the two discoveries are being assimilated and a follow-up appraisal programme is now being considered by the operator and partners.

The well was drilled by the Deepsea Bergen semi-submersible drilling rig. Licences PL 644 and PL 644 B are both operated by OMV (Norge) AS (30%), Faroe Petroleum Norge AS (20%), with partners Statoil Petroleum AS (40%)¹ and Spirit Energy Norge AS (10%)¹. The well will now be plugged and abandoned as planned.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"We are very pleased to announce significant discoveries in both the Hades and Iris prospects; both are well in excess of pre-drill estimates. These discoveries are located in one of our core areas and build on Faroe's already significant position in the Norwegian Sea.

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

