

29 June 2018

Faroe Petroleum plc

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

Successful Fogelberg Drill Stem Test

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 a successful sidetrack well (6506/9-4 A) and successful production test (‘Drill Stem Test’, ‘DST’) following the drilling of the downdip appraisal well (6506/9-4 S) on Fogelberg located in the Norwegian Sea (Faroe 15%¹).

The Fogelberg discovery has now been successfully appraised confirming sufficient well productivity and reservoir connectivity capable of delivering commercial rates from the planned horizontal gas producers.

Highlights

- Successful sidetrack and successful production test in well 6506/4 A
- The sidetrack well penetrated 58 metres of gross hydrocarbon-bearing Garn sand-rich reservoir and 87 metres of gross hydrocarbon-bearing Ile reservoir
- During the DST, the well flowed at a maximum constrained and stable rate of 21 mmscf per day and condensate at 547 bpd (aggregate 4,047 boepd) on choke 22/64” for 24 hours with no signs of depletion
- Fluid sampling on the rig during the DST confirmed both high quality gas and condensate and a condensate yield in the expected range. The fluid samples will also be used to refine the design basis for the planned subsea tie-back to Åsgard B
- An update on the volumetrics will be provided after the newly acquired data has been fully interpreted and incorporated into an updated Fogelberg reservoir model. However, preliminary analysis suggests a resource range of 40-90 mboe gross
- Development planning studies for the Fogelberg subsea tie-back to the Åsgard B host are expected to start in H2 2018

The sidetrack well, located 0.8 kilometres from the initial wellbore and 1.7 kilometres from the discovery well, was drilled to a total depth of 4,497 metres, targeting the gas- and condensate-bearing Middle Jurassic Garn and Ile formations. The main objectives were to assess the productivity of the Garn Formation and to firm up the resource range for a commercial development.

Fogelberg is located 18 kilometres north 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 Fogelberg appraisal well was drilled with the Island Innovator semi-submersible drilling rig, and the joint venture partners are Spirit Energy Norge AS (operator 51.7%), PGNiG Upstream Norway AS (20%) and Dyas Norge AS² (13.3%). The appraisal well will now be plugged and abandoned as planned.

Graham Stewart, Chief Executive of Faroe Petroleum commented:

“We are pleased to announce the successful drill stem test at the Fogelberg sidetrack which further derisks the Fogelberg project. By the end of the year, we expect to have commenced development planning on the tieback to Åsgard B and we aim to move the 2C contingent resources to 2P reserves.

“We look forward to an exciting programme of five exploration wells in the period ahead which we expect to commence with the Faroe-operated Rungne well, which will be followed back to back with the Faroe-operated Brasse East well.”

– Ends –

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¹The Company's interest in this licence has reverted to 15% following three separate transactions, which are in the process of completion.

²Subject to 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.

Glossary

bbbl	barrel of oil
boe	barrel of oil equivalent
bopd	barrel of oil per day
mmscf	millions of standard cubic feet
psi	pounds per square inch

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

