

24 May 2018

Faroe Petroleum plc

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

New exploration licence awarded in UK 30th Round

Faroe Petroleum, the independent oil and gas company focussing principally on exploration, appraisal and production opportunities in Norway and the UK, is pleased to announce that it has been awarded a new prospective exploration licence under the 30th Licence Round on the UK Continental Shelf.

Block 30/14b – Edinburgh – Faroe 100% and Operator

The Edinburgh prospect straddles the UK/Norway border in the Central North Sea, at the south eastern end of the prolific Josephine Ridge area, south of the producing Blane field (Faroe 44.5%) and adjacent to the producing Flyndre/Cawdor fields operated by Maersk. The structure is a large, tilted Mesozoic fault block, and is one of the largest remaining undrilled structures in the Central North Sea covering an area of over 40 square kilometres. The prospective reservoirs in this new licence include the Triassic Skagerrak Formation and the Upper Jurassic Ula age-equivalent (Freshney and Fulmar) proven reservoir sandstones.

The large Edinburgh prospect spans multiple licences in UK and Norwegian waters of the North Sea, and is also stratigraphically split across one licence. Faroe's experience of partnering and operating in both the UK and Norway represents a distinct advantage in bringing the drilling of this highly exciting exploration prospect to fruition.

The licence work programme comprises a drill-or-drop well, pore pressure analysis and structural studies.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"We are pleased to announce the award of Block 30/14b which contains the high-impact Edinburgh prospect. This award is significant in that it is our first new licence in the UKCS since 2014 and leverages Faroe's considerable knowledge and technical expertise gained over many years of activity in both UK and Norwegian waters in order to access attractive cross-border opportunities such as Edinburgh.

"Faroe is targeting multiple potential new discoveries with a significant exploration and appraisal programme of six wells committed in 2018 alone, taking full advantage of current low rig rates. Faroe's track record in exploration has been outstanding, having delivered the vast majority of the Company's 2P reserves and 2C resources. This in turn has led to the Company's very significant development programme designed to more than treble current production rates over the coming years. The exciting Fogelberg appraisal well is currently underway, to be followed by the high-impact Rungne exploration and then the new Brasse East exploration well, both of which are located near to the Brasse field.

– Ends –

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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

Block 30/14b – Edinburgh

