

28 August 2018

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

Agar/Plantain Exploration and Appraisal Well Commences

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, notes the announcement made today by Azinor Catalyst Limited ("Catalyst"), the operator of the Agar Plantain exploration and appraisal well on the UK Continental Shelf ("UKCS").

Catalyst confirmed that the Plantain exploration well spud at approximately 6:00pm on 24 August 2018 using the Transocean Leader drilling rig. The well is expected to take approximately 28 to 38 days to complete and will be drilled to a depth of 1,845 metres TVDSS. The Plantain well will be followed by a contingent side-track to appraise the discovered Agar field. The total estimated gross cost of well operations is US\$15 million. The results will be announced on completion of drilling operations.

Faroe announced on 14 August 2018 that it had farmed into the Agar Plantain exploration and appraisal well taking a 25% interest on the sole risk drilling activity and a 12.5% interest in the wider P1763 Licence alongside Catalyst's existing partners Apache Corporation and Cairn Energy PLC. Plantain is an Eocene oil prospect which follows on from the original Agar oil discovery in 2014 (9/14a-15A) and the analogous Frosk oil discovery (24/9-12 S) made in Norway by AkerBP earlier this year.

Operator volumes in Agar and Plantain have been estimated by Catalyst at a combined mid-case prospective resource of 60 million barrels of oil equivalent, with an upside case of 98 million barrels of oil equivalent.

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"We are pleased to announce the spudding of the Plantain exploration well which is the first in a sequence of seven committed wells in Faroe's current exploration and appraisal programme. The next prospect is the Faroe-operated Rungne exploration well due to spud in September, located in Faroe's core area of the Norwegian North Sea."

For further information please contact:

Faroe Petroleum plc
Graham Stewart, CEO

Tel: +44 (0) 1224 650 920

Stifel Nicolaus Europe Limited
Callum Stewart / Nicholas Rhodes / Ashton Clanfield

Tel: +44 (0) 20 7710 7600

BMO Capital Markets
Tom Rider / Jeremy Low

Tel: +44 (0) 207 236 1010

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 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.

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 12-14,000 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, with a net cash position of £84 million (unaudited) at 30 June 2018, up from £75 million at 31 December 2017 and in addition has access to a US\$250 million reserve base lending facility, with a further US\$100 million available on an uncommitted “accordion” basis. The Company has also raised a US\$100 million senior unsecured bond which is listed on the Oslo Børs. 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.

Glossary

Prospective Resource those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development

TVDSS True vertical depth subsea