

14 November 2018

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

Rungne Exploration Well Results

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, announces the results of the Faroe-operated Rungne exploration well 30/6-30 in the Norwegian North Sea (Faroe 40% working interest).

The well encountered a 56 metre gross (17 metre net) gas/condensate column in good quality interbedded Middle Jurassic Ness formation sandstones and 86 metres of gross water bearing reservoir in the primary Oseberg formation target. No hydrocarbon contact was encountered within the Ness formation. Data acquisition has been undertaken including coring, logging and fluid sampling.

The preliminary gas and condensate recoverable volume range for the discovery in the Ness formation is likely to be in the range of 12-75 bscf and 0.5-3.9 mmbbls respectively (combined 2.7-17.0 mmboe) and therefore unlikely to be commercial in isolation.

The Rungne exploration well 30/6-30 spudded on 19 October 2018 and was drilled to a total depth of 3,469 metres below sea level. Drilling operations were undertaken using the semi-submersible Transocean Arctic rig.

The current joint venture partners in the PL 825 licence are Faroe Petroleum (40% and operator), Lundin Norway AS (30%*) and Spirit Energy Norge AS (30%*). Subject to completion of two recent transactions, the PL 825 partnership will consist of Faroe (40% and operator), Equinor Energy AS (30%*), Spirit Energy Norge AS (20%*) and DNO Norge AS (10%*).

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"In a six well exploration programme some disappointing outcomes are inevitable. Although no hydrocarbons were present in the main Oseberg target we are pleased to have encountered hydrocarbons in the secondary Ness target which provides new data.

"In addition to the ongoing Agar/Plantain well, results from which are expected shortly, Faroe's exploration programme will continue over the remainder of the year with two further committed exploration wells in Norway: the Brasse East (Faroe-operated) and Cassidy wells."

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 / Tom Hughes

Tel: +44 (0) 207 236 1010

FTI Consulting
Ben Brewerton / Sara Powell / Toby Chidavaenzi

Tel: +44 (0) 20 3727 1000

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.

* Lundin Norway AS and Spirit Energy Norge AS have assigned respectively a 20% and 10% interest in PL825 to Equinor Energy AS and Lundin Norway AS its remaining 10% to DNO Norge AS, all of which are subject to completion.

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 has extensive experience working closely with major and independent oil companies and is an experienced operator of both exploration and production licences.

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 Norway and the UK, including interests in the Brage, Ringhorne East, Ula, Tambar and Trym fields in Norway and the Blane oil field in the UK. 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 \$350 million reserve base lending facility. The Company has also raised a \$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

bscf	billions of standard cubic feet
mmbbls	millions of barrels
mmboe	millions of barrels of oil equivalent