

21 November 2018

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

Brasse East Well Commences

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 the commencement of the Faroe-operated Brasse East exploration well 31/7-3 S in the Northern North Sea (Faroe 50% working interest).

The Brasse East well is being drilled immediately east of the Brasse field (discovered by Faroe in 2016 and appraised in 2017) which in turn is located to the south of the Brage field and to the south east of the Oseberg field. At the end of 2017, the Brasse field development feasibility study phase was completed, confirming several economically attractive development solutions and export routes. Concept studies are currently progressing according to plan. The co-venturer in the Brasse PL 740/PL 740 B/PL 740 C licences is Point Resources AS (50%).

The total expected vertical depth of the well is approximately 2,271 metres, in water depth of 124 metres. Drilling operations will be undertaken using the semi-submersible Transocean Arctic rig. The results will be announced on completion of drilling operations.

Graham Stewart, CEO, commented:

"I am pleased to announce the spudding of the Faroe-operated Brasse East exploration well which is immediately adjacent to the Faroe-operated Brasse field. Brasse East offers upside potential for the Brasse field development as well as potential to unlock additional exploration upside to the north east of the Brasse field.

"Faroe's active exploration programme is continuing over the coming period, with the Cassidy well preparing for drilling later this year plus a further two wells committed for 1H 2019."

– Ends –

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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.

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.

Map of PL 740 containing the Brasse discovery and location for the Brasse East well (31/7-3 S)

