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FOR IMMEDIATE RELEASE

9 January 2019

Faroe Petroleum plc (the “Company” or “Faroe”)

Statement Regarding DNO's Final Offer

The Board of Faroe (the “Board”, “we”) is today making the following statement further to the announcement by DNO ASA (“DNO”) on 8 January 2019 that it has increased its unsolicited offer to 160p per share and made its offer final (the “Final Offer”), and the announcement this morning by DNO that following further purchases of Faroe shares, DNO owns or has received acceptances for a total of 195,526,068 Faroe shares, representing approximately 52.44 percent of the ordinary issued share capital of Faroe.

The Board notes that upon settlement of the further share purchases the Final Offer will become unconditional in all respects.

Whilst the Board does not believe the Final Offer represents fair value, the Board recognises that, as set out above, the Offer will be declared wholly unconditional upon settlement of the further share purchases made by DNO and DNO will therefore acquire statutory control of Faroe.

The Board considers that, following its initial investment in Faroe and in the conduct of its subsequent Offer, DNO has created considerable uncertainty for minority shareholders. In particular, DNO has stated that, should it acquire statutory control of Faroe, it may be required to combine DNO’s interest in its Norwegian operating subsidiary with Faroe’s Norwegian operating subsidiary. DNO has also stated that, if the level of acceptances of its Offer reaches 75%, it intends to take steps to delist the Company which would significantly reduce the liquidity and marketability of Faroe’s shares. The Board also notes that DNO has indicated that it expects to make changes to the Faroe Board and the Board therefore considers there to be no assurance that Faroe would continue to maintain its current corporate governance culture in line with UK corporate governance best practice.

Accordingly, the Board now recommends that, given the Final Offer will become wholly unconditional, shareholders should accept the Final Offer, as Faroe directors intend to do in respect of their own beneficial holdings.

The Board intends to work with DNO in the interim period to ensure an orderly transition of control of the Company in the interests of all our stakeholders, including our shareholders and employees.

Upon the Final Offer becoming unconditional in all respects, it will in accordance with the UK Takeover Code, remain open for acceptance for at least 14 days from the date the Final Offer would otherwise have closed. Accordingly, we would expect DNO to announce that upon the Final Offer becoming unconditional in all respects, the Final Offer will remain open until at least 14 days from 23 January 2019 being 6 February 2019. Full details of how to accept the Final Offer are set out in DNO’s offer document, published on 9 January 2019.

– Ends –

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Further information

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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.

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on

Faroe' website at <https://www.fp.fo/> by no later than 12 noon on the Business Day following the date of this announcement. For the avoidance of doubt, the content of the website is not incorporated into and does not form part of this announcement.

Forward Looking Statements

This announcement contains certain statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. The words "believe", "anticipate", "expect", "intend", "aim", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not current or historical facts. By their nature, forward-looking statements involve risks and uncertainties because such statements relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not indicative of future performance and Faroe's actual results of operations, financial condition and liquidity, and the development of the industry in which Faroe operates, may differ materially from those made in or suggested by the forward- looking statements contained in this announcement. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Faroe, or persons acting on its behalf, may issue.