

2 January 2019

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

Results of the Brasse East Exploration well and Brasse Appraisal side-track

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 Brasse East exploration well 31/7-3 S and the Brasse appraisal sidetrack 31/7-3 A in the northern North Sea (Faroe 50% working interest and operator).

The Brasse East exploration well 31/7-3 S was drilled to a total depth of 2,247 metres below sea level. The well targeted a separate structure located to the east of the Brasse field. The well encountered 48 metres of gross Jurassic reservoir with excellent properties, but was found to be water wet. Data acquisition was undertaken including coring and logging.

The Brasse appraisal well 31/7-3 A sidetrack, planned as a further appraisal of the northern part of the Brasse field, was drilled to a total depth of 2,254 metres below sea level. Preliminary analysis of the log data acquired whilst drilling, indicates the well encountered approximately 40 metres of gross hydrocarbon-bearing Jurassic reservoir. Both the reservoir depths and the hydrocarbon contact are similar to the pre-drill expectations. Further wireline logging is ongoing which will be incorporated into the final well results.

Drilling operations are being undertaken using the semi-submersible Transocean Arctic rig. The co-venturer in the Brasse PL 740/PL 740 B/PL 740C licences is Vår Energi AS (50%).

Graham Stewart, Chief Executive of Faroe Petroleum, commented:

"Although no hydrocarbons were present in the Brasse East prospect we are pleased with the results of the appraisal sidetrack which confirms hydrocarbons within the northern part of the Brasse field, as expected. In addition, the excellent sand quality in the Brasse East Exploration well has reduced the reservoir risk of the Brasse Extension exploration prospect located to the north east of the Brasse field."

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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 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.

In accordance with Rule 26 of the Takeover Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Faroe's 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.

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 and in December 2018 announced a transaction with Equinor to swap the Company's interests in Njord, Hyme and Bauge for interests in four producing fields, Alve, Marulk, Ringhorne East and Vilje .

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 £83 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.