

16 January 2019

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

**Eight exploration licences awarded in Norway**

Faroe Petroleum, the independent oil and gas company focussing principally on exploration, appraisal and production opportunities in Norway and the UK, is pleased to announce that it has been awarded eight new prospective exploration licences, including four operatorships, in the Norwegian North Sea under the 2018 Norwegian APA (Awards in Pre-defined Areas) Licence Round.

**Licence PL 969 Edinburgh – Blocks 1/6 and 1/8: Faroe (45% and operator), Shell (40%) and Spirit (15%):** The Edinburgh structure is a cross-border (Norway-UK) prospect located in the Central North Sea with reservoirs in Jurassic and Triassic sandstones. The work programme involves geological and geophysical studies before a drill or drop decision by February 2021.

**Licence PL 1007 Elysium – Blocks 6506/7, 6506/8 and 6506/10: Faroe (40% and operator), OMV (20%), Equinor (20%) and Spirit (20%):** The Elysium Prospect is a four-way closure located on the highest part of the Sklinna Ridge in the Norwegian Sea and just to the south of the recent PL 644 Iris Hades discoveries. The work programme involves reprocessing of 3D data and a drill or drop decision by February 2021.

**Licence PL 968 Portishead – Block 2/2, 2/5, 2/6 and 2/8: Faroe (40% and operator), AkerBP (20%), MOL (20%) and Petoro (20%):** The Portishead prospect is defined as a stratigraphic trap in the Ty/Heimdal and Borr sandstones, similar to those encountered in the Faroe operated SE Tor licence. The work program involves reprocessing of 3D data with a drill or drop decision in 2021.

**Licence PL 1006 Griffon Vulture – Blocks 6405/3, 6406/1, 6505/12 and 6506/10: Faroe (30%) and Equinor (70% and operator):** The licence contains the Griffon Vulture Prospect in similar Cretaceous sandstones as the recent Hades discovery to the north. The work programme involves reprocessing of 3D data and a drill or drop decision by February 2021.

**Licence PL 983 Sâta – Blocks 16/3, 17/1, 17/2, 25/12, 26/8, 26/10 and 26/11: Faroe (20%), Equinor (40% and operator), Petoro (20%) and Total (20%):** The licence is located in the Åsta Graben, 50 km east of the Utsira High. Several prospects have been identified, with the main prospect being Sâta that is a four-way closure with reservoirs in the Sandnes and Statfjord formations. The work programme involves acquiring seismic broadband 3D data before a drill or drop decision by February 2021.

**Licence PL 644 C Iris/Hades Extension – Block 6506/10: Faroe (20%), OMV (30% and operator), Equinor (40%) and Spirit (10%):** This licence contains a potential southward extension of the Hades Discovery. The work programme is the same as the existing PL 644 licence.

**Licence PL 019 H Ula Extension – Block 7/12: Faroe (20%), AkerBP (80% and operator).** The licence contains a potential northward extension of the Ula North Discovery. The work programme is geological and geophysical studies before a drill or drop decision in February 2020.

**Licence PL 006 F SE Tor extension – Block 2/5: Faroe (85% and operator), AkerBP (15%):** This licence contains a portion of the Paleocene Gomez exploration target which extends outside the existing Faroe operated SE Tor Licence. The work programme is the same as the existing PL006 C SE Tor licence.

**Graham Stewart, Chief Executive of Faroe Petroleum, commented:**

“We are very pleased to announce the award of eight new and prospective licences in the latest Norwegian licensing round. We have further consolidated our position in core areas of the Norwegian continental shelf in which we have delivered recent exploration success.

“We look forward to high-grading these new licence opportunities in the coming period. This good quality new exploration acreage, together with our enhanced production portfolio and development pipeline, ensures that our shareholders are exposed to a well balanced and sustainable set of growth opportunities going forward.

– 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 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 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.

### APA 2018 Awards

