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New exploration licences awarded in Norway

Press Release from Faroe Petroleum - Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in the Atlantic margin, the North Sea and Norway, is pleased to announce that it has been offered seven new prospective exploration licences on the Norwegian Continental Shelf under the 2011 Norwegian APA Licence Round. Norwegian Sea, Halten Terrace Area The Company has been awarded two licences in the prolific Halten Terrace hydrocarbon province of the Norwegian Sea. Licence PL645, Blocks 6507/7 and 10 Novus (Faroe Petroleum 50% (operator), Centrica 40%, Skagen 44 10%). This licence is located south west of the Heidrun Field, and consists of three Jurassic prospects and two leads. The prospect risks have been greatly reduced by the presence of seismic amplitude anomalies, similar to those observed over the producing Heidrun Field. Faroe has already invested significantly in maturing and de-risking the prospects before applying, which has allowed the partnership to accelerate the work programme of reprocessing of existing 3D seismic data and commit to a firm well on this licence. Licence PL644, Blocks 6506/8, 10 and 11 Aerosmith (Faroe Petroleum 20%, OMV 30% (operator), Repsol 20%, Centrica 20%, Skagen44 10%). This licence is approximately 20 kilometres distant from the Morvin and Smørbukk Fields and contains three prospects and three leads. The main Aerosmith and Aerosmith Deep prospects are Lange Formation reservoirs, similar to the target reservoir currently being drilled in Faroes T-Rex well in PL 431. The work programme consists of reprocessing existing 3D seismic, with a drill or drop decision to be taken within three years. Northern North Sea The Company has been awarded three licences in the northern North Sea. These licences offer exciting exploration opportunities in a very active

exploration area with established production infrastructure. Licence PL414 B, Blocks 25/2, 3, 5 and 6 Oksen (Faroe Petroleum 20%, Det Norske 40% (operator), Noreco 20%, Bayerngas 20%). This area is awarded as an extension to the PL414 licence, where Faroe Petroleum is a joint venture partner and where the Companys Kalvklumpen well is currently being drilled. The area contains four prospects on the northern flank of the Utsira High. The main target is the Middle Jurassic Hugin/Sleipner formation Oksen Prospect, which is located mainly within PL414, but extends into the application area. The work programme is linked to the PL414 work programme. Licence PL627, Blocks 25/5, 6, 8 and 9 Shango (Faroe Petroleum 20%, Total 40% (operator), Centrica 20%, Det Norske 20%). The awarded area consists of three prospects and four leads, located within a short distance from nearby producing fields. The main Shango Prospect is a Middle Jurassic reservoir. The work programme consists of acquisition of 3D seismic data, with a drill or drop decision to be taken within two years. Licence PL629, Block 25/1, 2, 4 and 5 Darling (Faroe Petroleum 20%, Bridge 40% (operator), Concedo 20%, Centrica 20%). The awarded area is located southeast of the Frigg Field and north of the Vilje, Vale and Frøy fields. The Darling Prospect is a simple closure at the Balder and Hermod levels. The work programme is to licence the latest 3D seismic data, with a drill or drop decision to be taken within two years. North Sea, Egersund Basin The Company has been awarded two licences in the Egersund basin in the Norwegian North Sea, which will be a new area for Faroe Petroleum. This is however an area where the Company has significant in-house operated experience from Paladin Resources, from which many of Faroes Norway team were recruited in 2006. Licence PL621, Block 9/2 Epsilon (Faroe Petroleum 75% (operator), Noreco 25%). The awarded area is located only 5 kilometres west of the Yme Field (Talisman Energy) in the Egersund Basin. The Epsilon Prospect is a down-thrown fault seal closure within the proven Jurassic Sandnes Formation. The work programme is to reprocess existing 3D seismic data, targeted at improving the fault imaging on the flanks of the Epsilon salt dome and to decide whether to drill or drop within one year. Licence PL620, Block 9/6 Lola (Faroe Petroleum 50% (operator), Noreco 25%, Edison 25%). The awarded area is located on the south western flank of the Egersund Basin, south of the Yme Field. The work programme is to licence new long-offset 2D seismic data to help better define the Lola Prospect and to decide on the merits of acquiring a new 3D seismic survey within one year. Graham Stewart, Chief Executive of Faroe Petroleum plc, commented - "Faroe Petroleum is very pleased to have been awarded seven prospective exploration licences in the 2011 Norwegian APA licensing round. Winning these licences in such a highly competitive round is real testament to the skills and creativity of the technical team we have in place and the continuing success we have delivered with the drill bit across our Norwegian licence areas. Three of the new licences are operated by Faroe and we have licence equities across the seven licences ranging from 20% to 75%, demonstrating our growing ambitions for exploration in Norway. These awards see us enter a number of exciting new joint venture

relationships, and continue our very successful working relationship with Centrica, with whom we have made three discoveries in the past two years. Meanwhile, operations on the Norwegian T-Rex and Kalvklumpen exploration wells continue. We look forward to providing further updates on progress over the coming period, as we commence our very active 2012 exploration drilling programme which will include explorations wells on North Uist (UK, west of Shetlands), Clapton (Norway), Cooper (Norway) and Rodriguez/Santana (Norway).