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Faroe Petroleum announces new exploration licences awarded in Norway

The Company has been awarded two licences in the northern North Sea. The Company has been awarded five licences in the North Sea, where the Company already holds a number of licences, including the 2011 Butch discovery. 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 awarded eight new prospective exploration licences, including three operatorships, under the 2012 Norwegian APA Licence Round on the Norwegian Continental Shelf. Northern North Sea The Company has been awarded two licences in the northern North Sea. These licences offer exciting exploration opportunities in a very active exploration area with established production infrastructure. Licence PL676 S Firkløver - Blocks 24/9, 24/12 and 25/7 - Faroe (40% and operator), Det norske oljeselskap ASA (20%), Total E&P Norge AS (20%) and Petoro AS (20%). This licence, located on the Viking Graben, contains structural closures with substantial stratigraphic upside potential in Lower Cretaceous sands. This is a proven play model on the UK side of the border, but is a relatively immature play on the Norwegian Continental Shelf. A part of the acreage within block 24/9 is stratigraphically split, and applies for levels below top Cretaceous. The work programme is to merge and reprocess existing 3D surveys with a drill or drop decision in two years. Licence PL055 D Brage extension - Block 31/4 - Faroe (13.4%) operated by Statoil together with the other Brage Sognefjord partners. This licence is awarded as a licence extension to the PL055 licence, containing the producing northern North Sea Brage Sognefjord Field. The Brage Fensfjord well 31/4-A-19 A, drilled in 2009, proved up additional volumes in the Fensfjord Formation within the Brage Field. A recent reservoir modelling

project has revealed that the oil filled Fensfjord reservoir, from where the well produces, may extend beyond the existing licence border into the acreage covered by the new licence. North Sea The Company has been awarded five licences in the North Sea, where the Company already holds a number of licences, including the 2011 Butch discovery - Licence PL666 Percy - Blocks 2/1, 8/10 and 8/11 - Faroe (30%), Centrica Resources (Norge) AS ("Centrica") (40% and operator), Spring Energy Norway AS ("Spring") (30%). This North Sea licence is located immediately east of the PL405 licence which contains the Butch Discovery (Faroe Petroleum 15%). The Percy Prospect is a three-way dip closure against a fault. The reservoir is expected to be in sandstones of the Ula Formation. The work programme includes purchasing and merging modern 3D seismic to cover the main prospectivity, with a drill or drop decision in two years. Licence PL665 S Caramello - Blocks 2/2, 2/3 and 3/1 - Faroe (40% and operator), Agora Oil & Gas AS (20%), Valiant Petroleum Norge AS (20%) and Centrica (20%). This licence is located on the Sørvestlandet High in the Norwegian Southern North Sea. The primary play in this area is the Upper Jurassic Ula Formation sandstones. Several prospects and leads have been identified. The area also offers secondary potential in Permian sandstones, with hydrocarbons sourced from a local Carboniferous basin. The work programme is to acquire new 3D seismic data with a drill or drop decision in two years. Licence PL660 Blackmore - Block 1/6 - Faroe (35% and operator), Maersk Oil Norway (25%), Centrica (20%) and Petoro AS (20%). The Blackmore Prospect straddles the UK/Norway border in the central North Sea. The structure is a large, complex tilted Mesozoic fault block, closed by a combination of dip, faults and salt walls. The primary reservoir is in the Triassic Skagerrak Formation, which is a proven reservoir on the UK side of the border. Secondary potential has been identified in the Upper Jurassic in Ula equivalent deep-water sand deposits. This is an emerging play model in the UK, but an immature play on the Norwegian side of the border. The work programme involves performing geophysical and geological studies with a drill or drop decision in two years. Licence PL670 Betula - Blocks 7/11 and 7/12 - Faroe (25%), Spring (30% and operator), Centrica (25%) and Concedo ASA (20%). The Betula Prospect is an exciting opportunity in a mature and prolific area in the vicinity of the Jurassic Ula Field in the Central North Sea. Key lessons from recent wells in the area have been incorporated to extend the classic Ula Formation intra-pod play model. The Betula Prospect is a combined structural and stratigraphic trap with an Ula Formation reservoir on top of a Triassic pod. The work commitment includes purchase and reprocessing of 3D seismic data with a drill or drop decision in two years. Licence PL668 Etta - Block 7/12 - Faroe (30%), Centrica (40% and operator) and Spring (30%). This central North Sea area adjacent to the PL405 licence offers potential in sandstones of the Ula Formation. The Etta prospect, an up-thrown three-way dip closure, is located between the Centrica-operated Butch discovery (Faroe 15%) and the Ula Field. The work programme is to perform seismic interpretation of the ongoing 3D survey CE1202, operated by Centrica with a

drill or drop decision in two years. Norwegian Sea, Halten Terrace Area The Company has been awarded a new licence in the prolific Halten Terrace hydrocarbon province of the Norwegian Sea, in the area where the Company made the Fogelberg discovery in 2010 - Licence PL691 Manilow - Block 6507/7 - Faroe (30%), Centrica (40% and operator) and Statoil Petroleum AS (30%). This licence on the Halten Terrace in the Norwegian Sea covers the same area as the previously licensed PL478 that was held by Faroe Petroleum, Centrica and Suncor. The licence contains the Jurassic Manilow Prospect. The work programme involves 3D reprocessing with a drill or drop decision in one year. Graham Stewart, Chief Executive of Faroe Petroleum plc, commented - "Faroe Petroleum is delighted to have been awarded eight prospective exploration licences in the 2012 Norwegian APA licensing round announced yesterday, three of which will be operated by Faroe, which significantly enhances our strategic position in the country. These licences contain a wide range of play types and risk profiles, which increase our Norwegian acreage position to 32 licences across the key exploration areas, giving us the largest licence position of any UK independent operating in Norway." Operations on the west of Shetlands North Uist exploration wells continue and we will provide further updates on progress over the coming period. We look forward to kicking off our active 2013 exploration drilling programme which includes several high impact exploration wells including Darwin (Barents Sea), Novus (Norwegian Sea) and two Butch wells (Norwegian North Sea).