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Confirmed discovery at the secondary target from the Rodriguez exploration well

Press release 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 further results from the Rodriguez exploration well in PL475 (6407/1-6S) (Faroe 30%) have confirmed a significant gas condensate discovery in the Lower Cretaceous interval. On 16 January 2013, the Company announced that hydrocarbons may be present in the wells secondary target, the shallower Lower Cretaceous intervals, where samples had been acquired and were the subject of further analysis. The Operator has now confirmed the discovery of moveable hydrocarbons in these sandstone layers in the Lange formation, which contain an estimated gas condensate column of nine metres net pay and where it is interpreted that we have penetrated the reservoir at the edge of its lateral extent. The Operator's preliminary volumetric estimates of the size of the discovery are between 19 and 126 million barrels of recoverable oil equivalent (net to Faroe c.6 - 38mmboe). This is the first exploration well drilled on the Rodriguez license PL475 and further appraisal will be required to establish the lateral extent and size of this discovery. Faroe Petroleum already has the Fogelberg gas discovery in the Norwegian Sea, which is being matured towards a development decision to coincide with gas export capacity becoming available in the Norwegian pipeline system in a few years time. In this context, it is noted that the Norwegian Authorities have recently proposed a significant reduction in gas transportation tariffs for new gas field developments. This proposal is now in a consultation process, to be completed by 15 March 2013. If introduced, this change to tariffs would significantly improve project economics both of Fogelberg and this new gas condensate discovery. Graham Stewart, Chief

Executive of Faroe Petroleum, commented - We are very pleased to announce this gas condensate discovery on the secondary target of this Norwegian Sea exploration well. This significant discovery gives the partnership a good indication of further upside potential on the rest of the licence block with at least two further matured and partially de-risked prospects and we look forward to its further appraisal. We have an 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).