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Jan Müller

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Snilehorn exploration well commences in the Norwegian Sea

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 the spudding of the Statoil-operated Snilehorn exploration well 6407/8-6 (Faroe 7.5%). The Snilehorn prospect is located four kilometres from the Hyme producing oil field (Faroe 7.5%) in the Norwegian Sea. Hyme produces into the Njord field facilities (Faroe also 7.5%). The well and a planned side-track will target oil and gas in the Jurassic Ile, Tilje and Åre Formations (analogous to the Hyme reservoir) and, if successful, the plan is to fast-track a development along similar lines to the Hyme development. The water depth is 282 metres and the well is planned to be drilled to a total depth of approximately 3,205 metres. The drilling operations are being undertaken by Statoil (50%) utilising the Songa Trym rig. Graham Stewart, Chief Executive, Faroe Petroleum commented: We are pleased to announce the spudding of the Snilehorn exploration well, the first of our six well programme which, if successful, offers an opportunity to add new production at a low cost through a fast-track tie-back to the nearby Hyme field in which Faroe also participates with 7.5%. We now look forward to one of our most exciting periods ahead, with a long programme of fully-funded high impact exploration and appraisal wells planned, in which we have material equity stakes. The programme commences with the Snilehorn well and has the potential to generate considerable shareholder value.