

Fogelberg appraisal well update

10 April 2018

Faroe Petroleum plc

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

Fogelberg appraisal well update

Faroe Petroleum, the independent oil and gas company focusing principally on exploration, appraisal and production opportunities in Norway and the UK, is pleased to provide an update with preliminary results of the Fogelberg appraisal well in the Norwegian Sea (Faroe 15%1).

Highlights

- Successful appraisal well on the Fogelberg discovery, confirming reservoir sequence and lateral extent
- Reservoir quality is better than that seen in the original discovery well, 6506/9-2 S, with a deeper gas-water contact
- Drill stem test (DST) to be performed to confirm well and reservoir productivity
- A further update on potential recoverable volumes and results of the production testing, will be made, after the completion of the appraisal well and the drill stem test.

The Fogelberg appraisal well (6506/9-4 S) has been drilled to a total depth of 4,738 metres; targeting the gas and condensate bearing Middle Jurassic Garn and Ile formations in order to assess the lateral and down-dip extent of the discovery and firm up the resource range. The appraisal well successfully penetrated the Garn and Ile formations, encountering 62.5 metres of gross hydrocarbon-bearing Garn reservoir. Gas was also logged in the Ile Formation. Preliminary results based on extensive coring, wireline logs, pressure data and fluid sampling show that the well has confirmed gas and condensate in a sand-rich reservoir. The reservoir quality is better than that seen in the original discovery well, 6506/9-2 S, and when combined with a confirmed deeper gas-water contact has led the partnership to the decision to carry out a drill stem test (DST) to confirm well and reservoir productivity. A further update on potential recoverable volumes, together with the results of the DST, will be made once completed.

Fogelberg is located 18 kilometres north of the producing Åsgard Complex, where large quantities of gas and condensate have been and continue to be produced and transported to several landing points on the European continent.

The Fogelberg appraisal well is being drilled with the Island Innovator semi-submersible drilling rig, and the joint venture partners are Spirit Energy Norge AS (operator 51.7%), PGNiG Upstream Norway AS (20%) and Dyas Norge AS (13.3%)².

Graham Stewart, Chief Executive of Faroe Petroleum commented:

"We are pleased to announce the encouraging update on the Fogelberg appraisal well. The next stage in the appraisal is the running of a DST, to confirm producibility and potential commerciality. We will update the market when there is further information in relation to results from the DST and the potential development options.

"Looking ahead to Faroe's 2018 exploration programme, aside from the recently announced successful nearby Iris/Hades well in the Norwegian Sea, our next well will be the Faroe-operated Rungne well in Q3 2018, followed by drilling of the Cassidy and Pabow prospects later in the year."

- Ends -

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¹The Company's interest in this licence has reverted to 15% following three separate transactions which are in the process of completion.

² Subject to Ministry approval

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 Company's internal estimates of resources contained in this announcement were prepared in accordance with the Petroleum Resource Management System guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers.

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 Petroleum is an experienced licence operator having operated several exploration wells successfully in Norway and the UK and is also the production operator of the Schooner and Ketch gas fields in the UK Southern Gas Basin and the Trym and Oselvar fields in the Norwegian North Sea. Faroe also has extensive experience working with major and independent oil companies both in Norway and in the UK.

The Company's substantial licence portfolio provides a considerable 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 the UK and Norway, including the Schooner and Ketch gas fields and the Blane oil field in the UK, and interests in the Brage, Ringhorne East, Ula, Tambar, Oselvar and Trym fields in Norway. In December 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. Full year average production for 2018, is estimated to be between 12-15,000 boepd.

In November 2013 and March 2014 Faroe announced the Snilehorn 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, next to the Brage field, and the Njord North Flank discovery, next to the Njord field, both in Norway. In February 2018, the Company announced the sale of part of its interest in the Fenja field.

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 Petroleum is quoted on the AIM Market of London Stock Exchange. The Company is funded from cash reserves and cash flow, and has access to a \$250million reserve base lending facility, with a further US\$100million available on an uncommitted "accordion" basis. The Company has also raised a \$100m senior unsecured bond. 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

This information is provided by RNS

The company news service from the London Stock Exchange