

29 May 2018

**Faroe Petroleum plc**  
**("Faroe Petroleum" or the "Company")**

**Issue of Equity, Notification of Directors' interests and Total Voting Rights**

*Faroe Petroleum Incentive Plan*

On 24 May 2018 the Remuneration Committee of the Company, which consists solely of Non Executive Directors, made an annual award to the Executive Directors under the Faroe Petroleum Incentive Plan ('FPIP') by way of grant of nil-cost options ("Options") over ordinary shares of 10p each in the Company ("Ordinary Shares") as detailed below:

*FPIP Annual Awards*

<b>Director</b>	<b>Role</b>	<b>Number of Ordinary Shares subject to the Option</b>
Graham Stewart	Chief Executive	714,219
Helge Hammer	Chief Operating Officer	431,853
Jonathan Cooper	Chief Financial Officer	385,844

The actual number of Options which the recipients could receive under the FPIP ranges from zero to 100% subject to the achievement of the performance targets. For the purposes of disclosure and maintenance of certain statutory records, the number of Nil-Cost Options is taken to be 100% of the number of Nil-Cost Options awarded, as detailed above.

Performance will be measured at the end of a three year performance period against two equally weighted performance conditions, namely one half absolute Total Shareholder Return ("TSR"), and one half relative TSR. Awards granted to the recipients will be required to be held for an additional two year holding period after the three year performance period.

*Acquisition of Ordinary Shares by the Faroe Petroleum Employee Benefit Trust*

The maximum dilution limit available to fund awards made under the FPIP (and the Co Investment Plan ('CIP')) is 15% of the Company's share capital; however, equity grants each year are made on the basis that the estimated 'expected' vesting, including the exercise of vested awards in the previous 10 years, will be less than 10% (i.e. taking into account the likelihood that not all awards shall vest as a result of the performance conditions not being met in full). The maximum dilution which would result if all relevant outstanding FPIP/CIP awards were to vest would be 9.8%. Taking into account performance-to-date under the outstanding FPIP/CIP cycles, the Company estimates the 'expected' dilution to be 9.5%. Accordingly on 29 May 2018, to satisfy this new award of FPIPs and the associated Restricted Share Plan to all employees and making an allowance for a reasonable proportion that the Company deems will not vest, 2,782,743 Ordinary shares have been acquired by the Company's Employee Benefit Trust.

*Director Shareholdings*

On 24 May 2018, the Executive Directors and other employees of the Company exercised vested nil-cost options ("Options") over a total of 5,854,511 Ordinary Shares previously awarded under the FPIP and the CIP. To meet only the associated tax liability arising from the exercise of these Options,

the Executive Directors and other employees have also sold a proportion of those Ordinary Shares at a price of 137.60 pence per Ordinary Share, and have retained the balance to increase their shareholding in the Company as detailed below. Whilst any vested awards granted to the Executive Directors and Senior Executives under the FPIP are required to be held for an additional two year holding period after the three year vesting period, awards may be exercised during the holding period so long as the resultant shares are then held for such period (other than those which may be sold to meet any associated tax liabilities).

#### *Issue of Equity and Total Voting Rights*

Faroe Petroleum has applied to the London Stock Exchange for 5,854,511 new Ordinary Shares (the "New Ordinary Shares") to be admitted to trading on AIM ("Admission").

It is expected that Admission will become effective on 4 June 2018. The New Ordinary Shares will, following allotment, rank pari passu in all respects with the existing issued Ordinary Shares.

Following Admission, the Company's issued share capital will be 372,838,872 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury. Therefore the total number of voting rights in the Company will be 372,838,872.

Shareholders may use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

#### **Total Holdings**

Following these transactions the Executive Directors hold the following Ordinary Shares of 10p each in the Company, together with options over the same (including Matching Shares) exercisable at nil cost.

<b>Director</b>	<b>No of Ordinary Shares of 10p each</b>	<b>No. of options over ordinary shares of 10p each</b>
Graham Stewart	2,486,967	5,354,159
Helge Hammer	1,318,189	3,285,277
Jonathan Cooper	653,716	3,018,491

#### **Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them** (Disclosure in relation to purchase of shares and award of matching shares)

<b>1</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>	
a)	Name	Graham Duncan Stewart

2	Reason for the notification		
a)	Position/status	Chief Executive	
b)	Initial notification /Amendment	Initial notification	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Faroe Petroleum plc	
b)	LEI	213800RE18GVZGNYB270	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument Identification code	714,219 Nil cost options over Ordinary Shares of 10p each in Faroe Petroleum plc. 1,428,479 Ordinary Shares of 10p each in Faroe Petroleum plc. 685,670 Ordinary Shares of 10p each in Faroe Petroleum plc. ISIN: GB0033032904	
b)	Nature of the transaction	(i) Grant of Nil cost options over Ordinary Shares (ii) Exercise of Nil cost options over Ordinary Shares (iii) Sale of Ordinary Shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		(i) 0.0p	714,219
		(ii) 0.0p	1,428,479
		(iii) 137.60p	685,670
d)	Aggregated information	1,457,028 Ordinary Shares of 10p each in Faroe Petroleum plc.	
e)	Date of the transaction	(i) & (ii) 24 May 2018 (iii) 29 May 2018	
f)	Place of the transaction	XLON	

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Helge Ansgar Hammer
2	Reason for the notification	
a)	Position/status	Chief Operating Officer
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Faroe Petroleum plc
b)	LEI	213800RE18GVZGNYB270
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument Identification code	431,853 Nil cost options over Ordinary Shares of 10p each in Faroe Petroleum plc. 912,454 Ordinary Shares of 10p each in Faroe Petroleum plc. 425,204 Ordinary Shares of 10p each in Faroe Petroleum plc. ISIN: GB0033032904

b)	Nature of the transaction	(i) Grant of Nil cost options over Ordinary Shares (ii) Exercise of Nil cost options over Ordinary Shares (iii) Sale of Ordinary Shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		(i) 0.0p	431,853
		(ii) 0.0p	912,454
		(iii) 137.60p	425,204
d)	Aggregated information	919,103 Ordinary Shares of 10p each in Faroe Petroleum plc.	
e)	Date of the transaction	(i) & (ii) 24 May 2018 (iii) 29 May 2018	
f)	Place of the transaction	XLON	

1	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Jonathan Robert Cooper	
2	Reason for the notification		
a)	Position/status	Chief Financial Officer	
b)	Initial notification /Amendment	Initial notification	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Faroe Petroleum plc	
b)	LEI	213800RE18GVZGNYB270	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument Identification code	385,844 Nil cost options over Ordinary Shares of 10p each in Faroe Petroleum plc. 704,436 Ordinary Shares of 10p each in Faroe Petroleum plc. 331,085 Ordinary Shares of 10p each in Faroe Petroleum plc. ISIN: GB0033032904	
b)	Nature of the transaction	(i) Grant of Nil cost options over Ordinary Shares (ii) Exercise of Nil cost options over Ordinary Shares (iii) Sale of Ordinary Shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		(i) 0.0p	385,844
		(ii) 0.0p	704,436
		(iii) 137.60p	331,085
d)	Aggregated information	759,195 Ordinary Shares of 10p each in Faroe Petroleum plc.	
e)	Date of the transaction	(i) & (ii) 24 May 2018 (iii) 29 May 2018	
f)	Place of the transaction	XLON	

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For further information please contact:

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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.

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