



Faroe Petroleum

Ministry of Petroleum and Energy
Postboks 8148 Dep
0033 Oslo

Your ref.:

Our ref.:

Date:
21 May 2008

Faroe Petroleum comments to the blocks recommended for the 20th licensing round

Reference is made to the letter from MPE on 10th April 2008 inviting Faroe Petroleum to comment on the recommendation for the 20th Norwegian licensing round, as part of an open consultation period.

Since Faroe Petroleum was established in Norway 2 1/2 years ago, the company has built an organisation of highly competent exploration staff. We have been pleased with the awards in the 2006 and 2007 APA rounds and the work programmes in these licenses are progressing on schedule. In addition, to accelerate our level of activity, we have taken up participating interests in eight further exploration licences and we are taking part in an active drilling programme in Norway in the coming years.

The 20th licensing round is a very important next step for Faroe Petroleum in Norway. The round represents an opportunity for Faroe Petroleum to make use of its deep-water and sub-basalt exploration competence, which the company brings from the UK West of Shetland and Faroe Islands areas. To maintain the positive momentum of our organisation and activity plan, we would very much support the advance of the 20th licensing round without delays.

Within the areas where petroleum activities can be conducted safely and without harm to the environment, we believe that it is essential that economic prospectivity is the primary selection criteria for the blocks to be included in the round. Twelve of the blocks nominated by Faroe Petroleum have been included in the recommendation by NPD. We are therefore pleased to comment that we consider that the NPD has done an excellent job in its selection of 104 blocks amongst the 301 nominated.

We are looking forward to continued effort on the 20th licensing round.

Yours faithfully

Faroe Petroleum Norge AS

A handwritten signature in black ink, appearing to read 'Helge Hammer', written over a horizontal line.

Helge Hammer

Managing Director

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