

Falkland Islands Holdings PLC
13 February 2004

Falkland Island Holdings plc

Major minerals exploration programme planned

Falkland Island Holdings announces that the Company and its Joint Venture Partners Cambridge Mineral Resources plc ('CMR') and Global Petroleum Limited ('Global') have obtained financing from funds managed by RAB Capital Limited ('RAB') to form a new Falkland Islands based company, Falklands Minerals Limited ('FML'), through which they will fund further investigations of the minerals potential of the Falkland Islands.

Falkland Island Holdings previously had a 33.3% interest in the joint venture which held the minerals exploration licence covering substantially the whole of the Falkland Islands, some 14,000 sq km.

Under the terms of the new agreement, RAB will invest US\$1.2 million towards a US\$1.535 million minerals exploration programme which will include several areas that have already been identified as prospective on the basis of previous work by the Joint Venture. Of the balance of the funding FIH will contribute US \$241,000.

As a result of this agreement FIC will have a 22.5% shareholding in FML which will hold the minerals exploration licence. David Hudd, Chairman of FIH will sit on the Board of FML.

The Work Programme that has been agreed for FML comprises an aeromagnetic survey over the whole of the Falkland Islands and additional stream sampling, field work and assaying. This survey is scheduled for February, March and April this year and will be followed by a 2005 work plan to drill areas of interest identified by the aeromagnetic survey.

The earlier work by the Joint Venture identified a number of areas which are thought to be prospective for gold and these will be covered by the higher line-density parts of the aeromagnetic survey.

FML has contracted Global Petroleum to operate the project for the next two years, and this will involve key staff being based in and working for part of each year out of Stanley, the capital of the Falkland Islands.

David Hudd, Chairman, Falkland Island Holdings commented:

'The Falkland Islands remains practically unexplored for minerals. The funding which has been secured will enable a comprehensive exploration programme to be undertaken which for the first time will have the benefit of modern technology.'

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ENQUIRIES:

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