

# Falkland Islands Holdings plc

## Sale of Falkland Oil and Gas Limited Shares

Falkland Islands Holdings plc ("FIH"), an AIM quoted company operating (through its subsidiaries) a range of businesses in the Falkland Islands, and the Portsmouth Harbour Ferry Company in the UK, announces that on 21 February 2006, it sold 1,802,941 shares in Falkland Oil and Gas Limited ("FOGL"), representing 10.7% of its holding in FOGL and representing 1.96% of the current issued share capital of FOGL.

The shares were sold for a net consideration of £2.4 million, generating a profit of £2.1 million for FIH. The funds will be used in FIH's business and will provide additional financial flexibility to facilitate future acquisitions. Following the transaction, FIH retains a shareholding of 15,000,000 shares in FOGL, representing 16.3% of FOGL's current issued share capital.

The board of FIH has advised FOGL and KBC Peel Hunt that FIH does not intend to dispose of any further shares in FOGL, other than in exceptional circumstances, for at least the next 12 months. KBC Peel Hunt is Nominated Adviser and Broker to FOGL and Broker to FIH for the purposes of the AIM Rules and Dawney Day is the Nominated Adviser to FIH.

### Enquiries:

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### Note for Editors

FOGL was admitted to AIM on 14 October 2004 at which time FIH held 14,450,000 shares (18.1% of the issued share capital). On 31 May 2005, FOGL raised £10 million, before associated costs and expenses, by placing 11.8 million new shares at 85p. In that placing, FIH subscribed £2 million for 2,352,941 shares resulting in a shareholding of 16,802,941 shares (18.31% of FOGL's enlarged share capital). Following the sale on 21 February 2006 of 1,802,941 FOGL shares, FIH retains 15,000,000 shares (16.3% of FOGL's current issued share capital).

David Hudd, the Executive Chairman of FIH, has been the Non executive Deputy Chairman of FOGL since its admission to AIM. He subscribed for 250,000 shares on admission and for a further 50,000 shares in the May 2005 placing. On 21 February 2006, he sold 100,000 shares at 135p and his remaining interest in the share capital of FOGL comprises 200,000 shares and options over a further 450,000 shares.