

Falkland Islands Holdings plc

("FIH" or "the Company")

Implementation of SIP Scheme & Directors Dealing

FIH, announces that pursuant to the authorities granted by shareholders at the Company's AGM on 21 August 2012, the Company has implemented an HMRC approved Share Incentive Plan ("SIP") available to employees of the Company, including the executive directors, and that Mr. Hudd and Mr. Foster, Chairman and Managing Director respectively, have enrolled in the SIP.

Features of the Scheme

The main features of the SIP are as follows:

The Company offers all employees who are UK tax resident the opportunity to participate in the SIP whether they work full or part time. The Company has extended the scheme to Falkland Islands tax residents, applying the same basic principles of the SIP as are enjoyed by UK tax residents.

Under the scheme a trust is set up to acquire in the market "partnership Shares" on behalf of employees with the cost of these purchases of the Company's Ordinary Shares ("Shares") being met by employees from their monthly salary or weekly wages up to a maximum of £1,500 per annum per employee. The Company then funds the cost of purchasing in the market one "matching Share" for every three partnership shares acquired.

The benefit of matching and partnership shares held by the SIP Trust will be passed to employees after 5 years. Under the terms of the SIP, "matching Shares" will be forfeited if employees leave within three years of the award unless the employee leaves for certain specified reasons, such as redundancy or retirement.

Employees can withdraw their "partnership shares" from the SIP at any time. However, "matching Shares" may be subject to forfeiture if the corresponding "partnership Shares" are withdrawn within three years of purchase.

Shares have to be transferred to employees and employees have to remove their shares from the SIP when they leave employment with a Group company.

Under the terms of the Company's share dealing code, directors and applicable employees will not be permitted to join or leave the SIP or change their contributions during close periods.

The Company's Remuneration Committee will review annually the operation of the SIP.

Implementation of the Scheme

Shares for the SIP will be purchased in the market around the 7th of each month.

Participation & Dealing of Directors

The executive directors of the Company have elected to participate in the SIP and detail of their elections is set out below.

For the tax year 2012/13

£	Value of partnership Shares	Value of matching Shares
Mr. David Hudd	1,500	500
Mr. John Foster	1,500	500

Mr. Foster has informed the company that, via the SIP, on 7 January 2013 he acquired 438 Shares at a price of 342 pence per share, and was awarded a further 146 matching shares within the SIP, and as a result is beneficially interested in 25,584 Shares, including the 146 matching Shares, representing 0.21 per cent. of the 12,431,623 total issued share capital of the Company.

Enquiries:

Falkland Islands Holdings plc
David Hudd, Chairman
John Foster, Managing Director

Tel: 07771 893 267
Tel: 01279 461 630

WH Ireland Ltd. - NOMAD and Broker to FIH
Adrian Hadden / Nick Field

Tel: 0207 220 1666

FTI Consulting
Billy Clegg / Edward Westropp / Georgina Bonham

Tel: 020 7831 3113