

2nd July 2012

Falkland Islands Holdings plc
("FIH" or the "Group")

Sale of Falkland Oil and Gas Limited ("FOGL") Shares

Falkland Islands Holdings plc, the AIM quoted international group which owns essential services businesses focused on retail, transport and logistics announces that on 29 June 2012, FIH sold 1.18 million shares in FOGL for £1.01m, generating a profit of £0.77m for FIH. Following the sale, FIH owns 12.82 million shares in FOGL; representing 4.01% of the issued share capital. The funds will be available for the development of the Groups businesses in the Falkland Islands and the UK.

The Board of FIH does not intend to dispose of any further shares in FOGL prior to the completion of the drilling of the Loligo well in the South Falkland basin.

Chairman of FIH, David Hudd commented:

"As a result of this disposal, we have more than recouped the further investment we made in FOGL in January this year and have generated a useful profit for the Group. The Subscription and Open offer announced by the Group on 14 June and this disposal have significantly enhanced the resources of the Group whilst retaining a substantial financial interest in FOGL and we look forward to their drilling campaign which is expected to commence in July 2012."

- Ends -

Enquiries:

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