



4 January 2006

Falkland Oil and Gas Limited
(‘FOGL’ or ‘the Company’)

Chief Executive Appointment

FOGL, the oil and gas exploration company operating in the undrilled South and East Falkland Basins, announces the appointment of Tim Bushell as Chief Executive, effective 16 January 2006. On 22 December, the Company announced that John Armstrong, the founding Chairman of the company, was retiring as Chairman to be replaced by Richard Liddell, who became Non-Executive Chairman on 1 January 2006.

Tim Bushell (46) joins FOGL from Paladin Resources plc where he has been Managing Director, Norway, since 2001. Tim joined Paladin from Lasmo where he worked for 10 years, including spells as Manager of Lasmo's North Sea assets and General Manager of its South Atlantic business unit, which included the drilling campaign in the North Falklands Basin in 1998. Prior to joining Lasmo, Tim spent time at Ultramar, British Gas and Schlumberger. A qualified geologist, he has a total of 23 years experience in the oil and gas industry.

John decided to step down as Executive Chairman at the end of 2005 having been involved with FOGL since its establishment. John is based in Australia, and, as the growing potential of the licences became apparent, the Board felt that the Company needed a full time chief executive and a UK-based chairman. John is remaining on the Board as a non-executive director to ensure continuity of contact with all stakeholders, particularly with the Falkland Islands' Government.

Richard Liddell, Chairman of FOGL, said:

'We have steadily strengthened the management team at FOGL in line with the growing potential of our licences. With the opportunity now far bigger than originally envisaged, it was clear that the Company needed a full time chief executive. Tim brings with him international exploration and development experience and knowledge of the Falklands. I am confident that Tim and the team will be able to capitalise on the momentum that FOGL has already established.'

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