



15 February 2010

Falkland Oil and Gas Limited
("FOGL" or "the Company")

Rig Contract Agreement Secured

Further to our press release dated 26 November 2009 FOGL is pleased to announce that it has reached an agreement with Desire Petroleum plc to contract the Ocean Guardian rig to drill the first ever exploration well in the East Falklands Basin on the Toroa prospect, which it expects will be within the first half of 2010.

Tim Bushell, Chief Executive of FOGL, said:

"We are delighted to have secured the Ocean Guardian for the drilling of our first ever exploration well, which will be a significant milestone for the Company."

Enquiries:

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