

Date: 8 August 2008
On behalf of: Falkland Gold and Minerals Limited ("FGML")

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Falkland Gold and Minerals Limited

Acquisition of BPC Limited

Admission of the Enlarged Share Capital to trading on AIM

Change of name to BPC Limited

Notice of Extraordinary General Meeting

The Board of Falkland Gold and Minerals Limited (AIM: FGML) is pleased to announce the proposed acquisition of BPC Limited, an oil and gas exploration company with exploration licences offshore the Bahamas, by way of a recommended share offer. This transaction will involve a fundamental change in the business of FGML and will be classified as a "reverse takeover" under the AIM rules. The objective of the Enlarged Group will be to discover and subsequently exploit hydrocarbons.

FGML

- In January 2008, FGML confirmed that it had not been able to identify any mineral deposits of economic interest in the Falkland Islands and that it had completed its exploration activities and no further work would be carried out in that location.
- Since it became apparent that the Company might not be able to justify further work in the Falklands, a number of mineral and other exploration projects have been considered. Initially, the intention was to utilise the Company's expertise and equipment in minerals exploration. However, in the opinion of the Board none of these opportunities offered sufficient upside potential to Shareholders to justify the inherent risks. Accordingly, the Company's exploration personnel were released, the drilling and exploration equipment was prepared for sale and the Board considered other opportunities. In these circumstances the Board was receptive to the approach from BPC, an established oil exploration company, with experienced management.
- At 30 June 2008 FGML had net assets of approximately £3.6 million, based upon the unaudited management accounts, almost wholly in the form of bank deposits.

BPC Limited

- BPC was incorporated in Jersey on 9 August 2007 as a holding company for the BPC Group which invests in an offshore oil exploration programme covering approximately 15,676 km² (3.874 million acres) in the territorial waters and maritime Exclusive Economic Zone of the Bahamas.
- Based on the BPC Group's own interpretation of the pre-existing seismic data, 22 leads have been identified as being potentially capable of trapping hydrocarbons and selected for further investigation.
- BPC believes that each of the 22 leads are of sufficient size that they could contain commercially exploitable volumes of hydrocarbons, provided source rocks exist and there are suitable reservoirs and seals to hold the oil and gas, and oil and/or gas has migrated to the lead.

- In order to investigate, delineate and rank these leads, BPC intends to seek industry partners to fund all or part of this exploration and evaluation work, including the conduct of a variety of exploration evaluation studies, further seismic surveys and drilling programmes.
- The aim is to commence drilling in 2012 subject to appropriate financing and/or joint venture agreements, satisfactory exploration and evaluation results and rig availability.
- Applications have been made for five additional offshore Bahamas exploration licences, and, if successful, BPC intends to seek additional funding.
- The nil rate of corporate tax and the system of royalties applicable to exploration licences in the Bahamas currently is favourable to oil and gas exploration and production.

Details of the Transaction

- The Offer is being made on the basis of 6 FGML Consideration Shares for each BPC Ordinary Share.
- The consideration payable by the Company under the terms of the Acquisition will be satisfied in full by the issue, credited as fully paid, of 711,389,838 Consideration Shares (assuming all BPC Shareholders accept the Offer) which will represent approximately 90 per cent. of the Enlarged Share Capital.
- Irrevocable undertakings to vote in favour of the Acquisition have been received from FGML shareholders representing 81.48% of the Existing Share Capital.
- Irrevocable undertakings to accept the Offer have been received from BPC shareholders representing 80.63% of the BPC shares in issue.
- Implementation of the Offer requires Shareholder approval to be sought by the passing of the Resolution, which will be proposed as a special resolution at the EGM.
- If the resolutions are approved by Shareholders at the EGM, on Admission of the Enlarged Group to trading on AIM, anticipated to occur on 2 September 2008:
 - the Acquisition will complete and the Directors will resign as directors;
 - the Proposed Directors will join the Board with effect from Admission;
 - the Company will change its name to "BPC Limited"; and
 - Ambrian will be appointed as the nominated adviser to the Company and Fox-Davies Capital will be appointed as broker.
- Following Admission, the Company intends to change its accounting reference date to 31 December to conform with that of BPC.
- Following Admission there will be 789,639,838 Shares in issue. The Proposed Directors intend to convene a general meeting of Shareholders at which a resolution will be submitted to Shareholders to consolidate the share capital into a smaller number of shares.

Current Trading and Prospects

On 16 November 2007, the Company announced that it might be winding down its Falkland Islands operations and seeking other opportunities. It was further announced in January 2008 that the Company had not been able to identify any mineral deposits of economic interest in the Falkland Islands and that it had completed its exploration activities and no further work would be carried out in the Falkland Islands. Since it became apparent that the Company might not be able to justify further work in the Falklands a number of mineral and other exploration projects have been considered. Initially, the intention was to utilise the Company's expertise and equipment in minerals exploration. However, in the opinion of the Board none of these opportunities offered sufficient upside potential to Shareholders to justify the inherent risks. Accordingly, the Company's exploration personnel were released, the drilling and exploration equipment was prepared for sale and the Board considered

other opportunities. In these circumstances the Board was receptive to the approach from BPC, an established oil exploration company, with experienced management.

Since acquiring the Licences, BPC has focused on data collation and assessment and has commissioned independent geological, geophysical, petrophysical and geochemistry studies in order to establish a working petroleum system mapping an initial portfolio of 22 leads, ranging from 4,000 to 96,000 acres of closure in structural, stratigraphic and/or combination traps. The objective of the assessment of the existing acreage position is to identify drillable prospects, but it is also being used to evaluate and identify potential new licences.

BPC has recently negotiated the extension of the Licence terms from three to five years, enabling the drilling obligations to be deferred for two years. BPC has also made applications for a further five licences.

The Enlarged Group will need to raise additional funds to undertake work in accordance with its exploration strategy. However, the Proposed Directors believe that the Enlarged Group is well placed to introduce industry partners to participate in further exploration and drilling operations on the existing licenced Bahamas acreage.

Proposed Directors of Enlarged Group, post Admission

Alan Robert Burns (Proposed Chairman and Chief Executive Officer, aged 67)

Alan Burns has been actively involved at senior levels in the oil and mining industries for over 35 years. In this period, Alan has been a Chairman, Managing Director and founder of companies that have participated in the exploration and development of on and offshore oil and gas fields internationally.

Alan was also the founder of Hardman Resources Ltd of Australia, retiring as Chairman in 2006 prior to its acquisition in 2007 by Tullow Oil Plc, for approximately £650m. Hardman was responsible for the first commercial oil discoveries in the countries of both Mauritania and Uganda. Alan has also been the founder of other international oil companies and retained substantial private oil interests, and is a founder of the BPC Group.

Dr Paul Daniel Crevello (Proposed Chief Operating Officer, aged 56)

Dr Paul Crevello has thirty years experience in US domestic and international oil and gas exploration in over 40 countries. He is a graduate of the University of Miami and Colorado School of Mines. Paul joined Marathon Oil Company in 1978, where he directed worldwide carbonate geologic exploration research. In 1997, Paul founded Petrex Asia and developed it into a leading geologic exploration consulting firm in SE Asia, with exploration interests extending to the Gulf of Mexico, Italy and North Africa.

Timothy Stephen Jones (Proposed Non-Executive Director, aged 59)

Timothy Jones qualified as a Chartered Accountant with Price Waterhouse in 1974 where his clients included a major UK offshore oil and gas operator. In 1983, he joined Trident Television Plc before founding his own accountancy and consultancy practice in 1990. He now has clients in a range of business sectors, he is Chairman of AIM listed Carnegie Minerals plc and is a director of Falkland Oil and Gas Limited.

Mark Stuart Savage (Proposed Non-Executive Director, aged 50)

Mark Savage has a business degree from the University of Colorado and was senior executive for a US bank before he joined an Australian based merchant bank. Mark has experience in debt and

equity markets as well as in the corporate advisory area. He has held directorships with a number of other public companies.

Michael Joseph Proffitt (Proposed Non-Executive Director, aged 57)

Michael Proffitt is a Chartered Accountant and the former Chairman of Barclays Private Clients International and has substantial energy related experience. Michael is well known in the Bahamian business world having been instrumental in a number of major successful tourism and hotel developments in the Bahamas and throughout the Caribbean.

Robert Anthony Carroll (Proposed Non-Executive Director, aged 64)

Robert Carroll is a graduate in economics from the University of Sydney and a fellow of CPA Australia with over 35 years experience in the resources industry, including 21 years in a number of senior finance executive positions with Woodside Petroleum Ltd where he was Chief Financial Officer from January 1997 until he retired in mid 2002. Robert has substantial experience in the financing of significant oil and gas development projects in Australia and overseas. He is a former director of ASX listed companies Oil Search Ltd, Sydney Gas Ltd, Goldstar Resources NL and succeeded Alan Burns as Chairman of Hardman Resources in July 2006.

Further information on the Proposed Directors as required by the AIM Rules is set out in the Appendix.

Lock-In Arrangements

Following Admission, the Proposed Directors will be interested, in aggregate, in 167,612,512 Shares, representing approximately 21.226 per cent. of the Enlarged Share Capital of the Company.

Each Proposed Director has undertaken to the Company, Ambrian and Fox-Davies, for themselves and their connected persons, save in certain limited circumstances, not to dispose of any of their Shares for a period of twelve months after Admission. There are additional orderly market provisions in respect of the following six months after the first anniversary of Admission.

RAB has entered into an orderly market agreement pursuant to which (i) it has undertaken to the Company, Ambrian and Fox-Davies that (except in certain limited circumstances, including acceptance of a takeover offer for the share capital of the Company) it will not dispose of 201,544,698 Shares which it will hold at Admission (representing approximately 25.5 per cent. of the Enlarged Share Capital) for a period of twelve months following Admission, and (ii) it has further undertaken in relation to the balance of 236,891,952 Shares it will hold (representing approximately 30.0 per cent. of the Enlarged Share Capital), that for the twelve months following Admission RAB will only dispose of these Shares with the prior written consent of Ambrian.

The number of Shares in issue at Admission which will be subject to such restrictions is 606,049,162, representing approximately 76.75 per cent. of the Enlarged Share Capital.

Related Party Transaction

The Acquisition is a related party transaction under the AIM Rules for Companies, as RAB holds approximately 79 per cent. of the issued Shares in the Company and also holds approximately 53 per cent. of the issued Share Capital of BPC. In addition David Hudd, a director of the Company holds approximately 0.3 per cent. of the share capital of BPC. With the exception of David Hudd, the Directors consider, having consulted with W H Ireland, that the terms of the Acquisition are fair and reasonable in so far as the Company's Shareholders are concerned.

Recommendation

The Directors also consider the Proposals to be fair and reasonable and in the best interests of the Company and its Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the Resolution to be proposed at the EGM, as they and RAB have irrevocably undertaken to do so in respect of their shareholdings, amounting in aggregate to 1,150,000 Ordinary Shares representing 1.47 per cent. of the issued Shares. David Hudd has 357,000 shares in BPC and accordingly abstains from the recommendation. He has irrevocably undertaken to accept the Offer in respect of these BPC Shares.

The Extraordinary General Meeting

Implementation of the Offer requires Shareholder approval to be sought by the passing of the Resolution, which will be proposed as a special resolution, at the EGM. The EGM will be held at 12 noon on 1 September 2008. Further details of the special resolution to be put to Shareholders at the meeting are contained in the Admission Document posted to Shareholders on 8 August 2008. Copies of the Admission Document are available for collection only, free of charge, from the offices of Ambrian, Old Change House 128 Queen Victoria Street, London EC4V 4BJ during normal office hours on any weekday (Saturdays and public holidays excepted) for a period of not less than one month from the date of this announcement. Copies will also be available to download from www.fgml.co.uk.

Further Information

Potential investors should read the whole of the Admission Document which provides additional information on the Company, BPC and the Proposals and should not rely on summaries included in this announcement. Investors attention is drawn, in particular, to the Risk Factors set out in Part IV of the Admission Document, the Competent Persons Report set out in Part V of the Admission Document and the Additional Information set out in Part X of the Admission Document.

Commenting on the proposed acquisition, Richard Linnell, Chairman of FGML, said:

"We believe that BPC offers exciting potential to our shareholders, with licences covering 15,676 km² offshore the Bahamas. The work carried out to date has identified 22 leads and the application of modern techniques will further aid their definition. BPC has an experienced management team who intend to seek industry partners who would fund all or part of their exploration and evaluation work."

Enquiries:

FGML David Hudd, Deputy Chairman	07771 893 2367
W H Ireland - Nominated Adviser until Admission James Joyce	020 7220 1666
Ambrian Partners – Nominated Adviser following Admission Tim Goodman/Samantha Harrison	020 7634 4707
Redleaf Communications Samantha Robbins / Rebecca Sanders-Hewett	020 7822 0200

This announcement does not constitute a prospectus or prospectus equivalent document.

This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the admission document, Offer Document and Form of Acceptance, which contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should only be made on the basis of the information contained in the admission document, Offer Document and Form of Acceptance.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with such laws may constitute a violation of the securities laws of any such jurisdiction.

W H Ireland Limited which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange plc, is acting as nominated adviser and broker for the Company until Admission. W.H. Ireland is not acting for and will not be responsible to any other person other than the Company for providing the protections afforded to customers of W H Ireland or for advising any other person on the contents of this document or any transaction or arrangement referred to in this announcement.

W H Ireland's responsibilities as the nominated adviser to the Company are solely owed to the London Stock Exchange and are owed neither to the Company nor to any director nor shareholders nor to any other subsequent purchaser of Ordinary Shares and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by W H Ireland as to any of the contents of this announcement for which the Directors and the Company are solely responsible. W H Ireland has not approved the contents of, or any part of, this announcement and (without limiting the statutory rights of any person to whom this document is issued) no liability whatsoever is accepted by W H Ireland for the accuracy of any information or opinions contained in this announcement or for the omission of any material information, for which the Company and its directors are solely responsible. W H Ireland expresses no opinion on the suitability of the Company for Admission.

Ambrian Partners Limited (Ambrian) is regulated in the United Kingdom by the Financial Services Authority and is a member of the London Stock Exchange, and will act as Nominated Adviser to the Company following Admission. Ambrian's responsibilities as the Company's Nominated Adviser under the AIM Rules following Admission will be owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire Ordinary Shares in the Company in reliance on any part of this document (without limiting the statutory rights of any person to whom this document is issued). Ambrian is not acting for and will not be responsible to any persons, other than the Company, for providing the protections afforded to customers of them or for advising any other person on the contents of this document or any transaction or arrangement referred to in this document, the application for Admission or other arrangements described in this document. No representation or warranty, express or implied, is made by Ambrian as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Ambrian has not authorised this document or any part of this document for the purposes of FSMA and the Prospectus Rules. No liability is accepted by Ambrian for the accuracy of any information or opinions contained in this document or for the omission of any material information from, this document, for which the Company and its directors are solely responsible (without limiting the statutory rights of any person to whom this document is issued).

Neither the content of any website of FGML or BPC (or any other website) nor the content of any website accessible from hyperlinks on any such website (or any other website) is incorporated into, or forms part of, this announcement.

Forward-Looking Statements

This announcement contains certain forward-looking statements regarding future business. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on management's current views and assumptions in light of its experience and perception of historical trends, current conditions, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. BPC, FGML and their respective directors do not assume any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Appendix

The following information on the Proposed Directors is given in accordance with the AIM Rules. Other than the information contained in this announcement, there are no other details to be disclosed in accordance with paragraph (g) of Schedule Two of the AIM Rules.

The directorships and partnerships held by each of the Proposed Directors over the five years preceding the date of this announcement other than in the Company or its subsidiaries are as follows:

Alan Burns	Carnegie Corporation Ltd CMA Nominees Pty Ltd Renewable Energy Holdings Plc Crocodile Corporation Ltd Crocodile Technology plc Crocodile Tyre Sales Pty Ltd Mainrose Holdings Pty Ltd New Millenium Engineering Pty Ltd Seapower Pacific Pty Ltd Statelink Holdings Pty Ltd Trout Nominees Pty Ltd Arb Pty Ltd BPC Perth Pty Ltd BPC Limited (incorporated in Jersey) BPC Limited (incorporated in Bahamas) Island Offshore Petroleum Limited Bahamas Offshore Petroleum Limited Burns Family Investments WA Pty Ltd CETO Project Pty Ltd Cladium Mining Pty Ltd Emphazise Pty Ltd Lempika Pty Ltd First West Corporation Flamestar Corporation Pty Ltd AB Offshore Pty Ltd AB Onshore Pty Ltd ABC Offshore Pty Ltd ABC Onshore Pty Ltd	Technical & Adminstrative Services Burns Property Developments Pty Ltd Burns Tyres Pty Ltd Carnegie Minerals Plc Carnegie Services Australia Pty Ltd Coast Resources Ltd Dampier Oil Ltd Global Petroleum Limited Hardman Mauritania Finance Pty Ltd Hardman Chinguetti Production Pty Ltd Hardman Oil & Gas Pty Ltd Hardman Petroleum (Mauritania) Pty Ltd Hardman Petroleum Tanzania Pty Ltd Hardman Petroleum (Uganda) Pty Ltd Hardman Petroleum (West Africa) Pty Ltd Hardman Petroleum Africa Pty Ltd Hardman Resources Pty Ltd Lakeridge Holdings Pty Ltd Northling Pty Ltd Pecan Holdings Pty Ltd Proportion Holdings Pty Ltd Luxury Petroleum Pty Ltd Pulkhana Petroleum Pty Ltd Seapower Pty Ltd Sirwan Petroleum Pty Ltd Tullow Uganda Operations Pty Ltd Skylane Pty Ltd Planet Oil International Plc Luxury Petroleum Pty Ltd Westralian Gas and Power Ltd Westralian Petroleum Ltd
Paul Crevello	BPC Perth Pty Ltd BPC Limited (incorporated in Jersey) BPC Limited (incorporated in Bahamas) Island Offshore Petroleum Limited Bahamas Offshore Petroleum Limited PetrexAsia Consulting LLC Petroleum Geoscience International LLC	PetrexAsia SDN BHD

Timothy Jones	BPC Perth Pty Ltd BPC Limited (incorporated in Jersey) BPC Limited (incorporated in Bahamas) Island Offshore Petroleum Limited Bahamas Offshore Petroleum Limited Carnegie Minerals Plc Club 2000 Bingo Ltd Esher Management Services Limited Falkland Oil and Gas Limited FOGL Finance Limited Full House Bingo Ltd Macevents Ltd MacGregor & Company (Event Management) Limited Next Generation Bingo Ltd Planet Sport (Holdings) Limited Point Bingo Limited Point Leisure Ltd	Alaska Developments Limited Alaska Property Group Limited Alaska Properties Limited Alaska (Wrexham) Limited Anchorage Offices Limited Hayters Teamwork Ltd New Generation Bingo Plc Reg Hayter Ltd Sports Broadcasting Company Limited Supremo Estates Limited
Mark Savage	BPC Perth Pty Ltd BPC Limited (incorporated in Jersey) BPC Limited (incorporated in Bahamas) Island Offshore Petroleum Limited Bahamas Offshore Petroleum Limited Global Petroleum Limited Tower Resources Plc CGA Mining Limited Montague Petroleum Pty Ltd Dampier Oil Ltd Conex Oil Exploration Pty Ltd Swanview Investments Pty Ltd Global Mine Management Pty Ltd Mountainside Investments Pty Ltd Bayview Investments LLC BPSP Limited	Atlantic Mines Pty Ltd Castle Springs Ltd CAGL (Taldy Bulak) Pty Ltd Dragonstock Pty Ltd Monitor Energy Ltd Puriri Pty Ltd Stirling Products Limited Timemac Pty Ltd
Michael Proffitt	BPC Perth Pty Ltd BPC Limited (incorporated in Jersey) BPC Limited (incorporated in Bahamas) Island Offshore Petroleum Limited Bahamas Offshore Petroleum Limited Renewable Energy Holdings Plc Manx Electricity Authority GWYNT CYMRU Limited Gumbo Investments Limited REH Landfill Gas (Wales) Limited REH Verwaltung GmbH REH Beteiligung GmbH & CO KG REH Global Limited Windpark Kesfeld-Heckhuscheid GmbH & CO KG	Carnegie Minerals Plc Skywards Telecommunications Limited

Robert Carroll	BPC Limited (incorporated in Jersey) BPC Perth Pty Ltd	Hardman Resources Ltd Sydney Gas Ltd Cape Energy Group SA Planet Oil Ltd Planet Oil International Plc Hardman Chinguetti Production Pty Ltd Goldstar Resources NL Hardman Mauritania Finance Pty Ltd Hardman Oil and Gas Pty Ltd Hardman Petroleum (Mauritania) Pty Ltd Hardman Petroleum (Uganda) Pty Ltd Hardman Petroleum (West Africa) Pty Ltd Hardman Petroleum Tanzania Pty Ltd Hardman Petroleum Africa Pty Ltd
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Banaville Limited, of which Mr Jones was a director, was dissolved on 17 August 1999 following the appointment of a liquidator on 8 March and creditors voluntary liquidation.

Millbridge Holdings Ltd, of which Mr Jones was appointed as a director on 10 December 1991, was dissolved on 9 February 1999 following the appointment of an administrative receiver on 3 March 1995 and compulsory liquidation.

None of the Proposed Directors or any persons connected with them is in a partnership nor have they been partners in any partnerships in the five years preceding the date of this Document.

None of the Proposed Directors has any unspent convictions relating to indictable offences, has been bankrupt or has made or been the subject of any individual voluntary arrangement.

Save as disclosed above, none of the Proposed Directors has been a director of any company at the time of or within twelve months preceding the date of its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.

None of the Proposed Directors has been a partner of any partnership at the time of or within twelve months preceding the date of its compulsory liquidation, administration or partnership voluntary arrangement or the receivership of any assets of such partnership nor have any of their assets been the subject of receivership.

There have been no public criticisms of any of the Proposed Directors by any statutory or regulatory authority (including recognised professional bodies) and none of the Proposed Directors has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Directors' Shareholdings

The interests of the Directors and the Proposed Directors and their immediate families and of persons connected with the Directors or the Proposed Directors within the meaning of section 252 of the 2006 Act in the share capital of the Company as at the date of this document (which have where applicable been notified to the Company pursuant to section 198 of the 1948 Act, are required to be entered into the register of Directors' interests maintained under section 195 of the 1948 Act or which could, with reasonable diligence, be ascertained by the Directors) and as they are expected to be immediately following Admission and completion of the Issue are as follows:

Shares

	<i>No. of Existing Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>No. of Shares immediately following Admission</i>	<i>Percentage of Enlarged Issued Share Capital⁽¹⁾</i>
Director				
Richard Linnell ⁽²⁾	500,000	0.64	500,000	0.063
Mark Fresson	200,000	0.26	200,000	0.025
David Hudd	200,000	0.26	2,342,000	0.297
Peter Bojtos	200,000	0.26	200,000	0.025
Robert Weinberg	50,000	0.06	50,000	0.006
Proposed Director				
Alan Burns ⁽³⁾	-	-	44,820,000	5.676
Paul Crevello ⁽⁴⁾	-	-	33,030,000	4.183
Timothy Jones	62,500	0.08	12,092,506	1.531
Mark Savage ⁽⁵⁾	-	-	53,310,006	6.751
Robert Carroll	-	-	6,000,000	0.760
Michael Proffitt ⁽⁶⁾	-	-	18,360,000	2.325

Notes:

(1) assuming full acceptance of the Offer

(2) these Shares are held by Terra Africa Investments Limited for the benefit of Richard Linnell

(3) these Shares will be held by Burns Family Investments WA Pty Ltd as trustee for the Burns Superannuation Fund for the benefit of Alan Burns

(4) these Shares will be held by PetrexAsia Consulting LLC and Petroleum Geoscience International LLC for the benefit of Paul Crevello

(5) 33,000,000 of these Shares will be held by Mark Savage through Bayview Investments LLC which is wholly owned by Mark Savage. The remaining 20,310,006 shares will be held by Mark Savage directly

(6) these Shares will be held by Gumbo Investments Limited for the benefit of Michael Proffitt

The Shares comprising the Directors' and Proposed Directors' interests set out above will be held immediately following Admission, directly and indirectly, by the Directors and Proposed Directors.

Proposed Directors Service Contracts

The following Proposed Directors have entered into service contracts or letters of appointment with the Company. All are date 8 August 2008, are conditional on Admission and are on the same terms as the relevant Proposed Director's service agreement with the BPC Group. All agreements are terminable on three months' notice with the exception of those for Michael Proffitt and Timothy Jones which are terminable on one month's notice. None of the Proposed Directors are entitled to fees other than those specified but all are entitled to all expenses incurred in the course of their employment or appointment. All Proposed Directors are indemnified in relation to any liabilities arising as a director of the Company (or as director of any other Company in the Enlarged Group).

Appointment of Alan Burns as an executive Chairman

Mr Burns is entitled to a basic salary at the rate of £100,000 per annum. Mr Burns will devote such time as he considers necessary to the performance of his duties for the Company (and BPCB). For a period of one year following termination of his appointment, Mr Burns is restricted from being involved in the business of petroleum exploration or exploitation within the Bahamas.

Appointment of Paul Crevello as Chief Operating Officer

Mr Crevello is entitled to a basic salary at the rate of US\$350,000 per annum. Mr Crevello will devote the whole of his working time to the performance of his duties for the Company (and BPCB). For a period of one year following termination of his appointment, Mr Crevello is restricted from being involved in the business of petroleum exploration or exploitation within the Bahamas.

Appointment of Timothy Jones, Mark Savage, Michael Proffitt and Robert Carroll, each as non-executive director

Each is entitled to fees of £35,000 per annum. The time commitment required for each of them under their appointment is approximately 24 days per annum.

DEFINITIONS AND GLOSSARY

The following words and expressions taken from the Admission Document shall have the following meanings in this Announcement, unless the context otherwise requires:

2006 Act	the UK Companies Act 2006 (as amended)
Act or 1948 Act	Companies Act 1948, as applicable to the Falkland Islands (as amended)
Acquisition	the proposed acquisition by the Company of BPC as described in this document
Admission	the admission of the Consideration Shares then in issue and the re-admission of the Existing Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
Admission Document	the circular and Admission Document dated 8 August 2008 in relation to the re-admission of the Existing Ordinary Shares and the admission of the Consideration Shares to trading on AIM following completion of the Offer
AIM	the AIM Market of London Stock Exchange
AIM Rules	the AIM Rules for Companies and the AIM Rules for Nominated Advisers issued by the London Stock Exchange from time to time
AIM Rules for Companies	the rules for AIM companies issued by the London Stock Exchange in relation to AIM traded securities
Ambrian	Ambrian Partners Limited, the Company's nominated adviser following Completion
Bahamas	the Commonwealth of The Bahamas, a democratic independent member of the Commonwealth
Board	the board of Directors of the Company for the time being
BOPL	Bahamas Offshore Petroleum Limited, a subsidiary of BPC
BPC or BPC Group	BPC Limited, a company incorporated in Jersey with registered company number 98391, and any/or of its subsidiaries as the context may require
BPC Shares	ordinary shares of US\$0.01 each in the capital of BPC
BPC Shareholders	holders of BPC Shares
BPCB	BPC Limited, incorporated in the Bahamas with registered company number 141648B
Company or FGML	Falkland Gold and Minerals Limited, a company incorporated in the Falkland Islands with registered company number 12840
Competent Person or Moyes & Co	Moyes & Co. details of which are set out in the Competent Person's Report in Part V of the Admission Document
Completion	completion of the Proposals
Consideration Shares	the 711,389,838 Shares proposed to be issued to BPC Shareholders pursuant to the terms of the Acquisition
Depository Interests	the depository interests representing Shares issued through Capita IRG Trustees Limited which hold legal title to the underlying Shares
Directors or Existing Directors or Board	the current directors of the Company, whose names are set out on page 5 of the Admission Document and Director means any of one them
Enlarged Group	the Company and its subsidiary undertakings, following

	Completion
Enlarged Group Board or Proposed Directors or New Board	the directors of the Company immediately following Admission whose names appear on page 5 of of the Admission Document
Enlarged Share Capital	the entire issued Share capital of the Company immediately following Completion, comprising the Existing Ordinary Shares and the Consideration Shares assuming full acceptance of the Offer
Existing Ordinary Shares	the 78,250,000 Shares in issue at the date of this document
Existing Ordinary Shareholder or Shareholder	a holder of Existing Ordinary Shares
Extraordinary General Meeting or EGM or Meeting	the extraordinary general meeting of the Company to be held at noon on 1 September 2008, notice of which is set out at the end of the Admission Document
FSMA	the United Kingdom Financial Services and Markets Act 2000, as amended
IOPL	Island Offshore Petroleum Limited, a subsidiary of BPC
lead	a subsurface structural or stratigraphic feature with the potential to have intrapped oil or natural gas, and which is constrained by several seismic traverses
km	kilometres
km²	square kilometres
Licences or Exploration Licences	the five exploration licences in each of which BPC has a 100 per cent. indirect interest through BPCB and two wholly owned subsidiaries, IOPL and BOPL
Licence Area	the area covered by the relevant Licence
Licensees	IOPL and BOPL
London Stock Exchange	London Stock Exchange plc
m	metres
Offer	the offer by the Company to acquire from the BPC Shareholders the entire issued share capital of BPC in exchange for the Consideration Shares
Ordinary Shares or Shares	ordinary shares of £0.002 each in the Company
Proposals	the proposals put to the Shareholders and holders of Depositary Interests of the Company set out in Part I—Letter from the Chairman of the Company-of the Admission Document
RAB	RAB Special Situations (Master) Fund Limited, a shareholder of the Company (through its nominee, Credit Suisse Client Nominees (UK) Limited, and a fund managed by RAB Capital PLC, a company traded on AIM
Resolution	the resolution to be put to the shareholders of the Company and set out in the notice of the EGM on page 189 of the Admission Document
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
WH Ireland	WH Ireland Limited, the Company's nominated Adviser and Broker until Admission.

A glossary of geological and petroleum industry technical terms is found on pages 60-62 of the CPR in Part V of the Admission Document.

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