

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

FALKLAND ISLANDS

America South

Dialogue | Trust | Partnership

office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Stanley (capital)	Political, administrative and financial capital, and headquarters of Fortuna Ltd, the Islands' dominant fishing company	Financial and administrative services, fishing-company headquarters
North Falkland Basin (Sea Lion field)	Site of the newly sanctioned final investment decision (FID) on the Sea Lion offshore oil development, now directly targeted by Argentine legal action	Offshore oil exploration and production
South Falkland Basin (Eco Atlantic license area)	Neighbouring exploration license area also named in Argentina's sanctions proceedings against Falklands-linked hydrocarbons companies	Offshore oil and gas exploration
Falkland Islands fishing grounds (EEZ)	Licensed waters for Loligo and Illex squid, finfish and Patagonian toothfish, the historic core of the Islands' economy	Commercial fishing and seafood processing
East Falkland aquaculture zone	Proposed sites for a new commercial salmon-farming industry, currently under a 2026 government consultation	Aquaculture (salmon farming, pending regulatory approval)
Mount Pleasant Complex / Mare Harbour	UK military airbase and port facility underpinning the Islands' defense and strategic logistics capacity	Defense-linked logistics and support services
Stanley Harbour	Principal port and shipping-services gateway supporting both the fishing fleet and offshore oil-sector logistics	Port logistics, marine services, shipping

INVESTOR ENTRY ROUTES

- Oil and gas investment in Sea Lion Phase 2 and adjacent North/South Falkland Basin licenses following the 2026 final investment decision and a targeted first-half-2028 first oil
- Fishing and seafood investment riding Fortuna Ltd's vertically integrated squid and toothfish franchise and its recent UK acquisitions (Ocean Fish Group in Cornwall, Holyhead Towing in Wales)
- New commercial salmon-farming investment pending the outcome of the government's 2026 consultation and a yet-to-be-finalized regulatory framework
- Marine and offshore-services investment supporting Sea Lion's FPSO, drilling and subsea supply chain
- Port and shipping-services investment via Stanley Harbour, serving both the fishing fleet and offshore oil logistics
- Defense-linked logistics and support-services investment around the Mount Pleasant Complex amid renewed UK strategic attention to the South Atlantic

MARKET-ENTRY OBSERVATION

2026 marks a genuine inflection point for the Falkland Islands' hydrocarbons ambitions: Navitas Petroleum (65%, operator) and Rockhopper Exploration (35%) took a final investment decision on the Sea Lion offshore oil development in the North Falkland Basin,

targeting first oil in the first half of 2028 from an initial 11 subsea wells tied back to a redeployed FPSO, with certified resources of 319 million barrels and Phase 1 peak production of 50,000 barrels a day. This sits alongside a historically fishing-led economy - fishing and aquaculture made up 58.3% of GDP in 2024, when the economy grew 3.6% to around £175 million - anchored by Fortuna Ltd, the Islands' largest quota and licence holder, which has been expanding into UK-based fishing and marine-services assets. A new potential growth engine is also under review: a 2026 government-commissioned study found that commercial salmon farming could add roughly 11% to GDP (around £34.6 million a year) under a 30,300-tonne core scenario, or up to £55.7 million a year under a 50,000-tonne scenario, though the government has made no decision yet and existing legislation has been found unsuitable for regulating the industry.

That genuine commercial momentum is unfolding against a sharply escalating sovereignty dispute with Argentina. In September 2026, President Javier Milei seized on US President Trump's refusal to confirm whether Washington would "come to the aid" of Britain in a Falklands conflict - remarks made in the context of Trump's own grievance that Britain had not supported the US campaign against Iran - to dramatically escalate Argentina's position: Milei initiated sanctions proceedings against 60 people and companies linked to Sea Lion (naming Navitas, Rockhopper and Eco Atlantic directly), pledged funding for a new naval base and upgraded telecommunications in Tierra del Fuego, and warned that "any further advance on the Malvinas Islands will be considered a violation of our national security." The UK government, under Prime Minister Andy Burnham, has reaffirmed that sovereignty rests with Britain and that the islanders' right to self-determination - exercised in a 2013 referendum - is paramount, while the companies involved maintain their licenses are valid and say they do not expect the threats to have a material operational impact.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Argentine sanctions proceedings against Sea Lion companies	Argentina has initiated sanctions proceedings against 60 people and companies and filed a criminal complaint against Navitas subsidiaries and executives, with penalties potentially extended to shareholders, directors and suppliers	Assess any corporate or personal exposure to Argentine jurisdiction before taking an equity, supply or services role in Sea Lion-linked projects
Escalating sovereignty dispute and naval buildup	Milei has pledged a new naval base and telecommunications upgrade in Tierra del Fuego and warned that further hydrocarbons development will be treated as a threat to Argentine national security	Monitor the dispute's trajectory closely and maintain contingency plans for offshore logistics given the proximity of the development to contested waters
Unprecedented ambiguity over US security backing	President Trump's public refusal to confirm the US would support Britain in a Falklands conflict, linked to his own grievance over UK support in the Iran campaign, removes an assumption of automatic Western backing that has held since 1982	Track US-UK diplomatic signals specifically regarding the South Atlantic rather than assuming historical alignment continues unchanged
Immature salmon-farming regulatory framework	The government has found existing legislation unsuitable for commercial aquaculture and has not yet decided whether, or at what scale, salmon farming will be permitted	Treat salmon-farming investment as pre-decisional pending the outcome of the 2026 consultation and any new regulatory framework
Small, isolated labour market and logistics base	A population of roughly 3,500 constrains the available workforce and requires heavy reliance on imported labour, equipment and supplies (including Chile-sourced aquaculture feed)	Build realistic workforce and supply-chain assumptions reflecting the Islands' remote, small-scale logistics environment
Historical exposure to commodity and price-cycle volatility	A prior Sea Lion-adjacent development was abandoned in 2013 due to oil-price volatility, and squid catches vary significantly year to year	Structure hydrocarbons and fishing investment with conservative, cycle-resilient assumptions
Dependence on continued UK political and defense commitment	The Islands' investment security rests heavily on the UK's sovereignty guarantee and the Mount Pleasant defense presence, both now subject to renewed diplomatic pressure	Monitor UK government statements and defense posture as a direct input to the territory's risk profile

INVESTOR RISK NOTE

Waverley views the Falkland Islands as a genuinely rare combination - a major offshore oil development reaching final investment decision after decades of delay, alongside a world-class, vertically integrated fishing franchise and a promising new aquaculture opportunity - sitting directly inside an actively escalating sovereignty dispute that now includes Argentine sanctions proceedings against

the very companies developing Sea Lion and an unprecedented public ambiguity over US backing for the UK. This is a market for investors who can underwrite genuine geopolitical risk, not a conventional frontier-market entry.

MARKET ACCESS

The Falkland Islands are a self-governing UK Overseas Territory using a Falkland pound pegged 1:1 to the British pound, operate under UK-based commercial and legal frameworks, and license fishing and hydrocarbons rights within their own Exclusive Economic Zone - though that same EEZ sits at the center of an active Argentine sovereignty claim that limits regional (Mercosur-area) market access.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Falkland Islands Government (FIG) / Executive Council	Issues fishing and hydrocarbons licenses and is deciding the future regulatory framework for salmon farming	Primary point of engagement for licensing and regulatory matters across all sectors
UK Foreign, Commonwealth & Development Office (FCDO)	Guarantor of the Islands' sovereignty and lead UK interlocutor on the escalating dispute with Argentina	Reference point for diplomatic and security-posture developments
Falkland Islands Legislative Assembly	Local elected governance body overseeing domestic policy, including the pending aquaculture consultation	Engage for policy and regulatory updates on emerging sectors
Fortuna Ltd	Dominant fishing and quota holder and the Islands' largest private employer	Primary channel for fishing-sector partnerships and market intelligence
Navitas Petroleum / Rockhopper Exploration	Sea Lion's operator and partner, now directly named in Argentine sanctions proceedings	Primary channel for oil and gas sector entry, with direct exposure to the sovereignty dispute
British Forces South Atlantic Islands (Mount Pleasant)	UK military presence underpinning the territory's defense guarantee amid Argentine naval escalation	Monitor for defense-posture developments relevant to overall territory risk
Falkland Islands Development Corporation	Government-linked body supporting economic diversification, including the aquaculture initiative	First point of contact for new-sector investment facilitation

CURRENT INTERNATIONAL BUSINESS CHANNELS

Most inbound capital flows through Falkland Islands Government licensing for fishing, hydrocarbons and prospective aquaculture, direct engagement with Navitas/Rockhopper for Sea Lion-linked opportunities, and Falkland Islands Development Corporation facilitation for new-sector diversification.

INVESTOR PROFILE BEST SUITED

Best suited to oil and gas investors and offshore-services providers comfortable with direct exposure to an active sovereignty dispute, fishing and seafood investors able to partner with or compete alongside Fortuna Ltd, and early-stage aquaculture investors willing to wait on regulatory clarity. Not suited to investors requiring geopolitical certainty or insulation from sovereign-dispute risk.

FROM INTELLIGENCE TO ENGAGEMENT

- STEP 1: Confirm sector fit and risk tolerance
Decide between oil and gas, fishing, aquaculture, or logistics investment, and confirm organizational tolerance for direct sovereignty-dispute exposure.
- STEP 2: Engage the Falkland Islands Government or relevant operator
Open discussions with FIG for licensing matters or directly with Navitas/Rockhopper for Sea Lion-linked opportunities.
- STEP 3: Assess exposure to Argentine sanctions proceedings
Review any corporate presence or exposure in Argentina or the wider region before engaging with Sea Lion-linked contracts.
- STEP 4: Monitor the US-UK-Argentina diplomatic trajectory
Track statements from Washington, London and Buenos Aires as a direct input to the investment risk calculus.
- STEP 5: Track the salmon-farming consultation outcome
Monitor the Executive Council's decision following the October 2026 consultation before committing to aquaculture investment.

WAVERLEY'S ROLE

- Track the Argentina-UK-US sovereignty dispute's trajectory and any direct impact on Sea Lion-linked companies
- Monitor the salmon-farming consultation outcome and the emerging aquaculture regulatory framework
- Coordinate introductions to the Falkland Islands Government, Navitas/Rockhopper and the Falkland Islands Development Corporation
- Screen oil and gas, fishing and aquaculture opportunities against current sovereignty-dispute and sanctions-exposure risk

INVESTOR CALL TO ACTION

Waverley Gateway positions investors to capture the Falkland Islands' genuine hydrocarbons and fishing-sector momentum - most notably the 2026 Sea Lion final investment decision - while explicitly tracking the sharply escalating Argentine sovereignty dispute and its direct sanctions exposure for sector participants - engage only with full awareness of this live geopolitical risk.

Sector and risk-tolerance screening -> Sovereignty-dispute and sanctions-exposure due diligence -> Institutional introductions -> Carefully structured entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities concentrate in Sea Lion Phase 2 and adjacent North/South Falkland Basin oil and gas development ahead of first oil in 2028, fishing and seafood-processing investment alongside Fortuna Ltd, prospective salmon-farming investment pending the 2026 regulatory decision, and port/logistics investment via Stanley Harbour.

POSITIONING

The Falkland Islands offer a genuinely rare combination of a major offshore oil development reaching final investment decision, a world-class vertically integrated fishing franchise, and a promising new aquaculture opportunity under active government review.

That commercial momentum sits directly inside a sharply escalating sovereignty dispute with Argentina, now including sanctions proceedings against the very companies developing Sea Lion and an unprecedented public ambiguity over US backing for the UK. Waverley frames the Falklands as a genuine but specialist opportunity for investors who can underwrite active geopolitical risk, not a conventional frontier-market entry point.

SELECTED SOURCES

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