13th September 2011

Fairpoint Group plc ("Fairpoint" or "the Company")

Directors' Dealings

The Company announces that under the Fairpoint Group plc 2008 Unapproved Share Option plan ("the Plan") options over 900,000 new ordinary shares ("Options") of 1p in the Company have today been awarded to Christopher Moat, Chief Executive Officer.

The Options have a strike price of 50p per share and will vest on 30 September 2014 subject to performance conditions and continued employment within the Group. The options will expire on 30 September 2021. The performance conditions applicable to the Options require that the Fairpoint share price must equal or exceed 70p for a continuous period of 30 days at any time during the period to 30 September 2014 for 450,000 Options to vest and the share price must equal or exceed 100p during the period to 30 September 2014 for the remaining 450,000 Options to vest. Should the initial performance condition be met prior to 31 March 2013 the first 450,000 Options may vest at that date.

The Company announces that 900,000 options granted to Mr Moat on 13 October 2008 and which did not meet the performance conditions set at the time of their issue have been cancelled. As a result, Mr Moat's interest in the Company remains 201,531 ordinary shares owned directly and 385,000 ordinary shares co-owned with the Trustees of the Fairpoint Employee Benefit Trust and 900,000 Options.

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