

*Press Release***ROLLOVER OF EXPLORER III PARTNERSHIP ASSETS**

Middlefield Mutual Funds Limited (the “Mutual Fund”) announced today that, in connection with the planned dissolution of **EXPLORER III Resource Limited Partnership** (“EXPLORER III” or the “Partnership”, cusip: 30215U101), it is proposing to transfer all of the assets of EXPLORER III to the Resource Class of Middlefield Mutual Funds Limited in exchange for mutual fund shares having the same aggregate net asset value as that of the Partnership. The record date for the transfer is February 7, 2008 and the liquidity date is March 18, 2008. Appropriate elections under applicable income tax legislation will be made to effect the transfer on a tax-deferred basis during the period between record and liquidity dates.

It is currently intended that EXPLORER III will be dissolved on or about March 18, 2008. Investors will then be able to redeem their Resource Class shares, retain them for longer-term growth or switch tax-free into any of the other Mutual Fund classes. Remaining invested in the Mutual Fund avoids incurring the capital gains tax liability that arises upon redemption of the Mutual Fund shares.

There are nine asset classes within the Mutual Fund, providing significant flexibility to suit numerous investment objectives including safety of capital, income and growth. The Classes currently offered are Short-Term Income, Income Plus, Uranium Focused Metals, Canadian Balanced, Global Growth, Canadian Growth, Resource, Equity Index and U.S. Growth. The proposed transfer provides the partners of the Partnership with liquidity and the ability to diversify their investments by participating in a large, multi-class mutual fund.

Investors should consult their advisors to determine the strategy that is most suitable for them for the achievement of their own personal needs and objectives.

For further information visit our website at www.middlefield.com or contact the undersigned:

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