



## **Falcon Energy proposes 1-for-5 Warrants Issue**

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Tan Pong Tyea**

**SINGAPORE, 24 September 2010 – MAINBOARD-LISTED** Falcon Energy Group Limited (“the Company” or “FEG”) today announced that it is proposing a renounceable non-underwritten rights issue of warrants (“Warrants Issue”) to shareholders of up to 162,826,994 warrants (“Warrants”) at an issue price of S\$0.10 for each Warrant, on the basis of one (1) Warrant for every five (5) existing ordinary shares in the capital of the Company held by entitled shareholders as at the books closure date to be determined by the Directors. Each Warrant carries the right to subscribe for one (1) new share (“New Share”) at the exercise price of S\$0.40 and has an exercise period of three (3) years.

Assuming all shareholders subscribe to the Warrants, the Company is expected to raise approximately S\$16.1 million in net proceeds, after deducting professional fees and related expenses. And if all the Warrants are fully exercised and converted into shares of the Company, the proceeds from the exercise of the Warrants will come up to approximately S\$65.1 million.

FEG is one of the region’s leading providers of integrated support services for the international Offshore Marine and Oil & Gas sectors, supporting clients along the entire oil production cycle. It has a proven track record and solid reputation in

## Falcon Energy Group Limited



servicing global oil majors and oil contractors, focusing on the production phase of oilfield activities.

### **Rationale**

The Directors believe that the Warrants Issue will provide Shareholders with the opportunity to obtain further equity participation in the Company by subscribing for the New Shares through the exercise of the Warrants. In addition, the proceeds arising from the subscription and/or exercise of the Warrants will provide additional financial flexibility to the Group.

Commenting on the proposed Warrants Issue, Mr. Tan Pong Tyea, FEG's Chairman and Chief Executive Officer, said: "As the general market sentiment is better now, we think the timing is right to expand our capital structure and prepare ourselves for further growth. Besides, the Warrants Issue will involve issuing new shares without the need to dilute existing shareholders' equity participation based on the assumption that all entitled shareholders subscribe for their entitlements and exercise their warrants in the future. Shareholders are presented with the option to raise their equity interest in the Company at a pre-determined price over a three-year period."

"Moreover, we hope to further increase the liquidity of our stock through this exercise in order to attract and make it possible for more shareholders, as well as new ones, to share in the Company's success, now and in the future," added Mr Tan.

The Warrants Issue will be undertaken pursuant to the share issue mandate approved by shareholders at the Annual General Meeting of the Company held on 23 April 2010. The Company has also received approval-in-principle ("AIP") from the

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Singapore Exchange ("SGX-ST") for the Warrants Issue on 24 September 2010, subject to certain conditions to be fulfilled.

The Group delivered a set of strong results for six months ended 30 June 2010 with a net profit after tax and minority interest of US\$16.1 million, improving 36% over the US\$11.8 million in the preceding corresponding period. Revenue, at US\$37.0 million, strengthened 34% over the previous US\$27.7 million.

– Ends –

# Falcon Energy Group Limited



## **About Falcon Energy Group Limited ([www.falconenergy.com.sg](http://www.falconenergy.com.sg))**

Falcon Energy Group Limited is a SGX Mainboard-listed leading player in the regional Offshore Marine and Oil & Gas sectors. The Group provides a full spectrum of support services for the Offshore Marine and Oil & Gas cycle, from initial exploration and drilling to production and post-production stage, with a specialist focus on the production phase of oilfield activities.

The Group has three business divisions with operations spanning Southeast Asia, India and Australia. Its Marine Division provides offshore support vessels for services such as offshore hook up and commissioning, offshore conductor piling and pipe trenching, among others. Its Oilfield Services Division provides services such as agencies, warehousing, logistics, procurement and other general support activities. Through its Oilfield Projects Division, the Group is involved in projects and investments related to the Marine and Oil & Gas industry.

The Group has built up a solid track record over the past 30 years. Its commitment to top quality operations, professional practices and safety standards has resulted in a clientele base that includes some of the largest oil majors in the world including Shell, ExxonMobil, Chevron, BP and TOTAL as well as oil contractors comprising McDermott, Halliburton, PetroChina, and COSL.

Falcon currently has a fleet of 15 Offshore Support Vessels (OSVs) including 9 multi-purpose support vessels.

The Group was listed on SGX SESDAQ on 2 December 2004 through a reverse takeover of Sembawang Music Holdings Limited and changed its name to Falcon Energy Group Limited on 13 November 2006. It was upgraded to SGX Mainboard on 8 September 2009.

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Issued on behalf of Falcon Energy Group Limited by: Waterbrooks Consultants Pte Ltd

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### **Media and Analyst Contacts:**

#### **Waterbrooks Consultants Pte Ltd**

Mr Wayne Koo  
Tel: (+65) 6100-2228  
Mobile: (+65) 9338-8166  
Email: [wayne.koo@waterbrooks.com.sg](mailto:wayne.koo@waterbrooks.com.sg)

Ms Cecilia Ng  
Tel: (+65) 6100-2228  
Mobile: (+65) 9726-0429  
Email: [cecilia.ng@waterbrooks.com.sg](mailto:cecilia.ng@waterbrooks.com.sg)