



Falcon Energy shareholders approve proposed acquisition of CH Offshore Ltd.

“Given the substantial synergies inherent in this deal, we are now better positioned for sustained long term growth and profitability.

This acquisition has the potential of combining what both companies have built up over the years – customers, operations and markets – to create a strong platform for future expansion,” says Executive Chairman and Chief Executive Officer Tan Pong Tyea

SINGAPORE, 29 March 2010 – MAINBOARD-LISTED Falcon Energy Group Limited (FEG or the Company) announced that its proposed acquisition of up to 205,000,000 ordinary shares in the issued and paid-up share capital of CH Offshore Ltd. (CH Offshore) from Scomi Marine Services Pte. Ltd. (Vendor) was approved by shareholders at the Extraordinary General Meeting (EGM) held earlier today.

The proposed acquisition, for a cash consideration of up to S\$143,500,000, was made to the Vendor on 5 February 2010 in accordance with the terms and conditions of the Sale and Purchase Agreement entered into between the Company and the Vendor.

Closing of the transaction remains subject to customary closing conditions, including obtaining the approval from the SGX-ST. Upon successful completion of the transaction, which is expected to take place on or before 30 April 2010, FEG will become the largest shareholder of CH Offshore with a 29.07% equity interest.

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FEG believes that making CH Offshore an associated company will bring significant synergistic advantages to both companies, thus boosting shareholder value in the long term. The listed CH Offshore Group owns and operates a fleet of anchor handling tug supply (AHTS) vessels, supporting and servicing the Offshore Oil & Gas industry primarily in Indonesia, Australia, Latin America and the Middle East. Its offshore support services are involved in various phases of offshore exploration, development and production activities which include towing and anchor handling of drilling rigs, transportation of supplies and personnel, and supporting other offshore activities.

FEG is one of the region's leading providers of integrated support services for the international Offshore Marine and Oil & Gas industries, serving clients along the entire oil production cycle from initial exploration to production and post-production. It has a strong track record and solid reputation in servicing global oil majors and oil contractors, focusing on the production phase of oilfield activities.

Mr Tan Pong Tyea, FEG's Executive Chairman and Chief Executive Officer said: "We are pleased that shareholders have appreciated the strategic and economic benefits of the deal and have overwhelmingly approved the acquisition."

"Given the substantial synergies inherent in this deal, we are now better positioned for sustained long term growth and profitability. This acquisition has the potential of combining what both companies have built up over the years – customers, operations and markets – to create a strong platform for future expansion," added Mr Tan.

For the fiscal year ended 31 December 2009, the Group achieved a net profit after tax and minority interest of US\$28.1 million on turnover of US\$89.2 million, up 51% from the US\$59.1 million it registered in fiscal 2008.

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Stirling Coleman Capital Limited was the financial adviser ("Financial Adviser") to the Company in relation to the acquisition of OSCL which was completed on 30 April 2008. The Financial Adviser assumes no responsibility for the contents of this announcement.

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About Falcon Energy Group Limited (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 10 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.

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

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

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