



Falcon Energy Group Limited

MEDIA RELEASE

For Immediate Release

Falcon Energy Proposes 1-for-10 Bonus Warrant Issue to Shareholders

- Up to 82,453,751 bonus warrants to be issued
- Warrant exercise price of S\$0.43 per share

SINGAPORE, 18 November 2013 – MAINBOARD-LISTED Falcon Energy Group Limited (FEG or the Group) today proposed a 1-for-10 bonus warrant issue of up to 82,453,751 free warrants to its existing shareholders. Each warrant can be exchanged for one ordinary share of FEG at an exercise price of S\$0.43. This represents a premium of 8.86 per cent from the weighted average price of S\$0.395 on 15 November 2013.

The issuance of bonus warrants will reward shareholders for their continued support by providing them with an opportunity to increase their equity in the Group, and participate in its future growth.

The warrants may be converted to ordinary shares at any time, after six months from the date of listing of the warrants (Exercise Period Commencement Date) and will expire two years from the Exercise Commencement Date (Exercise Period). New shares arising from the exercise of bonus warrants will rank *pari pasu* in all respects with existing shares. The proposed warrants will be issued pursuant to the authority granted by the share issue mandate approved by FEG's shareholders, at its 30 July 2013 annual general meeting (AGM).

Assuming all bonus warrants issued are exercised at S\$0.43 per new ordinary share, the Group will receive proceeds of approximately S\$35.5 million.

To date, FEG has an issued share capital of 819,987,509 Shares (excluding 3,428,000 shares held as treasury shares, and 4,550,000 unexercised share options granted pursuant to FEG's Employee Share Option Scheme).

FEG had released its results for first half ended 30 September 2013 (1H2014) on 5 November 2013. The Group posted an 8-fold rise in net profit after tax attributable to shareholders from US\$3.9 million in 1H2013 to US\$34.4 million in 1H2014. This was on the back of a 511 per cent jump in revenue to US\$209.7 million. The Group's overall gross profit improved by 839 per cent to US\$90.9 million with a higher overall gross profit margin of 43 per cent compared to 28 per cent in the previous corresponding period.

This press release should be read in conjunction with the full SGX announcement released by FEG dated 18 November 2013. A copy of the announcement is available on www.sgx.com.

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About Falcon Energy Group Limited (www.falconenergy.com.sg)

Falcon Energy Group Limited (FEG) is an established player in the oil and gas industry, providing a spectrum of services to global oil companies and contractors, from the initial exploration stage to production and post-production stage.

Besides its traditional core businesses in marine, oilfield services and oilfield projects, the Group is expanding its business by venturing into energy-related businesses such as drilling services and resources division.

The Marine Division has a fleet of offshore support vessels to provide direct support to its customers, mainly in the production phase of oil and gas projects. The Oilfield Services Division provides services such as agencies, logistics and procurement and other general support activities, while the Oilfield Projects Division executes various projects for companies in the oil and gas sectors.

The Drilling Services Division will own and operate oil rigs and be developed into a full-fledged drilling service provider for the oil majors, national oil companies and independent oil exploration companies.

The Resources Division taps into the Energy resource sector to carry out coal mining and other related businesses.

The Group was listed on Singapore Exchange 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 Mainboard on 8 September 2009.

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