

PROPOSED BONUS ISSUE OF UP TO 82,453,751 FREE WARRANTS (“WARRANTS”) OF FALCON ENERGY GOUP LIMITED (“COMPANY”) ON THE BASIS OF ONE (1) WARRANT FOR EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS

- RECEIPT OF APPROVAL-IN-PRINCIPLE

1. INTRODUCTION

The board of directors of the Company (“**Board**”) refers to the announcement made by the Company on 18 November 2013 on the bonus issue of Warrants (“**Bonus Issue**”).

2. RECEIPT OF APPROVAL-IN-PRINCIPLE

2.1 The Board is pleased to announce that the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) had on 3 December 2013 granted approval-in-principle (“**AIP**”) for the listing and quotation of:

- (a) up to 82,453,751 Warrants; and
- (b) up to 82,453,751 new shares in the capital of the Company to be issued upon the exercise of the Warrants (“**New Shares**”).

2.2 The AIP is subject to the following:

- (a) Compliance with the SGX-ST’s listing requirements;
- (b) A written confirmation that the Bonus Issue is in compliance with the relevant Companies Act;
- (c) A written confirmation from the Company that there is a satisfactory spread of warrant holders to provide an orderly market for the warrants in compliance with Rule 836 of the Listing Manual;
- (d) A written undertaking from the Company that it will comply with Listing Rule 704(30) of the Listing Manual in relation to the use of the proceeds arising from the exercise of the bonus warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on the use of proceeds and in the annual report;
- (e) A written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual; and
- (f) A written undertaking from the Company that it will comply with Listing Rule 831 of the Listing Manual.

2.3 The AIP is not to be taken as an indication of the merits of the Bonus Issue, the Warrants, the New Shares, the Company and/or its subsidiaries.

3. FURTHER ANNOUNCEMENTS

As and when appropriate, the Company will make further announcements in relation to the Bonus Issue.

By Order of the Board

Peh Lei Eng
Company Secretary

3 December 2013