

SHAREHOLDINGS IN PV DRILLING OVERSEAS COMPANY PRIVATE LIMITED

The Board of Directors of FALCON ENERGY GROUP LIMITED (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") refers to the Company's announcement dated 12 September 2013 (the "**12 September 2013 Announcement**") and wishes to further announce the increase of the issued and paid-up share capital of the following joint venture company (the "**Capital Increase**"):-

Name of the company	:	PV DRILLING OVERSEAS COMPANY PRIVATE LIMITED (" PVD SG ")
Issued and paid up share capital before increase		US\$1,000
Issued and paid up share capital after increase		US\$20,981,000
Purpose of the Capital Increase	:	Capital expenditure

Following the Capital Increase, the shareholdings in the capital of PVD SG are as follows:-

	Registered Shareholders	Percentage of Shareholdings	No. of shares
1	The Company*	10%*	2,098,100*
2	PetroVietnam Drilling & Well Service Corporation	55%	11,539,550
3	Joy Pride Investments Limited	35%	7,343,350

* It was stated in the 12 September 2013 announcement that 50 shares in the capital of PVD SG, equivalent to 5% equity interest, registered under the name of the Company were held in trust for Mr Cai Wenxing (a director of the Company), while arrangement was being made to transfer the 50 shares to Mr Cai Wenxing's investment vehicle, Crystal Heights Holdings Limited ("**CHHL**").

* CHHL is a British Virgin Islands registered company wholly-owned by Mr Cai Wenxing. The Capital Increase was completed before the transfer of the 5% equity interest and hence the Company continued to hold a total of 1,049,050 shares in the capital of PVD SG in trust for CHHL.

The Capital Increase in the capital of PVD SG was funded by the Company's internal resources and did not have any material impact on the net tangible assets per share and net earnings per share of the Group for the financial year ended 31 March 2014.

Subsequent to the Capital Increase, the Company completed the requisite formalities to transfer the 5% equity interest in the capital of PVD SG to CHHL, the beneficial owner of the said interest (the “Shares Transfer”).

Following the Shares Transfer, the shareholdings in the capital of PVD SG are as follows:-

	Registered Shareholders	Percentage of Shareholdings	No. of shares
1	The Company	5%	1,049,050
2	CHHL	5%	1,049,050
3	PetroVietnam Drilling & Well Service Corporation	55%	11,539,550
4	Joy Pride Investments Limited	35%	7,343,350

For the purposes of Rule 916(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is hereby stated that:-

(a) The Audit Committee of the Company is of the view that:-

- (i) the risks and rewards of the joint venture in PVD SG are in proportion to the equity of the Company and CHHL; and
- (ii) the terms of the joint venture in PVD SG are not prejudicial to the interests of the Company and its minority shareholders.

(b) Mr Cai Wenxing does not have any existing equity interest in the joint venture in PVD SG prior to the participation by the Company in the said joint venture.

Save as disclosed above and save for the shareholding interests in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions.

By Order of the Board

Peh Lei Eng
Company Secretary

1 April 2014