FALCON ENERGY GROUP LIMITED

ANNUAL REPORT 2008

CATALYSING OPPORTUNITIES

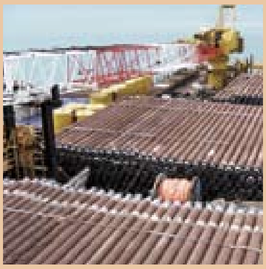
THE VARIOUS ACQUISITIONS BY FALCON ENERGY GROUP HAVE ENABLED THE GROUP TO STRENGTHEN ITS FOUNDATION AND ENABLE US TO CAPITALISE ON EMERGING OPPORTUNITIES IN THE GLOBAL OIL & GAS INDUSTRY.

CONTENTS

MISSION

TO CONSISTENTLY DELIVER HIGH LEVELS OF SERVICE TO OUR CLIENTS AND ENHANCE STAKEHOLDER VALUE IN ALL OUR BUSINESS VENTURES WITHIN THE OIL & GAS INDUSTRY.



COMPANY PROFILE

Falcon Energy Group Limited ("FEG") is a dedicated player in the global marine and oil & gas arena, providing a full spectrum of services to global oil companies and contractors, from the initial exploration stage to production and post-production stage. FEG has a fleet of offshore support vessels to provide direct support to its customers mainly in the production phase of oil and gas projects and is also able to provide oilfield services such as agencies, logistics and procurement and other general support activities to customers in the marine and oil & gas industry.

FUELLING PASSION

FALCON ENERGY GROUP IS COMMITTED TO GROWING ITS FLEET & EXPANDING ITS REACH, EMERGING STRONGER TO CATCH THE NEXT WAVE OF GROWTH.

CHAIRMAN'S MESSAGE

THE GLOBAL FINANCIAL CRISIS HAS INTENSIFIED AND IS MAKING ITS IMPACT FELT ACROSS MOST INDUSTRIES AND ECONOMIES. AMIDST SUCH DIFFICULT TIMES, FEG HAS DONE REMARKABLY WELL TO BUCK THE TREND WITH A SET OF SOLID RESULTS AND SUCCESSFULLY LAID OUR GROWTH FOUNDATIONS IN 2008.

Dear shareholders,

It is with great pleasure that I present to you Falcon Energy Group Limited's ("FEG" or the "Group") annual report for the 15 months ended 31 December 2008 ("FY2008"). As shareholders are aware, the Group has changed its financial year-end from 30 September to 31 December.

The global financial crisis has intensified and is making its impact felt across most industries and economies. Amidst such difficult times, FEG has done remarkably well to buck the trend with a set of solid results and successfully laid our growth foundations in 2008.

Following the acquisition of Oilfield Services Company Limited ("OSCL") in April 2008, FEG is on its way to becoming a strong contender in the regional marine and oil & gas industry, its core Marine Segment being augmented by OSCL's fleet of offshore support vessels. The enlarged FEG's three core businesses – Marine, Oilfield Services and Oilfield Projects – provide a broad spectrum of support services to global companies in the oil & gas industry.

Looking ahead into FY2009, we foresee that the global economy will continue to slow down. However FEG remains committed to growing its fleet and expanding into new markets and businesses, which will allow us to ride through these troubled times and emerge stronger.

FINANCIAL REVIEW

For the year under review, the Group's revenue increased 91.4% to US$73.84 million in FY2008, from US$38.58 million for the 12 months ended 30 September 2007 ("FY2007"). The revenue from our Marine Segment increased 73.6% to US$58.63 million in FY2008, from US$33.78 million in FY2007, helped by significant higher revenue contribution from additional vessels being chartered out at higher rates and full year contributions from two additional vessels which commenced charters in April and May 2007. With the continued expansion of our oilfield services business, the Oilfield Services Segment's revenue increased to US$15.21 million in FY2008, from US$4.80 million in FY2007.

The Marine Segment contributed 79.4%, while the Oilfield Services Segment contributed 20.6% to total revenue for FY2008. The Oilfield Projects Segment has commenced operations towards the end of 2008 and had also contributed to the profit of the Group.

Correspondingly, the Group posted gross profit of US$41.56 million, up 99.4% from US$20.84 million in FY2007. FEG's overall gross profit margin for FY2008 was 56.3%, with the Oilfield Services Segment maintaining gross profit margin at 35.0% and gross profit margin for the Marine Segment improving 5.2 percentage points to 61.9% in FY2008, from 56.7% in FY2007.

As a result of the significant improvement in business, the Group recorded net profit of US$36.11 million in FY2008, up 98.4% from US$18.20 million in FY2007.

The increase in profitability in FY2008 resulted in shareholders' equity increasing US$34.27 million, from US$72.52 million as at 30 September 2007 to US$106.79 million as at 31 December 2008.

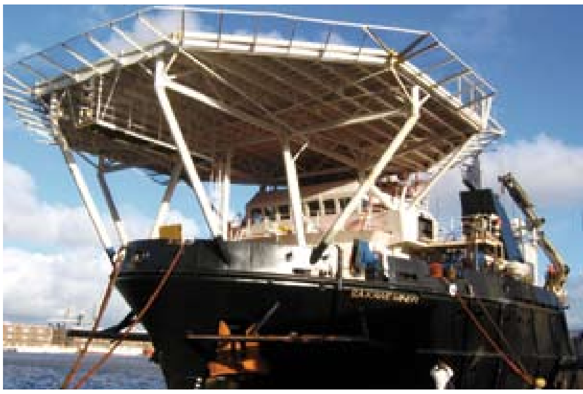
Net cash generated from operating activities increased to US$52.30 million in FY2008, from US$7.50 million in FY2007. As at 31 December 2008, the Group's cash and cash equivalents stood at US$10.27 million.

CHAIRMAN'S MESSAGE

Earnings per share* (after restatement of share capital under merger accounting) was 5.15 US cents for FY2008, compared to 2.64 US cents for FY2007. Net asset value per share** (after restatement of share capital under merger accounting) was 15.03 US cents as at 31 December 2008, compared to 10.51 US cents as at 30 September 2007.

DIVIDEND

In appreciation of the continuous support of our shareholders, and in view of the Group's sterling set of results, the Board of Directors has proposed a tier-1 first and final dividend of 0.01 Singapore dollar per ordinary share.



FORWARD STRATEGY

Going forward, FEG's expansion plans hinge on three strategies:

1. Fleet expansion

The current trend in the marine and oil & gas industry has opened up opportunities for the Group. FEG intends to expand its current fleet of vessels and also improve the capability of its fleet for deep water operations. The Group will acquire younger vessels to improve operational efficiency and productivity and also constantly upgrade and refurbish its fleet to meet prevailing customer requirements.

2. Geographical expansion

FEG currently operates its fleet out of South East Asia, India and Australia. In line with its fleet expansion plans, FEG intends to expand its operations to Africa and Middle East regions. FEG, through OSCL, has built an extensive global network of associates which has it well-positioned to capitalise on emerging opportunities in booming markets.

3. Diversification

The Group intends to diversify its business in the marine and oil & gas industry by expanding its business and capabilities to provide a wider range of oilfield services.

The Group will also actively develop other oilfield projects involving Floating, Production, Storage and Offloading ("FPSO") vessels and other production facilities in conjunction with its existing customer base.

OUTLOOK

While market conditions in 2009 will be tougher, at the same time the Group believes that ample opportunities will present themselves at more realistic valuations.

FEG had exercised prudence during the past years, allowing us to avoid the pitfalls of over-investment and over-commitment at high valuations. The Group's strong fundamentals and financial position will enable us to capitalise on emerging opportunities in the global marine and oil & gas industry that commensurate with our growth strategies.

Our Group's business prospects are driven predominantly by customers' longer term perspectives. In the short term, even as we look to strengthen our business and expand our scope of operations globally in a cost-efficient manner, FEG will keep a close watch on market conditions as they evolve and prudently evaluate opportunities as they arise.

EVENTS SUBSEQUENT TO FY2008

On 22 January 2009, the Group received approval-in-principle from the Singapore Exchange for its proposed acquisition of majority stakes in the Longzhu Group of Companies, which will underpin the expansion of FEG's emerging Oilfield Services business segment, to supplement the Group's core Marine business.

WORDS OF APPRECIATION

2008 has been a challenging and transformative year for FEG. I would like to take this opportunity to thank our Board of Directors, management, staff and business associates for their hard work, dedication and unwavering support in 2008.

Tan Pong Tyea
Executive Chairman and
Chief Executive Officer

* The number of shares used to calculate earnings per share for FY2008 and FY2007 are 701,016,889 and 658,411,773 respectively.

** The number of shares used to calculate net asset value per share for FY2008 and FY2007 are 710,418,754 and 690,202,538 respectively.

FINANCIAL HIGHLIGHTS

	REVENUE	GROSS PROFIT	NET PROFIT
FY2007	US$38.58 MILLION	US$20.84 MILLION	US$18.20 MILLION
FY2008	US$73.84 MILLION	US$41.56 MILLION	US$36.11 MILLION
	+91.4%	+99.4%	+98.4%

BUSINESS DIVISIONS

MARINE

The Marine Division provides offshore support vessels to the marine and oil & gas industry. Services provided by the vessels include offshore hook up and commissioning, offshore conductor piling, pipe trenching and seismic surveys etc.

OILFIELD SERVICES

The Oilfield Services Division provides oilfield services such as agencies, warehousing, logistics and procurement and other general supporting activities to its customers in the marine and oil & gas industry.

OILFIELD PROJECTS

The Oilfield Projects Division is involved in projects and investments related to the marine and oil & gas industry.

SYNERGISTIC PARTNERSHIPS

FALCON ENERGY GROUP CONTINUES TO INCREASE ITS SUITE OF SERVICES TO BETTER SERVE ITS CLIENTS AND SEEK OUT PARTNERS WHO SHARE THE SAME VISION TO PROPEL THE GROUP FORWARD.

10

11

FALCON ENERGY
GROUP LIMITED
ANNUAL REPORT 2008

BOARD OF DIRECTORS

FROM LEFT TO RIGHT

Neo Chin Lee
Executive Director

Mr. Neo was appointed as Executive Director in June 2008. He is currently a director of Asetanian Marine Pte Ltd. Mr. Neo has more than 30 years of experience in the offshore marine industry. He is currently in charge of overseeing the business and operations of the Marine Division. From 1990 to 1997, he was a commercial manager with Pacific Alpha Marine Pte Ltd where he was responsible for the marine operations and marketing of vessels. Mr. Neo joined OSCL Group in 1997 as the commercial/operations manager of Asetanian Marine Pte Ltd and was subsequently appointed to his current position as Chief Operating Officer and Executive Director of Asetanian Marine Pte Ltd. Mr. Neo graduated in Nautical Studies from Singapore Polytechnic (Princess Mary Campus) and also holds a Higher Nautical Diploma from Liverpool Polytechnic, United Kingdom.

Cai Wenting
Alternate Director

Ms. Cai Wenting was appointed as Alternate Director to Mr. Cai Wenxing in July 2006. She is currently a director of Terasa-Star International Shipping Pte Ltd, Longzhu Oilfield Services (S) Pte Ltd. Ms. Cai is responsible for the business operations and the profitability of Longzhu Oilfield Services Pte Ltd and Terasa-star Int'l Shipping Pte Ltd. She graduated with a Master of Business Administration from the University of South Australia, Adelaide.

Tan Kian Huay
Independent Director

Mr. Tan Kian Huay was appointed as an Independent Director in October 2006. Mr. Tan has extensive experience in Project Management and Business Development, particularly in the construction industry. He was previously the Managing Director of the Singapore office of Obayashi Corporation for 16 years.

He currently sits on the Board of NTUC Choice Homes Co-operatives Limited. Mr. Tan holds a professional Diploma in Building and is a past president of the Singapore Institute of Building and is currently the 2nd vice president and a fellow of the Society of Project Managers.

Lien Kait Long
Lead Independent Director

Mr. Lien Kait Long was appointed as an Independent Director of the Company in October 2004.

Mr. Lien has extensive experience in accounting and finance, corporate management and business investments. He has held a number of senior management positions and executive directorships in various public and private corporations in Singapore, Hong Kong and China.

He currently serves as an independent director on the boards of several Singapore and Chinese companies listed on the Singapore Exchange. The listed companies that he has present and prior experience in are from diverse industries including manufacturing, telecommunications, oil & gas, consumer, textile and food & beverage.

Mr. Lien holds a Bachelor of Commerce degree from Nanyang University, and is a fellow member of the Institute of Certified Public Accountants of Singapore and CPA Australia.

Tan Pong Tyea
Executive Chairman and CEO

Mr. Tan Pong Tyea became the Chairman and CEO of the company in May 2006 after Ruben Capital Ventures Limited bought over the majority stake in the company. His background and experiences have been mostly in the offshore marine industry servicing the oil companies and major contractors throughout the region, and has been involved in this segment of the offshore oil and gas business for more than 20 years. He is currently the MD of Asetanian Marine Private Limited and Oilfield Services Company Limited. His focus now is to explore and develop potential businesses related to the oil and gas industry so that these will become a major part of the company's businesses. Mr.Tan holds a Masters degree in management from an UK university.

Cai Wenxing
Executive Director

Mr. Cai Wenxing was appointed as Executive Director in July 2006. He is currently a director of Terasa-Star International Shipping Pte Ltd, Longzhu Oilfield Services (S) Pte Ltd and CDS Oilfield Services Pte Ltd. Mr. Cai's responsibility is to oversee the business operations of the Oilfield Services Division and Oilfield Projects Division. His role includes the exploration of new business opportunities and expansion of the customer base in China and Middle-East. Mr. Cai has more than 12 years of experience in the oil and gas industry. He holds a Bachelor Degree from the South China Normal University.

Mohan Raj s/o Charles Abraham
Non-independent Director

Mr. Mohan Raj s/o Charles Abraham was appointed a Director of the Company in July 2006 and re-designated as a Non-independent Director on 4 August 2008 . He is currently practising as an advocate and solicitor with special emphasis in the fields of company, commercial and revenue laws. He has spent more than 14 years in the legal profession and before that he spent 9 years as a tax practitioner in the accounting profession in England and in Singapore. He has been on several boards of listed and private companies in Singapore, Hong Kong, Philippines and Malaysia. He read law at Lincoln's Inn in London and also holds a Bachelor of Accountancy degree from National University of Singapore.

Tan Sooh Whye
Alternate Director

Ms. Tan Sooh Whye was appointed as an Alternate Director to Mr. Tan Pong Tyea in July 2006. She is currently a director of Asetanian Marine Pte Ltd and Ruben Capital Venture Ltd. Ms. Tan is responsible for the treasury, administrative and human resource related matters for Asetanian Marine Pte Ltd and has been with the company for over 15 years. She graduated from Wilfrid Laurier University in Waterloo, Canada with a Bachelor Degree in Economics and a Diploma in Business Administration.

MANAGEMENT TEAM

FROM LEFT TO RIGHT

Tan Sooh Whye
Alternate Director

Gan Wah Kwang
Financial Controller

Tan Jit Sin
General Manager
(Project Development)

Tan Pong Tyea
Executive Chairman and CEO

Neo Chin Lee
Executive Director

Cai Wenting
Alternate Director

Cai Wenxing
Executive Director

FINANCIAL CONTENTS

REPORT ON CORPORATE GOVERNANCE

Falcon Energy Group Limited (the "Company") recognises the importance of, and is committed to, maintaining good standards of corporate governance so as to enhance corporate transparency and accountability and protect the interests of shareholders.

As the Company's shares are listed on Catalist, the Company seeks to comply with the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and is guided in its corporate governance practices by the Code of Corporate Governance (the "Code").

The Board of Directors (the "Board") is pleased to outline the main corporate governance framework and practices of the Company in this report, with specific reference made to each of the principles set out in the Code. This report describes the Company's corporate governance practices that were in place throughout the financial period ended 31 December 2008, unless otherwise stated. Other than deviations which are explained in this report, the Company has generally adhered to the principles and guidelines set out in the Code.

(A) BOARD MATTERS

Principle 1 : Board's Conduct of its Affairs

Role of the Board of Directors

The Company is headed by an effective Board to lead and control the Company. The Board comprises experienced individuals from varied backgrounds with the relevant skills and core competencies to enable them to collectively and effectively contribute to the Company. A balanced mix of executive and non-executive, and independent and non-independent directors form the Board. Directors are expected to act in good faith and in the interests of the Company.

The Board's primary role is to protect and enhance long-term shareholders' value. It sets the overall strategy for the Company and its subsidiaries (the "Group") and supervises the management. To fulfil this role, the Board is responsible for the overall corporate governance, strategic direction, formulation of polices and overseeing the investment and business of the Group. This includes the Company's compliance with laws and regulations that are relevant to the business, establishing goals and monitoring management's performance in achieving these goals.

The Company has established financial authorisation and approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. Apart from its fiduciary duties and statutory responsibilities, the Board evaluates and approves important matters such as material acquisitions and disposal of assets, budgets and financial plans, capital expenditures, and major funding and investments proposals. It also reviews and approves the financial statements and annual reports and authorises announcements of financial results to be issued.

The Board has delegated the day-to-day management and running of the Company to the management headed by the Chief Executive Officer ("CEO"), Mr Tan Pong Tyea, and the Executive Director, Mr Neo Chin Lee. The two Executive Directors are involved in the supervision of the management of the Group's operations.

Board Processes

To assist in the execution of its responsibilities, the Board has established a number of Board committees including an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC"). These committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

The number of Board and Board Committee meetings held during the financial year and the attendance of each director where relevant are as follows:

Types of Meetings	Board^		Audit Committee^		Nominating Committee^		Remuneration Committee^	
Names of Directors	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Tan Pong Tyea (Alternate - Tan Sooh Whye)	3	3	–	–	1*	1	–	–
Cai Wenxing (Alternate - Cai Wenting)	3	2	–	–	–	–	–	–
Neo Chin Lee #	3	1	–	–	–	–	–	–
Lien Kait Long	3	3	3	3	1*	1	1	1
Mohan Raj s/o Charles Abraham +	3	3	3	3	1*	1	1	1
Tan Kian Huay @	3	3	3	3	–	1	1	1

^ Refers to meetings held / attended while each Director was in office
# Appointed on 3 June 2008
* Meeting held on 22 November 2007
@ Appointed as Nominating Committee chairman on 4 August 2008
+ Relinquished chairmanship and membership of Nominating Committee on 4 August 2008

Directors' Meetings Held During the Financial Period

The Board meets at least twice in a year and holds special meetings at such other times as may be necessary to address any ad hoc significant matters. Matters before the Board are diligently deliberated by the Board to ensure that the interests of the Company are protected. Meetings via telephone or videoconference are permitted under the Company's Articles of Association. In between Board meetings, important matters are discussed in person or via telephone and are tabled for Board decision via circulating resolutions in writing. Where relevant, supporting memorandum or papers are circulated to the directors.

The Board held three (3) meetings during the period under review.

Training

The Company recognises the importance of appropriate training for its directors. Newly-appointed directors will be given briefings and orientation on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors. Mr Neo Chin Lee, who was appointed a director on 3 June 2008, had been given such briefings and orientation. The current directors have been made aware of and are familiar with their duties and obligations. In this regard, the Company does not provide a formal letter to directors outlining their duties and obligations.

The directors will also be briefed from time to time on regulatory changes which have an important bearing on the Company and the directors' obligations towards the Company.

Principle 2 : Board Composition and Balance

The Board comprises six (6) directors, two (2) of whom are independent, and two (2) alternate directors. The Directors of the Company as at the date of this statement are as follows:

Executive Directors :	
Tan Pong Tyea	Executive Chairman and Chief Executive Officer
Neo Chin Lee	Executive Director – Appointed on 3 June 2008
Cai Wenxing	Executive Director
Non-Executive Directors :	
Lien Kait Long	Lead Independent Director
Mohan Raj s/o Charles Abraham	Non-independent Director
Tan Kian Huay	Independent Director
Alternate Directors :	
Tan Sooh Whye	Alternate Director to Tan Pong Tyea
Cai Wenting	Alternate Director to Cai Wenxing

The Board composition was changed in 2008. On 3 June 2008, Mr Neo Chin Lee was appointed as an executive director. On 4 August 2008:

(a) Mr Mohan Raj s/o Charles Abraham was re-designated as a non-executive and non-independent Director of the Company. He also relinquished his position as the chairman and member of the NC.

(b) Mr Tan Kian Huay was appointed as the chairman of the NC.

With independent directors making up one-third of the Board composition, the Company has adhered to the Code. The independent directors have participated actively in the decision-making process during Board deliberations. Accordingly, there is a strong and independent element on the Board to enable the Board to exercise objective judgement on corporate affairs independently from management.

The Board examines its size with a view towards determining the impact of its effectiveness. The composition of the Board is also reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience.

For the period under review, the NC is of the view that the current Board size is appropriate and effective, taking into account the nature and scope of the Company's operations.

Independent Members of the Board of Directors

A director who has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, is considered to be independent. The NC reviews the independence of each director on an annual basis based on the Code's definition of what constitutes an independent director. The NC is of the view that the two (2) independent directors (who represent one-third of the Board) are independent and no individual or small group of individuals dominates the Board's decision-making process.

Principle 3 : Chairman and Chief Executive Officer

The Group's Executive Chairman and Chief Executive Officer is Mr Tan Pong Tyea. He has in-depth knowledge of the business and operations of the Group. The Board is of the view that it is in the best interests of the Group to adopt a single leadership structure (i.e. where the CEO and chairman of the Board is the same person), so as to ensure that the decision-making process of the Group would not be unnecessarily hindered. Moreover the scale of the business does not warrant a meaningful separation of the roles. In addition, in view of Mr Tan's past performance, integrity and objectivity in discharging his responsibilities, the Board fully supports the retention of his role as Executive Chairman and CEO. In connection therewith, Mr Lien Kait Long is the lead independent Director and is available to shareholders where they have concerns which contact through the normal channels of the Chairman or the CEO has failed to resolve or for which such contact is inappropriate.

As the Executive Chairman and CEO, Mr Tan Pong Tyea is responsible for, *inter alia*, the day-to-day running of the Group and the exercise of control over the quality, quantity and timeliness of information flow between the Board and management. He also schedules Board meetings, oversees the preparation of the agenda for Board meetings and assists in ensuring compliance with the Group's guidelines on corporate governance. Mr Tan has played an instrumental role in developing the business of the Group and has also provided the Group with strong leadership and vision.

Although the roles and responsibilities for both the Chairman and CEO are vested in Mr Tan, the Board believes that there are adequate measures in place against an uneven concentration of power and authority in one individual, for example, all major decisions made by Mr Tan will be reviewed by the Board. Mr Tan's performance and appointment to the Board will be reviewed periodically by the NC.

Principle 4 : Board Membership

Nominating Committee

Until 4 August 2008, the NC was constituted by Mr Mohan Raj s/o Charles Abraham as the chairman of the NC and Mr Tan Pong Tyea and Mr Lien Kait Long as members. On 4 August 2008, Mr Mohan Raj s/o Charles Abraham relinquished his position as the chairman and member of the NC and Mr Tan Kian Huay was appointed as the chairman and member of the NC on the said date. The NC is currently chaired by Mr Tan Kian Huay with Mr Tan Pong Tyea and Mr Lien Kait Long as members. The NC held one (1) meeting during the period under review.

The NC's primary functions are to evaluate and to review nominations for appointment and re-appointment to the Board and the various committees, to assess the effectiveness of the Board, to nominate any director for re-election at the Annual General Meeting ("AGM"), having regard to the director's contribution and performance, and to determine whether or not the director is independent.

Despite some of the Directors having other board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company.

Under the Company's existing Articles of Association, at each annual general meeting of the Company, at least one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and subject themselves for re-nomination and re-election at regular intervals and at least once every three (3) years.

Newly appointed director(s) shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

In the event that the appointment of a new director is required, the NC will seek to identify the competence required for the Board to fulfill its responsibilities and may engage recruitment consultants or other independent experts to undertake research on, or assess potential candidates for new positions on the Board.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director.

The NC has recommended to the Board the nomination of Mr Tan Pong Tyea, Mr Mohan s/o Charles Abraham and Mr Neo Chin Lee for re-election at the forthcoming AGM of the Company. The Board has accepted the NC's recommendation.

The profile of each Director and other relevant information is set out in the section entitled "Board of Directors" on page 12 of this Annual Report.

Principle 5 : Board Performance

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholder's value.

For the period under review, a formal assessment of the effectiveness of the Board as a whole was undertaken by NC. The NC was of the view that the performance of the Board as a whole was satisfactory.

Principle 6 : Access to Information

Directors are from time to time furnished with detailed information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. All directors have unrestricted access to the Company's records and information to enable them to constantly keep track of the Group's financial position. Detailed Board papers are prepared for each meeting of the Board and are normally circulated in advance of each meeting. The Board papers include sufficient information from management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board meetings. All directors have separate and independent access to all levels of senior executives in the Group and the Company Secretaries, and are encouraged to speak to other employees to seek additional information if they so require.

At least one of the Company Secretaries attend all Board meetings and is responsible for ensuring that established procedures and all relevant statutes and regulations which are applicable to the Company are complied with.

Each director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as directors.

(B) REMUNERATION MATTERS

Principle 7 : Procedures for Developing Remuneration Policies

Remuneration Committee

The RC is chaired by Mr Tan Kian Huay with Mr Lien Kait Long and Mr Mohan Raj s/o Charles Abraham as members. It held one (1) meeting during the year under review which was attended by all members.

The primary functions of the RC are to review and recommend the remuneration packages for the directors, CEO and key executives, to cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind, and to implement and administer the Falcon Energy Group Employee Share Option Scheme (the "Scheme").

In discharging its functions, the RC may, at the Company's expense, obtain such independent legal and other professional advice as it deems necessary.

No director is involved in determining his own remuneration.

Principle 8 : Remuneration Level and Mix

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors.

The RC adopted a Director's Fee framework in which the non-executive and independent directors will receive directors' fees in accordance with their contributions, taking into account factors such as effort and time spent responsibilities of the directors and the need to pay competitive fees to attract, retain and motivate the directors. Directors' fees are recommended by the Board for the approval of the shareholders at the Company's AGM.

The executive directors do not receive directors' fees. The remuneration for the key executives comprises a basic salary, a benefit component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

The RC reviews the remuneration of executive directors and key executives on an annual basis to ensure that it commensurates with their performance, giving due regard to the financial and commercial health and business needs of the Group. Their performance is reviewed periodically by the RC and the Board.

Employee Share Option Scheme

The Scheme was implemented on 28 October 2004 as an incentive plan for employees of the Group based on individual performance. It is administered by the RC.

Principle 9 : Disclosure on Remuneration

A breakdown, showing the level and mix of each individual director's remuneration payable for the financial period ended 31 December 2008, is as follows:-

	Fees(i)	Salary(ii)	Bonus	Profit Sharing	Other Benefits(iii)	Share Options	Total
	%	%	%	%	%	%	%
S$250,000 to S$500,000							
Tan Pong Tyea	–	75	25	–	–	–	100
Neo Chin Lee	–	74	26	–	–	–	100
Below S$250,000							
Tan Sooh Whye [1]	–	75	25	–	–	–	100
Lien Kait Long	100	–	–	–	–	–	100
Mohan Raj s/o Charles Abraham	100	–	–	–	–	–	100
Tan Kian Huay	100	–	–	–	–	–	100

[1] Alternate to Tan Pong Tyea

– (i) subject to approval by the shareholders as a lump sum at the AGM for the financial period ended 31 December 2008;
– (ii) salary is inclusive of CPF contribution;
– (iii) other benefits refer to benefits-in-kind such as car, allowances, club membership, etc. made available to directors as appropriate.

Key Executives

The remuneration of the key executives of the Group for the financial period ended 31 December 2008 is as follows:

	Salary(i)	Bonus	Profit Sharing	Other Benefits(ii)	Share Options	Total
	%	%	%	%	%	%
S$250,000 to S$500,000						
Tan Jit Sin	70	21	–	9	–	100
Gan Wah Kwang	70	23	–	7	–	100

– (i) salary is inclusive of CPF contribution;
– (ii) other benefits refer to allowances, club membership, etc. made available to key executives as appropriate.

Immediate Family Member of a Director or the CEO

For the financial period ended 31 December 2008, there were no employees who are immediate family members of a director or the CEO, and whose remuneration exceeded S$150,000. The remuneration paid to these employees is determined on the same basis as the remuneration of other unrelated employees.

(C) ACCOUNTABILITY AND AUDIT

Principle 10 : Accountability

As stated above, the Board's primary role is to protect and enhance long-term value and returns for the shareholders. In the discharge of its duties to the shareholders, the Board, when presenting annual financial statements and announcements, seeks to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Management will provide the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a regular basis.

Principle 11 : Audit Committee

The AC is chaired by Mr Lien Kait Long with Mr Mohan Raj s/o Charles Abraham and Mr Tan Kian Huay as members.

The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities.

The primary functions of the AC are:-

(i) To recommend to the Board the appointment or re-appointment of the external auditors for the forthcoming year.

(ii) To review, with the external auditors, the audit plan and their evaluation of the system of internal accounting controls and monitor management's response and actions to correct any noted deficiencies.

(iii) To review the external auditors' reports.

(iv) To review the assistance given by the Company's officers to the external auditors.

(v) To evaluate the effectiveness of the external audit efforts through regular meetings.

(vi) To determine whether any unwarranted management restrictions are being placed the external auditors.

(vii) To review financial statements of the Company and of the Group with management and external auditors (where applicable) before submission to the Board.

(viii) To summarise and report to the Board the work performed by the AC in carrying out its functions.

(ix) To review interested person transactions (if any).

(x) To review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors.

(xi) To review the independence of the external auditors annually and nominate them for re-appointment.

The AC will meet periodically and also hold informal meetings and discussions with the management from time to time. The AC has full discretion to invite any director or executive officer to attend its meetings.

The AC has been given full access to and has obtained the co-operation of the Company's management. The AC has reasonable resources to enable it to discharge its functions properly.

The AC will meet with the external auditors without the presence of the management. This is to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, the independence and objectivity of external auditors and the observation of auditors.

The AC has undertaken a review of all the non-audit services provided by the external auditors during the year under review and is satisfied that such services would not, in the AC's opinion, affect the independence and objectivity of the external auditors.

The AC has recommended the re-appointment of Deloitte & Touche LLP as external auditors at the forthcoming AGM.

The Company has adopted a policy and procedure on whistle-blowing as part of the Company's system of internal controls. This is to ensure that arrangements are in place for staff to report in confidence about possible financial improprieties and other matters; for independent investigation of such matters and for appropriate follow-up action.

The AC has received no complaints as at the date of this report.

Principle 12 : Internal Controls

The Board recognises its responsibilities in ensuring a sound system of internal controls to safeguard shareholders' investments and the Company's assets. For the financial period under review, the Board is of the view that there is no significant weakness or breakdown in the Company's existing system of internal controls and they provide reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board notes that no system of internal control could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 13 : Internal Audit

The Board recognizes and is responsible for maintaining a system of internal controls to safeguard the Group's business and assets.

The Company has outsourced its internal audit function to BDO Raffles Consultants Pte Ltd ("BDO"). The internal auditor plans its internal audit schedules in consultation with, but independent of, the management and the internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The internal auditor reports primarily to the Chairman of the AC. The AC has reviewed the internal audit report prepared by BDO and will follow up with management on the implementation of the recommendations by the internal auditor.

(D) COMMUNICATION WITH SHAREHOLDERS

Principles 14 and 15: Communication with Shareholders and Greater Shareholder Participation

The Company does not practise selective disclosure. In line with continuing disclosure obligations of the Company pursuant to the SGX Listing Rules and the Companies Act (Chapter 50) of Singapore (the "Act"), the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Information is communicated to the shareholders on a timely basis through:

– annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Act and Singapore Financial Reporting Standards;
– half yearly financial statements containing a summary of the financial information and affairs of the Group for the period are published through the SGXNET and news releases;
– notices and explanatory memoranda for general meetings;
– press and analyst briefings for the Group's half year and full year results as well as other briefings, as appropriate;
– press releases on major developments of the Group; and
– disclosures to the SGX.

The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. The Chairmen of the AC, RC and NC are normally available at the meetings to answer those questions relating to the work of these committees. The external auditors are also present to assist the directors in addressing any relevant queries by the shareholders.

(E) DEALING IN SECURITIES

In line with Listing Rule 1207(18) on Dealings in Securities issued by the SGX-ST, the Group has procedures in place prohibiting dealings in the Company's shares by its officers while in possession of price sensitive information and during the period commencing one month prior to the announcement of the Company's half yearly and full year results. Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. Employees who attend management committee meetings have to observe the "closed window" periods.

The Board confirms that for the financial period ended 31 December 2008, the Company has complied with Listing Rule 1207(18) of the SGX-ST Listing Manual.

(F) MATERIAL CONTRACTS

During the financial period ended 31 December 2008, the Company entered into a conditional sale and purchase agreement with Mr Cai Wenxing and Ms Cai Wenting dated 25 September 2008 for the proposed acquisition by the Company from Mr Cai Wenxing, Ms Cai Wenting and other parties of 65% of the equity interest in Terasa-Star International Shipping Pte Ltd, approximately 52% of the equity interest in Longzhu Oilfield Services (S) Pte. Ltd. and approximately 87% of the equity interest in CDS Oilfield Services (S) Pte. Ltd. for an aggregate purchase consideration of S$8,775,000 to be satisfied by the allotment and issue of 23,716,216 new shares in the share capital of the Company at an issue price of S$0.37 per new share (as amended by a supplemental agreement dated 5 December 2008). Mr Cai Wenxing is a director of the Company and Ms Cai Wenting is an alternate director of the Company.

The Company had on, 5 December 2008, accepted a letter of offer dated 18 November 2008 from AmInvestment Bank Berhad for a revolving credit facility of up to a maximum aggregate principal amount of US$ 5.0 million for the purposes of supplementing the Company's working capital. The said credit facility is secured by a guarantee and indemnity provided by Mr Tan Pong Tyea who is the CEO and a director of the Company. The said guarantee and indemnity provided by Mr Tan Pong Tyea will subsequently be cancelled upon the provision of a mortgage over a marine vessel provided by Morrison Marine Services S.A., a subsidiary of the Company to AmInvestment Bank Berhad.

Other than the abovementioned contracts, there were no material contracts of the Company or its subsidiaries involving the interests of the CEO, directors or controlling shareholders during the financial period ended 31 December 2008.

(G) INTERESTED PERSON TRANSACTIONS

The Company has established review and approval procedures to ensure that all transactions with interested persons entered into by the Group are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interest of the Group and its shareholders. Save for the following interested person transactions as disclosed below, there were no interested person transactions entered into by the Company for the financial period under review:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	US$'000	US$'000
Longzhu Oilfield Services Pte. Ltd. (1)		
– Purchase of technical assistance services	1,052	–
– Purchase of goods and services	1,459	–
Stars Marine S.A.(2)		
– Purchase of vessel	16,000	–
CDS Oilfield (Tianjin) Co Ltd(3)		
– Purchase of goods	100	–
– Disbursement for goods paid on behalf	1,344	–
Abraham Advocates & Solicitors(4)		
– Legal fees paid	97	–

Notes :

(1) Mr Cai Wenxing and Ms Cai Wenting are the shareholders and directors of the company
(2) Mr Tan Pong Tyea is the shareholder and director of the company
(3) Mr Cai Wenxing is the shareholder and director of the company
(4) Mr Mohan s/o Charles Abraham who is a non-independent director of the Company, is the sole-proprietor of the firm

The Company had entered into a conditional sale and purchase agreement with Sunlight Marine Services S.A.** for the Proposed Acquisition of the entire equity interest in the share capital of Oilfield Services Company Limited ("OSCL") for a purchase consideration of S$233,093,272 satisfied by the allotment and issue of 629,981,817 new ordinary shares in the share capital of the Company at the issue price of S$0.37 per share. The Proposed Acquisition was completed on 30 April 2008.

** Mr Tan Pong Tyea is a director and a controlling shareholder of the company

(H) RISK MANAGEMENT

The Company does not have a Risk Management Committee. However, the Board and management regularly review the Group's businesses and operations to identify areas of business risks and the appropriate measures to control and mitigate these risks. The management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

The directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended December 31, 2008.

During the financial period, the Company and the Group changed its financial year end from September 30 to December 31. The financial year ended December 31, 2008 cover 15 months period from October 1, 2007 to December 31, 2008 and the financial year ended September 30, 2007 cover 12 months period from October 1, 2006 to September 30, 2007.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Tan Pong Tyea	
Neo Chin Lee	(Appointed on June 3, 2008)
Cai Wenxing	
Lien Kait Long	
Mohan Raj s/o Charles Abraham	
Tan Kian Huay	
Tan Sooh Whye	(Alternate to Tan Pong Tyea)
Cai Wenting	(Alternate to Cai Wenxing)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Direct interest			**Indirect interest**		
Name of director and companies in interests are held	At October 1, 2007 or date of appointment, if later	At December 31, 2008	At January 21, 2009	At October 1, 2007 or date of appointment, if later	At December 31, 2008	At January 21, 2009
The Company						
(Ordinary shares)						
Tan Pong Tyea *	–	505,013,700	470,240,700	48,338,997	88,393,051	88,393,051
Lien Kait Long	75,000	75,000	75,000	–	–	–
Tan Kian Huay	–	100,000	100,000	–	–	–
Tan Sooh Whye *	–	–	10,000,000	1,049,500	1,129,500	3,629,500
Cai Wenxing	–	–	–	–	22,594,595	22,594,595
Neo Chin Lee	–	–	10,000,000	–	–	–

** Tan Pong Tyea and Tan Sooh Whye are siblings.*

By virtue of Section 7 of the Singapore Companies Act, Tan Pong Tyea is deemed to have an interest in all the related corporations of the Company.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5. SHARE OPTIONS

(a) The Falcon Energy Group Employee Share Option Scheme ("the Scheme") is administered by the Remuneration Committee (the "Committee") comprising:

Tan Kian Huay – Chairman (Appointed on November 23, 2007)
Lien Kait Long
Mohan Raj s/o Charles Abraham

The Committee may grant options to eligible employees at any time during the period when the Scheme is in force, subject to terms and conditions set out in the Scheme.

According to the terms and conditions set out in the Scheme, the exercise price for each share in respect of which an option is exercisable shall be determined by the Committee, in its absolute discretion, on the date of grant, at:

- a price equal to the Market Price; or

- a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that:

  i. the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the Singapore Exchange Securities Trading Limited and approved by the Company in General Meetings); and

  ii. the prior approval of the Company in General Meeting shall have been obtained for the making of offers and grant of options under the Scheme at a discount not exceeding the maximum discount as aforesaid (for the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall unless revoked, authorise the making of offers and grants of options under the Scheme at such discount for the duration of the Scheme).

The aggregate number of new shares over which the Committee may grant options on any date, when added to the number of new shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued share capital of the Company on the date preceding the date of grant of an option.

(b) During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted and there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) At the end of the financial year, there were no shares of the Company or any corporation in the Group under option.

6 AUDIT COMMITTEE

The members of the Audit Committee are as follows:

Lien Kait Long (Chairman)	–	Independent and non-executive
Tan Kian Huay	–	Independent and non-executive
Mohan Raj s/o Charles Abraham	–	Non-independent and non-executive

The Audit Committee has met 3 times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) the audit plan of the external auditors, their audit report, their management letter and the management's response;

b) to review the annual financial statements, and half-yearly and annual announcements before submission to the Board of Directors for approval;

c) to review internal control and procedures, including review of the internal auditor's internal audit plan and internal audit findings;

d) to ensure that the internal audit function is adequately resourced;

e) to review the co-ordination between the external auditors and management, the assistance given by management to the auditors and addressing any issues and matters arising from the audits;

f) to consider and make recommendation on the appointment or re-appointment of the external auditors; and,

g) to review Interested Person Transactions falling within the scope of the Audit Committee's term of reference.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has reviewed the independence of Deloitte & Touche LLP including the volume of non-audit services supplied by Deloitte & Touche LLP and is satisfied of Deloitte & Touche LLP's position as an independent external auditor. The nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group and of the Company at the forthcoming AGM of the Company. The Board of Directors has accepted the Audit Committee's recommendation to nominate Deloitte & Touche LLP for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Tan Pong Tyea

Cai Wenxing

March 20, 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FALCON ENERGY GROUP LIMITED

We have audited the accompanying financial statements of Falcon Energy Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the balance sheets of the Group and the Company as at December 31, 2008, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the financial period from October 1, 2007 to December 31, 2008, and a summary of significant accounting policies and other explanatory notes as set out on pages 32 to 84.

The financial statements of Falcon Energy Group Limited and its subsidiaries for the financial year ended September 30, 2007, prior to restatements under merger accounting, were audited by another auditor whose report dated November 22, 2007 expressed an unqualified opinion on those financial statements.

The financial statements of Oilfield Services Company Limited and its subsidiaries for the financial year ended December 31, 2007, prior to restatements under merger accounting, were audited by another auditor whose report dated September 9, 2008 expressed an unqualified opinion on those financial statements.

The financial statements of Innovest Resources Limited for the financial year ended December 31, 2007, prior to restatements under merger accounting, were audited by another auditor whose report dated May 22, 2008 expressed an unqualified opinion on those financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the period from October 1, 2007 to December 31, 2008; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants
Singapore

Lim Kuan Meng
Partner,
Appointed on October 20, 2008
March 20, 2009

STATEMENT BY DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 32 to 84 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at December 31, 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Tan Pong Tyea

Cai Wenxing

March 20, 2009

BALANCE SHEETS

AS AT DECEMBER 31, 2008

	Note	GROUP December 31, 2008 USD'000	GROUP September 30, 2007 USD'000 (restated)	COMPANY December 31, 2008 USD'000	COMPANY September 30, 2007 USD'000 (restated)
ASSETS					
Current assets					
Cash and cash equivalents	6	10,271	2,518	4,539	787
Trade receivables	7	12,936	11,663	–	–
Other receivables	8	6,981	6,149	90,085	7,607
Inventories	9	1,188	2,715	–	–
Total current assets		31,376	23,045	94,624	8,394
Non-current assets					
Other receivables	8	1,526	4,800	–	–
Property, plant and equipment	10	119,857	67,833	2,282	2,138
Investments in subsidiaries	11	–	–	165,893	165,893
Investments in associate	12	5,790	–	–	–
Total non-current assets		127,173	72,633	168,175	168,031
Total assets		158,549	95,678	262,799	176,425
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	13	5,901	4,586	–	–
Other payables	14	17,144	6,108	8,290	2,577
Finance leases	15	16	28	–	–
Borrowings (secured)	16	7,215	3,113	3,159	113
Income tax payable		316	254	–	–
Total current liabilities		30,592	14,089	11,449	2,690
Non-current liabilities					
Finance leases	15	43	46	–	–
Borrowings (secured)	16	21,129	9,019	1,118	1,219
Total non–current liabilities		21,172	9,065	1,118	1,219
Capital and reserves					
Share capital	17(a)	179,524	8,132	179,524	8,132
Capital reserve	17(b)	–	165,892	–	165,892
Merger reserve	18	(154,954)	(148,064)	–	–
Revaluation reserve	19	3,262	3,262	–	–
Foreign currency translation reserve		(456)	2	–	–
Accumulated profits (losses)		79,409	43,300	70,708	(1,508)
Total equity		106,785	72,524	250,232	172,516
Total liabilities and equity		158,549	95,678	262,799	176,425

See accompanying notes to financial statements.

CONSOLIDATED PROFIT AND LOSS STATEMENT

PERIOD FROM OCTOBER 1, 2007 TO DECEMBER 31, 2008

	Note	GROUP October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
CONTINUING OPERATIONS			
Revenue	20	73,838	38,582
Cost of sales		(32,283)	(17,738)
Gross profit		41,555	20,844
Other operating income	21	6,236	2,615
Administrative expenses		(10,163)	(4,344)
Finance costs	22	(1,159)	(660)
Share of profit of associate	12	290	–
Profit before income tax	23	36,759	18,455
Income tax expense	24	(650)	(253)
Profit for the year from continuing operations		36,109	18,202
DISCONTINUED OPERATIONS			
Loss from discontinued operation (net of tax)	25	–	(830)
Profit for the year		36,109	17,372
Earnings per share (USD cents)			
From continuing and discontinued operations:			
- Basic	26	5.15	2.64
- Diluted	26	5.15	2.64
From continuing operations:			
- Basic	26	5.15	2.76
- Diluted	26	5.15	2.76

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

PERIOD FROM OCTOBER 1, 2007 TO DECEMBER 31, 2008

	Note	Share capital USD'000	Capital reserve USD'000	Merger reserve USD'000	Revaluation reserve USD'000	Foreign currency translations reserve USD'000	Accumulated profits USD'000	Total USD'000
GROUP								
Balance at October 1, 2006 (restated)		3,655	153,071	(146,662)	2,262	8	25,928	38,262
Profit for the year		–	–	–	–	–	17,372	17,372
Foreign currency translation movement		–	–	–	–	(6)	–	(6)
Total recognised income and expense for the year		–	–	–	–	(6)	17,372	17,366
Revaluation adjustment		–	–	–	1,000	–	–	1,000
Issue of shares	17(a)	4,477	–	–	–	–	–	4,477
Deemed capital contribution from OSCL group	17(b)	–	12,821	–	–	–	–	12,821
Merger reserve on acquisition	18	–	–	(1,402)	–	–	–	(1,402)
Balance at September 30, 2007 (restated)		8,132	165,892	(148,064)	3,262	2	43,300	72,524
Profit for the year		–	–	–	–	–	36,109	36,109
Foreign currency translation movement		–	–	–	–	(458)	–	(458)
Total recognised income and expense for the year		–	–	–	–	(458)	36,109	35,651
Dividend payment to ex-shareholders prior to restructuring	18	–	–	(6,890)	–	–	–	(6,890)
Transfer on issuance of shares for acquisition of OSCL group	17(b)	165,892	(165,892)	–	–	–	–	–
Issue of shares	17(a)	5,500	–	–	–	–	–	5,500
Balance at December 31, 2008		179,524	–	(154,954)	3,262	(456)	79,409	106,785

STATEMENTS OF CHANGES IN EQUITY
(cont'd)

COMPANY	Note	Share capital USD'000	Capital reserve USD'000	Accumulated profits (losses) USD'000	Total USD'000
Balance at October 1, 2006 (restated)		3,655	153,071	(43)	156,683
Issue of shares	17(a)	4,477	–	–	4,477
Deemed capital contribution from OSCL group	17(b)	–	12,821	–	12,821
Loss for the year		–	–	(1,465)	(1,465)
Balance at September 30, 2007 (restated)		8,132	165,892	(1,508)	172,516
Transfer on issuance of shares for acquisition of OSCL group	17(b)	165,892	(165,892)	–	–
Issue of shares	17(a)	5,500	–	–	5,500
Profit for the year		–	–	72,216	72,216
Balance at December 31, 2008		179,524	–	70,708	250,232

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

PERIOD FROM OCTOBER 1, 2007 TO DECEMBER 31, 2008

	GROUP	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Operating activities		
Profit after income tax		
- Continuing operations	36,109	18,202
- Discontinued operations	–	(830)
Add: Income tax expense	650	253
Profit before income tax	36,759	17,625
Adjustments for:		
Depreciation of property, plant end equipment	5,482	3,209
Loss on disposal of property, plant and equipment	20	30
Loss on disposal of discontinued operations	–	339
Share of profit of associate	(290)	–
Exchange difference on translation	(341)	(269)
Interest expense	1,159	660
Interest income	(147)	(115)
Operating cash flows before movements in working capital	42,642	21,479
Trade receivables	(1,273)	(6,887)
Other receivables	(2,358)	(1,582)
Inventories	1,527	(1,955)
Trade payables	1,315	916
Other payables	11,036	(4,463)
Cash generated from operations	52,889	7,508
Income tax paid	(588)	(6)
Net cash from operating activities	52,301	7,502
Investing activities		
Purchase of property, plant and equipment	(52,862)	(35,218)
Proceeds from disposal of plant and equipment	8	–
Proceeds from disposal of discontinued operations (Note 25)	–	890
Interest received	147	115
Net cash used in investing activities	(52,707)	(34,213)

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(cont'd)

	GROUP	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Financing activities		
Issue of share capital	–	17,298
Interest paid	(1,159)	(660)
Repayment of obligations under finance leases	(15)	(59)
Proceeds of borrowings	20,850	13,751
Repayment of borrowings	(4,638)	(4,285)
Fixed deposits and bank balances pledged	(908)	–
Payment to ex–shareholders	(6,890)	–
Net cash from financing activities	7,240	26,045
Net increase (decrease) in cash and cash equivalents	6,834	(666)
Effect of exchange rate changes on the balance of cash held in foreign currencies	11	2
Cash and cash equivalents at beginning of year	2,518	3,182
Cash and cash equivalents at end of year (Note 6)	9,363	2,518

See accompanying notes to financial statements.

1 GENERAL

(A) The Company (Registration No. 200403817G) is incorporated in Republic of Singapore with its principal place of business and registered office at 10 Anson Road, #22-14 International Plaza, Singapore 079903. The Company is listed on Catalist (non-sponsored) of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are expressed in United States dollars.

(B) The principal activity of the Company is that of investment holdings.

(C) THE RESTRUCTURING EXERCISE AND ACQUISITION – The Group was formed through a series of acquisition and rationalisation of corporate and shareholding structure which involved the following steps:

In 2007, the Company:-

(i) Acquired two wholly-owned subsidiaries, namely, Falcon Energy Projects Pte Ltd and FEG Offshore Pte Ltd. The carrying value of assets acquired approximates its fair value as the two subsidiaries were dormant.

(ii) Established the following subsidiaries:

(a) a Mexico subsidiary known as Astanient S.A. de C.V. for the purpose of providing services to oilfield companies;

(b) a Panama subsidiary known as Sears Marine S.A. for the purpose of owning and chartering vessels; and

(c) an American subsidiary in Houston known as Falcon Oilfield Services (USA) Inc. for the purpose of providing services to oilfield companies.

(iii) Divested and disposed its equity interests in its music related subsidiaries, namely, Sembawang Music Centre Pte Ltd, Orange Music Pte Ltd and True Music Private Limited.

In 2008, the Company:-

(i) Entered into a sale and purchase agreement with Sunlight Marine Services S.A. for the acquisition of the entire equity interest in the share capital of Oilfield Services Company Limited ("OSCL") for a purchase consideration of S$233,093,272 (equivalent to USD171,392,000) satisfied by the allotment and issue of 629,981,817 new ordinary shares (the "Consideration Shares") in the share capital of the Company at the issue price of S$0.37 per share.

The acquisition of OSCL includes the entire equity interest in the share capital of Innovest Resources Limited ("Innovest") from Camelot Capital Consultants Ltd and Glenealy Gold Investments Ltd for a consideration of USD8,500,000, and 40% of the equity interest in the share capital of Federal Offshore Services Pte Ltd from Longzhu Oilfield Services Limited for a consideration of USD5,500,000 respectively.

Information on the subsidiaries and associate of the Company, after the above restructuring exercise and acquisition, are disclosed in Note 11 and 12 respectively to the financial statements.

(D) The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial period from October 1, 2007 to December 31, 2008 were authorised for issue by the Board of Directors on March 20, 2009 .

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION – The consolidated financial statements of the Group for the financial years ended December 31, 2008 and September 30, 2007 have been prepared using merger accounting. The OSCL group which was acquired by the Company pursuant to the Acquisition, as detailed in Note 1 to the financial statements, was under the control of the Company's director, Mr Tan Pong Tyea, who also controls the Company both before and after the Acquisition. Accordingly, the formation of the new Group to the Acquisition is regarded as a business combination involving two entities (the Company and OSCL group) under common control. The merger method of accounting has therefore been adopted, under which the consolidated financial statements have been prepared as if OSCL group had been subsidiaries of the Company for all periods presented in the consolidated financial statements.

Prior to the Acquisition, Mr Tan Pong Tyea owned 91.56% equity interest in Sunlight Marine Services S.A., which in turn has 100% controlling equity interest in OSCL. Mr Tan Pong Tyea also owned 60.10% equity interest in the Company. After the Acquisition, Mr Tan Pong Tyea owned 86.30% controlling equity interest in the Company.

As Mr Tan Pong Tyea control both the Company and OSCL before and after the Acquisition and that control is not transitory, merger accounting is used in the preparation of the combined financial statements of the Company.

The effective date of the merger for accounting purposes predates October 1, 2006, the beginning of the financial year for which comparative figures are presented, as the members of the Group have been under common control prior to October 1, 2006.

Under merger accounting, the assets, liabilities, revenue, expenses and cash flows of all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. The comparative figures for the preceding financial years have been presented on similar basis. This manner of presentation reflects the economic substance of combining companies, which were under common control throughout the relevant period, as a single economic enterprise.

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after October 1, 2007. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on amounts reported for the current year or prior years except as disclosed below and in notes to the financial statements.

FRS 107 – *Financial Instruments: Disclosures and amendments to FRS 1 Presentation of Financial Statements relating to capital disclosures*

The Group has adopted FRS 107 with effect from October 1, 2007. The new Standard has resulted in an expansion of the disclosures in these financial statements regarding the Group's financial instruments. The Group has also presented information regarding its objectives, policies and processes for managing capital (see Note 4 to the financial statements) as required by the amendments to FRS 1.

At the date of authorisation of these financial statements, the management have considered and anticipated that the adoption of the FRSs, INT FRSs and amendments to FRS that were in issue, but not yet effective, will have no material impact on the financial statements of the Group and the Company, except as follows:

FRS 1 – *Presentation of Financial Statements (Revised)* - FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 23 – *Borrowing Costs (Revised)* - FRS 23 (Revised) will be effective for annual periods beginning or after January 1, 2009 and eliminates the option available under the previous version of FRS 23 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As the change in accounting policy is to be applied prospectively, there will be no impact on amounts reported for 2008.

FRS 108 – *Operating Segments* - FRS 108 will be effective for annual financial statements beginning on or after January 1, 2009 and supersedes FRS 14 – Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments may change.

The Group has determined that the operating segments disclosed in FRS108 will be the same as the business segments disclosed under FRS 14. The impact of this standard on the other segment disclosures is still to be determined. FRS 108 will have no impact on the financial position or the financial performance of the Group when implemented in 2009.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Except for the subsidiaries acquired pursuant to the Restructuring Exercise, the results of subsidiaries acquired or disposed off during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposed, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's financial statements, investment in subsidiaries and associate is carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

BUSINESS COMBINATIONS – Except for the subsidiaries acquired pursuant to the Restructuring Exercise, the acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under *FRS 103 Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with *FRS 105 Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated profit and loss statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENT – Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

Cash and cash equivalents

These comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". These receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit and loss statement. Changes in the carrying amount of the allowance account are recognised in profit and loss statement.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit and loss statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance lease are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rental are recognised as an expense in the periods in which they incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Rentals payable under operating leases are charged to profit and loss statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT – Vessels for use in the supply of services are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such vessels are credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss statement, in which case the increase is credited to profit and loss statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such vessels is charged to profit and loss statement to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets or valuation of assets, other than freehold land and vessels under constructions, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	–	20 years
Leasehold office premises	–	62 years
Vessels	–	15 years
Plant and machinery	–	3 to 10 years
Furniture and fittings	–	3 to 10 years
Renovation	–	3 years
Motor vehicles	–	4 to 10 years

Depreciation is not provided on construction-in-progress and freehold land.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF ASSETS – At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss statement.

ASSOCIATE – An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate is incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associate is carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit and loss statement.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Charter hire income is recognised on straight-line basis over the term of the lease.

Revenue from rendering of marine services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion to the total services to be performed.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the shareholders right to receive the dividend is legally established.

BORROWINGS COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit and loss statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and, and the presentation currency for the consolidated financial statements.

Prior to October 1, 2007, the functional currency of the Company was Singapore dollars. Details of the translation at comparative figures are disclosed in Note 31(b) to the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit and loss statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit and loss statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

DISCONTINUED OPERATIONS – A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operations is classified as discontinued operation, the comparative profit and loss statement is restated as if the operation had been discontinued from the start of the comparative period.

SHARE-BASED PAYMENTS – The Group has an employee share option scheme under which it can issue equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

SEGMENT – A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products and services within particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of the other segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Critical judgements in applying the Group's accounting policies

The management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowances for bad and doubtful debts

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amounts of the Group's trade and other receivables are disclosed in Notes 7 and 8 to the financial statements respectively.

Allowances for inventories

Management reviews the inventory aging listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, the Group conducts physical counts on its inventories on a periodic basis in order to determine whether an allowance is required to be made. Management is satisfied that no allowance for obsolete and slow-moving inventories is required as the fair value of the inventories approximate its carrying value as at year end. The carrying amounts of the Group's inventories are disclosed in Note 9 to the financial statements.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. No such indication of impairment was identified by management. The carrying amounts of the Group's property, plant and equipment are disclosed in Note 10 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the bank borrowings and equity attributable to equity holders of the Company, comprising paid up capital, accumulated profits and other reserves.

The Group's management reviews the capital structure on an on-going basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from 2007.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Financial assets				
Loans and receivables (including cash and cash equivalents)	30,036	24,264	94,603	8,374
Financial liabilities				
Borrowings and payables at amortised cost	51,448	22,900	12,567	3,909

(c) Financial risk management policies and objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. The Group's overall financial risk management seeks to minimise potential adverse effects of financial performance of the Group. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

(i) *Market risk*

The Group's activities expose primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Management monitors risks associated with changes in foreign currency exchange rates and interest rates and will consider appropriate measures should the need arises.

There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

(ii) *Foreign currency risk management*

The Group transacts businesses significantly in Singapore Dollars ("S$") and Norwegian Kroner ("NOK"). Transactions in other currencies, eg Hong Kong Dollar, Thai Baht etc are limited and such exposures to foreign exchange risk are minimal.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	December 31, 2008			September 30, 2007		
	S$	NOK	Others	S$	NOK	Others
	USD'000	USD'000	USD'000	USD'000 (restated)	USD'000 (restated)	USD'000 (restated)
Group						
Cash and cash equivalents	531	–	38	42	–	72
Trade receivables	–	–	1,815	–	–	499
Other receivables	115	956	388	522	–	389
Trade payables	5,043	–	659	2,769	–	241
Other payables	131	956	305	25	–	680
Finance lease	59	–	–	74	–	–
Company						
Cash and cash equivalents	118	–	–	39	–	–
Other receivables	39	–	–	229	–	–
Other payables	128	–	–	15	–	–

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the United States Dollars ("USD") against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	SGD impact		NOK impact		Others impact	
	2008	2007	2008	2007	2008	2007
	USD'000	USD'000 (restated)	USD'000	USD'000 (restated)	USD'000	USD'000 (restated)
Group						
Profit and loss	(938)	(490)	96	–	(40)	(23)
Company						
Profit and loss	6	9	–	–	–	–

The Group's sensitivity to foreign exchange rate changes has increased during the current period mainly due to an increase in monetary assets denominated foreign currency.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(iii) *Interest rate risk management*

The Group is exposed to interest rate risks as the Group borrows funds at both fixed and floating interest rates (see Note 16 to the financial statements for details of these borrowings). The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider restructuring the Group's credit facilities should the need arise.

The Group's exposures to interest rate changes on its financial liabilities are detailed in the liquidity risk management below.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended December 31, 2008 would decrease/increase by USD17,000 (2007 : decrease/increase by USD14,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate borrowings.

(iv) *Credit risk management*

Credit risk refers to the risk that debtors/counterparties will default on their obligations to repay the amount owing to the Group, resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. A substantial portion of the Group's revenue is on credit terms. These credit terms are normally contractual. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The credit policy spells out clearly the guidelines on extending credit terms to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered. The Group's policy does not permit non-secured credit risk to be significantly centralised in one customer or a group of customers. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the management.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial period in relation to each class of recognised financial assets, which are mainly the carrying amounts of trade and other receivables and cash and bank balances as stated in the balance sheet.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(i) *Financial assets that are neither past due nor impaired*

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. Cash and bank balances are mainly transacted or placed with banks of high credit ratings assigned by international credit-rating agencies.

(ii) *Financial assets that are past due but not impaired*

The age analysis of trade receivables not impaired is as follows:

	Group	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Past due 0 to 3 months	12,808	9,638
Past due 3 to 6 months	48	1,885
Past due over 6 months but not impaired	80	140
Total	12,936	11,663

The Group has not made any provision for balances past due at the reporting date as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Information relating to the trade debtors is disclosed in Note 7 to the financial statements.

(v) Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management manages liquidity risk by maintaining adequate reserve and actual cash flows and matching the maturity profiles of financial assets and liabilities, and monitoring the utilisation of bank borrowings and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial assets and liabilities for non-derivative financial assets and liabilities, the table has been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date of which the Group can be received or be required to pay. The table includes both interest and principal cash flow.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Liquidity and interest risk analyses

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	Total USD'000
Group				
December 31, 2008				
Non-interest bearing	–	24,710	1,526	26,236
Variable interest rate	1.73	3,800	–	3,800
Total		28,510	1,526	30,036
September 30, 2007 (restated)				
Non-interest bearing	–	19,013	4,800	23,813
Variable interest rate	2.96	451	–	451
Total		19,464	4,800	24,264
Company				
December 31, 2008				
Non-interest bearing	–	90,803	–	90,803
Variable interest rate	1.73	3,800	–	3,800
Total		94,603	–	94,603
September 30, 2007 (restated)				
Non-interest bearing	–	7,923	–	7,923
Variable interest rate	2.96	451	–	451
Total		8,374	–	8,374

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	More than five years USD'000	Total USD'000
Group					
December 31, 2008					
Non-interest bearing	–	23,045	–	–	23,045
Fixed interest rate	6.78	16	43	–	59
Variable interest rate	6.73	7,215	16,545	4,584	28,344
Total		30,276	16,588	4,584	51,448
September 30, 2007 (restated)					
Non-interest bearing	–	10,694	–	–	10,694
Fixed interest rate	6.78	28	46	–	74
Variable interest rate	5.79	3,113	8,281	738	12,132
Total		13,835	8,327	738	22,900
Company					
December 31, 2008					
Non-interest bearing	–	8,290	–	–	8,290
Variable interest rate	4.98	3,159	518	600	4,277
Total		11,449	518	600	12,567
September 30, 2007 (restated)					
Non-interest bearing	–	2,577	–	–	2,577
Variable interest rate	4.98	113	481	738	1,332
Total		2,690	481	739	3,909

(vi) Fair value of financial assets and financial liabilities

The management considers that the carrying amounts of cash and cash equivalents, trade and other receivables and payables, provision and other liabilities approximate their respective fair values due to the relatively short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The management consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

5 OTHER RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Associate also include those that are associates of the holding and other related companies.

Some of the transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless stated otherwise.

During the year, Group entities entered into the following trading transactions with related parties:

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Professional fee expense	97	65
Technical assistance expense	1,052	331
Management fee	–	817
Bareboat charges	(1,625)	(2,356)
Purchase of services	2,903	–
Purchase of inventories	–	(2,035)
Purchase of plant and equipment	(16,000)	(20,500)

In 2007, the Company disposed off its three wholly-owned subsidiaries which form the music segment to an ex-director of the Company, as further disclosed in Note 25 to the financial statements.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Short-term benefits	1,611	849
Post-employment benefits	65	28
Total	1,676	877

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Cash and bank balances	6,471	2,067	739	336
Fixed deposits	3,800	451	3,800	451
Total	10,271	2,518	4,539	787
Less: Fixed deposits and bank balances pledged	(908)	–	(300)	–
Cash and cash equivalents	9,363	2,518	4,239	787

Fixed deposits bear interest at effective interest rate ranging from 1.00% to 2.45% (2007 : 1.42% to 4.50%) per annum and for a tenure of less than 30 days (2007 : 30 days).

Pledged fixed deposits of the Company amounting to USD300,000 and bank balances of the subsidiaries amounting to USD608,000, totalling USD908,000 (2007 : Nil) are pledged to a financial institution in respect of banking facilities provided to the Company and the subsidiaries (Note 16).

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Singapore Dollars	531	42	118	39
United States Dollars	33	68	–	–
Hong Kong Dollars	5	4	–	–

7 TRADE RECEIVABLES

	Group	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Outside parties	12,936	11,663

The average credit period on sales of goods is 30 days (2007 : 30 days). No interest is charged on the outstanding trade receivable balance.

7 TRADE RECEIVABLES (cont'd)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The management are of opinion that there is no credit provision required.

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
United States Dollars	1,815	499

8 OTHER RECEIVABLES

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Due from associate (Note 12)	1,634	–	–	–
Deposits for purchase of property, plant and equipment	–	4,800	–	–
Dividend receivable	–	–	73,400	–
Sundry deposits	1,493	1,371	32	82
Prepayments	1,678	866	21	20
Due from subsidiaries (Note 11)	–	–	16,625	7,357
Due from ex-corporate shareholders	–	2,674	–	–
Other receivables	3,702	1,238	7	148
Total	8,507	10,949	90,085	7,607
Less: Non-current	(1,526)	(4,800)	–	–
Current	6,981	6,149	90,085	7,607

In 2007, the amount due from ex-corporate shareholders was unsecured, interest-free and was repayable on demand. The amount was fully paid up during the current financial year.

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Norwegian Kroner	956	–	–	–
United States Dollars	388	389	–	–
Singapore Dollars	115	522	39	229

9 INVENTORIES

	Group December 31, 2008 USD'000	Group September 30, 2007 USD'000 (restated)
Equipment components, at cost	1,188	2,715

10 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings USD'000	Freehold land USD'000	Leasehold office premises USD'000	Vessels USD'000	Plant and machinery USD'000	Furniture and fittings USD'000	Renovation USD'000	Motor vehicles USD'000	Total USD'000
Cost or valuation:									
At October 1, 2006 (restated)	–	–	–	40,971	558	239	1,022	269	43,059
Revaluation	–	–	–	1,000	–	–	–	–	1,000
Additions	581	69	2,134	31,960	111	71	69	223	35,218
Discontinued operations (Note 25)	–	–	–	–	(438)	(137)	(793)	(205)	(1,573)
Disposals	–	–	–	–	(2)	–	(298)	–	(300)
At September 30, 2007 (restated)	581	69	2,134	73,931	229	173	–	287	77,404
Additions	412	–	–	56,898	151	34	116	51	57,662
Disposals	–	–	–	–	(64)	(30)	–	(24)	(118)
Translation adjustment	(112)	(13)	–	–	(10)	(6)	–	(18)	(159)
At December 31, 2008	881	56	2,134	130,829	306	171	116	296	134,789
Comprising:									
September 30, 2007 (restated)									
At cost	581	69	2,134	70,669	229	173	–	287	74,142
At valuation	–	–	–	3,262	–	–	–	–	3,262
Total	581	69	2,134	73,931	229	173	–	287	77,404
December 31, 2008									
At cost	881	56	2,134	127,567	306	171	116	296	131,527
At valuation	–	–	–	3,262	–	–	–	–	3,262
Total	881	56	2,134	130,829	306	171	116	296	134,789

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Buildings USD'000	Freehold land USD'000	Leasehold office premises USD'000	Vessels USD'000	Plant and machinery USD'000	Furniture and fittings USD'000	Renovation USD'000	Motor vehicles USD'000	Total USD'000
Accumulated depreciation:									
At October 1, 2006 (restated)	–	–	–	6,393	393	179	776	95	7,836
Depreciation	9	–	–	2,934	67	30	122	47	3,209
Discontinued operations (Note 25)	–	–	–	–	(364)	(113)	(630)	(97)	(1,204)
Disposals	–	–	–	–	(2)	–	(268)	–	(270)
At September 30, 2007 (restated)	9	–	–	9,327	94	96	–	45	9,571
Depreciation	82	–	43	5,137	77	30	42	71	5,482
Disposals	–	–	–	–	(54)	(31)	–	(5)	(90)
Translation adjustment	(18)	–	–	–	(3)	–	–	(10)	(31)
At December 31, 2008	73	–	43	14,464	114	95	42	101	14,932
Carrying amount:									
At September 30, 2007 (restated)	572	69	2,134	64,604	135	77	–	242	67,833
At December 31, 2008	808	56	2,091	116,365	192	76	74	195	119,857

Company	Leasehold office premises USD'000	Furniture and fittings USD'000	Plant and machinery USD'000	Renovation USD'000	Total USD'000
Cost:					
At October 1, 2006 (restated)	–	–	–	–	–
Additions	2,134	–	5	–	2,139
At September 30, 2007 (restated)	2,134	–	5	–	2,139
Additions	–	25	114	115	254
At December 31, 2008	2,134	25	119	115	2,393
Accumulated depreciation:					
At October 1, 2006 (restated)	–	–	–	–	–
Additions	–	–	1	–	1
At September 30, 2007 (restated)	–	–	1	–	1
Additions	43	5	20	42	110
At December 31, 2008	43	5	21	42	111
Carrying amount:					
At September 30, 2007 (restated)	2,134	–	4	–	2,138
At December 31, 2008	2,091	20	98	73	2,282

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Vessels were revalued as at December 31, 2005 and December 31, 2006 by a firm of independent professional valuers, at open market value on an existing use basis. The vessels were not revalued as at December 31, 2008 and 2007 as the management is of the view that the carrying value of the vessels approximates their fair value.

At December 31, 2008, had the vessels been carried at historical cost less accumulated depreciation, their carrying cost would have been approximately USD2,161,000 (2007: USD2,344,000).

The carrying amounts of the Group's certain plant and equipment includes an amount of USD97,500 (2007: USD112,000) secured in respect of assets held under finance leases (Note 15).

The Group and the Company has pledged leasehold office premises amounting to USD2,091,000 (2007: USD2,134,000) and vessels amounting to USD60,961,000 (2007: USD27,784,000) with a carrying amount of USD63,052,000 (2007: USD29,918,000) to secure banking facilities granted to the Group and the Company (Note 16).

11 INVESTMENT IN SUBSIDIARIES

	Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Unquoted equity shares, at cost		
At beginning of year	165,893	153,072
Addition (Note 17)	–	12,821
At end of year	165,893	165,893

The balances with subsidiaries are unsecured, interest-free and repayable on demand unless stated otherwise.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of the Company's subsidiaries at December 31, 2008, and September 30, 2007, are as follows:

Name of Entity	Cost of investment		Equity interest and voting power held		Place of incorporation/ operation	Principal activities
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 %	September 30, 2007 % (restated)		
Held by the Company:						
Falcon Energy Projects Pte. Ltd. (1)	*	*	100	100	Singapore	Investment holding
Falcon Oilfield Services Pte. Ltd. (1)	*	*	100	100	Singapore	Investment holding

11 INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Entity	Cost of investment		Equity interest and voting power held		Place of incorporation/ operation	Principal activities
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 %	September 30, 2007 % (restated)		
Held by the Company:						
FEG Offshore Pte. Ltd. [(1)]	*	*	100	100	Singapore	Investment holding
Oilfield Services Company Limited. [(2)]	165,893	165,893	100	100	Hong Kong	Investment holding
	165,893	165,893				

Name of Entity	Equity interest and voting power held		Place of incorporation/ operation	Principal activities
	December 31, 2008 %	September 30, 2007 % (restated)		
Held by subsidiaries:				
Asetanian Marine Pte Ltd [(1)]	100	100	Singapore	Ship manager
Astanient S.A. de C.V. [(4)]	100	100	Republic of Mexico	Providing services to oilfield companies
Atlantic Marine S.A. [(3)]	100	100	Republic of Panama	Vessel owner and charterer
Century Marine S.A. [(3)]	100	100	Republic of Panama	Vessel owner and charterer
Excel Marine S.A. [(3)]	100	100	Republic of Panama	Vessel owner and charterer
Falcon Oilfield Services (USA) Inc. [(5)]	100	100	United States of America	Providing services to oilfield companies
Imel Assets Corporation [(3)]	100	100	Republic of Panama	Vessel owner and charterer
Imperial Marine S.A. [(3)]	100	100	Republic of Panama	Vessel owner and charterer
Innovest Resources Ltd [(3)]	100	100	British Virgin Islands	Vessel owner and charterer

11 INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Entity	Equity interest and voting power held December 31, 2008 %	Equity interest and voting power held September 30, 2007 % (restated)	Place of incorporation/ operation	Principal activities
Held by subsidiaries:				
Morrison Marine Services S.A. [3]	100	100	Republic of Panama	Vessel owner and charterer
Motley Trio Offshore Pte Ltd [3] [6]	100	–	British Virgin Islands	Vessel owner and charterer
Otira Capital [3] [6]	100	–	British Virgin Islands	Bareboat charterer
Passiflora Capital Ltd [3] [6]	100	–	British Virgin Islands	Bareboat charterer
Sears Marine S.A. [3]	100	100	Republic of Panama	Vessel owner and charterer
Trio Victory Incorporation [3] [6]	100	–	British Virgin Islands	Vessel owner and charterer

* Amount less than US$1,000.
(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Audited by overseas practices of Deloitte Touche Tohmatsu.
(3) Audited by Deloitte & Touche LLP, Singapore for consolidation purposes. Not required to be audited in the country of incorporation.
(4) Audited by DFK Lopez Novelo, S.C.P.
(5) Audited by Lee, Huang & Associates, P.C.
(6) Acquired during the financial year.

12 INVESTMENT IN ASSOCIATE

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Cost of investment in associate	5,500	–	–	–
Share of post acquisition profit	290	–	–	–
Total	5,790	–	–	–

Details of the Group's associate at December 31, 2008 are as follows:

Name of Entity	Equity interest and voting power held		Place of incorporation/ operation	Principal activities
	December 31, 2008 %	September 30, 2007 % (restated)		
Held by a subsidiary:				
Federal Offshore Services Pte Ltd	40	–	Singapore	Vessel owner and charterer

The entity is audited by another firm of Certified Public Accountants.

The following amounts are included in the Group's financial statements as a result of the equity accounting of the associate.

	Group	
Balance sheet	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Total assets	35,154	–
Total liabilities	20,679	–
Net assets	14,475	–
Group's share of associate's net assets	5,790	–
Profit and loss statement		
Revenue	5,384	–
Profit for the year	725	–
Group's share of associate's profit for the year	290	–

13 TRADE PAYABLES

	Group December 31, 2008 USD'000	Group September 30, 2007 USD'000 (restated)	Company December 31, 2008 USD'000	Company September 30, 2007 USD'000 (restated)
Outside parties	5,901	4,586	–	–

The average credit period on purchases of goods is 30 days (2007 : 30 days). The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group December 31, 2008 USD'000	Group September 30, 2007 USD'000 (restated)	Company December 31, 2008 USD'000	Company September 30, 2007 USD'000 (restated)
Singapore Dollars	5,043	2,769	–	–
Thai Baht	254	80	–	–
United States Dollars	252	–	–	–
Indonesian Rupiah	98	68	–	–
Malaysian Ringgit	55	4	–	–
British Pound	–	46	–	–
Euro Dollars	–	43	–	–

14 OTHER PAYABLES

	Group December 31, 2008 USD'000	Group September 30, 2007 USD'000 (restated)	Company December 31, 2008 USD'000	Company September 30, 2007 USD'000 (restated)
Due to related parties (Note 5)	8,450	4,893	1,000	2,500
Advance billing	3,344	–	–	–
Accrued expenses	1,708	972	157	62
Due to directors	410	192	400	–
Due to subsidiaries (Note 11)	–	–	6,097	–
Other payables	3,232	51	636	15
Total	17,144	6,108	8,290	2,577

The amount due to related parties and directors are unsecured, interest-free and are repayable on demand.

14 OTHER PAYABLES (cont'd)

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Norwegian Kroner	956	–	–	–
United States Dollars	305	680	–	–
Singapore Dollars	131	25	128	15

15 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	December 31, 2008 USD$'000	September 30, 2007 USD$'000 (restated)	December 31, 2008 USD$'000	September 30, 2007 USD$'000 (restated)
Amounts payable under finance leases:				
Within one year	19	21	16	28
In the second to fifth years inclusive	47	66	43	46
Total	66	87	59	74
Less: Future finance charges	(7)	(13)	NA	NA
Present value of lease obligations	59	74	59	74
Less: Due within 12 months			(16)	(28)
Due after 12 months			43	46

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term was 5 years. The effective borrowing rate ranged from 5.562% to 8.148% (2007 : 5.562% to 8.148%) per annum. Interest rates are fixed at the contract date and thus expose the Group to fair value interest rate risk. All leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Singapore dollars.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets and joint and several personnel guarantee of certain directors.

16 BORROWINGS (SECURED)

	Group		Company	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Bank loan I	7,050	10,800	–	–
Bank loan II	1,236	1,332	1,236	1,332
Bank loan III	7,208	–	–	–
Bank loan IV	3,041	–	3,041	–
Bank loan V	9,809	–	–	–
Total	28,344	12,132	4,277	1,332
Less: Current portion	(7,215)	(3,113)	(3,159)	(113)
Non-current portion	21,129	9,019	1,118	1,219

The bank loans are repayable as follows:-

Within one year	7,215	3,113	3,159	113
Within two to five years	16,545	8,281	518	481
After five years	4,584	738	600	738
Total	28,344	12,132	4,277	1,332

Details of the bank loans are as follows:-

Loan I A loan of USD7.05 million (2007: USD10.80 million). The loan was raised on March 2007. Monthly repayment of USD250,000 commenced on April 2007 for 36 months and thereafter monthly repayment of USD150,000 until January 2012. The loan was secured by a charge over certain of the Group's vessels and bank balances of at least one month of instalment. The loan carries interest at 1.75% plus prime rate per annum. The effective interest for the loan is 5.82% per annum.

Loan II A loan of USD1.23 million (2007: USD1.33 million). The loan was obtained for the purpose of financing the purchase of leasehold office premises. The term loan is repayable within 10 years commencing in September 2007, with a first year payment of USD20,000 per month, the remaining years at USD21,000 per month. The loan is secured on the leasehold office premises with a carrying amount of USD2,091,000 (2007: USD2,134,000) and fixed deposit of USD300,000 (2007: Nil). The loan carries interest at prime rate less 1.02% per annum.

Loan III A loan of USD7.20 million (2007: Nil). The loan was raised on March 2008. Monthly repayment of USD88,000 commenced on April 2009 for 22 months and thereafter monthly repayment of USD64,500 until September 2012. The loan was secured by a charge over certain of the Group's vessels and bank balances of at least one month of instalment. The loan carries interest at 1.75% plus prime rate per annum. The effective interest for the loan is 5.82% per annum.

Loan IV A revolving credit loan of USD3.04 million (2007: Nil). The loan was raised on December 2008. The loan was secured by a charge over certain of the Group's vessels. The loan carries interest at 2% plus prime rate per annum. The effective interest for the loan is 6.00% per annum.

Loan V A loan of USD9.80 million (2007: Nil). The loan was raised on October 2008. The loan was secured by a charge over certain of the Group's vessels. The loan carries interest at 5% plus average LIBOR rate. The effective interest for the loan is 3.48% per annum.

17(a) SHARE CAPITAL

	Group and Company			
	December 31, 2008	September 30, 2007	December 31, 2008	September 30, 2007
	Number of ordinary shares	(restated)	USD'000	USD'000 (restated)
Issued and paid up:				
At beginning of year	80,436,937	53,624,625	8,132	3,655
Issue of shares for acquisition	629,981,817	26,812,312	171,392	4,477
At end of year	710,418,754	80,436,937	179,524	8,132

The Company has one class of ordinary shares which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

The movement in the share capital accounts, in view of the restructuring exercise and acquisition as described in Note 2 to the financial statements are as followed:

	Group and Company	
	Number of ordinary shares	USD'000
As at October 1, 2006	53,624,625	3,655
Issue of shares for working capital purposes	26,812,312	4,477
As at September 30, 2007	80,436,937	8,132
Issue of shares for acquisition of OSCL group (excluding Federal Offshore Services Pte Ltd)	609,765,601	165,892 #
Issue of shares for acquisition of Federal Offshore Services Pte Ltd	20,216,216	5,500
As at December 31, 2008	710,418,754	179,524

– transfer from capital reserve

17(b) CAPITAL RESERVE

	Group and Company	
	2008 USD'000	2007 USD'000 (restated)
At beginning of year	165,892	153,071 #1
Additions	–	12,821 #2
Transfer to share capital	(165,892)	–
At end of year	–	165,892

#1 – calculated based on the fair value of the net tangible assets of the OSCL Group as at October 1, 2006.
#2 – additional calculated based on the movement of the OSCL Group between October 1, 2006 to September 30, 2007.

The capital reserve relates to deemed capital to be issued for the merger accounting of the OSCL group which predate to October 1, 2006.

18 MERGER RESERVE

	Group	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
At beginning of year	148,064	146,662
Arising on acquisition of subsidiaries	–	1,402
Dividend payment to ex-shareholders prior to restructuring	6,890	–
At end of year	154,954	148,064

The merger reserve comprises the difference between the nominal value of shares issued by the Company and the nominal value of shares of the subsidiaries acquired under common control and accounted for under the pooling of interest method of consolidation.

19 REVALUATION RESERVE

The revaluation reserve arises on the revaluation of vessels. Where revalued vessels are sold, the portion of revaluation reserves that relates to the assets is effectively realised and should be transferred directly to the accumulated profits.

The revaluation reserves are not available for distribution to the Company's shareholders.

20 REVENUE

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Continuing operations		
Chartered hire income	58,628	33,782
Sales of goods	13,950	4,597
Services rendered	1,260	203
Total	73,838	38,582

21 OTHER OPERATING INCOME

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Other vessel operation income	2,059	1,391
Management fees income from related parties (Note 5)	–	817
Interest income	147	115
Foreign exchange gain – net	365	–
Sundry income	3,665	292
Total	6,236	2,615

Included in the sundry income for the current financial year is a one-time gain of USD 3,662,000 on a disposal of a newly acquired vessels purchased in the same year.

22 FINANCE COSTS

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Interest expenses to non-related companies:		
– Finance leases	6	3
– Bank borrowings	1,153	657
Total	1,159	660

23 PROFIT BEFORE INCOME TAX

Profit for the year has been arrived at after charging (crediting):

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Audit fees:		
– auditors of the Company	117	17
– other auditors of the Company	111	44
Cost of defined contribution plans included in employee benefits expense	168	59
Directors' remuneration:		
– of the Company	–	–
– of the subsidiaries	679	604
Directors' fee	79	25
Depreciation of property, plant and equipment	5,482	3,209
Employee benefits expense (including directors' remuneration)	6,738	3,602
Loss on disposal of property, plant and equipment	20	30
Net foreign exchange (gains) losses	(365)	379
Non-audit fees:		
– auditors of the Company	377	35
– other auditors of the Company	24	–

24 INCOME TAX EXPENSE

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Current tax		
– Singapore	–	–
– Foreign	647	253
Under-provision of current tax in prior years	3	–
Net	650	253

Domestic income tax is calculated at 18% (2007 : 18%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rate prevailing in the relevant jurisdiction.

24 INCOME TAX EXPENSE (cont'd)

Total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Profit after income tax:		
– continuing operations	36,109	18,202
– discontinued operations	–	(830)
Add: Income tax expense	650	253
Profit before income tax	36,759	17,625
Income tax expense at statutory rate of 18%	6,617	3,172
Tax effect of non-taxable income	(6,576)	(3,372)
Tax effect of non-deductible expenses – net	389	357
Underprovision in prior years	3	–
Effect of different tax rates of subsidiaries operating in other tax jurisdiction	217	96
Income tax expense	650	253

25 DISCONTINUED OPERATIONS

In May 2007, the Company disposed off its three wholly-owned subsidiaries which form the music segment of the Company, to an ex-director of the Company. The Group is of the view that the music-related business could no longer contribute to the enhancement of the Group's earnings and share value and accordingly had decided to dispose these subsidiaries.

The loss for the year from the discontinued operation is analysed as follows:

	October 1, 2006 to May 31, 2007 (8 months) SGD'000 (previously reported)	October 1, 2006 to May 31, 2007 (8 months) USD'000 (restated)
Loss for discontinued operations for the year	731	491
Loss on disposal of discontinued operations	517	339
Total	1,248	830

25 DISCONTINUED OPERATIONS (cont'd)

The results of the discontinued operations for the period from October 1, 2007 to May 31, 2007 are as follows:

	October 1, 2006 to May 31, 2007 (8 months) SGD'000 (previously reported)	October 1, 2006 to May 31, 2007 (8 months) USD'000 (restated)
Revenue	11,103	7,277
Expenses	(11,841)	(7,772)
Loss before income tax	(738)	(495)
Income tax	7	4
Loss for the year	(731)	(491)

The carrying amounts of the assets and liabilities of the discontinued operations at the date of disposal are as follows:

	May 31, 2007 SGD'000 (previously reported)	May 31, 2007 USD'000 (restated)
Cash and cash equivalents	229	150
Trade and other receivables	1,071	702
Inventories	5,830	3,822
Property, plant and equipment	562	369
Trade and other payables	(5,580)	(3,664)
Net identifiable assets disposed	2,112	1,379
Loss on disposal of discontinued operations	(517)	(339)
Cash and cash equivalents disposed	(229)	(150)
Total cash consideration	1,366	890

26 EARNINGS PER SHARE

	Group	
	October 1, 2007 to December 31, 2008 (15 months) Basic	October 1, 2006 to September 30, 2007 (12 months) Basic (restated)
Earnings – continuing and discontinued operations: (Before restatement of share capital under merger accounting *)		
Profit attributable to equity holders of the Company (USD '000)	36,109	17,372
Weighted average number of ordinary shares ('000)	417,436	69,712
Earnings per share (USD cents)	8.65	24.92
Earnings – discontinued operations: (Before restatement of share capital under merger accounting *)		
Loss attributable to equity holders of the Company (USD '000)	NA	(830)
Weighted average number of ordinary shares ('000)	NA	69,712
Earnings per share (USD cents)	NA	(1.19)

* The above weighted average number of shares was based on the actual issued share capital of the Company.

There are no diluted earnings per share as no share options were granted during the financial years or outstanding at the end of the financial years.

	Group	
	October 1, 2007 to December 31, 2008 (15 months) Basic	October 1, 2006 to September 30, 2007 (12 months) Basic (restated)
Earnings – continuing and discontinued operations: (After restatement of share capital under merger accounting **)		
Profit attributable to equity holders of the Company (USD '000)	36,109	17,372
Weighted average number of ordinary shares ('000)	701,017	658,412
Earnings per share (USD cents)	5.15	2.64

26 EARNINGS PER SHARE (cont'd)

	Group October 1, 2007 to December 31, 2008 (15 months) Basic	Group October 1, 2006 to September 30, 2007 (12 months) Basic (restated)
Earnings – discontinued operations: (After restatement of share capital under merger accounting **)		
Loss attributable to equity holders of the Company (USD '000)	NA	(830)
Weighted average number of ordinary shares ('000)	NA	658,412
Earnings per share (USD cents)	NA	(0.12)

** The above weighted average number of shares had been adjusted for the potential shares to be issues for the acquisition of the OSCL group under the merger accounting.

There are no diluted earnings per share as no share options were granted during the financial years or outstanding at the end of the financial years.

27 DIVIDEND

The Board of Directors is pleased to recommend a tax exempt one-tier final dividend of 0.01 cents per share (2007 : Nil), payable on ordinary share issue on May 4, 2009 (book closure date) in respect of the financial year ended December 31, 2008 for approval by shareholders at the next Annual General Meeting to be convened.

28 OPERATING LEASE

	Group October 1, 2007 to December 31, 2008 (15 months) USD'000	Group October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
The Group as lessee		
Minimum lease payments paid under operating leases recognised as expense in the year	338	223

28 OPERATING LEASE (cont'd)

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Within one year	119	214
In the second to fifth year inclusive	9	74
Total	128	288

Operating lease payments represent rentals payable to the Group for certain of its office properties. Leases are negotiated for term of a year and rentals are fixed for a year.

The Group as lessor

The Group rents out vessels under operating leases.

As at the balance sheet date, the Group has contracted with customers for the following minimum lease payments:

	Group	
	October 1, 2007 to December 31, 2008 (15 months) USD'000	October 1, 2006 to September 30, 2007 (12 months) USD'000 (restated)
Charter income fee	58,628	33,782
Within one year	22,532	21,846
Within two to five years	32,142	8,527
After five years	30,118	–
Total	84,792	30,373

All vessels held have committed customers for 1 to 8.5 years (2007 : 1 to 2 years).

29 FUTURE CAPITAL EXPENDITURE AND COMMITMENTS

Capital expenditure and commitments not provided for in the financial statements:

	Group	
	December 31, 2008 USD'000	September 30, 2007 USD'000 (restated)
Contracted but not provided for:		
– for investments in subsidiaries and associate	6,098	5,500
– for acquisition of property, plant and equipment	22,300	11,200

30 BUSINESS GEOGRAPHICAL SEGMENTS

Primary reporting format – business segments

The Group is primarily engaged in two business segments, namely (1) vessel owner and charterer and (2) sourcing spare parts and machineries and providing services to oilfield companies. These two business segments are the basis on which the Group reports its primary segment information.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire property, plant and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accruals.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market prices. These transfers are eliminated on consolidation.

In prior years, the Group was also involved in the wholesale and distribution of audio CDs, VCDs, DVDs and related audio and visual products. That operation was discontinued with effect from May 31, 2007 (Note 25).

Segment information about the Group's continuing operations is presented below. Segment information about the Group's discontinued operations is presented in Note 25 to the financial statements.

30 BUSINESS GEOGRAPHICAL SEGMENTS (cont'd)

	Marine USD'000	Oilfield Services USD'000	Elimination USD'000	Total USD'000
2008				
Revenue				
External sales	58,628	15,210	–	73,838
Inter-segment sales	–	1,098	(1,098)	–
Total revenue	58,628	16,308	(1,098)	73,838
Result				
Segment result	36,201	2,464	–	38,665
Unallocated expenses				(1,184)
Operating profit from operations				37,481
Share of profit of associate				290
Interest income				147
Finance costs				(1,159)
Profit before income tax				36,759
Income tax expense				(650)
Profit for the year				36,109
Balance sheet				
Assets				
Segment assets	147,472	4,196	–	151,668
Unallocated assets	–	–	–	6,881
Consolidated total assets	147,472	4,196	–	158,549
Liabilities				
Segment liabilities	43,486	1,808	–	45,294
Unallocated liabilities	–	–	–	6,470
Consolidated total liabilities	43,486	1,808	–	51,764

	Marine USD'000	Oilfield Services USD'000	Others USD'000	Total USD'000
Other information				
Capital additions	56,938	470	254	57,662
Depreciation of property, plant and equipment	5,203	169	110	5,482

30 BUSINESS GEOGRAPHICAL SEGMENTS (cont'd)

	<---------- CONTINUING OPERATIONS			--------->	DISCONTINUED OPERATIONS	
	Marine USD'000	Oilfield services USD'000	Elimination USD'000	Total USD'000	Music USD'000	Total USD'000
2007 (restated)						
Revenue						
External sales	33,782	4,800	–	38,582	7,277	45,859
Inter-segment sales	–	351	(351)	–	–	–
Total revenue	33,782	5,151	(351)	38,582	7,277	45,859
Result						
Segment result	19,746	719	–	20,465	(495)	19,970
Unallocated expenses				(1,465)	(339)	(1,804)
Operating profit from operations				19,000	(834)	18,166
Interest income				115	–	115
Finance costs				(660)	–	(660)
Profit before income tax				18,455	(834)	17,621
Income tax expense				(253)	4	(249)
Profit for the year				18,202	(830)	17,372
Balance sheet						
Assets						
Segment assets	87,863	4,640	–	92,503	–	92,503
Unallocated assets	–	–	–	3,175	–	3,175
Consolidated total assets	87,863	4,640	–	95,678	–	95,678
Liabilities						
Segment liabilities	18,084	1,161	–	19,245	–	19,245
Unallocated liabilities	–	–	–	3,909	–	3,909
Consolidated total liabilities	18,044	1,161	–	23,154	–	23,154

	<---------- CONTINUING OPERATIONS			--------->	DISCONTINUED OPERATIONS	
	Marine USD'000	Oilfield services USD'000	Others USD'000	Total USD'000	Music USD'000	Total USD'000
Other information						
Capital additions	32,075	934	2,139	35,148	70	35,218
Depreciation of property, plant and equipment	2,986	39	1	3,026	183	3,209

30 BUSINESS GEOGRAPHICAL SEGMENTS (cont'd)

Secondary reporting format – geographical segments

The Group's operations are located in America and South East Asia. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services.

	Revenue USD'000	Assets USD'000	Capital additions USD'000
October 1, 2007 to December 31, 2008 (15 months)			
Continuing operations			
South East Asia	57,577	20,680	298
America	15,210	137,869	57,364
Others	1,051	–	–
Total	73,838	158,549	57,662
October 1, 2006 to September 30, 2007 (12 months) (restated)			
Continuing operations			
South East Asia	31,333	11,099	2,254
America	4,800	84,579	32,894
Others	2,449	–	–
Total	38,582	95,678	35,148
Discontinued operations			
South East Asia	7,277	–	70

31 COMPARATIVE FIGURES

(a) Merger accounting

As disclosed in Note 2 to the financial statements, the effective date of the merger for accounting purposes predates October 1, 2006, the beginning of the financial year for which comparative figures are presented, as the members of the Group have been under common control prior to October 1, 2006.

Under merger accounting, the assets, liabilities, revenue, expenses and cash flows of all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. The comparative figures for the preceding financial years have been presented on similar basis. This manner of presentation reflects the economic substance of combining companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent. Subsidiary relationships were not established until after the acquisition date.

31 COMPARATIVE FIGURES (cont'd)

(b) Change in functional currency

The Company changed its functional currency on a prospective basis from Singapore dollars to the United States dollars during the year as a result of the acquisition of new investments which operations are largely denominated in the United States dollars. Comparative figures have been translated to the United States dollar to conform with the current year's presentation using the following rates:

a) assets and liabilities are translated into United States dollars at rates of exchange prevailing on September 30, 2007;

b) profit and loss items other than foreign currency adjustment gains or losses are translated into United States dollars at average rates of exchange for the year;

c) equity items other than net profit or loss for the year that is included in the accumulated profit are translated at the closing rate existing at the date of each balance sheet presented; and

d) all exchange differences resulting from translating arising from the above is recognised in profit and loss statements.

(c) Change in financial year end

During the financial period, the Company and the Group changed its financial year end from September 30 to December 31. The financial year ended December 31, 2008 cover 15 months period from October 1, 2007 to December 31, 2008 and the financial year ended September 30, 2007 cover 12 months period from October 1, 2006 to September 30, 2007.

(d) Others

The financial statements of Falcon Energy Group Limited and its subsidiaries for the financial year ended September 30, 2007, prior to restatements under merger accounting, were audited by another auditor whose report dated November 22, 2007 expressed an unqualified opinion on those financial statements.

The financial statements of Oilfield Services Company Limited and its subsidiaries for the financial year ended December 31, 2007, prior to restatements under merger accounting, were audited by another auditor whose report dated September 9, 2008 expressed an unqualified opinion on those financial statements.

The financial statements of Innovest Resources Limited for the financial year ended December 31, 2007, prior to restatements under merger accounting, were audited by another auditor whose report dated May 22, 2008 expressed an unqualified opinion on those financial statements.

31 COMPARATIVE FIGURES (cont'd)

The effects of (a), (b) and (c) are shown as follows:

		<-- FEG GROUP-->		<---------------- OSCL GROUP				---------------->	<---- MERGER GROUP		---->
				OSCL Group (excluding Innovest) 1.1.07 to 31.12.07 (12 months)	Innovest 1.1.07 to 31.12.07 (12 months)	OSCL Group (including Innovest) 1.10.06 to 31.12.06 (3 months)	OSCL Group (including Innovest) 1.10.07 to 31.12.07 (3 months)	OSCL Group (including Innovest) 1.10.06 to 30.09.07 (12 months)	Total before consolidation adjustment	Consolidation adjustment	Restated Group
		SGD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Profit and loss statement	Note	A	B	C	D	E	F	G	H	I	J
Revenue		11,026	7,249	31,939	5,468	4,830	10,904	31,333	38,582	–	38,582
Cost of sales		(6,439)	(4,233)	(14,846)	(2,176)	(1,783)	(5,249)	(13,556)	(17,789)	51	(17,738)
Gross profit		4,587	3,016	17,093	3,292	3,047	5,655	17,777	20,793	51	20,844
Other operating income		504	331	1,739	6	1,058	468	2,335	2,666	(51)	2,615
Administrative expense		(2,888)	(1,935)	(2,481)	(5)	(711)	(854)	(2,343)	(4,278)	(66)	(4,344)
Finance costs		(6)	(4)	(759)	–	(105)	(208)	(656)	(660)	–	(660)
Profit before income tax		2,197	1,408	15,592	3,293	3,289	5,061	17,113	18,521	(66)	18,455
Income tax expense		(385)	(253)	–	–	–	–	–	(253)	–	(253)
Profit for the year from continuing operations		1,812	1,155	15,592	3,293	3,289	5,061	17,113	18,268	(66)	18,202
Loss from discontinued operations (net of tax)		(1,248)	(830)	–	–	–	–	–	(830)	–	(830)
Profit for the year		564	325	15,592	3,293	3,289	5,061	17,113	17,438	(66)	17,372

Note:
A – Results for the year ended September 30, 2007 as audited by another firm of Certified Public Accountants.
B – Adjusted A for the change in functional currency as detailed in Note 31(b) to the financial statements.
C – Results for the year ended December 31, 2007 as audited by another firm of Certified Public Accountants.
D – Results for the year ended December 31, 2007 as audited by another firm of Certified Public Accountants.
E – Extracted from management accounts of OSCL group (including Innovest) consolidated for the period from October 1, 2006 to December 31, 2006.
F – Extracted from management accounts of OSCL group (including Innovest) consolidated for the period from October 1, 2007 to December 31, 2007.
G – G=C+D+E-F, representing the restated OSCL group for the period from October 1, 2006 to September 30, 2007.
H – H=B+G, representing the results from October 1, 2006 to September 30, 2007 for the merger group before consolidation adjustment.
I – Consolidation adjustments made for the merger group.
J – Restated merger group.

31 COMPARATIVE FIGURES (cont'd)

	<-- FEG GROUP-->		<------------------ OSCL GROUP				------------------>	<---- MERGER GROUP ---->		
	As at 30.09.07	As at 30.09.07	OSCL Group (excluding Innovest) As at 31.12.07	Innovest As at 31.12.07	OSCL Group (including Innovest) As at 31.12.07	Movement 1.10.07 to 31.12.07 (3 months)	OSCL Group (including Innovest) As at 30.09.07	Total before merger adjustment	Merger reserve adjustment	Restated Group
	SGD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance sheet Note	A	B	C	D	E	F	G	H	I	J
Currents assets										
Cash and cash equivalents	1,538	1,033	3,902	1,308	5,210	(3,725)	1,485	2,518	–	2,518
Trade receivables	4,017	2,703	9,834	1,579	11,413	(2,453)	8,960	11,663	–	11,663
Other receivables	1,748	1,176	151	3,160	3,311	2,098	5,409	6,585	(436)	6,149
Inventories	1,006	678	2,035	–	2,035	2	2,037	2,715	–	2,715
Total current assets	8,309	5,590	15,922	6,047	21,969	(4,078)	17,891	23,481	(436)	23,045
Non-current assets										
Other receivables	–	–	4,800	–	4,800	–	4,800	4,800	–	4,800
Property, plant and equipment	12,246	8,217	56,064	5,231	61,295	(1,679)	59,616	67,833	–	67,833
Investment in subsidiaries	–	–	–	–	–	9,322	9,322	9,322	(9,322)	–
Goodwill on consolidation	–	–	1,402	–	1,402	(1,402)	–	–	–	–
Total non-current assets	12,246	8,217	62,266	5,231	67,497	6,241	73,738	81,955	(9,322)	72,633
Total assets	20,555	13,807	78,188	11,278	89,466	2,163	91,629	105,436	(9,758)	95,678
Currents liabilities										
Trade payables	255	172	4,094	107	4,201	213	4,414	4,586	–	4,586
Other payables	5,512	3,700	3,570	–	3,570	(792)	2,778	6,478	(370)	6,108
Finance leases	–	–	17	–	17	11	28	28	–	28
Borrowing (secured)	168	113	3,000	–	3,000	–	3,000	3,113	–	3,113
Income tax payable	374	253	–	–	–	1	1	254	–	254
Total current liabilities	6,309	4,238	10,681	107	10,788	(567)	10,221	14,459	(370)	14,089
Non-current liabilities										
Finance leases	–	–	59	–	59	(13)	46	46	–	46
Borrowings (secured)	1,818	1,219	7,050	–	7,050	750	7,800	9,019	–	9,019
Total non-current liabilities	1,818	1,219	7,109	–	7,109	737	7,846	9,065	–	9,065

31 COMPARATIVE FIGURES (cont'd)

		<-- FEG GROUP-->		<--------------- OSCL GROUP				--------------->	<--- MERGER GROUP --->		
		As at 30.09.07	As at 30.09.07	OSCL Group (excluding Innovest) As at 31.12.07	Innovest As at 31.12.07	OSCL Group (including Innovest) As at, 31.12.07	Movement 1.10.07 to 31.12.07 (3 months)	OSCL Group (including Innovest) As at 30.09.07	Total before merger adjustment	Merger reserve adjustment	Restated Group
		SGD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance sheet	Note	A	B	C	D	E	F	G	H	I	J
Capital and reserves											
Share capital		12,125	8,132	19,231	*	19,231	395	19,626	27,758	(19,626)	8,132
Capital reserve		–	–	–	–	–	–	–	–	165,892	165,892
Merger reserve		–	–	–	–	–	–	–	–	(148,064)	(148,064)
Revaluation reserve		–	–	–	3,262	3,262	–	3,262	3,262	–	3,262
Foreign currency translation reserve		(70)	2	9	–	9	(9)	–	2	–	2
Accumulated profits (losses)		373	216	41,158	7,909	49,067	1,607	50,674	50,890	(7,590)	43,300
Total equity		12,428	8,350	60,398	11,171	71,569	1,993	73,562	81,912	(9,388)	72,524
Total liabilities and equity		20,555	13,807	78,188	11,278	89,466	2,163	91,629	105,436	(9,758)	95,678

Note:

* Amount less than USD 1,000.

A – Balance sheet as at September 30, 2007 as audited by another firm of Certified Public Accountants.
B – Adjusted A for the change in functional currency as detailed in Note 31(b) to the financial statements.
C – Balance sheet as at December 31, 2007 as audited by another firm of Certified Public Accountants.
D – Balance sheet as at December 31, 2007 as audited by another firm of Certified Public Accountants.
E – E=C + D, representing the restated OSCL group (including Innovest) as at December 31, 2007.
F – Extracted from management accounts of OSCL group (including Innovest) consolidated for the period from October 1, 2007 to December 31, 2007.
G – G=E + F, representing the restated OSCL group as at September 30, 2007.
H – H=B+G, representing the balance sheet position as at September 30, 2007 for the merger group before consolidation adjustment.
I – Consolidation adjustments made for the merger group.
J – Restated merger group.

32 EVENTS AFTER BALANCE SHEET DATE

On September 25, 2008, the Company announced the proposed acquisition from Cai Wenxing and Cai Wenting ("Directors of the Company") and other parties of 65% equity interest in Terasa-Star International Shipping Pte Ltd, approximately 52% of the equity interest in Longzhu Oilfield Services (S) Pte Ltd and approximately 87% of the equity interest in CDS Oilfield Services (S) Pte Ltd for an aggregate purchase consideration of S$8,775,000 (equivalent to USD6,098,000) to be satisfied by the allotment and issue of 23,716,216 new ordinary shares in the share capital of the Company at an issue price of S$0.37 per share.

Subsequent to year-end, on January 22, 2009, the Company obtained the approval in-principle from the SGX-ST for this proposed acquisition and on March 20, 2009, the shareholders have approved the proposed acquisition.

The acquisition is targeted for completion at the early of April 2009 and will be consolidated in the group results under FRS 103 Business Combinations for the year ending December 31, 2009.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2009

Number of share	–	710,418,754
Class of shares	–	Ordinary shares
Voting rights	–	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	112	20.86	7,317	–
1,000 – 10,000	178	33.15	962,801	0.14
10,001 – 1,000,000	226	42.08	31,927,390	4.49
1,000,001 and above	21	3.91	677,521,246	95.37
Total	537	100.00	710,418,754	100.00

TWENTY LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1.	Tan Pong Tyea	470,240,700	66.19
2.	Amfraser Securities Pte. Ltd.	48,338,997	6.80
3.	Cheng Ting Chak	24,902,371	3.51
4.	Cheng Kwong Fan	22,898,732	3.22
5.	Longzhu Oilfield Services Limited	22,594,595	3.18
6.	Camelot Capital Consultants Ltd	17,459,459	2.46
7.	Glenealy Gold Investments Limited	17,459,460	2.46
8.	Neo Chin Lee	10,000,000	1.41
9.	Tan Sooh Whye	10,000,000	1.41
10.	HSBC (Singapore) Nominees Pte Ltd	9,500,000	1.34
11.	Kim Eng Securities Pte. Ltd.	6,944,932	0.98
12.	Cheah See Han	3,812,500	0.54
13.	Tay Pwee Lang	2,500,000	0.35
14.	Merrill Lynch (Singapore) Pte Ltd	2,020,000	0.28
15.	Wong Cheung Chai	1,883,500	0.27
16.	Loo Wei Bin	1,424,000	0.20
17.	Qian Liqiang	1,208,000	0.17
18.	Dai Chenguang	1,152,000	0.16
19.	Lim & Tan Securities Pte Ltd	1,079,000	0.15
20.	Boo Hee Chiang	1,063,000	0.15
Total		676,481,246	95.23

Substantial Shareholders

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 18 March 2009:-

	Direct Interest	%	Deemed Interest	%
Ruben Capital Ventures Ltd	48,338,997	6.80	–	–
Tan Pong Tyea	470,240,700	66.19	88,393,051	12.44

Notes :

(1) Ruben Capital Ventures Ltd's interest in shares are held in the name of Amfraser Securities Pte Ltd.

(2) Tan Pong Tyea's deemed interest in 88,393,051 ordinary shares in the capital of Falcon Energy Group Limited ("Shares") comprises:

(i) his deemed interest in 48,338,997 Shares held by AmFraser Securities Pte Ltd by virtue of his 90% shareholding interest in Ruben Capital Ventures Limited;

(ii) his deemed interest in 22,594,595 Shares held by Longzhu Oilfield Services Limited by virtue of his 100% shareholding interest in Real Trek Pacific Ltd which holds 50% shareholding interest in Longzhu Oilfield Services Limited; and

(iii) his deemed interest in 17,459,459 Shares held by Camelot Capital Consultants Ltd by virtue of his 100% shareholding interest in Camelot Capital Consultants Ltd.

Free Float

Based on the information available to the Company as at 18 March 2009, approximately 17.52% of the issued ordinary shares of the Company was held by the public.

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF THE FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at 10 Anson Road, #14-19 International Plaza, Singapore 079903 on Tuesday, 21st day of April 2009 at 10.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial period ended 31 December 2008, together with the Auditors' Report thereon. (Resolution 1)

2. To approve the first and final tax-exempt (one-tier) dividend of S$0.01 per ordinary share for the financial period from 1 October 2007 to 31 December 2008. (Resolution 2)

3. To approve the payment of Directors' fees of S$105,000/- for the financial period ended 31 December 2008. (2007: S$41,000/-). (Resolution 3)

4. To approve the payment of Directors' fees of S$105,000/- for the financial year ending 31 December 2009, to be paid half yearly in arrears. (Resolution 4)

5. To re-elect Mr. Tan Pong Tyea, being a Director who retires by rotation pursuant to Article 115 of the Articles of Association of the Company. (Resolution 5)

6. To re-elect Mr. Mohan Raj s/o Charles Abraham, being a Director who retires by rotation pursuant to Article 115 of the Articles of Association of the Company. (Resolution 6)

7. To re-elect Mr. Neo Chin Lee, being a Director who retires by rotation pursuant to Article 119 of the Articles of Association of the Company. (Resolution 7)

8. To re-appoint Messrs. Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. (Resolution 8)

9. To transact any other business that may be transacted at an Annual General Meeting.

As Special Business:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

10. **"AUTHORITY TO ALLOT AND ISSUE SHARES UP TO 50% OF THE TOTAL NUMBER OF ISSUED SHARES** (Resolution 9)

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue ordinary shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution 9 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 9 was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution 9 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 9) does not exceed 50% of the issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 9) does not exceed 20% of the issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares (excluding treasury shares) shall be based on the number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution 9 is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Resolution 9 is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution 9, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 9 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

11. **"AUTHORITY TO ALLOT AND ISSUE SHARES UP TP 100% OF THE TOTAL NUMBER OF ISSUED SHARES VIA PRO-RATA RENOUNCEBLE RIGHTS ISSUE** (Resolution 10)

That subject to the approval of the general mandate to issue shares set out in Resolution 9, authority be and is hereby given to the Directors of the Company to:

(a) (i) issue Shares whether by way of rights, bonus or otherwise; and/or

(ii) make or grant Instruments that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution 10 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 10 was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution 10 on a pro-rata basis to shareholders of the Company by way of a renounceable issue (other than a bonus issue) (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 10) does not exceed 100% (or such other limit permitted by the SGX-ST from time to time) of the issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and in determining whether such 100% limit has been reached, all Shares to be issued pursuant to this Resolution 10 or Resolution 9 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 10 or Resolution 9) shall be taken into account (unless the SGX-ST's prevailing regulations and requirements otherwise provide);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares (excluding treasury shares) shall be based on the number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution 10 is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Resolution 10 is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution 10, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 10 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

12. **"AUTHORITY TO ISSUE NEW SHARES ON A NON PRO-RATA BASIS AT A DISCOUNT EXCEEDING 10% BUT NOT MORE THAN 20%** (Resolution 11)

That without prejudice to the generality of, and pursuant and subject to the approval of the general mandate to issue Shares set out in, Resolution 9, authority be and is hereby given to the Directors of the Company to issue Shares other than on a pro-rata basis to shareholders of the Company, at a discount to the weighted average price of the Shares for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), exceeding 10% but not more than 20%, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit,

provided that:

(a) in exercising the authority conferred by this Resolution 11, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(b) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 11 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

13. **"FALCON ENERGY GROUP EMPLOYEE SHARE OPTION SCHEME** (Resolution 12)

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Falcon Energy Group Employee Share Option Scheme ("Scheme") and pursuant to Section 161 of the Companies Act, Chapter 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of shares of the Company from time to time."

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 4 May 2009 for the purpose of determining the Members' entitlements to the dividends to be proposed at the Annual General Meeting of the Company to be held on 21 April 2009.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 3 Church Street #08-01, Samsung Hub Singapore 049483 up to 5.00 p.m. on 30 April 2009 will be registered to determine the Members' entitlements to such dividends. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares of the Company as at 5.00 p.m. on 30 April 2009 will be entitled to such proposed dividends.

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 22 May 2009.

By Order of the Board

Peh Lei Eng
Company Secretary

Singapore
3 April 2009

EXPLANATORY NOTES

Resolution 4 – The Ordinary Resolution 4 proposed in item 4, if passed, will authorise the Directors of the Company to pay Directors' fees for the year ending 31 December 2009 to Directors half yearly in arrears.

Resolution 5 – Mr. Tan Pong Tyea is the Chairman and Chief Executive Officer of the Company. He serves as a member of the Nominating Committee. If re-elected, he will continue to serve as a member of the Nominating Committee.

Resolution 6 – Mr. Mohan Raj s/o Charles Abraham is a Non-Executive and Non-Independent Director of the Company. He serves as members of the Audit and Remuneration Committees. If re-elected, he will continue to serve as members of the Audit and Remuneration Committees.

Resolution 9 is to empower the Directors, from the date of the passing of Ordinary Resolution 9 to the date of the next Annual General Meeting, to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued Shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued Shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the number of issued Shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 9 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 9 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares. In exercising the authority conferred by Ordinary Resolution 9, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Company's Articles of Association. [Rule 806 of the SGX-ST Listing Manual presently allows a listed issuer to seek a general mandate from shareholders for inter alia issuance of new shares and convertible securities on a pro-rata basis amounting to not more than 50% of its issued share capital (excluding treasury shares).]

Resolution 10 is to empower the Directors, from the date of the passing of Ordinary Resolution 10 to the date of the next Annual General Meeting, to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 100% of the issued Shares (excluding treasury shares) in the capital of the Company, on a pro-rata basis to shareholders by way of a renounceable issue. For the purpose of determining the aggregate number of Shares that may be issued, Shares issued pursuant to Ordinary Resolution 9 shall also be counted in determining whether the 100% limit has been reached, and the percentage of issued Shares shall be based on the number of issued Shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 10 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 10 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares. In exercising the authority conferred by Ordinary Resolution 10, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Company's Articles of Association. On 19 February 2009, the SGX-ST released a press release of new measures effective on 20 February 2009 (the "Press Release"); the new measures include allowing issuers to issue up to 100% of its issued share capital via a pro-rata renounceable rights issue, subject to the condition that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in its annual report. The Press Release states that this new measure will be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

Resolution 11 is to empower the Directors, pursuant to the general mandate to issue Shares set out in Ordinary Resolution 9, to issue Shares other than on a pro-rata basis to shareholders of the Company, at a discount to the weighted average price of the Shares on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), exceeding 10% but not more than 20%. In exercising the authority conferred by Ordinary Resolution 11, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Company's Articles of Association. Rule 811(1) of the SGX-ST Listing Manual presently provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day). The Press Release also included a new measure allowing issuers to undertake placements of new shares using the general mandate to issue shares, priced at discounts of up to 20%, subject to the conditions that the issuer seeks shareholders' approval in a separate resolution at a general meeting to issue new shares on a non pro-rata basis at a discount exceeding 10% but not more than 20%, and the general share issue mandate resolution is not conditional on this resolution. Ordinary Resolution 11 has been included following this new measure. The Press Release states that this new measure will also be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

Resolution 12 is to authorise the Directors to offer and grant options in accordance with the provisions of the Falcon Energy Group Employee Share Option Scheme ("Scheme") and pursuant to Section 161 of the Companies Act, Chapter 50 to allot and issue shares under the Scheme up to an amount not exceeding fifteen per cent (15%) of the total number of shares of the Company from time to time.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend in his stead. A proxy need not be a Member of the Company.

2. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on its behalf.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10 Anson Road #22-14 International Plaza Singapore 079903, not less than 48 hours before the time appointed for holding the Annual General Meeting.

PROXY FORM

FIFTH ANNUAL GENERAL MEETING

FALCON ENERGY GROUP LIMITED
(Registration No. 200403817G)

IMPORTANT:

1. For investors who have used their CPF moneys to buy shares in the Capital of Falcon Energy Group Limited, this report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ (Name) NRIC/Passport No. ______________
of ____
(Address) being a member/members of the above company, hereby appoint:

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

and/or failing him/her (delete as appropriate)

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

or failing him/her, the Chairman of the meeting as my/our proxy to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Fifth Annual General Meeting of the Company to be held at 10 Anson Road, #14-19 International Plaza, Singapore 079903 on Tuesday, 21 April 2009 at 10.30 a.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the Notice of Meeting in accordance with my/our directions as indicated with an "x" in the appropriate space below. Where no such direction is given, the proxy may vote or abstain from voting on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions	For	Against
	ROUTINE BUSINESS		
1.	To receive and adopt the Directors' Report and the Audited Accounts for the financial period ended 31 December 2008, together with the Auditors' Report thereon.		
2.	To approve the first and final tax-exempt (one-tier) dividend of S$0.01 per ordinary share for the financial period from 1 October 2007 to 31 December 2008.		
3.	To approve the payment of Directors' fees of S$105,000/- for the financial period ended 31 December 2008. (2007: S$41,000/-).		
4.	To approve the payment of Directors' fees of S$105,000/- for the financial year ending 31 December 2009, to be paid half yearly in arrears.		
5.	To re-elect Mr. Tan Pong Tyea as Director (under Article 115).		
6.	To re-elect Mr. Mohan Raj s/o Charles Abraham as Director (under Article 115).		
7.	To re-elect Mr. Neo Chin Lee as Director (under Article 119).		
8.	To re-appoint Messrs Deloitte & Touche LLP as auditors and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
9.	To empower the Directors to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued Shares (excluding treasury shares), with a sub-limit of 20% of the issued Shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders.		
10.	To empower the Directors to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 100% of the issued Shares (excluding treasury shares), on a pro-rata basis to shareholders by way of a renounceable issue.		
11.	To empower the Directors, pursuant to the general mandate to issue Shares set out in Ordinary Resolution 9, to issue Shares other than on a pro-rata basis to shareholders of the Company, at a discount exceeding 10% but not more than 20%.		
12.	To authorize the Directors to offer and grant options and issue shares in accordance with the provisions of the Falcon Energy Group Employee Share Option Scheme.		

Dated this ____________ day of ____________ 2009

Total Number of Ordinary Shares Held	
CDP Registers	
Register of Members	

____
Signature(s) of *member(s) or Common Seal of Corporate Shareholder(s)

* Please delete accordingly

Notes :-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and where there is more than one proxy, the proportion of shares to be represented by each proxy must be stated.

2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specified the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. This instrument of proxy must be executed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.

4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representative in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such body corporate.

5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 10 Anson Road #22-14 International Plaza Singapore 079903 not less than 48 hours before the time fixed for holding the Annual General Meeting.

6. Please insert the total number of shares held by you. If you have shares entered against your name on the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.

7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Tan Pong Tyea
Executive Chairman
and Chief Executive Officer
Neo Chin Lee
Executive Director
(Appointed On 3 June 2008)
Cai Wenxing
Executive Director

NON-EXECUTIVE DIRECTORS

Lien Kait Long
Lead Independent Director
Mohan Raj s/o Charles Abraham
Non-independent Director
Tan Kian Huay
Independent Director

ALTERNATE DIRECTORS

Tan Sooh Whye
Alternate To Tan Pong Tyea
Cai Wenting
Alternate To Cai Wenxing

AUDIT COMMITTEE

Lien Kait Long
(Chairman)
Mohan Raj s/o Charles Abraham
Tan Kian Huay

NOMINATING COMMITTEE

Tan Kian Huay
(Chairman)
(Appointed On 4 August 2008)
Tan Pong Tyea
Lien Kait Long

REMUNERATION COMMITTEE

Tan Kian Huay
(Chairman)
Lien Kait Long
Mohan Raj s/o Charles Abraham

COMPANY SECRETARIES

Lim Mee Fun
ACIS
Peh Lei Eng
CPA

REGISTERED OFFICE

10 Anson Road #22-14
International Plaza
Singapore 079903
Tel : 6538 7177
Fax : 6538 7188
Email : admin@feg.com.sg
Website : www.falconenergy.com.sg

Company Registration Number
200403817G

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub,
Singapore 049483

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

Partner-in-charge
Lim Kuan Meng
Date Of Appointment
20 October 2008

EXECUTIVE OFFICERS

Gan Wah Kwang
Financial Controller
Tan Jit Sin
General Manager
(Project Development)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay #01-01
HSBC Building
Singapore 049320

Standard Chartered Bank
51 Bras Basah Road
#02-01 Plaza By The Park
Singapore 189554