

FALCON ENERGY GROUP LIMITED
(Company Registration No.: 200403817G)
(Incorporated in the Republic of Singapore)

**COUPON PAYMENT RELATING TO THE SERIES 001 S\$50,000,000 NOTES DUE ON 19
SEPTEMBER 2020 (ISIN: SG6SJ3000005) (THE “NOTES”) ISSUED UNDER THE S\$500,000,000
MULTICURRENCY MEDIUM TERM NOTE PROGRAMME**

1. INTRODUCTION

The Board of Directors of Falcon Energy Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform that due to the prolonged slump in the oil services market and in order to conserve liquidity for business operations, the Company will embark on a complete restructuring of all its liabilities which will include our bankers, noteholders and other unsecured creditors. Discussions with different stakeholders are currently ongoing.

As such and in order to conserve liquidity, the Company will also, for the time being, suspend payment of Notes coupon due on 19 January 2019, and a meeting will be convened shortly to discuss further steps and the restructuring of the Notes. It is the Company’s intention to propose a certain amount of conversion of the Notes to ordinary equity in the Company.

As had been announced before, the Company is also in the process of discussing a restructuring of term loans with our bankers. It is our intention to adopt a similar cash conservation position moving forward.

Recent developments in the oil market have led to general consensus by certain experts of a US\$70 average price for 2019. The latest pronouncement of important OPEC countries has also indicated a bottom price of US\$60. Barring a drastic downturn of the world economy, the Company is reasonably optimistic that the market we operate in will see improvement this year compared with last year.

2. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their shares and noteholders are advised to exercise caution in trading their notes. The Company will make further announcements as appropriate or when there are further developments. Shareholders and noteholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and noteholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Tan Pong Tyea
Chairman and Chief Executive Officer
18 January 2019