



FALCON ENERGY GROUP LIMITED

Media Release – For Immediate Release

FALCON ENERGY GROUP LIMITED MAKES GENERAL OFFER FOR CH OFFSHORE LTD.

Highlights:

- Offer price is S\$0.495 for each share of CH Offshore Ltd.
- The general offer, if successful, will allow Falcon Energy Group Limited to expand its marine division and increase fleet capabilities

SINGAPORE, 11 December 2014 – Mainboard-listed **Falcon Energy Group Limited** (“**FEG**” and, together with its subsidiaries, the “**FEG Group**”), one of the leading regional players in the offshore marine, and oil and gas sectors, today announced (the “**Announcement**”) that its wholly-owned subsidiary, Energian Pte Ltd (“**Offeror**”), intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares (“**CHO Shares**”) of CH Offshore Ltd. (“**CHO**”) other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer**”).

CIMB Bank Berhad, Singapore Branch has been appointed as the Financial Adviser to the Offeror.

CHO is a company listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). CHO operates a fleet of 15 AHTS vessels and has a track record of over 30 years in providing marine support services to the oil and gas industry worldwide. As at the date of the Announcement, the Offeror owns 29.07% of the total number of issued CHO Shares.

Cash Consideration for the Offer

The offer price is S\$0.495 per CHO Share which represents the highest traded price of the CHO Shares on the SGX-ST in the 12-month period prior to the Announcement (such highest traded price includes dividends for the financial year ended 30 June 2014 amounting to S\$0.040 in aggregate per CHO Share in respect of which the ex-dividend date was 4 November 2014).

The offer price represents a 6.45% premium over the last closing price before the Announcement of S\$0.465 and a 8.32% premium over the one-month volume weighted average price of S\$0.457. At S\$0.495, the maximum consideration payable by the Offeror is approximately S\$247.5 million. This amount will be funded by internal cash resources and bank borrowings.

Condition to the Offer

The Offer is subject to the Offeror receiving valid acceptances which will result in the Offeror and its concert parties owning more than 50% of CHO Shares.

Net Asset Value of CHO Shares

Based on the audited consolidated financial statements of CHO and its subsidiaries (the “**CHO Group**”) for financial year ended 30 June 2014 (“**FY2014**”), the net asset value per CHO Share is approximately 34.04 US cents. Based on the latest announced unaudited financial statements for the first quarter ended 30 September 2014 (“**1Q2015**”), the net asset value per CHO Share is approximately 34.82 US cents.

Rationale for the Offer

Falcon’s Marine Division has embarked on a fleet expansion programme to include different vessel types with different technical specifications and workload capabilities to fulfil its customers’ requirements.

Commenting on the Offer, Mr Tan Pong Tyea, Chairman and CEO of FEG said, ***“We have previously stated that we plan to acquire more vessels to broaden the number of vessel types and to cater to a broader group of customers. The acquisition of statutory control in the CHO Group which has a complementary business is in line with our strategy.”***

Falcon has conducted a strategic review of its existing stake in CHO, and believes that by increasing its control of CHO, it will be able to explore opportunities to unlock synergies in the CHO Group's businesses. In the event that FEG attains statutory control of CHO, it intends to undertake a review of the CHO Group and may embark on programmes to maximise operational efficiency and optimise capital management of the enlarged FEG Group.

About Falcon Energy Group Limited (SGX Stock Code: 5FL)

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

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

In addition to its core marine, oilfield services and oilfield projects businesses, the FEG Group is expanding the range of services it offers to clients by developing other energy-related businesses such as energy resources and offshore oil drilling services.

The Resources Division is involved in energy-resources activities such as coal mining and other related businesses.

FEG was listed on the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ) on 2 December 2004 through a reverse takeover of Sembawang Music Holdings Limited and changed its name to Falcon Energy Group Limited with effect from 6 November 2006. It was transferred to the Main Board of the SGX-ST on 8 September 2009.

For more information, please visit the Company's website at www.falconenergy.com.sg

For Media and Analysts, please contact

Waterbrooks Consultants Pte Ltd

Tel: +65 6100-2228

Mr. Wayne Koo

Mobile: +65 9338-8166

Email: wayne.koo@waterbrooks.com.sg

Mr. Ng Tian Khean

Mobile: +65 9640-2808

Email: tk@waterbrooks.com.sg

This media release should be read in conjunction with the full text of the announcements relating to the Offer dated 11 December 2014, copies of which are available on www.sgx.com.

Responsibility Statement

The directors of the Offeror and the directors of FEG (including those who may have delegated detailed supervision of this media release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this media release are fair and accurate and that no material facts have been omitted from this media release, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources (including without limitation, in relation to the CHO Group), the sole responsibility of the directors of the Offeror and the directors of FEG has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this media release.