

FALCON ENERGY GROUP LIMITED
(Company Registration Number 200403817G)
(Incorporated in the Republic of Singapore)

1. **RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST FOR THE LISTING AND QUOTATION OF 70,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “SUBSCRIPTION SHARES”) TO BE ISSUED PURSUANT TO A CONDITIONAL SHARE SUBSCRIPTION AGREEMENT**
 2. **COMPLETION OF THE ISSUANCE AND SUBSCRIPTION OF 70,000,000 ORDINARY SHARES IN THE COMPANY PURSUANT TO THE CONDITIONAL SHARE SUBSCRIPTION AGREEMENT**
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All capitalised terms used and not defined herein shall have the same meanings given to them in the Announcement.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Falcon Energy Group Limited (the “**Company**”) refers to the announcement released by the Company on 9 May 2018 in relation to the proposed subscription of the Subscription Shares pursuant to a conditional share subscription agreement (the “**Subscription Agreement**”) with Mr Wong Fong Fui (the “**Investor**”) (the “**Announcement**”).

2. APPROVAL IN-PRINCIPLE

Further to the Announcement, the Board is pleased to announce that the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) has on 16 May 2018 granted in-principle approval for the listing and quotation of the Subscription Shares to be issued in connection with the execution of the Subscription Agreement.

The Subscription Shares will be issued pursuant to the Share Issue Mandate which was approved by shareholders of the Company at the annual general meeting of the Company held on 29 December 2017. With reference to paragraph 9 of the Announcement, on issuance of the Subscription Shares, the Company verifies that the Investor will be a substantial shareholder of the Company. The Subscription will not result in a transfer of controlling interest in the Company to the Investor.

The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Subscription, the Subscription Shares, the Company and/or its subsidiaries and is subject to the following conditions:

- a) compliance with SGX-ST’s listing requirements;
- b) submission of the following documents:-
 - i. a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the listing manual of the Mainboard of the SGX-ST (“**Listing**”)

Manual") in relation to the use of the proceeds from the Subscription and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

- ii. a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual; and
- iii. a written confirmation from the Company that it will not issue the Subscription Shares to persons prohibited under Rule 812(1) of the Listing Manual.

3. USE OF PROCEEDS

The gross proceeds from the Subscription is expected to amount to approximately S\$1,960,000. The breakdown of the use of gross proceeds is set out below:

Use of gross proceeds	Percentage
Incidental costs incurred for the Subscription	3.06%
Coupon payment(s) relating to the Company's existing multicurrency term note programme	44.64%
General working capital	52.3%
Total	100.00%

The Company will make an announcement as to the use of the proceeds from the Subscription as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Subscription, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

4. COMPLETION OF THE SUBSCRIPTION

The Company is also pleased to announce that the completion of the issuance and subscription of the Subscription Shares has taken place today.

The full amount of the Subscription Consideration has been received by the Company. Consequent upon the completion of the Subscription, the Investor shall hold approximately eight per cent (8%) of the entire issued and paid-up share capital of the Company on a fully diluted basis.

By order of the Board

Tan Pong Tyea
Chairman and Chief Executive Officer
16 May 2018