

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

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**RECEIPT OF WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 15 January 2023, 8 September 2023, 13 September 2023, 15 September 2023, 18 September 2023, 5 October 2023, 5 December 2023, 6 December 2023, 7 December 2023 and 19 December 2023 (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the Announcements.

Pursuant to the Court’s orders made at the hearing on 15 December 2023, an application was made to the Securities Industry Council (“**SIC**” or “**Council**”) for a whitewash waiver of the obligation of Mersey Assets Inc. and Mr. Tan Pong Tyea (collectively, the “**Mersey Group**”) and their concert parties under the Singapore Code on Take-overs and Mergers (the “**Code**”) to make a mandatory general offer for all the issued shares of the Company not already owned, controlled or agreed to be acquired by the Mersey Group and their concert parties following the proposed investment by the Mersey Group (the “**Proposed Investment**”), which will form part of the new scheme of arrangement to be proposed to the Company’s creditors in due course (the “**Proposed Scheme**”).

The Company will make further announcements on the Proposed Investment and the Proposed Scheme as appropriate or when there are further developments in due course.

**2. RECEIPT OF THE WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

The Board wishes to announce that the SIC had on 3 April 2024 granted the whitewash waiver to the Mersey Group to waive the obligation for the Mersey Group to make a mandatory offer under Rule 14.1(b) of the Code for the Company incurred as a result of the issuance of the placement shares to the Mersey Group in connection with the Proposed Investment, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Proposed Investment, a resolution (the “**Whitewash Resolution**”) by way of a poll to waive their rights to receive a mandatory general offer from the Mersey Group;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Mersey Group, parties acting in concert with them as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Mersey Group and their concert parties did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares in the Company which have been disclosed in the circular to shareholders of the Company):

- (i) during the period between the date the Company makes an announcement on the Proposed Investment (the “**Announcement Date**”) and the date shareholders’ approval is obtained for the Whitewash Resolution; and
  - (ii) in the 6 months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Investment;
- (e) the Company appoints an independent financial adviser to advise the independent shareholders of the Company on the Whitewash Resolution;
- (f) the Company sets out clearly in the circular to its shareholders:
- (i) details of the Proposed Investment, including the allotment and issue of placement shares and issuance of warrants;
  - (ii) the dilution effect to existing holders of voting rights upon the issue of the (A) placement shares and (B) warrant shares;
  - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by the Mersey Group and their concert parties as at the latest practicable date;
  - (iv) the number and percentage of voting rights to be acquired by the Mersey Group and their concert parties as a result of (A) the allotment and issue of placement shares and (B) the issuance of warrant shares pursuant to the Proposed Investment;
  - (v) specific and prominent reference to the fact that shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Mersey Group at the highest price paid by any of the Mersey Group and their concert parties for the shares in the Company in the 6 months preceding the Announcement Date; and
  - (vi) specific and prominent reference to the fact that the acquisition of the placement shares by the Mersey Group would result in the Mersey Group and their concert parties holding shares carrying over 49% of the voting rights of the Company, and the fact that the Mersey Group and their concert parties will be free to acquire further shares in the Company (including warrant shares) without incurring any obligation under Rule 14 of the Code to make a general offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by Council to the Mersey Group from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at (a) to (f) above;
- (h) the Company obtains Council’s approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within 3 months from the date of the SIC letter granting the whitewash waiver, being 3 April 2024, and the allotment and issue of placement shares to the

Mersey Group pursuant to the Proposed Investment, must be completed within 3 months of the date of the approval of the Whitewash Resolution.

**3. FURTHER ANNOUNCEMENTS**

The Company and the Board will make further announcements as appropriate or when there are further material developments.

Shareholders and noteholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and noteholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have doubt about the actions they should take.

**BY ORDER OF THE BOARD**

Tan Pong Tyea  
Chairman and Chief Executive Officer  
4 April 2024