

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

UPDATE ANNOUNCEMENT

CONSTRUCTION CONTRACT WITH KEPPEL FELS LIMITED (“BUILDER”) IN RELATION TO THE CONSTRUCTION OF A MOBILE OFFSHORE SELF-ELEVATING DRILLING UNIT

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings as in the announcement dated 18 April 2013.

The Board of Directors (“**Board**”) of Falcon Energy Group Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform that the Builder has served termination notice to FTS Derricks in relation to the construction contract of the Mobile Offshore Self-elevating Drilling Unit “TS Topaz (Hull No. B358)”. It is understood that our rig is one of the five jack-up rigs being sold to Borr Drilling Limited, of which our rig is of a higher model and different specifications from the other four rigs.

The Company is reviewing the situation and in discussion with the Builder to bring the matter to a conclusion. The Company has an effective interest of 25% in the rig and expects to write off US\$11.36 million that was paid to the Builder as Deposit in the financial year ending 30 June 2018.

Shareholders and potential investors are advised to exercise caution in trading their shares. Shareholders 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

23 May 2018