

**ACQUISITION OF SHARES IN OTIRA CORPORATION**

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The Board of Directors of FALCON ENERGY GROUP LIMITED (the "**Company**") together with its subsidiaries, collectively referred to as the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, FALCON ENERGY PROJECTS PTE. LTD. ("**FEP**") had completed the acquisition of 51% shareholder's equity in the capital of Otira Corporation ("**OC**") at a purchase consideration of US\$3 million. The consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations, taking into account, amongst other factors, the value of the net tangible assets and expected future income of OC.

The purchase consideration was settled by cash and the net tangible asset value of OC as at 29 February 2016 was approximately US\$3.5 million.

OC is a company incorporated under the laws of the British Virgin Islands, which owns a vessel named as "BGP Challenger" which is a Panama registered vessel. Following the abovementioned transaction, OC has become a wholly owned subsidiary of FEP.

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited amount to 5% or less, the transaction does not constitute a discloseable transaction under the provisions of Chapter 10 of the Listing Manual.

The above mentioned transaction was funded by internal resources and is not expected to have any material effect on the net tangible assets per share and earnings per share of the Group for the financial period ending 30 June 2016.

Save for the shareholding interests in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Peh Lei Eng  
Company Secretary

4 March 2016