

(A) ACQUISITION OF SHAREHOLDER'S EQUITY IN DICTAMISMO S DE R.L. DE C.V.
(B) CAPITAL INCREASE IN DICTAMISMO S DE R.L. DE C.V.

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 indirect subsidiaries, INNOVEST RESOURCES LIMITED ("**INNOVEST**") and ASTANIEN S.A. DE C.V. ("**ASTANIEN**"), completed the acquisition of 50% shareholder's equity in the capital of DICTAMISMO S DE R.L. DE C.V. ("**DICTAMISMO**"), a company registered in Mexico, at a total consideration of MXN2,940 (the "**Acquisition**"). The consideration was arrived at on a willing-buyer and willing-seller basis, having regard to the issued and paid-up capital of DICTAMISMO of MXN6,000, and was paid in cash.

The principal activities of DICTAMISMO are those of owning, chartering of vessels and other related services. Following the Acquisition, DICTAMISMO has become a joint venture company of the Group.

The remaining 50% shareholder's equity is held by GRUPO EVYA SA DE CV ("**EVYA**"), a company registered in Mexico with the principal activities of owning, chartering and repairing of vessels, and other related services.

Following the Acquisition, the share capital structure of DICTAMISMO is as follows:-

	Shareholders	Shareholder's Equity (%)
1	INNOVEST	49
2	ASTANIEN	1
3	EVYA	50

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 Acquisition does not constitute discloseable transaction under the provisions of Chapter 10 of the Listing Manual.

Subsequent to the Acquisition, DICTAMISMO increased its paid up share capital from MXN6,000 to MXN206,000 (the "**Capital Increase**"). Following the Capital Increase, the share capital structure of DICTAMISMO is as follows:-

	Shareholders	Shareholder's Equity (%)	Capital Contribution After Capital Increase
1	INNOVEST	49	MXN100,940
2	ASTANIEN	1	MXN2,060
3	EVYA	50	MXN103,000

The investment in DICTAMISMO was funded by the Company's internal resources and is not expected to have any material impact on the net tangible assets per share and net earnings per share of the Group for the financial year ending 31 March 2014.

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 transactions.

By Order of the Board

Peh Lei Eng
Company Secretary

28 March 2014