

Falcon Energy Group Limited

Presentation to Note Holders

Private and Confidential

17 April 2019



Important Notes

- This presentation is prepared for the sole purpose of providing the holders of Series 001 notes due September 2020 (the “Notes”) with an update on the developments of Falcon Energy Group Limited and its subsidiaries and related entities (collectively known as “FEG” or the “Group”) and to present the revised proposal for the Notes to the holders of the Notes (the “Note Holders”) for their consideration.
- This presentation is solely directed at the Note Holders. The terms contained in this presentation are strictly in proposal only and are not fully indicative of the terms of the Notes restructuring, which will be set out in a consent solicitation statement (if any).
- This presentation shall not under any circumstances create any implication that the information contained in this is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth in this presentation or in the affairs of FEG.
- No person has been authorised to make any recommendation on behalf of FEG as to whether Note Holders should consent to the Proposal. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained herein. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Company.
- Each person reading this presentation acknowledges that such person has not relied on FEG in connection with its decision on how to vote in relation to the Extraordinary Resolutions. Each such person must make its own analysis and investigation regarding the Proposal and make its own voting decision, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such voting decision. If such person is in any doubt about any aspect of the Proposal and/or the action it should take, it should seek their own independent professional advice immediately from their stockbroker, bank manager, solicitor, accountant or other independent adviser.

Situation Update

Situation Update

Payments made post CSE

7.0%

Note Holders

Note Holders have received SGD3.5mil since September 2017 to date.

3.7%

Secured Lenders

Secured Lenders have received significantly lower returns.

Vessel Performance

11%

Utilisation

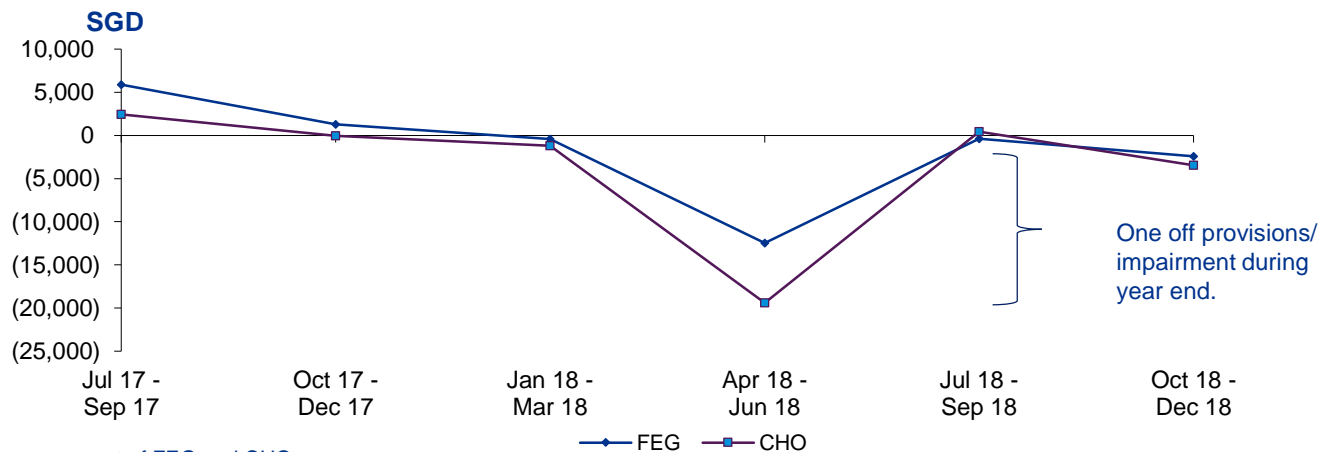
Utilisation of vessels is below Company's projection.

3k

Daily Charter Rate

Average daily charter rate is below Company's projection

EBITDA



Source: Quarterly announcement of FEG and CHO

Proposal

Restructuring proposal to bank lenders

Proposal tabled before all 4 Secured Lenders

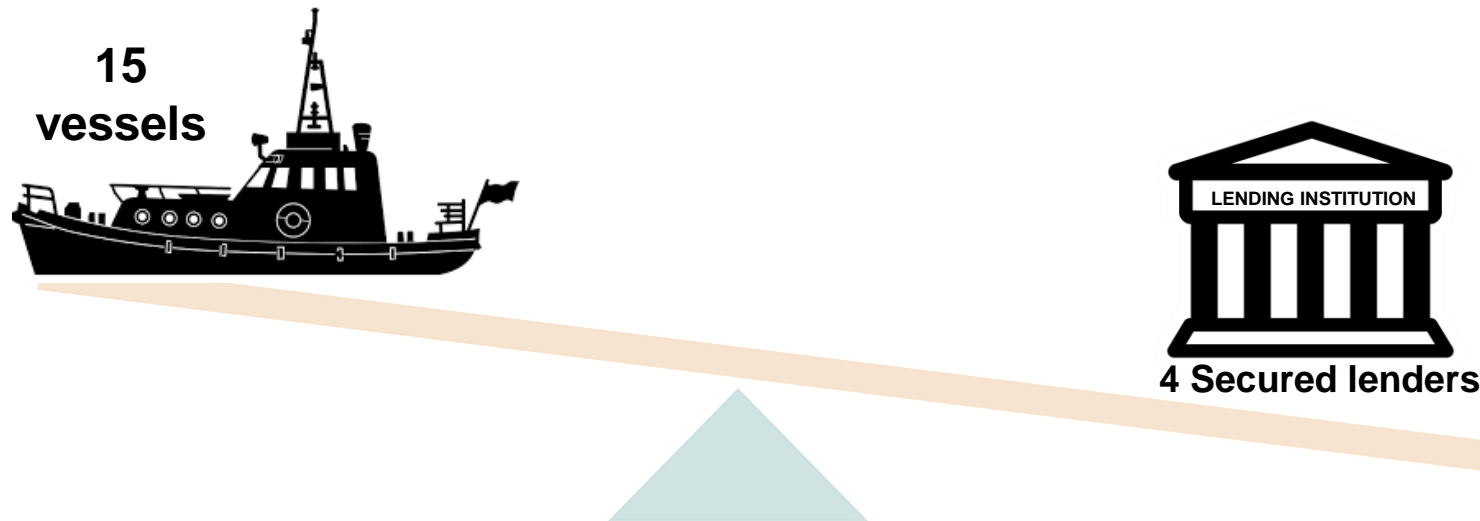


Free cash flow

Forced sale value situation

Assets < Secured exposure

No discount	Scenario 1: Sale at Valuation	100%	Secured Lenders to recover 100% of debt outstanding
50%	Scenario 2: FSV at 50% discount of valuation	92.9%	Secured Lenders to recover 92.9% of debt outstanding
60%	Scenario 3: FSV at 60% discount of valuation	74.3%	Secured Lenders to recover 74.3% of debt outstanding



Proposal for MTN



Proposal

50% conversion to shares at 5 cents per share

50% convertible bonds coupon @ 0.25% per annum

7 years option to convert

Thank You