



**FALCON ENERGY GROUP LIMITED**

**Media Release – For Immediate Release**

## **FALCON ENERGY GROUP MAINTAINS EARNINGS MOMENTUM WITH 26% INCREASE IN PROFIT TO US\$10 MILLION FOR 1Q FY2015**

- Revenue increases YoY by 254% to US\$92.7 million
- Oilfield Services Division records strong growth in revenue and profit
- New vessels to be added to Marine Division's fleet to cope with demand

**SINGAPORE, 12 August 2014** – Mainboard-listed **Falcon Energy Group Limited** (“Falcon” or the “Group”), a provider of a wide spectrum of services to the offshore oil and gas industry today announced that it has recorded strong YoY revenue growth of 254.3% to US\$92.7 million and a YoY 26.3% increase in Profit After Tax to US\$10.0 million for the first quarter of the financial period ended 30 June 2014 (“**1Q FY2015**”).

Commenting on the Group's 1Q FY2015 financial performance, **Mr. Tan Pong Tyea, Falcon's Chairman and CEO** said, “*The Group's financial performance is a reflection of our strategy of growing the business with clearly defined goals and a prudent financial approach.*”

The core Marine and Oilfield Services Divisions both performed well in 1Q FY2015. The Oilfield Services Division significantly increased its revenue from US\$7.2 million to US\$71.6 million. Demand for the Marine Division's fleet of offshore supports vessels was strong and the Division recorded a revenue of US\$19.1 million, an increase of 12.4% over 1Q 2014 revenue of US\$17.0 million. The gross margin of 17.5% for the Marine Division was, however, lower due to third party vessels being deployed for some of its charters as the Group's additional vessels are in the process of being delivered.

## Healthy Balance Sheet

The Group's financial position continues to strengthen on the back of overall growth. Total Assets increased from US\$575.2 million as at 31 March 2014 to US\$600.7 million as at 30 June 2014. For the same period, Current Assets increased from US\$217.0 million to US\$222.4 million as at 30 June 2014. As at 30 June 2014, the Group's Net Assets was US\$269.3 million.

## Business Outlook for Offshore Marine

The capex of oil majors and national oil companies for more cost efficient and less risky shallow water exploration and production activities is expected to be sustained by strong demand for oil from the growing economies.

For the medium term, the Group is expanding its fleet of offshore support vessels, oilfield services and project works to secure a wider range of customers; at the same time, establishing its drilling services and energy resources business.

Mr. Tan Pong Tyea added, "***We take note of the ever- evolving business environment of the offshore oil & gas sector and are cautiously optimistic of Falcon Energy's business outlook.***"

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**About Falcon Energy Group Limited (SGX Stock Code: 5FL)**

Falcon Energy Group Limited (“**FEG**”) is an established player in the oil and gas industry, providing a spectrum of services to global oil companies and contractors, from the initial exploration stage to production and post-production stage.

The Marine Division has a fleet of offshore support vessels to provide direct support to its customers, mainly in the production phase of oil and gas projects. The Oilfield Services Division provides services such as agencies, logistics, procurement and other support activities, while the Oilfield Project Division executes various projects for oil companies as well as oil and gas contractors.

In addition to its core marine, oilfield services and oilfield projects businesses, the Group is expanding the range of services it offers to clients by developing other energy-related businesses such as energy resources and offshore oil drilling services.

The Drilling Services Division continues to be developed into a provider of drilling services to the oil majors, drilling contractors, and national oil companies as they increase the pace of their exploration activities for both oil as well as natural gas. Together with its strategic partners the Drilling Services Division has a number of jack-up rigs under construction.

The Group was listed on Singapore Exchange Sesdaq on 2 December 2004 through a reverse takeover of Sembawang Music Holdings Limited and changed its name to Falcon Energy Group Limited on 13 November 2006. It was upgraded to Mainboard on 8 September 2009.

For more information, please visit the Company’s website at [www.falconenergy.com.sg](http://www.falconenergy.com.sg)

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