

Natural gas consumption is rising rapidly in China, fueled by an unprecedented economic boom.

China intends that natural gas replace coal as the major source for electricity by the 2008 Olympics in Beijing.

The China State Council is pushing for a four-fold increase in gas usage by 2010 in China.

"Far East Energy currently has the third largest CBM acreage holdings in China, totaling over 1.3 million acres."

*Michael McElwrath
Chairman/Far East Energy Corporation*

Crews drilling the EH02 Test Well on Far East's Enhong Coalbed Methane Prospect in Southern China.



Far East Energy
OTC BB: FEEC
www.fareastenergy.com

According to the *New York Times*, if China in the future uses as much energy per capita as is presently used in the U.S., the energy consumption by that one country will amount to more energy than is currently produced worldwide.

Investment Considerations

Developing World Class Natural Gas Properties in China:

Based in Houston, Texas, with offices in Beijing and Kunming, China, Far East Energy Corporation (OTC BB: FEEC) is exploring and developing some of the largest coalbed methane (CBM) projects in China through its agreements with ConocoPhillips and China United Coalbed Methane Company (CUCBM). FEEC is one of only a few outside companies chosen by the CUCBM to explore and develop CBM in China. Others include ChevronTexaco and privately held Greka Petroleum.

FEEC is Well-Positioned in China: Based on estimates by ConocoPhillips and the Yunnan Provincial Coal Geology Bureau (YNCGB), FEEC's current total interests potentially represent more than 19.5 to 26 (Tcf) trillion cubic feet of total gas-in-place. Applying a recovery rate of 50%, recoverable CBM resources are potentially 9.75 Tcf to 13 Tcf. (FEEC's share is 4.5 Tcf to 9 Tcf depending upon CUCBM and ConocoPhillips participation).

CBM to Play Major Role in China: China is presently energy deficient. CBM will play a big part in supplying China's growing appetite for energy.

Tests Indicate Gas Content Comparable to San Juan Basin:

Far East Energy's first three test wells drilled earlier in 2004, on the Laochang and Enhong blocks, indicated a gas content ranging from 280 to 650 cubic feet per ton of coal. By comparison, this is in line with some of the most prolific CBM basins in the United States, such as the San Juan Basin in New Mexico, which has gas content of 300-700 cubic feet per ton of coal, and the Black Warrior Basin in Alabama, which has gas content of 250-500 cubic feet per ton of coal.

Million-Acre Shanxi Block Could Support 3,000 Horizontal Wells:

The Shanxi (Dragon) project in full development could sustain over 3,000 horizontal gas wells, giving it the potential to become one of the largest CBM projects in the world. The West-to-East Pipeline to Shanghai runs very close to the southern portion of the Shanxi Project and the Shanjing II Pipeline to Beijing is about 40 kilometers from Far East Energy's northern block in Shanxi. FEEC plans to initiate hydraulic fracture testing on one of the existing wells in the fall of 2004.

World Class Leadership for a World Class Exploration Project

Michael R. McElwrath: Chairman, President and Chief Executive Officer, Director

Mr. McElwrath, was previously VP of TMP/Hudson Global Resources, the parent company of Monster.com. He served as Acting Assistant Secretary of Energy in the first Bush Administration, developing the nation's coal, oil and gas policies, overseeing \$2.1 billion in programs including the Clean Coal Program, the National Oil and Gas Research Program, and the Strategic Petroleum Reserve. In addition, Mr. McElwrath has held a number of senior executive positions in the energy industry. Mr. McElwrath holds a J.D. from the University of Texas School of Law.

Bruce N. Huff: Chief Financial Officer

Mr. Huff brings more than 30 years of financial experience with emphasis on domestic and international oil and gas exploration/production. Mr. Huff spent 13 years with Harken Energy Corporation, holding the positions of President and Chief Operating Officer and other capacities including Chief Financial Officer and Director.

Garry Ward: Senior Vice President, Engineering

Mr. Ward's career spans 23 years in the petroleum industry. He has been involved in the evaluation of coalbed methane prospects, primarily in the San Juan and Powder River basins, since 1992. In addition, he has over 20 years' experience in petroleum software development and has written numerous programs for use in the evaluation of oil and gas assets.

Tun Aye Sai: Senior Vice President of China Operations, Director

Tun Aye Sai brings over 30 years of international mining and exploration experience to the company. Mr. Sai has extensive experience in developing and managing mining projects in China and Southeast Asia.

Alex Yang, Ph.D.: Senior Vice President, Exploration

Dr. Yang is recognized as a preeminent CBM expert in China and has 22 years of working experience in China's energy industry. He was among the pioneers in introducing CBM exploration and production to China, and assisted CUCBM in its early stages of formation. Dr. Yang has established relationships with key people in the Chinese government and energy industry which greatly benefits FEEC's project execution and business development in China. Dr. Yang holds a Ph.D. in Geology.

Independent Directors

John Mihm: Compensation Committee Chairman

Mr. Mihm was the Senior VP of Technology and Project Development for Phillips Petroleum Company (later ConocoPhillips) until his retirement in February 2003. Mr. Mihm has 40 years of experience in the oil and gas industry. Mr. Mihm was involved in supplying technical support for the ConocoPhillips Shanxi project prior to its farmout to Far East.

Thomas E. Williams

Mr. Williams is presently vice president of a drilling technology subsidiary of Noble Corporation. Williams held senior positions at the Department of Energy and the Department of Interior during the first Bush administration, following which he served as business development director at Houston's Westport Technology Center, an upstream oil and gas research company which later merged with Halliburton. Mr. Williams also serves on several industry boards.

Thomas Cavanagh

Mr. Cavanagh has had a distinguished 23 year career as an executive and exploration geophysicist with major international oil and gas companies including Ocean Energy International, Saudi Aramco and Exxon.

Donald A. Juckett, Ph.D.: Nominating Committee Chairman

Dr. Juckett retired from a long career at the Senior Executive Service level with the United States Department of Energy in 2003. While there, he held posts as Director of the Office of Natural Gas and Petroleum Import and Export Activities, Director for Natural Gas and Petroleum Technology, and acting Deputy Assistant Secretary for Natural Gas and Petroleum Technology. Prior to joining DOE, Dr. Juckett worked for Phillips Petroleum. Dr. Juckett holds a Ph.D. in organic chemistry.

Randall Keys: Audit Committee Chairman

Mr. Keys has over twenty years of financial management experience in the energy industry. He previously served as CFO of NYSE listed, Core Laboratories, and with various other publicly traded energy companies. Mr. Keys began his career with the public accounting firm of KPMG Peat Marwick and is a Texas CPA.

Stock Information

as of 09/02/04

Industry:	CHINA – GAS E&P
OTC BB:	FEEC
Recent Price:	\$1.18
Market Cap:	\$72.1 million
Shares Out:	61.1 million

Note: Until production begins from its properties, revenues and earnings for FEEC are not meaningful.

The statements contained in this corporate profile that state the intentions, hopes, beliefs, anticipations, expectations or predictions of the future of the company and its management are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. It is important to note that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: our lack of operating history; limited and potentially inadequate cash resources; risk and uncertainties associated with exploration, development and production of oil and gas; expropriation and other risks associated with foreign operations; matters affecting the oil and gas industry generally, lack of availability of oil and gas field goods and services, environmental risks, drilling and production risks; changes in laws or regulations affecting our operations, the impact of uncertainties of litigation, as well as other risks described in our Annual Report on Form 10-KSB and subsequent filings with the Securities and Exchange Commission

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