Forward Looking Statements:
Certain statements in this presentation regarding future expectations and plans for oil and gas exploration and development may be regarded as “forward looking statements” within the meaning of the Securities Litigation Reform Act. They are subject to various risks including, but not limited to, the inherent uncertainties in interpreting engineering data related to underground accumulations of oil and gas, timing and capital availability, and other factors to be discussed in detail in the Company’s SEC filings. Any information provided herein is qualified in its entirety by the Company’s SEC filings and any subsequent filing updates, changes or adjustments. Information is current as of the date presented, but as events change, the information herein may become out of date. We encourage you to read our SEC filings to review the more complete discussions of the risks outlined above.
NOTE TO INVESTORS: The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proven reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as “total gas-in-place” and “recoverable CMB resources”, that the SEC’s guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 10-KSB, File No. 0-32455, available from us at our website under the heading, SEC Filings”. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

This presentation also contains information about adjacent properties on which we have no right to explore. U.S. investors are cautioned that petroleum/mineral deposits on adjacent properties are not necessarily indicative of such deposits on our properties.

Definitions of technical terms:
Certain technical terms used in this presentation associated with descriptions of the potential for oil and gas properties are not consistent with “Proven Reserves” and thus the Securities and Exchange Commission (“SEC”) guidelines prohibit us from including such terms in filings with the SEC. Such terms used herein are defined as follows:
Total-Gas-In-Place:
This term refers to discovered and undiscovered Gas-In-Place which is the quantity of hydrocarbons which is estimated, on a given date, to be contained in known accumulations, plus those quantities already produced therefrom, plus those estimated quantities in accumulations yet to be discovered.
Recoverable CBM Resources:
Recoverable CBM resources refer to a calculation based on geologic and/or engineering data similar to that used in estimates of proven reserves; but technical, contractual, economic, or regulatory uncertainties preclude such resources from being classified as proven reserves. Recoverable CBM may also be estimated assuming future economic conditions differ from those prevailing at the time of the estimate.
FEEC AT A GLANCE

- Publicly traded since Jan. ’02
- Headquartered in Houston, Texas
- Offices in Beijing and Kunming, China
- China Energy Value Play
  - Potentially some of the largest coalbed methane (CBM) projects in the world
  - Agreements with ConocoPhillips and China United Coalbed Methane Company (CUCBM)
- 9.2 – 12.45 Tcf (260-352 Bcm) est. recoverable CBM resources in our China properties
CHINA’S ECONOMIC BOOM

- One of the world’s fastest-growing economies
- China’s economy has grown five-fold in recent years
- 9.1% GDP Growth 2003
- China’s population is 1.3 Billion
- Personal incomes have quadrupled
- China accounts for one-third of all foreign direct investments
- China is attracting more foreign direct investments than North America and United Kingdom
Composition of China’s Primary Energy Supply in 2000

- Coal: 69.6%
- Oil: 24.8%
- Gas: 3.2%
- Hydro: 2.0%
- Nuclear: 0.4%
CHINA’S NATURAL GAS MANDATE

- China State Council pushing for four-fold increase in natural gas usage by 2010

- China has mandated natural gas replace coal as major source for electricity generation by 2008 Olympics in Beijing

- Natural gas currently accounts for less than 3.5% of China’s energy use; by mandate it is expected to reach 8% by 2010

- China will spend in excess of US$9 billion (74 billion RMB) to achieve this target
CHINA’S GAS MARKET

- Estimated Annual Gas consumption 700-800 Bcf/yr and is expected to grow at 10-12% per year
- Beijing, NE (Liaoning, Heilongjiang, and Shanxi Provinces have significant existing gas Consumption).
- Annual growth rate of approximately 8% per annum over past 5 years
- It is predicted that gas consumption will rise at an annual rate of 7.5% by 2020, and the total volume will reach 1.730 Tcf (49 Bcm) in 2005 and amount to 3.147 Tcf (89.2 Bcm) in 2010.
- Forecast growth rate driven by air pollution concerns, and Central Government initiatives
- Particular focus is Beijing 2008 Olympics and Shanghai market
- Gas supply all currently domestic, no imports yet
- Estimated natural gas reserves 55-60 Tcf (1558-1700 Bcm) and growing
- Major transmission pipeline projects planned and underway
  - First leg 780 mi. (1250 km) of West to East transmission pipeline linking Shanghai to the Ordos Basin is operational
  - West to East Pipeline extension 1490 mi. (2400km) linking Tarim and Qaidam Basins to be operational by 2006
  - Transmission pipeline 620 mi. (1000 km) linking Sichuan Basin to West to East pipeline between Ordos and Shanghai viable post 2010
- Ex field (compressed) prices vary from US$2.05 - 3.45/mcf (0.6-1.0 RMB/m³) with city gate prices ranging from US$4.50-5.50/mcf (1.30-1.60 RMB/m³)
WHAT IS COALBED METHANE

- In 2002, CBM accounted for 9% of total US gas reserves and 8.9% of all U.S. natural gas production, according to the US Geological Survey.

- CBM is simply natural gas found in coal beds buried beneath the earth’s surface. The gas is actually molecularly attached to the coal and is released by a process called desorption.

- It has long been known that coals contain gas; however, it was not until the late 1980s that CBM was developed on a significantly commercial scale.

- Fastest growing sector of US lower 48 states gas production
• China has the largest coal reserves in the world, and may also eventually have the largest reserves of CBM in the world.

• Far East is applying techniques and experience from CBM development in the US to develop CBM in China.

• It is easier to locate gas-bearing coal seams than to locate conventional gas reservoirs and extracting CBM is typically cheaper than producing conventional gas.

• Smaller and less expensive drilling equipment is needed to drill CBM wells which are typically less than 3,000 feet (1000 meters) below the surface as compared to 10,000 to 15,000 feet (3333m to 5020m) for many conventional gas fields. Most of our wells will be completed between 1000 and 3300 feet (300 to 1000 meters)
CHINA UNITED COALBED METHANE CO (CUCBM)

- CUCBM is mandatory counterparty for foreign investment in China CBM

- CUCBM is owned 50/50 by China National Petroleum Corporation (CNPC) and China Coal Construction Group (CCCG), both wholly owned by Central govt.

- CUCBM had signed 20 CBM PSCs at year end 2003

- Total PSC areas > 8 million acres (32,000 sq. km)
  - Far East Energy over 1.3 million acres (5,250 sq. km)

- CBM resources for these areas > 120 Tcf (3.4 tcm) (Gas in Place)
Production Sharing Contracts (PSC’s)

- Term 20 –30 years (FEEC: 30 years Shanxi; 20 years from development election, Yunnan)
- 50% plus (negotiable) available to Contractor in each block, with CUCBM retaining remainder
- Three phases
  - Exploration, development, production
  - Exploration costs borne solely by Contractor, CUCBM share later recovered from cashflow on nominal basis
  - Contractor commits to exploration work program and expenditures over a five year period, in order to earn its interest in a block
- Development costs borne in proportion to ownership, with Contractor preferentially receiving cashflow until 9% rate return on exploration investment is realized
• Contractor is Operator
• CUCBM’s role is to facilitate local approvals and liaison with local and Government bodies
• Joint Management Committee with CUCBM is decision making body
• PSC requires a commitment to training and technology transfer, at the Contractor’s cost
• PSC requires preference to Chinese goods and services where it is competitive
• Ownership of data vests with CUCBM
# CBM BLOCKS (PSCs) IN CHINA (AS OF NOVEMBER 2003)

<table>
<thead>
<tr>
<th>Item</th>
<th>Project Name</th>
<th>Contract Area</th>
<th>Reserve</th>
<th>Time of Signing</th>
<th>Foreign Partner</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>km²</td>
<td>Acres</td>
<td>BCM</td>
<td>TCF</td>
<td>Signing</td>
</tr>
<tr>
<td>1</td>
<td>Huaibei</td>
<td>2663</td>
<td>657,681</td>
<td>60</td>
<td>2.1</td>
<td>Jan-98</td>
</tr>
<tr>
<td>2</td>
<td>Sanliao</td>
<td>448</td>
<td>110,643</td>
<td>63.5</td>
<td>2.2</td>
<td>Jun-98</td>
</tr>
<tr>
<td>3</td>
<td>North Sanliao</td>
<td>1126</td>
<td>278,088</td>
<td>55</td>
<td>1.9</td>
<td>Jun-98</td>
</tr>
<tr>
<td>4</td>
<td>Shilou</td>
<td>3602</td>
<td>889,586</td>
<td>175</td>
<td>6.2</td>
<td>Jun-98</td>
</tr>
<tr>
<td>5</td>
<td>Linxing</td>
<td>3325</td>
<td>821,175</td>
<td>300</td>
<td>1.0</td>
<td>Jun-98</td>
</tr>
<tr>
<td>6</td>
<td>Fengcheng</td>
<td>1541</td>
<td>380,581</td>
<td>37</td>
<td>1.3</td>
<td>Aug-98</td>
</tr>
<tr>
<td>7</td>
<td>Liulin</td>
<td>198</td>
<td>48,900</td>
<td>30</td>
<td>1.0</td>
<td>Nov-99</td>
</tr>
<tr>
<td>8</td>
<td>Zhungeer</td>
<td>2817</td>
<td>695,714</td>
<td>400</td>
<td>1.41</td>
<td>Nov-00</td>
</tr>
<tr>
<td>9</td>
<td>Bagoe</td>
<td>1079</td>
<td>266,480</td>
<td>120</td>
<td>4.2</td>
<td>Nov-00</td>
</tr>
<tr>
<td>10</td>
<td>Shenfu</td>
<td>3001</td>
<td>741,157</td>
<td>600</td>
<td>21.2</td>
<td>Nov-00</td>
</tr>
<tr>
<td>11</td>
<td>Hengshanbao</td>
<td>1807</td>
<td>466,275</td>
<td>230</td>
<td>8.1</td>
<td>Jan-01</td>
</tr>
<tr>
<td>12</td>
<td>Qingshui</td>
<td>2317</td>
<td>572,229</td>
<td>450</td>
<td>15.9</td>
<td>Apr-02</td>
</tr>
<tr>
<td>13</td>
<td>Shaouyang</td>
<td>1963</td>
<td>484,802</td>
<td>230</td>
<td>8.1</td>
<td>Apr-02</td>
</tr>
<tr>
<td>14</td>
<td>Laochang, Enhong</td>
<td>1072</td>
<td>264,751</td>
<td>140</td>
<td>4.9</td>
<td>Dec-02</td>
</tr>
<tr>
<td>15</td>
<td>Qingyuan</td>
<td>3665</td>
<td>905,145</td>
<td>550</td>
<td>19.4</td>
<td>Mar-03</td>
</tr>
<tr>
<td>16</td>
<td>Panxie</td>
<td>584</td>
<td>144,230</td>
<td>20</td>
<td>0.7</td>
<td>Mar-03</td>
</tr>
<tr>
<td>17</td>
<td>South Shizhuang</td>
<td>455</td>
<td>112,371</td>
<td>90</td>
<td>3.2</td>
<td>Mar-03</td>
</tr>
<tr>
<td>18</td>
<td>North Shizhuang</td>
<td>375</td>
<td>92,614</td>
<td>75</td>
<td>2.6</td>
<td>Mar-03</td>
</tr>
<tr>
<td>19</td>
<td>Jincheng</td>
<td>151</td>
<td>37,292</td>
<td>28</td>
<td>0.9</td>
<td>Mar-03</td>
</tr>
<tr>
<td>20</td>
<td>Huangshi</td>
<td>305</td>
<td>75,326</td>
<td></td>
<td></td>
<td>Oct-03</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>32,494</strong></td>
<td><strong>8,025,040</strong></td>
<td><strong>3653.5</strong></td>
<td><strong>125.4</strong></td>
<td></td>
</tr>
</tbody>
</table>
FEEC / YUNNAN CBM SIGNING CEREMONY

Held in the Great Hall of People, Beijing, China
December 3, 2002
INVESTMENT HIGHLIGHTS

• Far East Energy is the third largest CBM acreage holder in China with over 1.3 million acres (5263 km²) and potentially over 9 TCF (255 BCM) of recoverable CBM resources.

• Joint venture with ConocoPhillips and China United in Shanxi Province where FEEC can earn a 40-70% interest in 13 to 19.6 TCF (368 to 555 BCM) of total gas-in-place.

• Joint venture with China United in Yunnan Province where FEEC can earn a 60% interest in a total gas-in-place potential of 5.3 TCF (150 BCM)
Benefits to FEEC vs. Similar Projects in North America

- No land acquisition costs
- Low royalty payments to Chinese
- Reimbursement of costs with interest
- 60% interest
- Government partner (CUCBM)
- Low costs for land use and right-of-way
- Favorable tax treatment
- Right to assign contract
## SIZE OF FEEC’s PROJECTS

### LARGE CBM BASINS IN NORTH AMERICA

<table>
<thead>
<tr>
<th>Basin</th>
<th>Gas Content</th>
<th>Recoverable CBM Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Juan (NM)</td>
<td>300-700</td>
<td>11.6 Tcf</td>
</tr>
<tr>
<td></td>
<td>9.3-21.7</td>
<td>328 Bcm</td>
</tr>
<tr>
<td>Uinta (CO)</td>
<td>300-600</td>
<td>3.2 Tcf</td>
</tr>
<tr>
<td></td>
<td>9.3-18.6</td>
<td>91 Bcm</td>
</tr>
<tr>
<td>Black Warrior (AL)</td>
<td>250-500</td>
<td>4.4 Tcf</td>
</tr>
<tr>
<td></td>
<td>7.7-15.5</td>
<td>125 Bcm</td>
</tr>
</tbody>
</table>

### COMPARED TO FEEC’S CHINA PROJECTS

<table>
<thead>
<tr>
<th>Basin</th>
<th>Gas Content</th>
<th>Recoverable CBM Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanxi</td>
<td>400-1,000</td>
<td>6.55 – 9.8 Tcf * 185-277 Bcm</td>
</tr>
<tr>
<td>Enhong</td>
<td>200-400</td>
<td>1.10 Tcf **</td>
</tr>
<tr>
<td>Laochang</td>
<td>300-500</td>
<td>1.55 Tcf **</td>
</tr>
</tbody>
</table>

* (P10 to P90) estimates by ConocoPhillips

** Estimates from Yunnan Coal Geology Bureau, Yunnan Province Coal Bureau
Yunnan Enhong – Laochang PSC Contract

- **Contract Area:**
  - Enhong: 145,198 acres (587 Km²)
  - Laochang: 119,772 acres (484 Km²)
  - Total: 264,970 acres (1072 Km²)

- **Participating Interest:**
  - During Exploration: FESEC (Contractor) 100%
  - During Development: FESEC 60% to 100%
    CUCBM (has right to participate) 40% to 0%

- **Contract term:** 20 years from date of election to develop

- **Exploration Phase Program/Minimum Work Commitment**
  
<table>
<thead>
<tr>
<th>Phase</th>
<th>Term</th>
<th>Work Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase One</td>
<td>3/31/05</td>
<td>Frac 1 of 3 existing wells; Drill 2 slimhole vertical wells, satisfies the remaining 2 vertical well commitment</td>
</tr>
<tr>
<td>Phase Two</td>
<td>12/31/05</td>
<td>Drill and test at least 1 horizontal well to satisfy 8 vertical well contract</td>
</tr>
</tbody>
</table>
Remaining Signature Fees – US $100,000 – Second Anniversary Date (Jan 1, 2005)

- CUCBM Assistance Fees
  - US$ 45,000 per yr during Exploration Phase
  - US$ 80,000 per yr During Development/Production Phase

- Training Fees to Chinese Personnel:
  - US$ 45,000 per yr During Exploration Phase
  - US$ 80,000 per yr During Development/Production Period

- Rental of Land for Exploration: US$ 8,000/yr for the 1st three yrs

- Salary and Benefits to CUCBM Professionals: US$ 18,000 per month
Shanxi CBM Production Sharing Contracts

Contract Area: 1,057,000 acres (4,280 Km²)

Participating Interests

Exploration: Far East Energy 100%

Development:

<table>
<thead>
<tr>
<th>Far East</th>
<th>If COP takes 30% WI</th>
<th>If COP takes 3.5% ORRI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40%-70% WI</td>
<td>70%-100% costs and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>66.5%-96.5% of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>production</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ConocoPhillips (COP)</th>
<th>30% WI</th>
<th>3.5% ORRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUCBM</td>
<td>30%-0% WI</td>
<td>30%-0% WI</td>
</tr>
</tbody>
</table>

*ConocoPhillips (COP) has the right to elect either a 30% WI or a 3.5% ORRI (out of FEEC interest) at end of Phase II

*China United Coalbed Methane Corp Ltd. (CUCBM) has the right to participate in any development with up to 30% participating interest.
Contract Term: 30 years

<table>
<thead>
<tr>
<th>Phase</th>
<th>Term</th>
<th>Work Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>Extended to 1/31/05</td>
<td>Frac and test 1 of 3 existing wells</td>
</tr>
<tr>
<td>Phase II</td>
<td>12/31/05</td>
<td>Drill 2 horizontal wells in Shouyang block; satisfies previous 3 vertical well commitment</td>
</tr>
<tr>
<td>Phase III</td>
<td>7/1/07</td>
<td>Drill 1 horizontal well in Shouyang, or Qinnan; satisfies previous 12 vertical well commitment</td>
</tr>
</tbody>
</table>
Remaining Signature Fees:
US$ 300,000 payable within 30 days after approval of 1st overall development plan

Training fees
US$ 120,000/yr during Exploration Period
US$ 300,000/yr during Development & Production Period

CUCBM Assistance Fees
US$ 100,000/yr during Exploration Period
US$ 240,000/yr during Development & Production Period

Rental Fees: US$ 56,000/yr for 1st three years

Salary & Benefits to CUCBM Professionals: US$ 180,000/yr
## Recoverable CBM Resources

<table>
<thead>
<tr>
<th>Case</th>
<th>ConocoPhillips 3.5% ORRI</th>
<th>ConocoPhillips 30% WI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanxi</td>
<td>5.3 Tcf (150 Bcm)</td>
<td>3.2 Tcf (91 Bcm)</td>
</tr>
<tr>
<td>Yunnan</td>
<td>1.6 Tcf (45 Bcm)</td>
<td>1.6 Tcf (45 Bcm)</td>
</tr>
<tr>
<td>Total</td>
<td>6.9 Tcf (195 Bcm)</td>
<td>4.8 Tcf (136 Bcm)</td>
</tr>
</tbody>
</table>
Historic Spudding Ceremony for FEEC’s First Well in the Yunnan Province
October 2003
YUNNAN PROJECTS AT A GLANCE

- 3 Large CBM projects
- Partners with CUCBM
- 159,000-265,000 net acres; 643-1073 net Km²
- 5.3 Tcf (150 Bcm) total gas-in-place
- 60% interest for FEEC
- E&P costs reimbursed to FEEC from initial production revenues
ENHONG MINE & LAOCHANG MINE

RESEARCH BASIS AND WORK AMOUNT

- Thirty reports of coalfield geology and exploration in reference; 1,561 coalfield drill holes (1209 at Enhong and 352 at Laochang)
- Eleven reports of scientific researches on various special topics of coal-bed methane in the area
- 539 valid data of gas concentrations of coal-bed methane from drill holes (329 after rejecting the data from gas weathering zone)
- 21 samples for dissolving and absorption analyses from coal-bed cores
- Two layer times injecting/pressure decreasing experiment and tests of ground stress
- 354 samples for various analyses
SHANXI PROJECT AT A GLANCE

- Partners with ConocoPhillips & CUCBM
- Potential to become one of the largest CBM projects in the world with 3,000 horizontal gas wells
- 1,057,638 acres (4280Km²)
- Approximately 20 billion tons of coal reserves
- Potentially 6.5 – 9.8 Tcf (184-277 Bcm) of recoverable CBM resources
- 66.5% to 40% interest potential for FEEC
China Qinshui Basin CBM Opportunity

Database

- Location data for over 850 wells in Qinnan area; 165 wells in Shouyang area.
- Tops and thickness data for 678 wells in Qinnan area; 136 wells in Shouyang area.
  - Shouyang wells clustered in north part of block; Qinnan wells clustered in east part of block.
- Ash content, isotherm data, and gas content measurements for several wells in the region.
- Production data for 3 wells in Shouyang block and 3 wells in Qinnan area.
- Three seismic profiles were available for each block covering areas of no well control.
- Topographic control grid.
- Qinshui Basin boundary and outcrop pattern of coal seams.
Geologic evaluation has identified three prospective areas within the Shouyang and Qinnan Blocks from 900-3000 ft (300 to 1000 meters) in depth:

- **Shouyang North Area**: 204,335 acres total (827 Km²); 82,710 acres (334 Km²) within well control area
- **Qinnan East Area**: 113,904 acres total (461 Km²); 53,431 acres (216 Km²) within well control area
- **Qinnan West Area**: 171,103 acres (692 Km²) total

Three main coal seams have been identified and evaluated:

- Coals 3, 9, and 15 have substantial thickness in both blocks
- Coals are laterally continuous and are of high grade
- Semi-anthracite rank makes the coals capable of holding large volumes of gas
- Coals are well-cleated and have good permeability
- Coals demonstrate high desorption rates

Other, less continuous, coals within the section offer additional potential not captured in this evaluation.
China Qinshui Basin CBM Opportunity
Geological Evaluation Conclusions

- Total Gas-in-Place Distributions from Monte Carlo Modeling
  (Coals 3, 9, and 15 only, 900-3000 ft (300-1000 meter) depths
  - Shouyang North Area
    Well Control Area: P10-1.8 Tcf (51 Bcm); P50-2.2 Tcf (62 Bcm); P90-2.7 Tcf (76 Bcm)
    All Shouyang North Area: P10-3.9 Tcf (110 Bcm); P50-4.8 Tcf (136 Bcm); P90-6.1 Tcf (172 Bcm)
  - Qinnan East Area
    Well Control Area: P10-1.8 Tcf (51 Bcm); P50-2.1 Tcf (59 Bcm); P90-2.5 Tcf (71 Bcm)
    All Qinnan East Area: P10-3.7 Tcf (105 Bcm); P50-4.4 Tcf (125 Bcm); P90-5.2 Tcf (147 Bcm)
  - Qinnan West Area
    All Qinnan West Area: P10-5.5 Tcf (156 Bcm); P50-6.8 Tcf (193 Bcm); P90-8.3 Tcf (235 Bcm)
- Total Gas-in-Place Distribution in Both Qinnan and Shouyang
  (Coals 3, 9, and 15 only, 900-3000 ft (300-1000 meter) depths; Monte Carlo estimate)
  - P10: 13.1 Tcf (371.3 Bcm)  - P50: 15.9 Tcf (451 Bcm)  - P90: 19.6 Tcf (1006 Bcm)
China Qinshui Basin CBM Opportunity

Comparison Qinshui to various CBM basins

<table>
<thead>
<tr>
<th>Region</th>
<th>md</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qinshui</td>
<td>30</td>
</tr>
<tr>
<td>San Juan (Fairway)</td>
<td>20</td>
</tr>
<tr>
<td>Uinta (Drunkards Wash)</td>
<td>10</td>
</tr>
<tr>
<td>Black Warrior</td>
<td>5</td>
</tr>
<tr>
<td>Ordos (Hedong)</td>
<td>10</td>
</tr>
<tr>
<td>Powder River</td>
<td>600+</td>
</tr>
</tbody>
</table>

Far East Energy
China Qinshui Basin CBM Opportunity

Comparison Qinshui to various CBM basins

Range of Gas Contents

<table>
<thead>
<tr>
<th></th>
<th>scf/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qinshui</td>
<td>1000</td>
</tr>
<tr>
<td>San Juan (Fairway)</td>
<td>900</td>
</tr>
<tr>
<td>Uinta (Drunkards Wash)</td>
<td>800</td>
</tr>
<tr>
<td>Black Warrior</td>
<td>700</td>
</tr>
<tr>
<td>Ordos (Hudong)</td>
<td>600</td>
</tr>
<tr>
<td>Powder River</td>
<td>500</td>
</tr>
</tbody>
</table>

Far East Energy
China Qinshui Basin CBM Opportunity

Comparison Qinshui to various CBM basins

Comparison of Isotherms for Different CBM Basins

Conversion: Gas content 1 Scf/ton = 0.031 cm³/gm
PROJECTED DRILLING PROGRAM-YUNNAN

• 2004- Already drilled 3 vertical Phase One Exploration Wells; stimulate one of the vertical wells and drill two slimhole vertical wells by 3/31/05.

• 2005- Drill and test at least one horizontal well for Phase Two by 12/31/05.

• 2006- Using one rig; drill multiple horizontal wells to confirm size of recoverable resources.

• All plans subject to favorable results, availability of funds, and other factors. These plans for 2004 and 2005 represent only the minimum level of required activities.
2004- Frac and test one ConocoPhillips vertical well to satisfy Phase One by 1/31/2005.

2005- Drill two horizontal exploration wells in Shouyang block and test production to satisfy Phase Two by 12/31/2005.

2006- Finish production tests of wells; drill at least one horizontal well in Shouyang or Qinnan to satisfy Phase Three by 7/1/2007.

All Plans subjected to favorable results, and other factors. These plans represent the minimum requirements.
PRICING AND MARKET

• CBM gas receives favorable treatment
• Market price vs Government established price
  • Approx $4.50 to $5.50 mcf (1.30-1.60 RBM/m³) (city gate) vs.
  $2.65 to $3.25 mcf (0.76-0.94 RBM/m³) (in the pipeline)
• Pipeline tariff approx $1.60 mcf (0.464 RMB/m³)/1000km; $1.60 mcf
  (0.464 RMB/m³)/621 mi
• Can potentially get higher prices for LNG, if necessary
• Strong profit potential after deducting lifting cost, tariff and taxes
• Shanxi project is located relatively close to major pipeline
  • Access of Shouyang to Shangjing-II highly probable
  • Qinnan access to West-East Pipeline highly probable
• Yunnan gas could potentially be marketed for LNG, and/or pipeline
  may be constructed once reserves are proved
Proven & Experienced Management Team

Officers

Michael McElwrath/President & CEO
Bruce N. Huff/Chief Financial Officer, Frm Pres/COO Harken Energy
Tun Aye Sai/Sr. Vice President of China Operations
Dr. Alex Yang/Sr. Vice President-Exploration
Garry Ward/Sr. Vice President-Engineering

Board of Advisors
Don Gunther, Frm VChm Bechtel Grp
Professor Wang Wenquian
Dr. Laxmi Chikatamarla
Adam Parkin

Board Members
John Mihm, Chairman, Rtd SR VP ConocoPhillips
M. McElwrath, Frm Asst Sec of Energy
Tom Cavanagh, Frm VP Ocean Energy Frm Sr Geophysicist Exxon
Tim Whyte, Sofaer Capital, Inc.
Don Juckett, Rtd US Dept. of Energy
Randall Keys, Frm CFO Core Labs & Transmeridian Exploration
Tun Aye Sai, Svp of China Operations
Tom Williams, Pres Maurer Technology
- No long-term debt

- Net proceeds from equity of over $17 million in including warrants exercised since Jan 2004

- Revised terms of PSCs with CUCBM provide improvements for all projects.
<table>
<thead>
<tr>
<th>Common Shares Outstanding</th>
<th>77 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Price (1/19/05)</td>
<td>$1.00 per share</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>$77 million</td>
</tr>
</tbody>
</table>
INVESTMENT CONSIDERATIONS

- Proven, experienced management team
- Partners w/ ConocoPhillips and Chinese govt.
- World class CBM projects – outstanding project potential
- China is energy deficient
- CBM will play a major role in China
- FEEC positioned to become major CBM player in China
- Strong resource base/strong demand/government incentives/favorable pricing
Experienced Management Team
Experienced Management Team

Michael R. McElwrath – President and CEO

Michael R. McElwrath, the Company's President and Chief Executive Officer was Vice President of TMP/Hudson Global Resources before joining Far East Energy. TMP is the parent company of Monster.com. He served as Acting Assistant Secretary of Energy in the first Bush Administration, charged with development of the nation's coal, oil, and gas policies and with management of $2.1 Billion in programs including the Clean Coal Program, the National Oil and Gas Research Program, and the Strategic Petroleum Reserve. He was an international Negotiator and Policy Advisor in the Reagan administration. Upon leaving the Bush Administration he had stints as Director of the National Institute for Petroleum and Energy Research and Director of British Petroleum's outsourced exploration and production lab for the Americas. 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, as well as a B.A. from the Plan II Honors Program at the University of Texas.

Bruce Huff – Chief Financial Officer

Prior to joining Far East Energy Corporation, Mr. Huff spent 13 years at Harken Energy Corporation beginning as Senior Vice President and CFO and eventually becoming the President and Chief Operating Officer in 1998. He was responsible for the management of US and International oil & gas exploration and production operations, strategic planning, financial, legal, information technology, administrative and public company reporting areas.

He is a graduate of Abilene Christian University and a Certified Public Accountant with vast experience in implementing and complying with the Sarbanes/Oxley Act, as well as, coordinating audit committee functions, developing and implementing internal and disclosure controls.
Bruce Huff, Con’t

He has been a member of several professional organizations, including Financial Executives Institute, Texas Society of Certified Public Accountants, for which he served on the Quality Review Committee and as Vice Chairman of Continuing Professional Education Council, The American Institute of CPAs and The Independent Producers Association of America.

He is an experienced public speaker, having presented at energy conferences, investor relations meetings and seminars sponsored by accounting organizations. He is also co-author of Guide to Audits of Small Businesses and Guide to Quality Control.

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

Dr. Yang is a well-known geologist, and is recognized as a preeminent CBM expert in China. He received his Ph.D in Geology from Texas A&M University and has 22 years of working experience in China’s energy industry and universities (teaching and research). He was among the pioneers in introducing CBM exploration and production to China, and assisted CUCBM in its early stages of formation. From 1993 to 2001, he worked as Chief Geologist and Senior Consultant for Amoco/Arco/BP CBM projects in the Ordos and Qinshui Basins in North China, and played a leading role in developing their projects and operations. Also, Dr. Yang has established personal/business relationships with numerous key people in the Chinese government and energy industry (CUCBM, PetroChina, Sinopec, China Univ. of Mining & Tech., and China National Administration of Coal Geology), which greatly benefits FEEC’s project execution and business development in China.
Experienced Management Team

Garry Ward - Senior Vice President - Engineering

Ward’s career spans 23 years in the petroleum industry, where his primary focus has been on the evaluation of oil and gas properties throughout the United States. Ward 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.

Ward previously served as reservoir manager for 3TEC Energy and as vice president of engineering and production for Floyd Oil Company. He holds a Master of Science degree in Petroleum Engineering from the University of Houston; is a registered professional engineer in the state of Texas and has been a member of the Society of Petroleum Engineers since 1978.

Tun Aye Sai, Senior VP China Operations

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. Mr. Sai holds a B.Eng. in mining from Rangoon Institute of Technology, Rangoon, Burma and a post graduate diploma in management and administration from Institute of Economics, Rangoon, Burma.
J.C. (John) Mihm is the owner and President of JCM Consulting, PLLC. His Company provides services in the engineering, construction, and project management field. John also serves on the Advisory Board for EPM, LLC, the Board of SPE, the Foundation Board of ASME and the Southern Region Board of Boy Scouts of America. Previously, John was the Senior Vice President of Technology and Project Development for ConocoPhillips. John retired from ConocoPhillips in February 2003. He was named to this position in 2000 when the company combined the downstream and upstream technology and project development positions. Previously, John served as Senior Vice President of Downstream Technology and Project Development in 1999. He assumed the position of Senior Vice President of Corporate Technology in 1994 after serving as Vice President of Research and Development for two years and Vice President of Corporate Engineering for four years.

John began his career with Phillips in 1964 in the Company's Odessa, Texas, office as an engineer. He advanced through numerous managerial positions, including assistant superintendent of production in El Dorado, Arkansas; production manager for the company's eastern exploration and production division in Houston, and manager of engineering for Phillips Norwegian petroleum operations headquartered in Stavanger, Norway. In 1982, he was named energy resources division manager in research and development. From 1985 to June 1986, he was research and services division manager in the exploration and production group. He was named manager of oil and gas production, drilling and gas processing in the Permian Basin region in 1986. He served as manager of corporate engineering from 1987 to 1988.

John is a registered professional engineer, and a member of the America Petroleum Institute, the Society of Petroleum Engineers, the American Institute of Chemical Engineers, the American Chemical Society, the American Society of Mechanical Engineers and both the Oklahoma and the National Society of Professional Engineers. He has been published in both engineering and petroleum journals.
Experienced Management Team

John Mihm, Con’t

John was born in Austin, Texas, July 28, 1942. He grew up in Borger, Texas, and earned a bachelor’s degree from Texas Tech University, Lubbock, in chemical engineering in 1964. He was selected as a Distinguished Engineer of Texas Tech University in 1984 and distinguished graduate of Frank Phillips College in 1987. He was elected into the Oklahoma State University College of Engineering & Architecture Hall of Fame in 1999.

He is married to Janet Mihm, and they have one daughter, Mary Lynn, a practicing attorney, and they also have one granddaughter, Cassie. John and Janet currently reside in Frisco, Texas, and maintain a second home in Bartlesville, Oklahoma.

Thomas Cavanagh – Member Board of Directors

Tom Cavanagh is the founder and CEO of an energy company designed to capture the mid to small fields currently overlooked by larger companies.

Prior to forming the above mentioned company, he served as Vice President – New Ventures for Ocean Energy International where he technically generated and screened New Venture Opportunities in the Middle East and West Africa. In a career that spans 23 years, he served as Senior Exploration Geophysicist for Exxon, Saudi Aramco, and P.T. Stanvac. Drawing on his expertise in mapping, interpretation of 2D & 3D Seismic and geologic education from Northeastern University in Boston, MA and Louisiana State University, Baton Rouge, LA, he has been involved in several significant discoveries locating previously untapped reserves.

He has worked areas in Pakistan, Malaysia, Egypt, the Middle East, Indonesia, Alaska, as well as, Southeast Asia and speaks Indonesian and Arabic.
Experienced Management Team

Tim Whyte – Member Board of Directors

Tim Whyte began his career in finance at Goldman Sachs International and is currently an investment manager with Sofaer Capital Inc. based in London. Mr. Whyte serves as the representative for an investor group in a $10.25 million private placement with Far East Energy closed on December 21, 2004. Mr. Whyte has had a successful career focused in investment management in the energy and natural gas industry after completing his degree in economics from the London School of Economics where he graduated second in his class. He has had wide ranging experience with many types of commodities hedging and trading, portfolio management and investment analysis in the natural gas and chemical industries. Mr. Whyte brings a background of a wide range of corporate finance experience including management positions with a large investment fund in Europe.

Tom Williams – Member Board of Directors

Tom Williams is presently President of Maurer Technology, a drilling technology subsidiary of Noble Corporation. Williams held senior executive 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, a leading upstream oil and gas research company that was acquired by Dresser Industries which later merged with Halliburton. Williams is co-founder and serves on the board of directors of Cementing Solutions, Inc., an oil and gas cementing and technology company based in Houston.

Williams serves on a number of professional oil and gas organizations, associations and boards including the Independent Petroleum Association of America, the Petroleum Technology Transfer Council’s advisory group and national board, the Texas Independent Producers and Royalty Owners Association, the Society of Petroleum Engineers, the American Association of Drilling Engineers and others. He has authored more than 100 energy publications and articles during his 20 years in the industry.
Donald A. Juckett, Ph.D. – Member Board of Directors

Donald Juckett is an industry information consultant recently retired from the U.S. Department of Energy. At the Department he was Director of the Office of Natural Gas and Petroleum Import and Export Activities for Fossil Energy. During his tenure with the Department he served as Director for Natural Gas and Petroleum Technology and Acting Deputy Assistant Secretary for Natural Gas and Petroleum Technology. Prior to joining the Department in 1988 he worked for Phillips Petroleum Corporation in exploration and production technical services and research. More than thirty years of industry and government experience in international and domestic energy trade, regulation and policy analysis in natural gas and oil sectors.

Management experience in both industry and public sector including technical and operational programs as a member of the Federal career Senior Executive Service.

Demonstrated technical credentials, including fifteen years in industry research, development and operations, and a Ph.D. in organic chemistry.

Strong network of contacts in all sectors of the petroleum industry including terminal operators, capacity owners, shippers and liquefaction plant operators.

Extensive knowledge of technical, regulatory and operational aspects of the liquefied natural gas industry.

Experience in evaluating market and technical risk associated with sitting of both on-shore and off-shore liquefied natural gas terminals.

Demonstrated experience in coordination with government officials at the local, state and Federal levels and with corporate executives and staff on strategies for entry into North American markets.

Experienced in complex policy and operational interactions with senior foreign government and state industry representatives. For example, he conceived and organized the US/China Oil and Gas Industry Forum, a government/industry function that has fostered dialog that enhanced China’s petroleum sector opening to outside investment.
Experienced Management Team

Randall D. Keys – Member Board of Directors

Experience Summary and Skills:

1) Broad Financial Management Background, Beginning with Public Accounting and Continuing in Corporate Management as Controller, Director of Internal Audit, Financial Reporting Manager, Treasurer and CFO (Past Seven Years)
2) CFO of Five Public Companies, two NYSE, one NASDAQ, and two OTCBB
3) Strong Ability to Effectively Communicate Business Strategies and Financial Results to Investors, Directors, Investment Analysts and Operating Personnel
4) Extensive Working Knowledge of SEC Registration and Reporting Requirements
5) Effective in Both Small and Large Company Environments. Key Strength is Ability to Provide a Broad Background and Knowledge Base to Smaller Companies and Help them Build Solid Financial Structures and Controls for Growth
6) Significant Merger and Acquisition and Business Integration Experience
7) Capabilities in Project Management, Systems Implementations and Turnarounds
8) Positive Work Style with Ability to Motivate Subordinates and Peers
9) Key Contributor to Executive Management Team and Board Decisions
Experienced Management Team

Employment History:

Independent CFO/Tatum Partners   Consultant / CFO   May 2001 to Present

CFO for Transmeridian Exploration, Inc. (OTCBB), International Oil and Gas

CFO for Flotek Industries, Inc. (OTCBB), Oilfield Service Consolidation

CFO for RigNet, Inc., Oilfield Telecommunications Startup

Core Laboratories N.V. (NYSE)   Chief Financial Officer   Nov 1998 to April 2001


3DX Technologies, Inc. (Nasdaq)   V.P. Finance and CFO   April 1997 to June 1998

Norcen Explorer, Inc. (Sub of TSE)   Treasurer   Feb 1994 to Feb 1997

Santa Fe Energy / Adobe Resources (both NYSE)   Treasurer   Nov 1987 to Feb 1994

Treasury Manager (Santa Fe)

Manager of Financial Reporting (Adobe)

Director of Internal Audit (Adobe)

Midland Southwest Corp. (Nasdaq)   Controller   Sept 1984 to Nov 1987

KPMG Peat Marwick (Midland)   Senior Auditor   June 1980 to May 1984

Texas CPA, Certified in May 1982 / Member, Financial Executives International

BBA in Accounting with Highest Honors in May 1980 from University of Texas at Austin
Don J. Gunther – Member Board of Advisors

Don J. Gunther, retired in December 1998, as vice chairman and a member of the chairman’s leadership council of Bechtel Group, Inc. As vice chairman he had responsibility for all of the global industry units, all corporate functions including engineering, procurement, construction, project management, information services and information technology and contracts.

Gunther joined Bechtel in 1961 as a field engineer in the Refinery & Chemical Division. Seven months later, he was recalled by the U. S. Army Corps of Engineers to serve during the Berlin Crisis. He returned to Bechtel in 1962. Gunther progressed through a series of increasingly responsible field positions in the United States, Canada and in Europe over a 38 year career with the company.

Gunther received a bachelor’s degree in civil engineering, and recently, an honorary doctorate, from the University of Missouri at Rolla. He currently serves on the board of trustees of the university. He is a member of the American Institute of Chemical Engineers and a former member of the executive board for the Engineering and Construction Contracting Division of the AIChE. He is a past member of the Construction Industry Institute Executive Committee, and received their highest honor, the CII Award of Excellence for 1999. During his career Gunther served as a member of the board of governors of the World Economic Forum, the World Energy Council, the boards of directors of the United States Energy Association, the U. S. — Russia Business Council, and the British — North American Committee.

He and his wife, Mosey now reside in their retirement home in Naples, Florida. They enjoy all of the aspects of retirement and spending more time with their 4 children and 11 grandchildren.