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FORM 8-K

FAR EAST ENERGY CORP - FEEC

Filed: March 14, 2011 (period: March 10, 2011)

Report of unscheduled material events or corporate changes.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): March 10, 2011

FAR EAST ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation)

0-32455

(Commission
File Number)

88-0459590

(IRS Employer
Identification No.)

363 N. Sam Houston Parkway East, Suite 380, Houston, Texas

(Address of principal executive offices)

77060

(Zip Code)

Registrant's telephone number, including area code: **(832) 598-0470**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into a Material Definitive Agreement.

As previously disclosed, on March 13, 2009, Far East Energy (Bermuda), Ltd. (“FEEB”), a wholly-owned subsidiary of Far East Energy Corporation (the “Company”), issued an Exchangeable Note, \$10,000,000 initial principal amount (as amended, the “Exchangeable Note”), to Dart Energy (CBM) International Pte Ltd (formerly Arrow Energy International Pte Ltd) (“Dart Energy”). The Exchangeable Note bears interest at a rate of 8% per annum and originally matured on March 13, 2011, unless repaid earlier. On March 10, 2011, Dart Energy and FEEB entered into a letter agreement (the “Extension”) pursuant to which the maturity date of the Exchangeable Note was extended to September 15, 2011.

Dart Energy has the right at any time to exchange the Exchangeable Note in whole or in part for shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), at an exchange rate of 21,052.63 shares per \$10,000 (or \$0.475 per share) of principal and interest (the “Exchange Rate”), subject to certain equitable adjustment mechanisms in the event of a sale of the Company, stock split or similar occurrence. Dart Energy has exercised its right to exchange a total of \$6.8 million in principal amount under the Exchangeable Note for 14,315,789 shares of Common Stock in the aggregate as follows:

<u>Date Shares Issued</u>	<u>Principal Amount Exchanged</u>	<u>Shares of Common Stock Issued</u>	<u>Principal and Interest Remaining After Issuance</u>
February 1, 2011	\$4,000,000	8,421,053	\$7,051,111
February 24, 2011	\$2,800,000	5,894,736	\$4,283,111

Approximately \$4.3 million in principal and accrued interest remain outstanding under the Exchangeable Note.

The shares of Common Stock issued to Dart Energy upon exchange of the Exchangeable Note were exempt from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Rule 506 of Regulation D thereunder (“Rule 506”), which provides an exemption for offers and sales solely to “accredited investors” (as such term is defined in Regulation D under the Securities Act) in compliance with the provisions stated therein.

The description of the terms and conditions of the Exchangeable Note and the Extension set forth herein do not purport to be complete and are qualified in their entirety by the full text of the Exchangeable Note and the Extension filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on March 16, 2009 and as Exhibit 10.1 to this report, respectively, and incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information disclosed in Item 1.01 is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On March 14, 2011, the Company issued a press release regarding the extension of the Exchangeable Note. A copy of the press release is furnished pursuant to Regulation FD as Exhibit 99.1 to this report.

The information contained in Item 7.01 of this report and in Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
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10.1	Letter agreement dated March 10, 2011 between Far East Energy (Bermuda), Ltd. and Dart Energy (CBM) International Pte Ltd
99.1	Press release dated March 14, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 14, 2011

Far East Energy Corporation

By: /s/ Bruce N. Huff
Bruce N. Huff
Chief Financial Officer

Index to Exhibits

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*Houston, Texas USA
Beijing, P.R. China
Kunming, P.R. China
Taiyuan City, P.R. China*

News Release: 2011-04

**FAR EAST ENERGY ANNOUNCES PARTIAL EXCHANGE AND EXTENSION OF
DART ENERGY EXCHANGEABLE NOTE**

Houston, Texas – March 14, 2011 – **Far East Energy Corporation (OTCBB:FEEC)** announced today that Dart Energy (formerly Arrow Energy International) has exchanged US\$6.8 million in aggregate principal amount of its US\$10 million exchangeable note for an aggregate of 14,315,789 shares of FEEC common stock in a series of transactions at an exchange price of US\$0.475 per share, as follows:

<u>Date Shares Issued</u>	<u>Principal Amount Exchanged</u>	<u>Shares of Common Stock Issued</u>
February 1, 2011	\$4,000,000	8,421,053
February 24, 2011	\$2,800,000	5,894,736

Dart Energy has informed the Company that it has sold all of the acquired shares through block trades with institutional investors.

The exchangeable note was issued in March 2009 by Far East Energy (Bermuda) (a wholly owned subsidiary of FEEC) with a scheduled maturity date of March 13, 2011. The parties have agreed to extend the remaining balance of the exchangeable note of US\$3.2 million plus approximately US\$1,083,111 in accrued interest to a new maturity date of September 15, 2011. Interest will continue to accrue on the principal balance at the original 8% annual rate.

Far East Energy Corporation

Based in Houston, Texas, with offices in Beijing, Kunming, and Taiyuan City, China, Far East Energy Corporation is focused on coalbed methane exploration and development in China.

363 N. Sam Houston Parkway E., Suite 380 Houston, TX 77060 Telephone: 832-598-0470 Facsimile: 832-598-0479

Room 806-811, Floor 8, Tower A, Tian Yuan Gang Center C2, North Road, East Third Ring Road, Chaoyang District, Beijing,
100027 P.R. China
Telephone: 011-86-10-8441-7070 Facsimile: 011-86-10-8441-7685



Statements contained in this press release that state the intentions, hopes, beliefs, anticipations, expectations or predictions of the future of Far East Energy Corporation 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: there can be no assurance as to the volume of gas that is ultimately produced or sold from our wells; due to limitations under Chinese law, we may have only limited rights to enforce the gas sales agreement between Shanxi Province Guoxin Energy Development Group Limited and China United Coalbed Methane Corporation, Ltd., to which we are an express beneficiary; pipelines and gathering systems needed to transport our gas may not be constructed, or if constructed may not be timely, or their routes may differ from those anticipated; the pipeline and local distribution/compressed natural gas companies may decline to purchase or take our gas, or we may not be able to enforce our rights under definitive agreements with pipelines; conflicts with coal mining operations or coordination of our exploration and production activities with mining activities could adversely impact or add significant costs to our operations; certain of the proposed transactions with Dart Energy (formerly Arrow Energy) may not close on a timely basis or at all, including due to a failure to satisfy closing conditions or otherwise; the anticipated benefits to us of the transactions with Dart Energy may not be realized; the final amounts received by us from Dart Energy may be different than anticipated; Dart Energy may exercise its right to terminate the Farmout Agreement at any time; the Chinese Ministry of Commerce ("MOC") may not approve the extension of the Qinnan PSC on a timely basis or at all; our Chinese partner companies or the MOC may require certain changes to the terms and conditions of our PSC in conjunction with their approval of any extension of the Qinnan PSC; our lack of operating history; limited and potentially inadequate management of our cash resources; risk and uncertainties associated with exploration, development and production of coalbed methane; expropriation and other risks associated with foreign operations; disruptions in capital markets affecting fundraising; matters affecting the energy 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, as well as other risks described in our 2009 Annual Report and subsequent filings with the Securities and Exchange Commission

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