



C. K. COOPER & COMPANY

Our Insight, Your Growth

## THE STATE OF THE MARKETS

-Status of the Micro/Small Cap Energy Capital Markets

Offering Summary	
Issuer:	Far East Energy Corp
Symbol:	FEEC
Exchange:	OTCBB
Market Cap:	\$68,704,422
Shares Offered:	105,500,000
Offering Price:	\$0.33
Amount Raised:	\$34,815,000

## FAR EAST ENERGY CORP ANNOUNCES A \$34.8 MILLION REGISTERED DIRECT OFFERING OF COMMON STOCK

### Recent Transaction Announcement

HOUSTON, Aug. 20 /PRNewswire-FirstCall/ -- Far East Energy Corporation (OTC Bulletin Board: FEEC) announced today that it has agreed to sell an aggregate of approximately 105.5 million shares of its common stock at a price of \$0.33 per share for aggregate gross proceeds of approximately \$34.8 million in a registered direct offering.

“We intend to use the net proceeds from the offering to continue the drilling, completion and testing of our coalbed methane wells in China and for general corporate purposes,” said Michael R. McElwrath, Chief Executive Officer of Far East.

Economic Environment	
Measurement	Unit
Crude Oil	\$74.77
Natural Gas	\$4.17
12 Mo. Future Oil	\$78.73
12 Mo. Future Gas	\$5.17
Dow Jones	10,271
NASDAQ	2,167

August 20, 2010

Headquartered in Houston, Texas, Far East Energy Corp is a developmental stage exploration and production company focusing on drilling, testing and completion of exploratory coalbed methane wells in China. The Company's primary projects are located in the Shanxi Province in northern China and Yunnan Province in southern China. The Company is included in three production sharing contracts which cover over 1 million acres in Shanxi and 265,000 acres in Yunnan.

The following table outlines Far East Energy Corp's stock characteristics prior to the announcement of this transaction based upon the inferred offering price:

Far East Energy Corp - Offering Price \$0.33					
Measurement	1 Day	10 Day	15 Day	20 Day	30 Day
Avg Price Previous to Transaction	\$ 0.37	\$ 0.36	\$ 0.35	\$ 0.35	\$ 0.35
Avg Daily Volume Previous to Transaction	111,762	628,459	519,699	417,671	417,937
Percentage Discount to the Market **	10.8%	8.2%	6.1%	6.0%	5.2%

\*\*Negative = Premium

Below are the cumulative mean (average) and median discounts to the previous day's closing price of the issuing company in sampled day increments with the aforementioned transaction included:

CKCC Peer Running Avg % Discount to Market*					
Measurement	1 Day	10 Day	15 Day	20 Day	30 Day
Far East Energy Corp's % Discount to Market*	10.8%	8.2%	6.1%	6.0%	5.2%
Peer Transaction Mean % Discount	21.6%	19.1%	17.9%	17.0%	15.5%
Peer Transaction Median % Discount	11.8%	14.2%	11.0%	9.2%	10.0%
Far East Energy Corp's Difference to Mean**	-10.8%	-10.9%	-11.8%	-11.0%	-10.3%
Far East Energy Corp's Difference to Median**	-1.0%	-6.0%	-4.9%	-3.2%	-4.8%

\*Previous Closing Price to Announced Transaction

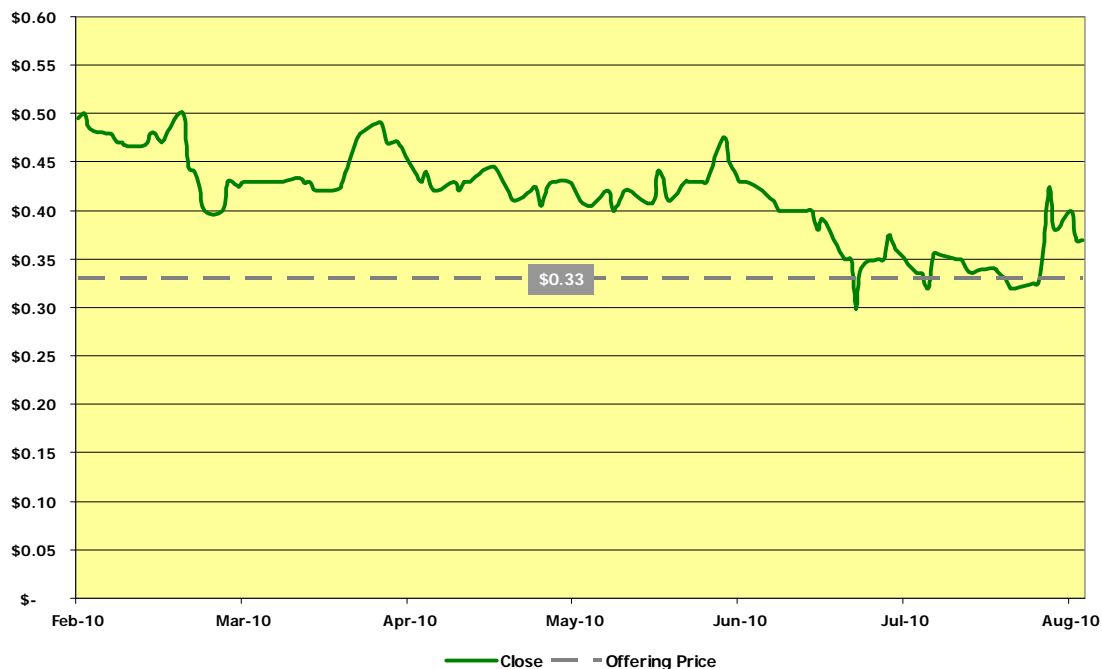
\*\*negative = premium

The table above compares the 10 most recent transactions to the recent offering announced by Far East Energy Corp. The Company's offering priced at a 10.8% discount to the previous day's close prior to announcement and a 5.2% discount to the 30 day average price of the stock. The offering priced 10.8 percentage points better than recent peer transactions which averaged a 21.6% discount to the previous day's close prior to announcement and priced 10.3 percentage points better than the 30 day mean discount which averaged a 15.5% discount.

Far East Energy accessed the equity markets to fund its continued testing of coalbed methane wells and general corporate purposes. Relative to its previous offering conducted earlier this year, Far East's recent offering priced much stronger and was much larger in both a dollar amount and percentage of market capitalization to the company as a whole. This is a positive sign for the equity markets of micro and small capitalization exploration and production companies, which until recently have had anemic equity transactions in both number and amount raised. While we believe this is positive, we anticipate this recent offering by Far East to be an outlier and not representative of the current equity markets given the Company's size, average trading volume, and exchange.

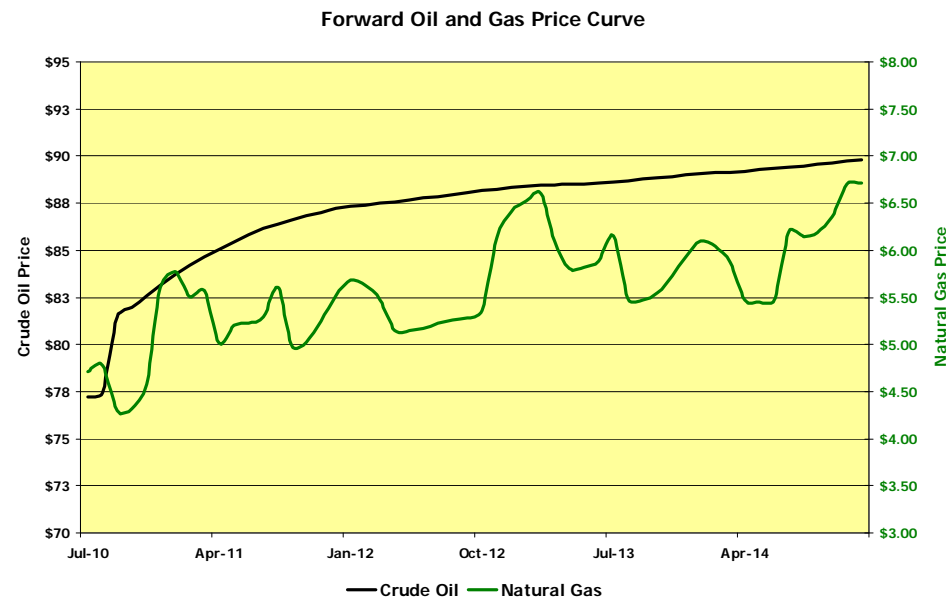
### 6 Month Stock Performance Chart

Stock Price vs. Offering Price



C. K. Cooper's purpose for this analysis is to provide a snapshot of the current capital markets, demonstrating the current possibilities and arena for a similar company. We track every transaction in a specific peer group, defined by the following guidelines: oil and gas focused, micro and small cap companies from \$50 million to \$1.5 billion market capitalization, domestically based, developed and/or developable tangible assets, fundamentally strong and scalable organization, and common transactions structured under agreeable terms. The 10 most current transactions used for comparative purposes are shown below.

For informative purposes, the graph charts the NYMEX oil and gas future price curve at the date of this publication:



Issuer	Symbol	Exchange	Date	\$ Raised	Offering Px	% Discount to Market				
						1 Day	10 Day	15 Day	20 Day	30 Day
<sup>1</sup> Far East Energy Corp**	FEEC	OTCBB	3/9/2010	\$ 5,011,700	\$ 0.26	48.0%	45.4%	46.0%	45.7%	46.6%
Triangle Petroleum Corp*	TPLM	OTCBB	3/11/2010	\$ 9,238,000	\$ 0.33	21.4%	25.1%	25.3%	25.7%	21.3%
<sup>1</sup> Miller Energy Resources*	MILL	OTCBB	4/1/2010	\$ 5,017,002	\$ 1.79	72.9%	65.4%	63.0%	59.6%	53.5%
Brigham Exploration**	BEXP	NASDAQ	4/5/2010	\$ 289,800,000	\$ 18.00	-0.2%	-10.2%	-9.5%	-8.4%	-8.5%
Carizzo Oil & Gas**	CRZO	NASDAQ	4/8/2010	\$ 75,670,000	\$ 23.50	3.4%	0.3%	1.1%	2.0%	3.6%
Northern Oil & Gas**	NOG	NYSE-AMEX	4/14/2010	\$ 86,250,000	\$ 15.00	3.1%	9.5%	4.9%	0.8%	-3.6%
<sup>1</sup> Hyperdynamics Corp**	HDY	NYSE-AMEX	4/20/2010	\$ 10,500,002	\$ 0.93	41.1%	36.1%	33.2%	31.4%	27.3%
NiMin Energy Corp**	NNN-TSE	TSX	4/21/2010	\$ 11,500,000	\$ 1.25	10.7%	6.4%	2.7%	0.6%	-0.2%
Gulfport Energy Corp**	GPOR	NASDAQ	5/13/2010	\$ 20,000,000	\$ 13.50	3.0%	-6.2%	-4.6%	-3.6%	-1.2%
Kodiak Oil & Gas**	KOG	NYSE-AMEX	8/9/2010	\$ 68,750,000	\$ 2.75	13.0%	18.9%	17.2%	16.5%	16.4%
Far East Energy Corp**	FEEC	OTCBB	8/20/2010	\$ 34,815,000	\$ 0.33	10.8%	8.2%	6.1%	6.0%	5.2%
<b>Mean</b>				<b>\$ 58,173,670</b>		<b>21.6%</b>	<b>19.1%</b>	<b>17.9%</b>	<b>17.0%</b>	<b>15.5%</b>
<b>Median</b>				<b>\$ 15,750,000</b>		<b>11.8%</b>	<b>14.2%</b>	<b>11.0%</b>	<b>9.2%</b>	<b>10.0%</b>

\*PIPE

\*\*Public Offering

<sup>1</sup> Inferred Offering Price Based on Warrant Coverage