DUBLIN, IRELAND--(Marketwired - Aug 27, 2015) - Falcon Oil & Gas Ltd. (TSX VENTURE:FO)(AIM:FOG)(ESM:FAC) ("Falcon" or the "Company" or the "Group") is pleased to announce its financial results for the three and six months ended 30 June 2015.

The following should be read in conjunction with the complete Interim Financial Statements and the accompanying Management's Discussion and Analysis for the three and six months period ended 30 June 2015 filed with the TSX Venture Exchange. These filings are available at www.sedar.com and on Falcon's website at www.falconoilandgas.com.

Highlights:

Operational

- Commencement of the Australian nine well exploration and appraisal programme, planned from 2015 to 2018, with the spudding of Kalala S-1 on 14 July 2015.
- Processing of Falcon's exploration license application in South Africa's Karoo Basin continues to progress and the South African Department of Mineral Resources ("DMR") is expected to issue licences in 2015.

Financial highlights

- Strong financial position, debt free with cash of US$10.5 million.
- Continued focus on strict cost management and efficient operation of the portfolio.
- G&A expenses decreased 44% period on period in the six months ended 30 June 2015 to US$1.3 million (2014: US$2.2 million).

Philip O'Quigley, CEO of Falcon Oil & Gas commented:

"It has been an exciting first half of 2015 for the Company with the commencement of our fully funded 2015 three well drilling programme; part of our Australian nine well drilling programme in the Beetaloo basin, with the spudding of our first well, Kalala S-1. Operations are ongoing and we should be in a position to update the market shortly.

Additionally in South Africa, we continue to make steady progress and expect the DMR to issue the Company with an exploration licence before the end of this year.

In this low oil price environment Falcon continues to be differentiated by its strong cash position, strict cost management, a funded drilling programme and high quality assets; thus Falcon is well placed to deliver shareholder value."

Australia - Commencement of initial 2015 three well fully-funded drilling and evaluation programme

On 15 July 2015, the Group announced the spudding of the Kalala S-1 well in the Beetaloo Basin, Australia. Kalala S-1 is the first of Falcon's fully funded and uncapped, 2015 three well drilling and evaluation programme targeting the Middle Velkerri formation to assess hydrocarbon saturation and reservoir quality in the Beetaloo Basin. The 2015 three well programme is the commencement of a nine well exploration and appraisal programme planned from 2015 to 2018.

Kalala S-1 is located within exploration permit 98, with access from the existing Carpentaria Highway, and will be drilled to a total depth of approximately 2,800 meters. Rig 185, an ATS 400, from Saxon Energy Services Australia Pty. Ltd, a Schlumberger company, has commenced drilling which was estimated to take approximately 35 to 50 days. Kalala S-1 will be operated by Origin Resources Limited ("Origin") (35%) with partners Sasol Petroleum Australia Limited ("Sasol") (35%) and Falcon (30%).

Falcon is fully carried for all 2015 drilling and evaluation costs, retaining its 30% interest in 4.6 million gross acres of the Beetaloo Basin with co-venture partners Origin and Sasol.

The principal objectives of the 2015 three well drilling programme are to:

- penetrate the Middle Velkerri formation to assess hydrocarbon saturation and reservoir quality;
- evaluate oil versus gas maturity and determine the most prospective areas and depth window;
- provide further information on the aerial distribution of the target Middle Velkerri formation; and
- collect data points for subsequent vertical/horizontal drilling, completion and production testing.

Formation evaluation and reservoir characterisation will be carried out from these initial three wells through petrophysical interpretation, core analysis, geomechanical studies and stimulation design.

South Africa - processing of the exploration licence by the Petroleum Agency of South Africa ("PASA") continues to progress

The PASA continues to progress the Company's application for a shale gas exploration licence in South Africa's Karoo Basin. The Company expects that the DMR will issue Falcon with a licence to explore for shale gas before the end of 2015.

Background

Falcon was granted a Technical Cooperation Permit in 2009 covering 7.5 million (30,327 km^2) acres in the southern part of the Karoo Basin. The Company has a cooperation agreement (as announced on 12 December 2012) with Chevron Business Development South Africa Limited ("Chevron"), which enables the Group to work with Chevron for a period of five years in jointly obtaining exploration licences.

Hungary - review of operations

Falcon continues to review its operation and future plans in Hungary, evaluating all options available to the Group to deliver shareholder value. The Group maintains its 100% interest in the Máko Trough.

Financial review

Falcon's cash and cash deposits balance as at 30 June 2015 was US$10.5 million (31 March 2015: US$11.5 million).

Falcon incurred a loss of US$1.6 million during the six months ended 30 June 2015, decreasing from a loss of US$2.4 million during the six months ended 30 June 2014. General and Administrative expenses decreased 44% in the six months ended 30 June 2015 to US$1.3 million (2014: US$2.2 million). The decrease reflects a continued focus on strict cost management and efficient operation of the portfolio.

Falcon Oil & Gas Ltd.
Interim Condensed Consolidated Statement of Operations and Comprehensive Loss
(Unaudited)

	Three months ended 30 June 2015 $'000	Three months ended 30 June 2014 $'000	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
Revenue				
Oil and natural gas revenue	1	7	4	17
	1	7	4	17
Expenses				
Exploration and evaluation expenses	(76)	(206)	(452)	(404)
Production and operating expenses	(5)	(8)	(11)	(15)
Depreciation	(9)	(30)	(17)	(73)
General and administrative expenses	(649)	(1,231)	(1,265)	(2,250)
Share based compensation	(39)	(12)	(201)	(207)
Foreign exchange (loss) / gain	(196)	(22)	725	(55)
Other income	-	162	-	299
	(974)	(1,347)	(1,221)	(2,705)
Results from operating activities	(973)	(1,340)	(1,217)	(2,688)
Fair value (loss) / gain - outstanding warrants	(397)	(768)	(269)	223
Finance income	24	69	7	128
Finance expense	(30)	(35)	(134)	(70)
Net finance (expense) / income	(6)	34	(127)	58
Loss and comprehensive loss for the period	(1,376)	(2,074)	(1,613)	(2,407)
Loss and comprehensive loss attributable to:				
Equity holders of the company	(1,375)	(2,069)	(1,610)	(2,398)
Non-controlling interests	(1)	(5)	(3)	(9)
Loss and comprehensive loss for the period	(1,376)	(2,074)	(1,613)	(2,407)
Loss per share attributable to equity holders of the company:				
Basic and diluted	(0.001 cent)	(0.002 cent)	(0.002 cent)	(0.003 cent)

Falcon Oil & Gas Ltd.
Consolidated Statement of Financial Position
(Unaudited)

	At 30 June 2015 $'000	At 31 December 2014 $'000
Assets		
Non-current assets		
Exploration and evaluation assets	39,616	39,619
Property, plant and equipment	86	103
Trade and other receivables	27	104
Restricted cash	2,282	331
	42,011	40,157
Current assets		
Cash and cash on deposit	10,526	14,753
Trade and other receivables	495	443
	11,021	15,196
Total assets	53,032	55,353
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	382,853	382,853
Contributed surplus	42,861	42,660
Retained deficit	(383,959)	(382,349)
	41,755	43,164
Non-controlling interests	710	713
Total equity	42,465	43,877
Liabilities		
Non-current liabilities		
Decommissioning provision	8,655	9,493
	8,655	9,493
Current liabilities		
Accounts payable and accrued expenses	1,129	1,469
Derivative financial liabilities	783	514
	1,912	1,983
Total liabilities	10,567	11,476
Total equity and liabilities	53,032	55,353

Falcon Oil & Gas Ltd.
Interim Condensed Consolidated Statement of Cash flows
(Unaudited)

	Six months ended 30 June	
	2015 $'000	2014 $'000
Cash flows from operating activities		
Net loss for the period	(1,613)	(2,407)
Adjustments for:		
Share based compensation	201	207
Depreciation	17	73
Fair value loss / (gain) - outstanding warrants	269	(223)
Net finance expense / (income)	127	(58)
Effect of exchange rates on operating activities	(725)	55
Change in non-cash working capital:		
Trade and other receivables	26	(279)
Accounts payable and accrued expenses	90	113
Restructuring spend	(368)	-

Interest received	7	26
Net cash used in operating activities	(1,969)	(2,493)
Cash flows from investing activities		
Increase in restricted cash	(1,991)	-
Exploration and evaluation assets	-	(538)
Property, plant and equipment	-	(6)
Net cash used in investing activities	(1,991)	(544)
Change in cash and cash equivalents	(3,960)	(3,037)
Effect of exchange rates on cash & cash equivalents	(267)	119
Cash and cash equivalents at beginning of period	8,753	8,431
Cash and cash equivalents at end of period	4,526	5,513

This announcement has been reviewed by Dr. Gábor Bada, Falcon Oil & Gas Ltd's Head of Technical Operations. Dr. Bada obtained his geology degree at the Eötvös L. University in Budapest, Hungary and his PhD at the Vrije Aniversiteit Amsterdam, the Netherlands. He is a member of AAPG and EAGE.

All dollar amounts in this document are in United States dollars "$", except as otherwise indicated.

About Falcon Oil & Gas Ltd.

Falcon Oil & Gas Ltd is an international oil & gas company engaged in the acquisition, exploration and development of conventional and unconventional oil and gas assets, with the current portfolio focused in Australia, South Africa and Hungary. Falcon Oil & Gas Ltd is incorporated in British Columbia, Canada and headquartered in Dublin, Ireland with a technical team based in Budapest, Hungary.

For further information on Falcon Oil & Gas Ltd. please visit www.falconoilandgas.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this press release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Such information may include, but is not limited to, comments made with respect to the type, number and objectives of the wells to be drilled in the Beetaloo basin, Australia, the prospectivity of the Middle Velkerri shale play and the prospect of the exploration programme being brought to commerciality and comments made with respect to the granting of an exploration right in South Africa. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

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