

DUBLIN, IRELAND--(Marketwired - Sept. 1, 2015) - Falcon (TSX VENTURE:FO)(AIM:FOG)(ESM:FAC) is pleased to announce that drilling operations have successfully concluded on the Kalala S-1 well. Results encountered are very encouraging, with the well drilled to a total depth ("TD") of 2,619 meters.

Preliminary evaluation of the Kalala S-1 vertical exploration well confirms:

- the presence of a thick Middle Velkerri source rock sequence in the Beetaloo Basin permit EP98, falling in a highly prospective gas mature depth window;
- a gross interval of over 500 meters shale gas with net pay exceeding 150 meters;
- the presence of moveable hydrocarbons in the form of elevated gas shows;
- a number of prominent good quality sandy/silty reservoir sections measuring between 50 and 80 meters in thickness, each representing potential candidates for horizontal drilling;
- excellent potential for gas mature, gas saturated and quartz rich source rocks that represent excellent exploration targets with material volumetric upside.

In addition to undertaking real time geochemical analysis of cuttings while drilling, we acquired extensive sidewall core and wireline data. The integration of these data will enable us to characterise the main physical properties of the penetrated rocks including rock type, total organic carbon (TOC), frackability (mineralogy, rock mechanics), petrophysics (porosity and permeability) and gas saturation.

As planned, the well will be cased to TD and suspended while this further technical evaluation is undertaken.

Rig 185 will now be mobilised to the second well location, the Amungee NW-1 well, and drilling there is expected to start next week.

Philip O'Quigley, CEO of Falcon commented:

"Preliminary evaluation of the Kalala S-1 well results represents an excellent start to Falcon's carried drilling and testing programme, providing new insights into the prospectivity of the primary target, the Middle Velkerri Formation. This well represents the first step in un-locking the resource potential of our Beetaloo acreage. It will provide key input to the planning of multi-stage fracking and production testing in the scheduled vertical and horizontal exploration and appraisal wells."

Background

On 2 May 2014, Falcon announced it had entered into a Farm-Out Agreement and Joint Operating Agreement with Origin and Sasol (collectively referred to herein as the "Farminees") with each farming into 35% of the Falcon's exploration permits in the Beetaloo Basin, Australia through its 98% subsidiary, Falcon Oil & Gas Australia Ltd. ("Falcon Australia").

- Farminees will pay for the full cost of completing the first five wells estimated at A\$64 million, and will fund any cost overruns, with work expected to be completed between 2015 and 2016.
- Farminees to pay the full cost of the following two horizontally fracture stimulated wells, 90 day production tests and micro seismic data collection with a capped expenditure of A\$53 million, any cost overrun funded by each party in proportion to their working interest. This work programme is expected to be undertaken in 2017.
- Farminees to pay the full cost of the final two horizontally fracture stimulated wells and 90 day production tests capped at A\$48 million, any cost overrun funded by each party in proportion to their working interest. This work programme is expected to be undertaken in 2018.
- Farminees may reduce or surrender their interests back to Falcon Australia only after:
 - The drilling of the first five wells or
 - The drilling and testing of the next two horizontally fracture stimulated wells.

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.

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

About Origin Energy

Origin Energy (ASX:ORG) is the leading Australian integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. A member of the S&P/ASX 20 Index, the Company has approximately 6,900 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.3 million electricity, natural gas and LPG customer accounts and has one of the country's largest and most flexible generation portfolios with approximately 6,010 MW of capacity, through either owned generation or contracted rights. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth across the energy industry. Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, a leading integrated energy company, operating geothermal, thermal and hydro generation facilities totalling 2,359 MW and servicing approximately 562,000 electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies. For more information go to www.originenergy.com.au

About Sasol

Sasol is an international integrated energy and chemicals company that leverages the talent and expertise of our more than 32 400 people working in 37 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of high-value product streams, including liquid fuels, chemicals and low-carbon electricity.

Sasol, through its subsidiary, Sasol Exploration and Production International (E&PI) develops and manages the group's upstream interests in oil and gas exploration and production in Mozambique, South Africa, Australia, Canada and Gabon. It produces natural gas and condensate from Mozambique's Pande and Temane fields, shale gas from our share in the Farrell Creek and Cypress A assets in Canada, and oil in Gabon through our share in the offshore Etame Marin Permit (EMP). E&PI sells Mozambican gas under long-term contracts to Sasol Gas and external customers, condensate on short term contracts, while selling Canadian gas into the market at spot prices. Oil is sold to customers under annual contracts. For more information go to www.sasol.com

Glossary of terms

CSG Coal seam gas

LNG Liquefied natural gas

LPG Liquefied petroleum gas

A\$ Australian dollars

MW Megawatt

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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, expected contributions of the partners, the prospectivity of the Middle Velkerri shale play and the prospect of the exploration programme being brought to commerciality. Actual results might differ materially from results suggested in any forward-looking statements. Falcon 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 Falcon. Additional information identifying risks and uncertainties is contained in Falcon's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

Contact

Falcon Oil & Gas Ltd.
+353 1 417 1900

Falcon Oil & Gas Ltd.
Philip O'Quigley
CEO
+353 87 814 7042

Falcon Oil & Gas Ltd.
Michael Gallagher
CFO
+353 1 417 0814

Falcon Oil & Gas Ltd.
John Craven
Non-Executive Chairman
+353 1 417 1900

Davy (NOMAD & Joint Broker)
John Frain / Anthony Farrell
+353 1 679 6363

GMP Securities Europe LLP (Joint Broker)
Rob Collins / Emily Morris
+44 20 7647 2800

CAMARCO
Billy Clegg
+44 20 3757 4983

CAMARCO
Georgia Mann
+44 20 3757 4980