DUBLIN, IRELAND--(Marketwired - Nov. 25, 2015) - Falcon Oil & Gas Ltd. (TSX VENTURE:FO)(AIM:FOG)(ESM:FAC) is pleased to announce its financial results for the three and nine months ended 30 September 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 nine months period ended 30 September 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 drilling of Kalala S-1, Amungee NW-1 and Amungee NW-1H with our partners Origin Resources Limited ("Origin") (35%) and Sasol Petroleum Australia Limited ("Sasol") (35%).
- Acceleration of Australian drilling programme with first horizontal well (Amungee NW-1H) brought forward to 2015.
- Encouraging preliminary results from the drilling of the first three Australian wells indicating favourable shale properties with excellent gas shows indicating the likelihood of high levels of gas saturations.
- 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 2016.

Financial

- Strong financial position, debt free with cash of US$9.8 million.
- Continued focus on strict cost management and efficient operation of the portfolio.
- G&A expenses decreased 41% period on period in the nine months ended 30 September 2015 to US$1.8 million (2014: US$3.1 million).

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

"During the period we have announced some very encouraging results from the drilling of our first three wells in the Beetaloo basin. Excellent gas shows have been encountered which demonstrate a high level of gas saturation and is a strong indication of the potential prospectively of our Beetaloo acreage.

Falcon is uniquely placed in this challenging oil price environment with its strong cash position, fully funded drilling programme and high quality assets. The technical evaluation of the results to date remains ongoing and we look forward to announcing these results and our 2016 drilling and exploration programme in due course."

Australia - Encouraging preliminary results from the drilling of the first three exploration wells

On 15 July 2015, Falcon 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 in the Beetaloo Basin.

On 1 September 2015 it was announced that drilling operations had successfully concluded on the Kalala S-1 well. Results encountered were very encouraging, with the well drilled to a total depth ("TD") of 2,619 metres.

On 8 September 2015 the spudding of the second well, Amungee NW-1 well in the Beetaloo Basin, Australia was announced. The well is located approximately 25 kilometres east of the Kalala S-1 well. On 22 October 2015, it was announced that drilling operations successfully concluded on the Amungee NW-1 well. Results encountered were also very encouraging, with the well drilled to a TD of 2,611 metres.

Following the encouraging results of the first two wells, it was decided to bring forward the drilling of the first horizontal well in the Beetaloo Basin, originally planned for the end of 2016. On 18 November 2015, Falcon announced that that drilling operations had successfully concluded on the Amungee NW-1H horizontal well. The well was drilled to a total measured depth of 3,808 metres, including 1,100 metres horizontal section in the "B Shale" interval of the Middle Velkerri Formation, 100 metres more than originally planned. Results obtained to date are very encouraging.

The joint ventures' attention will now focus on an in-depth shale evaluation program and petrophysical analysis of all the technical data gathered on the three wells drilled to date. Rig 185, which was used in drilling Kalala S-1, Amungee NW-1 and Amungee NW-1H will be "warm stacked" on location in the Beetaloo basin allowing for an early commencement of the 2016 drilling program. The cost of stacking Rig 185 will be borne by Origin and Sasol with no financial impact on Falcon.

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 in 2016.

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 September 2015 was US$9.8 million (31 June 2015: US$10.5 million).

Falcon incurred a loss of US$2.0 million during the nine months ended 30 September 2015, decreasing from a loss of US$3.97 million during the nine months ended 30 September 2014. General and Administrative expenses decreased 41% in the nine months ended 30 September 2015 to US$1.8 million (2014: US$3.1 million). The decrease reflects a continued focus on strict cost management and efficient operation of the portfolio.

Annual General & Special Meeting

As previously announced, Falcon's Annual General and Special Shareholder Meeting will be held at The Conrad Hotel, Earlsfort Terrace, Dublin 2, Ireland on 9 December 2015 at 11:00 a.m. (Dublin time).

A complete notice and related documents have been sent to the shareholders of record as at 30 October 2015. These documents have been filed on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and Falcon's website at www.falconoilandgas.com.

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

	Three months ended 30 September 2015 $'000	Three months ended 30 September 2014 $'000	Nine months ended 30 September 2015 $'000	Nine months ended 30 September 2 $'000
Revenue				
Oil and natural gas revenue	2	5	6	22
	2	5	6	22
Expenses				
Exploration and evaluation expenses	(141	) (191	) (593	) (595
Production and operating expenses	(4	) (7	) (15	) (22
Depreciation	(8	) (29	) (26	) (102
General and administrative expenses	(565	) (868	) (1,830	) (3,118
Share based compensation	(28	) (65	) (228	) (272
Foreign exchange gain / (loss)	30	(127	) 755	(182
Other income	1	73	1	372
	(715	) (1,214	) (1,936	) (3,919
Results from operating activities	(713	) (1,209	) (1,930	) (3,897

Fair value gain - outstanding warrants	291	283	22	506
Finance income	68	10	75	36
Finance expense	(38	) (651	) (172	) (619
Net finance income / (expense)	30	(641	) (97	) (583
Loss and comprehensive loss for the period	(392	) (1,567	) (2,005	) (3,974
Loss and comprehensive loss attributable to:				
Equity holders of the company	(390	) (1,556	) (2,000	) (3,954
Non-controlling interests	(2	) (11	) (5	) (20
Loss and comprehensive loss for the period	(392	) (1,567	) (2,005	) (3,974
Loss per share attributable to equity holders of the company:				
Basic and diluted	(0.000 cent	) (0.002 cent	) (0.002 cent	) (0.004 cent

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

	At 30 September 2015 $'000	At 31 December 2014 $'000
Assets		
Non-current assets		
Exploration and evaluation assets	39,616	39,619
Property, plant and equipment	77	103
Trade and other receivables	25	104
Restricted cash	2,301	331
	42,019	40,157
Current assets		
Cash and cash on deposit	9,842	14,753
Trade and other receivables	340	443
	10,182	15,196
Total assets	52,201	55,353
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	382,853	382,853
Contributed surplus	42,888	42,660
Retained deficit	(384,349)	(382,349)
	41,392	43,164
Non-controlling interests	708	713
Total equity	42,100	43,877
Liabilities		
Non-current liabilities		
Decommissioning provision	8,692	9,493

	8,692	9,493
Current liabilities		
Accounts payable and accrued expenses	917	1,469
Derivative financial liabilities	492	514
	1,409	1,983
Total liabilities	10,101	11,476
Total equity and liabilities	52,201	55,353

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

	Nine months ended 30 September	
	2015 $'000	2014 $'000
Cash flows from operating activities		
Net loss for the period	(2,005)	(3,974)
Adjustments for:		
Share based compensation	228	272
Depreciation	26	102
Fair value gain - outstanding warrants	(22)	(506)
Net finance expense	97	583
Effect of exchange rates on operating activities	(755)	182
Change in non-cash working capital:		
Trade and other receivables	182	6
Accounts payable and accrued expenses	68	(764)
Restructuring spend	(439)	-
Interest received	75	36
Net cash used in operating activities	(2,545)	(4,063)
Cash flows from investing activities		
Increase in cash deposits - other receivables	-	(6,000)
Increase / (decrease) in restricted cash	(1,991)	219
Exploration and evaluation assets	(110)	(6,577)
Proceeds from farm-out transaction - Origin and Sasol	-	20,471
Property, plant and equipment	-	(10)
Net cash (used in) / generated by investing activities	(2,101)	8,103
Change in cash and cash equivalents	(4,646)	4,040
Effect of exchange rates on cash & cash equivalents	(265)	(88)
Cash and cash equivalents at beginning of period	8,753	8,431
Cash and cash equivalents at end of period	3,842	12,383

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

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 awarding of an exploration license in South Africa, deriving shareholder value from the Group's Hungarian operations, 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.

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