

DUBLIN, IRELAND--(Marketwired - Aug. 26, 2016) - Falcon Oil & Gas Ltd. ("Falcon" or the "Company" or the "Group") (TSX VENTURE:FO)(AIM:FOG)(ESM:FAC) announces that it has filed its Interim Financial Statements for the three and six months ended 30 June 2016 and the accompanying Management's Discussion and Analysis ("MD&A").

The following should be read in conjunction with the complete unaudited unreviewed Interim Financial Statements and the accompanying MD&A for the three and six months ended 30 June 2016, which are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com) and on Falcon's website at [www.falconoilandgas.com](http://www.falconoilandgas.com).

### 2016 Operational Highlights

#### Australia

- The 2016 Australian Beetaloo Basin exploration programme is progressing as planned.

#### South Africa

- Processing of Falcon's exploration license application in South Africa's Karoo Basin continues and the South African Department of Mineral Resources is expected to issue licences in 2016.

### 2016 Financial Highlights

- Strong financial position, debt free with cash of US\$11.1 million at 30 June 2016 (31 December 2015: US\$12.7 million).
- Continued focus on strict cost management and efficient operation of the portfolio.
- General & administrative expenses decreased 10% period on period to US\$1.1 million (2015: US\$1.3 million).

#### Falcon Oil & Gas Ltd.

#### Interim Condensed Consolidated Statement of Operations and Comprehensive Loss

(Unaudited)

	Three months ended 30 June 2016 \$'000	Three months ended 30 June 2015 \$'000	Six months ended 30 June 2016 \$'000	Six months ended 30 June 2015 \$'000
Revenue				
Oil and natural gas revenue	1	1	1	4
	1	1	1	4
Expenses				
Exploration and evaluation expenses	(98	) (76	) (188	) (452
Production and operating expenses	(4	) (5	) (7	) (11
Depreciation	(4	) (9	) (11	) (17
General and administrative expenses	(603	) (649	) (1,144	) (1,265
Share based compensation	(211	) (39	) (1,031	) (201
Foreign exchange (loss) / gain	(38	) (196	) 18	725
	(958	) (974	) (2,363	) (1,221
Results from operating activities	(957	) (973	) (2,362	) (1,217
Fair value (loss) / gain - outstanding warrant	(74	) (397	) 62	(269
Finance income	12	24	27	7
Finance expense	(34	) (30	) (62	) (134
Net finance expense	(22	) (6	) (35	) (127
Loss and comprehensive loss for the period	(1,053	) (1,376	) (2,335	) (1,613
Loss and comprehensive loss attributable to:				
Equity holders of the company	(1,052	) (1,375	) (2,332	) (1,610

Non-controlling interests	(1	) (1	) (3	) (3
Loss and comprehensive loss for the period	(1,053	) (1,376	) (2,335	) (1,613
Loss per share attributable to equity holders of the company:				
Basic and diluted	(0.001 cent	) (0.001 cent	) (0.003 cent	) (0.002 cent

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

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
<b>Assets</b>		
<b>Non-current assets</b>		
Exploration and evaluation assets	39,618	39,618
Property, plant and equipment	11	64
Trade and other receivables	26	22
Restricted cash	2,277	2,239
	41,932	41,943
<b>Current assets</b>		
Cash and cash on deposit	11,101	12,683
Trade and other receivables	241	268
	11,342	12,951
<b>Total assets</b>	<b>53,274</b>	<b>54,894</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	382,853	382,853
Contributed surplus	43,947	42,916
Retained deficit	(384,874	) (382,542
	41,926	43,227
Non-controlling interests	703	706
<b>Total equity</b>	<b>42,629</b>	<b>43,933</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Decommissioning provision	9,629	9,565
	9,629	9,565
<b>Current liabilities</b>		
Accounts payable and accrued expenses	643	961
Derivative financial liabilities	373	435
	1,016	1,396
<b>Total liabilities</b>	<b>10,645</b>	<b>10,961</b>
<b>Total equity and liabilities</b>	<b>53,274</b>	<b>54,894</b>

Interim Condensed Consolidated Statement of Cash flows  
(Unaudited)

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Cash flows from operating activities		
Net loss for the period	(2,335	) (1,613
Adjustments for:		
Share based compensation	1,031	201
Depreciation	11	17
Fair value (gain) / loss - outstanding warrant	(62	) 269
Net finance expense	35	127
Effect of exchange rates on operating activities	(16	) (725
Change in non-cash working capital:		
Trade and other receivables	23	26
Accounts payable and accrued expenses	(186	) 90
Restructuring spend	-	(368
Interest received	25	7
Net cash used in operating activities	(1,474	) (1,969
Cash flows from investing activities		
Increase in cash deposits - other receivables	(4,701	) -
Increase in restricted cash	-	(1,991
Property plant and equipment	(4	) -
Exploration and evaluation assets	(110	) -
Net cash used in investing activities	(4,815	) (1,991
Change in cash and cash equivalents	(6,289	) (3,960
Effect of exchange rates on cash & cash equivalents	6	(267
Cash and cash equivalents at beginning of period	10,683	8,753
Cash and cash equivalents at end of period	4,400	4,526

Cash and cash on deposit

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with initial maturities of three months or less at inception and bank overdrafts where a legal right of offset exists. Cash on deposit represents cash on deposit with a maturity in excess of three months.

	30 June 31 December	
	2016	2015
	\$'000	\$'000
Cash and cash equivalents	4,400	10,683
Cash on deposit	6,701	2,000
	11,101	12,683

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](http://www.falconoilandgas.com).

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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, schedule, stimulating, testing and objectives of the wells to be drilled in the Beetaloo basin Australia, expected contributions of the partners, the prospectivity of the Middle Velkerri & Kyalla shale plays, the prospect of the exploration programme being brought to commerciality and the awarding of an exploration license in South Africa. 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](http://www.sedar.com).*

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