

DUBLIN, IRELAND--(Marketwired - Feb. 15, 2017) - Falcon Oil & Gas Ltd. (TSX VENTURE:FO)(AIM:FOG)(ESM:FAC) is pleased to announce that Origin Energy Resources Limited ("Origin"), Falcon's 35% joint venture partner, has submitted the Results of Evaluation of the Discovery and Preliminary Estimate of Petroleum in Place for the Amungee NW-1H Velkerri B Shale Gas Pool ("Report") to the Northern Territory Government.

The submission follows the completion of extended production testing at the Amungee NW-1H exploration well of the "B Shale" member of the Middle Velkerri Formation.

In addition, Origin undertook a resource study based on the Amungee NW-1H well results and other key wells in the Beetaloo Basin including regional seismic data to determine a 2C contingent gas resource estimate for the Middle Velkerri B Shale Pool within EP76, EP98 and EP117.

Key Details of the Discovery Evaluation Report

The Report was submitted in compliance with Section 64 of the Northern Territory Petroleum Act (2016) and as per the *Reporting a Petroleum Discovery Guideline*. The Report follows the initial submission of the notification of discovery and an initial report on discovery in October 2016. The Report provides the following volumetric estimates and recovery / utilisation factor for the B Shale member of the Middle Velkerri Formation within permits EP76, EP98, and EP117.

Middle Velkerri B Shale Volumetric Estimates ¹

	Gross Best Estimate	Net Attributable ² Best Estimate
Area km ² ³	16,145	4,751
OGIP (TCF)	496	146
Combined Recovery / Utilisation Factor ⁴	16%	16%
Technically Recoverable Resource (TCF)	85	25
OGIP Concentration (BCF/km ²)	31	31

¹ The Report and estimates included in the table above were not prepared in accordance with COGEH

² Falcon's working interest is 29.43%, net attributable numbers do not incorporate royalties over the permits

³ Area defined by a depth range at a maturity cut-off consistent with the dry gas window within the Beetaloo JV Permits (EP79, EP98, EP117)

⁴ The combined recovery/utilization factor range was applied stochastically to the OGIP range to calculate the range of technically recoverable resource within the Beetaloo JV permits.

Understanding the factors controlling deliverability and recovery as well as spatial variation within the gas play/shale pool are in their infancy. A quantitative assessment of the aggregated estimated recoverable resource of the gas play that can handle these complexities will require a statistically significant number of wells testing the gas play. As there is only a single production test within the gas play Origin decided upon a qualitative assessment approach instead to estimate the technically recoverable resource.

Factors considered in the qualitative assessment of technically recoverable hydrocarbon resource in the gas play were the SRV recovery factor range, the subsurface utilization factor range and surface utilization factor range.

Origin's Contingent Gas Resource Estimates for the Middle Velkerri B Shale Pool within EP76, EP98 and EP117

Origin has prepared a contingent gas resource estimate using probabilistic methods and reservoir evaluation data, in addition to regional seismic data.

Assessment of 2C Contingent Gas Resource Estimates for the Middle Velkerri B Shale Pool within EP76, EP98 and EP117 as of 15 February, 2017¹

Measured and Estimated Parameters	Units	Best Estimate
Area ²	km ²	1,968
Original Gas In Place (OGIP) ³	TCF	61.0
Gross Contingent Resource ⁴	TCF	6.6
Net Contingent Resource ^{4,5}	TCF	1.94

¹ Contingent resource estimates have been prepared on a statistical aggregation basis and in accordance with the Society of Petroleum Engineers Petroleum Management System (SPE-PRMS). Contingent resource estimates are those quantities of gas (produced gas minus carbon dioxide and inert gasses) that are potentially recoverable from known accumulations but which are not yet considered commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original gas in place, and confirmation of prices and development costs. If the estimates were to be prepared in accordance with COGEH, Falcon is highly confident that there would be no change to the contingent resource estimates above.

² P50 area from the contingent resource area distribution

³ OGIP presented is the product of the P50 Area by the P50 OGIP per km²

⁴ Estimated contingent gas resource category of 2C. There is no certainty that it will be commercially viable to produce any portion of the resources

⁵ Net to Falcon's 29.43% working interest in EP76, EP98, and EP117, net contingent resource number does not incorporate royalties over the permits

As noted in Origin's press release the "The contingent resource estimates contained in [their] report are based on, and fairly represents, information and supporting documentation that have been prepared by Alexander Côté who is a full-time Origin employee and a Qualified Reserves and Resource Evaluator. Mr Côté is a registered professional engineer with specialised unconventional gas resource characterisation and development experience. Mr Côté has consented to the form and context in which these statements appear". Mr Côté is a member of the Association of Professional Engineers and Geoscientists of Alberta.

Suspension of Drilling Operations

On 14 September 2016, the Northern Territory Government introduced a moratorium on hydraulic fracturing, and subsequently established an independent scientific inquiry. Pending the outcome of this independent inquiry, Origin has requested a suspension of all drilling operations with the DPIR. We await their formal response to the request.

Philip O'Quigley, CEO of Falcon, commented:

"The submission of a discovery evaluation report supporting the existence of a material gas resource in the Beetaloo Basin coupled with Origin's best estimate assessment of a gross contingent gas resource of 6.6 TCF for the Middle Velkerri B shale pool surrounding and adjacent to the Amungee NW-1H exploration well are exciting developments for Falcon.

Additional exploration and appraisal activity will be required to refine the pool size and better assess the recoverable resource range and ultimately the commerciality of the play.

However, it is interesting to note that in Origin's opinion the Marcellus and Barnett Shales in the USA are analogous, commercially-productive fields that are similar to the Middle Velkerri B Shale reservoir."

Origin's ASX/Media Release

Please refer to Appendix A for a copy of Origin's ASX/Media Release "Beetaloo Basin drill results indicate material gas resource".

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014 of the European Parliament and of the Council.

Further information relating to disclosure of resources

Well Name	Amungee NW-1H
Permit / location	EP98 (onshore Beetaloo Basin Northern Territory, Australia)
Working interest in well	Falcon 29.43%
Product type	Shale gas
Risks and level of uncertainty with recovery of resources	Risks and uncertainties include the lifting of the Northern Territory longer duration production testing above the 57 days conduct activity, establishing gas sales agreements and building infrastructure Contingent on the moratorium being lifted, additional appraisal drill permits), along with hydraulic fracture stimulation and testing to as commercialisation.

Significant positive and negative factors relevant to the estimate of the contingency value of the Amungee NW-1H which produced enough gas to surface to be of commercial value. Significant positive factors relevant to the estimate of the contingency value of the Amungee NW-1H which produced enough gas to surface to be of commercial value include the presence of the Middle Velkerri play, the presence of moveable hydrocarbons; and the Marcellus Shale (Pa., USA) and other commercially-productive fields that are similar to the Velkerri B Shale.

Commerciality

Significant negative factors include the lifting of the Northern Territory moratorium on the drilling of a large number of wells on the Company's acreage, lack of a developed shale gas market, high shale gas drilling capital and operating costs, developing hydrocarbon regulations and the need to obtain regulatory approvals, and the social acceptability for oil and gas operations.

Currently this project is based on a conceptual study. The economic viability of the project and the resources will continue to be assessed as additional appraisal wells are drilled and the commercial potential of the play. After a sufficient number of wells are drilled and proven to be technically feasible and a development plan has been generated, commercial production is expected.

Amungee NW-1H Well Test Results

Well name	Amungee NW-1H
Permit	EP98 (onshore Beetaloo Basin NT)
Working interest in well	Falcon 29.43%
Geological rock type of formation drilled	Organic rich shale (mudstone and siltstone)
Depth of zones tested	~2170-2190 metres below sea level
Type of test	Production test following hydraulic fracture stimulation
Hydrocarbon phases recovered	Gas (Approximate composition: methane ~92%, ethane+ ~3%, carbon dioxide and inerts ~3%)
Flow rates and volumes	Average rate (57 days): 1.1 MMscf/d Final production rate: 1.07 MMscf/d Cumulative production: 63 MMscf
Number of fracture stimulation stages	11 stages (average size ~ 100T/stage)

Advisory regarding forward-looking statements

Certain information in this press release may constitute forward-looking information. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking information. Forward-looking information typically contains statements with words such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "outlook", "budget", "hope", "support" or the negative of those terms or similar words suggesting future outcomes. 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 in Australia, the prospectivity of the Middle Velkerri play and the prospect of the exploration programme being brought to commerciality, risks associated with the introduction of a moratorium, fluctuations in market prices for shale gas; risks related to the exploration, development and production of shale gas reserves; general economic, market and business conditions; substantial capital requirements; uncertainties inherent in estimating quantities of reserves and resources; extent of, and cost of compliance with, government laws and regulations and the effect of changes in such laws and regulations; the need to obtain regulatory approvals before development commences; environmental risks and hazards and the cost of compliance with environmental regulations; aboriginal claims; inherent risks and hazards with operations such as mechanical or pipe failure, cratering and other dangerous conditions; potential cost overruns; variations in foreign exchange rates; competition for capital, equipment, new leases, pipeline capacity and skilled personnel; the failure of the holder of licenses, leases and permits to meet requirements of such; changes in royalty regimes; failure to accurately estimate abandonment and reclamation costs; inaccurate estimates and assumptions by management and their joint venture partners; effectiveness of internal controls; the potential lack of available drilling equipment; failure to obtain or keep key personnel; title deficiencies; geo-political risks; and risk of litigation.

Readers are cautioned that the foregoing list of important factors is not exhaustive and that these factors and risks are difficult to predict. 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, including under "Risk Factors" in the Annual Information Form.

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 with market leading positions in energy retailing (approximately 4.3 million customers), power generation (approximately 6,000 MW of capacity owned and contracted) and natural gas production (1,093 PJ of 2P reserves and annual production of 82 PJ). To match its leadership in the supply of green energy, Origin also aspires to be the number one renewables company in Australia.

Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing Australia's biggest CSG to LNG project based on the country's largest 2P CSG reserves base.

www.originenergy.com.au

Glossary of terms

2C	Best estimate of a contingent resource
AIM	London Stock Exchange's international market for smaller growing companies
ASX	Australian Securities Exchange
BCF/km ²	Billion cubic feet per square kilometre
COGEH	Canadian Oil and Gas Evaluation Handbook
CSG	Coal seam gas
DPIR	Northern Territory Government's Department of Primary Industry and Resources
EP	Exploration Permit
JV	Joint Venture
KM ²	Square kilometres
LNG	Liquefied natural gas
MMscf	Million standard cubic feet
MMscf/d	Million standard cubic feet per day
MW	Megawatt
OGIP	Original gas in place volumes
SRV	Stimulated rock volume
TCF	Trillion cubic feet
T/stage	Ton per stage

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.

To view Appendix A - Origin's ASX/Media Release, please visit the following link:

http://cnrp.marketwire.com/cnrf_files/20170214-Appendix_A_Origins_ASXMediaRelease.pdf

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