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**FALCON OIL & GAS LTD. ANNOUNCES
ADMISSION TO TRADING ON AIM AND ESM**

Falcon Oil & Gas Ltd. ("Falcon" or the "Company") (AIM: FOG, ESM: FAC, TSXV: FO) is pleased to announce the admission of its enlarged issued share capital to trading on AIM (symbol: FOG) and ESM (symbol: FAC) (the "Admission"). Trading on AIM and ESM will commence at 8.00 a.m. today. This admission follows the completion of a placing of 120,381,973 new common shares in the capital of the Company (the "Placing Shares") at 14 pence per share to raise approximately US\$25 million (£16.9 million) before expenses (the "Placing").

None of the Placing Shares may be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to the benefit of a Canadian resident until July 29, 2013.

Falcon 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 spread between South Africa, Australia and Hungary. Falcon is incorporated in British Columbia, Canada and headquartered in Dublin, Ireland with a technical team based in Budapest, Hungary.

Falcon's strategy is to leverage the Company's expertise in the unconventional oil and gas industry to acquire interests in licences covering large acreages of land and to build on its internationally diversified portfolio of unconventional assets and interests, which are located in countries, which the Board believes support the exploitation of unconventional oil and gas.

Philip O'Quigley, CEO of Falcon commented:

"I am pleased to announce the start of trading in our shares in London and Dublin, following a successful placing in which we raised approximately US\$25 million. We are pleased to offer our new and existing investors an opportunity to grow with us as we seek to realise the value potential within our diversified and large acreage positions in Australia, South Africa and Hungary."

Key Highlights:

Falcon has an internationally diverse portfolio

- Falcon has existing interests covering approximately 14.75 million acres:
 - Australia - four exploration permits covering approximately 7 million acres in the Beetaloo Basin.
 - South Africa - Technical Cooperation Permit covering approximately 7.5 million acres onshore Karoo Basin .
 - Hungary - Makó Production Licence adjacent to Algyö field.
- Falcon currently believes that these are some of the most prospective unconventional oil and gas basins in the world.

Balanced portfolio with significant upside potential

- Estimated gross unrisks recoverable prospective resources (play level) of 162 Tcf of gas and 21,345 Mmbo of oil (P50) in the Group's Beetaloo Exploration Permits in Australia.
- Gross un-risked recoverable prospective gas resources of 568 Bcf (P50) (the Algyö Play).
- Gross recoverable contingent resources of 35.3 Tcf of gas and 76.7 Mmbo of oil (P50) (the Deep Makó Trough) in the Makó Production Licence in Hungary.

Falcon has established partners in place in each country

- Partnered with significant, well-established multinational energy companies.
- Hess and Naftna Industrija Srbije Jsc carrying the Company through the initial respective work programmes and providing technical skills and financial resources in Australia and Hungary.
- Joint Cooperation Agreement with Chevron in South Africa.

Operating in countries that support the exploitation of unconventional oil and gas

- Regions characterised by high regional demand for energy.
- Jurisdictions with governments that Falcon believes are favourable towards unconventional oil and gas exploration.

Falcon has an experienced board and management team

- Individuals with established track records in acquiring and developing oil and gas assets.
- Non-Executive Chairman John Craven, Petroleum Geologist with 35 years of E&P experience. Current CEO of Discover Exploration, formerly Cove Energy, Petroceltic and Dana Petroleum.
- Chief Executive Officer Philip O'Quigley with 20 years E&P experience. Previously Finance Director of Providence Resources.

Davy has acted as Falcon's nominated adviser, ESM adviser and joint broker in connection with the Placing and the Admission, and GMP Securities Europe LLP ("GMP") has acted as joint broker in connection with the Placing. Pursuant to a placing agreement, the Company has paid each of GMP and Davy one percent of the aggregate value of Placing Shares placed by GMP or Davy, as applicable, with certain existing shareholders prior to the Admission who are also placed in the Placing, and five percent of the aggregate value of the Placing Shares placed pursuant to the Placing by each of Davy and GMP with places other than such existing shareholders.

On Admission, the Company will have 817,336,473 common shares admitted to trading on AIM and the ESM. The Admission document relating to AIM Admission and further information on Falcon Oil & Gas Ltd. as required under Rule 26 of the AIM and ESM Rules and is available www.falconoilandgas.com.

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The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any state securities laws, and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of such Act. This release does not constitute an offer to sell nor the solicitation of an offer to buy the Placing Shares or any other securities and shall not constitute an offer to sell or solicitation of an offer to buy, or a sale of, the common shares or any other securities in any jurisdiction in which such offer, solicitation or sale is unlawful.

Forward-looking Statements

Forward-looking statements include, but are not limited to, statements with respect to: the focus of capital expenditures; Falcon's acquisition strategy; the criteria to be considered in connection therewith and the benefits to be derived therefrom; Falcon's goal to sustain or grow production and reserves through prudent management and acquisitions; the emergence of accretive growth opportunities; Falcon's ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets; development costs and the source of funding thereof; the quantity of petroleum and natural gas resources or reserves; treatment under governmental regulatory regimes and tax laws; liquidity and financial capital; the impact of potential acquisitions and the timing for achieving such impact; expectations regarding the ability to raise capital and continually add to reserves through acquisition and development; the performance characteristics of Falcon's petroleum and natural gas properties; realization of the anticipated benefits of acquisitions and dispositions; Falcon's ability to establish a broad institutional shareholder base in London and Dublin and increase the volume of trading in common shares; expectations regarding the ability of Falcon to access additional sources of funding not currently available following the Admission; and Falcon's ability to leverage its experience in the unconventional oil and gas industry to acquire interests in licenses.

Some of the risks and other factors, which could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the Republic of Hungary, the Commonwealth of Australia, the Republic of South Africa and globally; supply and demand for petroleum and natural gas; industry conditions, including fluctuations in the price of petroleum and natural gas; governmental regulation of the petroleum and natural gas industry, including income tax, environmental and regulatory matters; fluctuation in foreign exchange or interest rates; risks and liabilities inherent in petroleum and natural gas operations, including exploration, development, exploitation, marketing and transportation risks; geological, technical, drilling and processing problems; unanticipated operating events which can reduce production or cause production to be shut-in or delayed; the ability of our industry partners to pay their proportionate share of joint interest billings; failure to obtain industry partner and other third party consents and approvals, when required; stock market volatility and market valuations; competition for, among other things, capital, acquisition of reserves, processing and transportation capacity, undeveloped land and skilled personnel; the need to obtain required

approvals from regulatory authorities; and the other factors considered under “Risk Factors” in Falcon’s annual information form (“AIF”) dated December 31, 2011. Risks and uncertainties that could cause Falcon’s actual results to materially differ from current expectations have not changed from those disclosed in Falcon’s Management’s Discussion and Analysis (“MD&A”) as at September 30, 2012. The AIF and MD&A have been filed with Canadian securities regulatory authorities and are available at www.sedar.com. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Falcon disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulation.

In addition, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements.

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. Actual results might differ materially from results suggested in any forward-looking statement. 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 Canadian 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.