



FALCON OIL & GAS' AUSTRALIAN SUBSIDIARY CLOSES ON INITIAL US\$4.9 MILLION OF PRIVATE PLACEMENT

DENVER, CO June 3, 2010 - Falcon Oil & Gas Ltd. (TSXV: FO) ("**Falcon**") a global energy company focused on acquiring, exploring and developing acreage positions of unconventional and conventional oil and gas resources, today announced that the company's 75% owned subsidiary, Falcon Oil & Gas Australia Limited ("**Falcon Australia**"), has closed on an initial US\$4.896 million portion (the "**First Tranche**") of its previously disclosed private placement.

Under the terms of the private placement outlined in Falcon Australia's offer memorandum, previously filed on Sedar in January 2010, Falcon Australia intends to sell up to 50 million shares of its common stock ("FA Share"), at a price of US\$1.00 per FA Share with an attached option (the "**Offer**"). Each option entitles the holder to acquire one additional FA Share in respect of each FA Share sold for a period of three years from date of issue, at an exercise price of US\$1.25. Closing of any remaining tranches is expected to occur by July 31, 2010.

The sale of the full 50 million FA shares will result in a maximum reduction of Falcon's holdings in Falcon Australia from 75% to 60%. Closing of the First Tranche reduced Falcon's holdings in Falcon Australia to 73%, through the issuance of 4.896 million FA shares.

About Falcon Oil & Gas Ltd.

Falcon Oil & Gas Ltd. is an international oil and gas exploration and production company, headquartered in Denver, Colorado, incorporated in British Columbia, Canada, and trading on the TSX Venture Exchange under the symbol "FO." The company specializes in the business of unconventional and conventional oil and gas exploration and production and holds interests in prospective properties in Australia, Hungary, and South Africa. The company is focused on discovering, acquiring, and maturing a globally diversified portfolio of drilling opportunities with a goal of maximizing shareholder value through strategic relationships. Additional information concerning Falcon Oil & Gas Ltd. is available at www.falconoilandgas.com. Investor inquiries may be directed to investor@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. 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.