



FALCON OIL & GAS LTD. ANNOUNCES THE CLOSING OF THE BEETALOO BASIN TRANSACTION WITH HESS

FOR IMMEDIATE RELEASE (TSXV Symbol: FO) JULY 13, 2011

DENVER, July 13, 2011 /CNW/ -- Falcon Oil & Gas Ltd. (TSXV: FO) ("**Falcon**") announces that, further to its press release dated February 22, 2011, the Beetaloo Basin Evaluation and Participation Agreement between Falcon Oil & Gas Australia Limited ("**Falcon Australia**") and Hess Australia (Beetaloo) Pty Limited ("**Hess Australia**") dated April 28, 2011 (the "**Agreement**") is now in effect and the seismic survey phase of the project will begin once the necessary regulatory permits are finalized.

On closing (July 13, 2011) Hess Australia made a US\$17.5 million payment to Falcon Australia. Hess Oil and Gas Holdings Inc. ("**Hess**") also paid Falcon US\$2.5 million and Falcon issued Hess a warrant exercisable for 10,000,000 common shares in the capital of Falcon ("**Common Share**") at a price of CDN\$0.19 per Common Share for a period from November 14, 2011 until January 13, 2015. Upon receipt of all necessary regulatory permits, Hess Australia will commence the process of acquiring seismic data over Exploration Permits 76, 98 and 117 in the Beetaloo Basin, Northern Territory, Australia (the "**Agreement Area**"). After completion, processing and interpretation of the seismic data, Hess Australia may elect to acquire 62.5 percent ownership in the Agreement Area and continue to the next phase of the work program which includes conducting a five well program to explore and appraise the Agreement Area, beginning in 2012.

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 hmittchell@falconoilandgas.com or 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.