



Falcon Oil & Gas Ltd.

NIS drilling programme - expiry of extension

26 January 2015 - Falcon Oil & Gas Ltd. (TSXV: FO, AIM: FOG, ESM: FAC) (the “Company” or “Falcon”) announces the expiry of the extension granted to its partner, Naftna Industrija Srbije jsc (“NIS”), regarding their obligatory three-well drilling programme in Falcon’s Makó Trough Licence in Hungary.

In January 2013, Falcon and NIS agreed to complete a three-well drilling programme (the “Agreement”) targeting the relatively shallow Algyó Play, by July 2014. Under the terms of the Agreement, NIS made a cash payment of US\$1.5 million and agreed to carry Falcon for 100% of all costs associated with the drilling and testing programme. The July 2014 deadline for completion of drilling and testing of the three-well programme was subsequently extended by Falcon to 31 December 2014 to enable NIS to fulfil its three well obligation. As of 31 December 2014, NIS has only drilled and tested two wells.

Falcon is currently evaluating, and will pursue, all options available to the Company to derive shareholder value as NIS has not fulfilled its commitments under the Agreement.

Falcon retains 100% interest in the Makó Trough Licence in Hungary including the deep play.

Philip O’Quigley, CEO of Falcon Oil & Gas commented:

“We would like to thank NIS for their partnership over the last two years. The first two wells in the three-well programme were drilled and tested professionally. However, we are very disappointed that NIS has not fulfilled its obligations in accordance with the terms of the Agreement and we will now pursue all options available to the Company.”

“Falcon remains focused on the potential farm-out of the Makó deep play and is currently working with industry to evaluate potential options.”

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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 Naftna Industrija Srbije JSC (NIS)

NIS is one of the largest, vertically integrated oil and gas companies in Southeast Europe, focusing on exploration and production of hydrocarbons, refining of crude oil and sales of a broad range of petroleum products.

For further information on NIS please visit www.nis.eu

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