



FALCON OIL & GAS LTD.
("Falcon" or the "Company" or the "Group")

Full Year Results

29 April 2016 - Falcon Oil & Gas Ltd. (TSXV: FO, AIM: FOG, ESM: FAC) is pleased to announce its financial results for the year ended 31 December 2015.

The following should be read in conjunction with the complete audited Financial Statements and the accompanying Management's Discussion and Analysis ("**MD&A**") for the three and twelve months ended 31 December 2015.

2015 Highlights:

Operational

- Commencement of the Australian nine well exploration and appraisal programme, with the drilling of Kalala S-1, Amungee NW-1 and Amungee NW-1H with our joint venture partners Origin Resources Limited ("**Origin**") (35%) and Sasol Petroleum Australia Limited ("**Sasol**") (35%).
- Acceleration of Australian drilling programme with first horizontal well (Amungee NW-1H) brought forward to 2015.
- Encouraging results from the drilling of the first three Australian wells indicating favourable shale properties with excellent gas shows indicating the likelihood of high levels of gas saturations.
- Preparation for 2016 Beetaloo Basin Australia, drilling programme at an advance stage.
- Processing of Falcon's exploration license application in South Africa's Karoo Basin continues to progress and the South African Department of Mineral Resources ("**DMR**") is expected to issue licences in 2016.
- Conclusion of the termination agreement with Naftna Industrija Srbije jsc ("**NIS**"). NIS paid Falcon US\$3.7 million in December 2015 in fulfilment of its contractual obligations.

Financial

- Strong financial position, debt free with cash of US\$12.7 million at 31 December 2015.
- Continued focus on strict cost management and efficient operation of the portfolio.
- General & administrative expenses decreased 38% year on year to US\$2.5 million (31 December 2014: US\$4 million).

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

"Operationally it has been a busy twelve months for Falcon, with the drilling of the joint venture's first three wells in the Beetaloo Basin. Results have been encouraging with excellent gas shows encountered signalling the likelihood of high level of gas saturation which is a strong indication of the potential prospectively.

As announced yesterday, planning and preparation is underway for our 2016 Beetaloo basin programme. We look forward to updating the market as this progresses.

We continue to make solid progress in South Africa and were encouraged with the recent confirmation by the Petroleum Agency of South Africa that it expects to finalise a recommendation to the Minister of Mineral Resources on Falcon's application for a shale gas exploration licence in South Africa's Karoo Basin, by May 2016. We remain optimistic on securing a shale gas exploration licence in South Africa's Karoo Basin in 2016.

Falcon is uniquely placed in this challenging oil price environment with its strong cash position, fully funded drilling programme and high quality assets.

With our fully funded 2016 Australian drilling campaign on track to commence next month and a decision expected from the South African DMR later this year, Falcon's shareholders can look forward to another exciting year of exploration activity which has the potential to transform the value of your company."

Filing of Financial statements, MD&A, AIF and Reserves data

Falcon has filed its audited financial statements for the year ended 31 December 2015, the accompanying MD&A for year ended 31 December 2015 dated 28 April 2016, its Annual Information Form ("AIF") dated 28 April 2016 and the Statement of Reserves Data and Other Oil and Gas Information (National Instrument 51-101, Forms 51-101F1, 51-101F2 and 51-101F3) with the relevant provincial securities regulators. These filings are available for review on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The audited financial statements, MD&A and AIF are also available on Falcon's website www.falconoilandgas.com.

Communications update

The Group's engagement with its public relations firm, Camarco has now ended.

Annual General & Special Meeting

As previously announced, Falcon's Annual General and Special Shareholder Meeting will be held at Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, AB T2P 0L6, Canada on 21 June 2016 at 11:00 a.m. (Calgary time).

A complete notice and related documents will be sent to the shareholders of record as at 10 May 2016 and will also be filed at www.sedar.com and Falcon's website at www.falconoilandgas.com.

Falcon Oil & Gas Ltd.
Consolidated Statement of Operations and Comprehensive Loss

	Year Ended 31 December 2015 \$'000	Year Ended 31 December 2014 \$'000
Revenue		
Oil and natural gas revenue	7	26
	<u>7</u>	<u>26</u>
Expenses		
Exploration and evaluation expenses	(679)	(852)
Production and operating expenses	(20)	(27)
Depreciation	(39)	(128)
General and administrative expenses	(2,491)	(4,046)
Share based compensation	(256)	(197)
Restructuring expenses	-	(444)
Impairment	-	(26,526)
Foreign exchange loss	(143)	(189)
	<u>(3,628)</u>	<u>(32,409)</u>
Other income	3,594	482
	<u>3,594</u>	<u>482</u>
Results from operating activities	(27)	(31,901)
Fair value gain – outstanding warrants	79	883
Finance income	78	49
Finance expense	(220)	(799)
Net finance expense	(142)	(750)
Loss before tax	(90)	(31,768)
Taxation	(110)	-
Loss and comprehensive loss for the year	(200)	(31,768)
Loss and comprehensive loss attributable to:		
Equity holders of the company	(193)	(31,744)
Non-controlling interests	(7)	(24)
Loss and comprehensive loss for the year	(200)	(31,768)
Loss per share attributable to equity holders of the company:		
Basic and diluted	(\$0.000)	(\$0.034)

Falcon Oil & Gas Ltd.
Consolidated Statement of Financial Position

	At 31 December 2015 \$'000	At 31 December 2014 \$'000
Assets		
Non-current assets		
Exploration and evaluation assets	39,618	39,619
Property, plant and equipment	64	103
Trade and other receivables	22	104
Restricted cash	2,239	331
	41,943	40,157
Current assets		
Cash and cash on deposit	12,683	14,753
Trade and other receivables	268	443
	12,951	15,196
Total assets	54,894	55,353
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	382,853	382,853
Contributed surplus	42,916	42,660
Retained deficit	(382,542)	(382,349)
	43,227	43,164
Non-controlling interests	706	713
Total equity	43,933	43,877
Liabilities		
Non-current liabilities		
Decommissioning provision	9,565	9,493
	9,565	9,493
Current liabilities		
Accounts payable and accrued expenses	961	1,469
Derivative financial liabilities	435	514
	1,396	1,983
Total liabilities	10,961	11,476
Total equity and liabilities	54,894	55,353

Falcon Oil & Gas Ltd.
Consolidated Statement of Cash flows

	Year Ended 31 December	
	2015	2014
	\$'000	\$'000
Cash flows from operating activities		
Net loss for the year	(200)	(31,768)
Adjustments for:		
Share based compensation	256	197
Depreciation	39	128
Impairment	-	26,526
Fair value gain - outstanding warrants	(79)	(883)
Net finance expense	142	750
Termination of farm-out transaction - NIS	(3,700)	-
Foreign Exchange	143	228
Change in non-cash working capital		
Trade and other receivables	257	3
Accounts payable and accrued expenses	124	(567)
Restructuring spend	(444)	-
Interest received	78	49
Net cash used in operating activities	(3,384)	(5,337)
Cash flows from investing activities		
Proceeds from farm-out transaction – Origin - Sasol	-	20,471
GST remitted on farm-out proceeds	-	(1,861)
(Increase) / decrease in restricted cash	(1,991)	219
Exploration and evaluation assets	(110)	(7,130)
Decrease / (increase) in cash deposits – other receivables	4,000	(6,000)
Termination of farm-out transaction - NIS	3,700	-
Property, plant and equipment	-	(9)
Net cash generated in investing activities	5,599	5,690
Change in cash and cash equivalents	2,215	353
Effect of exchange rates on cash & cash equivalents	(285)	(31)
Cash and cash equivalents at beginning of year	8,753	8,431
Cash and cash equivalents at end of year	10,683	8,753

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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.

All dollar amounts in this document are in United States dollars "\$", except as otherwise indicated.

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

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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. Such information may include, but is not limited to comments made with respect to the awarding of an exploration license in South Africa, to the type, number, schedule, testing and objectives of the wells to be drilled in the Beetaloo basin Australia, expected contributions of the partners, the prospectivity of the Middle Velkerri shale play and the prospect of the exploration programme being brought to commerciality. 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.