



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

Filing of Interim Financial Statements

12 May 2017 - Falcon Oil & Gas Ltd. (TSXV: FO, AIM: FOG, ESM: FAC) announces that it has filed its Interim Financial Statements for the three months ended 31 March 2017 and the accompanying Management's Discussion and Analysis ("**MD&A**").

The following should be read in conjunction with the complete unaudited unreviewed Interim Financial Statements and the accompanying MD&A for the three months ended 31 March 2017, which are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com and on Falcon's website at www.falconoilandgas.com.

2017 Financial Highlights

- Strong financial position, debt free with cash of US\$10.1 million at 31 March 2017 (31 December 2016: US\$10.1 million).
- Continued focus on strict cost management and efficient operation of the portfolio.
- General and administrative expenses decreased 12% period on period to US\$477,000 (2016: US\$541,000).

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Falcon Oil & Gas Ltd.
Interim Condensed Consolidated Statement of Operations and Comprehensive Loss
(Unaudited)

	Three months ended 31 March 2017 \$'000	Three months ended 31 March 2016 \$'000
Revenue		
Oil and natural gas revenue	3	-
	3	-
Expenses		
Exploration and evaluation expenses	(67)	(90)
Production and operating expenses	(3)	(3)
Depreciation	(1)	(7)
General and administrative expenses	(477)	(541)
Share based compensation	(283)	(820)
Foreign exchange gain	4	56
	(827)	(1,405)
Results from operating activities	(824)	(1,405)
Fair value (loss) / gain - outstanding warrant	(2,120)	136
Finance income	37	18
Finance expense	(48)	(31)
Net finance expense	(11)	(13)
Loss and comprehensive loss for the period	(2,955)	(1,282)
Loss and comprehensive loss attributable to:		
Equity holders of the company	(2,954)	(1,280)
Non-controlling interests	(1)	(2)
Loss and comprehensive loss for the period	(2,955)	(1,282)
Loss per share attributable to equity holders of the company:		
Basic and diluted	(\$0.003)	(\$0.001)

Falcon Oil & Gas Ltd.
Consolidated Statement of Financial Position
(Unaudited)

	At 31 March 2017 \$'000	At 31 December 2016 \$'000
Assets		
Non-current assets		
Exploration and evaluation assets	39,618	39,618
Property, plant and equipment	6	7
Trade and other receivables	36	34
Restricted cash	2,154	2,151
	41,814	41,810
Current assets		
Cash and cash on deposit	10,100	10,127
Trade and other receivables	250	190
	10,350	10,317
Total assets	52,164	52,127
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	383,311	382,853
Contributed surplus	44,534	44,251
Retained deficit	(389,183)	(386,229)
	38,662	40,875
Non-controlling interests	702	703
Total equity	39,364	41,578
Liabilities		
Non-current liabilities		
Decommissioning provision	9,739	9,690
	9,739	9,690
Current liabilities		
Accounts payable and accrued expenses	714	632
Derivative financial liabilities	2,347	227
	3,061	859
Total liabilities	12,800	10,549
Total equity and liabilities	52,164	52,127

Falcon Oil & Gas Ltd.
Interim Condensed Consolidated Statement of Cash flows
(Unaudited)

	Three months ended 31 March	
	2017	2016
	\$'000	\$'000
Cash flows from operating activities		
Net loss for the period	(2,955)	(1,282)
Adjustments for:		
Share based compensation	283	820
Depreciation	1	7
Fair value (loss) / gain - outstanding warrant	2,120	(136)
Net finance expense	11	13
Effect of exchange rates on operating activities	(3)	(53)
Change in non-cash working capital:		
Trade and other receivables	(62)	(26)
Accounts payable and accrued expenses	79	(83)
Interest received	34	13
Net cash used in operating activities	(492)	(727)
Cash flows from investing activities		
Increase in cash deposits – other receivables	770	(5,701)
Exploration and evaluation assets	-	(55)
Net cash used in investing activities	770	(5,756)
Cash flows from financing activities		
Proceeds from the exercise of share options	458	-
Net cash used in investing activities	458	-
Change in cash and cash equivalents	736	(6,483)
Effect of exchange rates on cash & cash equivalents	7	13
Cash and cash equivalents at beginning of period	5,857	10,683
Cash and cash equivalents at end of period	6,600	4,213

Cash and cash on deposit

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with initial maturities of three months or less at inception and bank overdrafts where a legal right of offset exists. Cash on deposit represents cash on deposit with a maturity in excess of three months.

	31 March	31 December
	2017	2016
	\$'000	\$'000
Cash and cash equivalents	6,600	5,857
Cash on deposit	3,500	4,270
	10,100	10,127

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 type, number, schedule, stimulating, 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 & Kyalla shale plays, the prospect of the exploration programme being brought to commerciality and the awarding of an exploration license in South Africa. 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.