



## FALCON OIL & GAS LTD. ANNOUNCES EXTENSION OF AUSTRALIAN PERMITS

TORONTO, September 14, 2012 /CNW/ -- Falcon Oil & Gas Ltd. (TSXV: FO), ("Falcon or the Company") the Toronto listed and Dublin headquartered company focused on unconventional oil and gas exploration and producing assets in Hungary, Australia and South Africa, is pleased to announce that, further to its press release issued on the 20<sup>th</sup> August, 2012, the Northern Territory Department of Mines and Energy ("DME") has granted a 12 month extension to Falcon for each of the Permits EP76, EP98 and EP117 which include the majority of the seven million acres (28,000 KM<sup>2</sup>) in the Beetaloo Basin, NT Australia, which are held 100% by Falcon Oil & Gas Australia Limited, a 73% owned subsidiary of Falcon.

Separately, the DME has also granted a 12 month extension to Falcon for adjacent EP99 which is the Permit held 100% by Falcon Oil & Gas Australia Limited, and which is excluded from the Farm-Out arrangement with Hess.

### Significance of the Extensions of EP's 76, 98 and 117

- The extensions allow Hess Australia (Beetaloo) Pty Limited adequate time to complete the shooting and processing of 3,600km of 2D seismic.
- A date of no later than 30th June 2013 has now been agreed with Hess, whereby Hess must exercise its option to elect to drill, or not as the case may be, five exploration wells to earn 62.5% in EPs 76, 98 and 117
- In the event that Hess elects to drill the five exploration wells, Falcon will be fully carried for its 37.5% of the five well exploration program
- Falcon will also receive an additional 37.5% carry on the first development well up to a gross cost of US\$10MM.

### Significance of the Extension of EP99

- The Company can now move forward with its plans to shoot 150km of 2D seismic in 2013
- Discussions with third parties on the farm-out of EP99 and the Shenandoah well area are continuing.

### Philip O'Quigley, CEO of Falcon commented:

"Today's announcement now brings certainty to an election drill date by Hess of no later than the 30<sup>th</sup> June 2013. In addition, in the event that Hess decides to move to the "Development Phase", they have agreed to carry Falcon on the first development well. The extension of EP99, whilst now allowing the Company to progress its plans to shoot 150km of 2D seismic in 2013, enhances the attractiveness of a farm-in deal to third parties."

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**About Falcon Oil & Gas Ltd.**

Falcon Oil & Gas Ltd. is an international oil and gas exploration and production company, listed on the TSX Venture Exchange in Toronto under the symbol "FO." It is headquartered in Dublin, Ireland, and has an office in Budapest, Hungary.

The Company is focussed on unconventional and conventional oil and gas exploration and production, and holds producing assets in three major underexplored basins in Australia, Hungary, and South Africa.

Falcon Oil & Gas Ltd. has a strong and experienced management team. John Craven, Chairman and Chief Executive Officer of Cove Energy, is a petroleum geologist with thirty-seven years in senior technical and executive positions in major and junior oil and gas companies.

Philip O'Quigley, Chief Executive Officer, has over 20 years' experience in the oil and gas industry, which spans a number of London and Dublin listed E & P companies. Prior to joining Falcon Oil & Gas Ltd. he was the Finance Director for Providence Resources, an Irish oil and gas exploration and production company.

For further information on Falcon Oil & Gas Ltd. please visit [www.falconoilandgas.com](http://www.falconoilandgas.com).

**About the Beetaloo Basin and EP's 76, 98, 117 and 99**

The Beetaloo Basin is situated 600km south of Darwin within the Northern Territory of Australia and EP's 76, 98, 117 and 99 cover an area of 7m acres (the Permits). Local infrastructure including a major highway, two gas pipelines and a railway offer transport options.

The Permits are held 100% by Falcon Oil & Gas Australia Limited, a 73% owned subsidiary of Falcon. A number of wells (11) were drilled in the Beetaloo by Rio Tinto between 1988 and 1992. Oil and gas bleeds and data confirm all necessary elements of productive shale oil and gas play exist in multiple independent petroleum systems. A Ryder Scott report carried out in 2010 estimates recoverable resources of 18 MMBO and 64 TCF gas from three primary shale and two sandstones. (the full Ryder Scott report is available at [www.SEDAR.com](http://www.SEDAR.com)).<sup>(1)</sup>

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