



SOUTH AFRICA LIFTS THE MORATORIUM ON SHALE GAS EXPLORATION

TORONTO, September 7, 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 note that the Government of South Africa announced the lifting of the moratorium on shale gas exploration today.

Falcon holds a 100% interest in a 7.5 million acre Technical Cooperation Permit in the Southwest Karoo Basin which was granted in October 2009. In January 2011, Falcon submitted an application for an exploration right covering the same area. With the lifting of the moratorium, Falcon is now looking forward to feedback from the licensing authority regarding its application before the end of the year.

The Karoo Basin, which measures 600,000 km² is located in central and southern South Africa and contains thick, organic rich shales such as the Permian Whitehill Formation. The United States Energy Information Administration's April 2011 report: "World Shale Gas Resources: An Initial Assessment" estimated that there is 485 trillion cubic feet of technically recoverable shale gas resources in South Africa's Karoo Basin.

Philip O'Quigley, CEO of Falcon commented:

"Falcon welcomes the decision taken by the Government of South Africa today to lift the moratorium on shale gas exploration in the Karoo Basin and looks forward to the finalisation of its exploration right application and the subsequent commencement with the preparations of the exploration area for the exploration activities. .

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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.

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