

FALCON OIL & GAS LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of shareholders of Falcon Oil & Gas Ltd. (the “**Corporation**”) will be held at **Boughton Law Corporation, 595 Burrard Street, Vancouver, British Columbia, Canada V7X 1S8** on December 14, 2010 at the hour of 9:00 a.m. (Vancouver time), for the following purposes:

1. To receive the audited annual consolidated financial statements of the Corporation for the financial year ended December 31, 2009 and the report of the auditors thereon.
2. To consider, and if deemed advisable, to pass the resolution to fix the number of directors of the Corporation at eight.
3. To consider, and if deemed advisable, to pass, without variation, a resolution electing the directors for the ensuing year.
4. To appoint the auditors and to authorize the directors to fix their remuneration.
5. To consider, and if deemed advisable, to pass, without variation, a resolution approving the Corporation’s stock option plan.
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders of record as at the close of business on Tuesday, October 26, 2010, will be entitled to notice of and to vote at the Meeting.

A detailed description of the matters to be acted upon at the Meeting is set forth in the accompanying management information circular of the Corporation dated November 11, 2010 (the “**Information Circular**”).

Copies of: (a) this Notice of Annual and Special Meeting of Shareholders, (b) the Information Circular, and (c) a Management form of proxy and instructions in relation thereto (the “**Management Proxy**”) may be obtained at the following office: Falcon Oil & Gas Ltd., 1875 Lawrence Street, Suite 1400, Denver, Colorado, U.S.A. 80202 or will be sent to a shareholder without charge upon request by calling (303) 893-1800.

DATED the 11th day of November, 2010.

By Order of the Board of Directors

(Signed) Dr. György Szabó
Chairman of the Board of Directors

NOTE: If you are the holder of common shares in the capital of the Corporation (collectively, "Common Shares"), kindly fill in, date, sign and return, in the addressed prepaid envelope provided for that purpose, the enclosed Management Proxy in respect of the Common Shares owned by you and deliver the completed Management Proxy in the addressed prepaid envelope provided or deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, on behalf of the Corporation, so as not to arrive later than 9:00a.m. (Vancouver time) on Friday, December 10, 2010 or with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Registered shareholders may also vote by telephone or over the Internet. Instructions on how to vote by telephone or over the Internet are provided in the Information Circular and Management Proxy enclosed. Non-registered shareholders should follow the instructions on how to complete their voting instruction form or form of proxy and vote their shares on the Management forms that they receive or contact their broker, trustee, financial institution or other nominee.