



Falcon Oil & Gas Ltd. Announces Closing Its Previously Announced Acquisition Of An Additional 25% Working Interest In The Beetaloo Basin Project

Denver, Co, June 16, 2009 -- Falcon Oil & Gas Ltd. (TSXV: FO) (“Falcon” or the “Company”) announces that, further to its press release dated May 27, 2009 wherein the Company announced entering into a binding agreement with PetroHunter Energy Corporation (“PetroHunter”) and the second purchase and sale agreement previously filed on SEDAR, pursuant to which Falcon announced its intention to acquire (the “Acquisition”) an additional undivided 25% working interest in PetroHunter’s four exploration permits covering seven million acres in the Beetaloo Basin of the Northern Territory, Australia (the “Beetaloo Basin Project”), that all conditions to closing the Acquisition have been fulfilled. The Acquisition will bring Falcon’s total working interest in the Beetaloo Basin Project to 75%.

Under the terms of the Acquisition, the principal consideration being paid by the Company for this transaction is the exchange of the US\$5,000,000 note receivable from PetroHunter. In addition, the Company has agreed to pay certain vendors who had provided goods or services for the Beetaloo Basin Project, prior to the Company acquiring its 50% interest in September 2008, in exchange for inventory and operator bonds of approximately the same value. As a condition of closing, the Company has become operator of the Beetaloo Basin Project, and PetroHunter and the Company have entered into an escrow agreement which governs the release of all remaining common shares in the Company previously issued to PetroHunter. The Company has also reassigned to PetroHunter the undivided 25% working interest previously acquired in five wells, including the 40-acre tract surrounding each well (the “Five Wells”) in PetroHunter’s 20,000-acre Buckskin Mesa Project located in the Piceance Basin, Colorado. The Company has been relieved of all obligations related to the Five Wells, including reclamation and plugging and abandonment obligations, and has relinquished its right to the unexpended testing and completion funds previously advanced for the Buckskin Mesa Project.

Marc A. Bruner, the Chairman, CEO and President of Falcon, beneficially holds 35.4% of the issued and outstanding shares of PetroHunter. The Acquisition was governed by a committee of the independent directors of Falcon.

About Falcon Oil & Gas Ltd.

Falcon Oil & Gas Ltd. is a British Columbia corporation in the business of oil and gas exploration and production. It has operations in Hungary through its wholly owned subsidiary TXM Oil and Gas Exploration, LLC, in Romania through its wholly owned subsidiary JVX Energy Corporation, in Colorado through its wholly owned subsidiary Falcon Oil & Gas USA, Inc., and in Australia through its

wholly owned subsidiary Falcon Oil & Gas Australia Pty Ltd. Further information about Falcon is available at www.falconoilandgas.com.

About PetroHunter Energy Corporation

PetroHunter Energy Corporation, through the operations of its wholly-owned subsidiaries, PetroHunter Operating Company and Sweetpea Corporation Pty Ltd., is a global oil and gas exploration and production company with primary assets consisting of various oil and gas leases and related interests, including approximately 20,000 net mineral acres in Colorado and an undivided 25% working interest in four Exploration Permits in the Northern Territory, Australia, consisting of approximately 7,000,000 net acres. For more information please visit www.petrohunterenergy.com.

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In the interests of providing Company shareholders and potential investors with information regarding the Company, including the Company's assessment of its and its subsidiaries' future plans and operations, certain statements included in this press release may constitute forward-looking information or forward looking statements (collectively, "forward-looking statements"). All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate" and similar expressions are generally intended to identify forward-looking statements. Similarly, forwardlooking statements in this press release include, but are not limited to anticipated developments of the Company's drilling project in Hungary and the timing thereof, the Company's drilling project in Romania and the timing thereof, capital investment levels and the allocation thereof, pipeline capacity, government royalty rates, reserve and resources estimates, the level of expenditures for compliance with environmental regulations, site restoration costs including

abandonment and reclamation costs, exploration plans, acquisition and disposition plans including farmout plans, net cash flows, geographic expansion and plans for seismic surveys. In addition, please note that statements relating to “reserves” or “resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described can be profitably produced in the future. Such statements represent the Company’s internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and incentive fees or revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions. Actual events or results may differ materially. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company and the foregoing list of important factors is not exhaustive. These forward-looking statements made as of the date hereof disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Company shareholders and potential investors should carefully consider the information contained in the Company’s filings with Canadian securities administrators at www.sedar.com before making investment decisions with regard to the Company.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.