



EXXONMOBIL AND MOL TO EXIT AGREEMENT IN HUNGARY

Denver, CO, February 19, 2010 -- Falcon Oil & Gas Ltd. (TSXV: FO) ("Falcon" or the "Company"), a global energy company focused on acquiring, exploring and developing large acreage positions of unconventional and associated conventional oil and gas resources, announced today that the Company has received written notices from ExxonMobil and MOL Hungarian Oil and Gas Plc ("MOL"), stating that neither company will proceed to the Appraisal Work Program in the joint production and development project located in the Makó Trough in Hungary and exit the Production and Development Agreement ("PDA").

In accordance with the PDA, ExxonMobil's and MOL's respective participating interests in the Contract Lands, the Foldeak-1 well, and all other interests will automatically revert to Falcon. Falcon now becomes operator of the Contract Area. Concurrently, the Company is seeking alternative strategic partners and is in active discussions with multiple parties to continue evaluation of Falcon's 247,000 acres under the long-term production license.

About Falcon Oil & Gas Ltd.:

Falcon Oil & Gas Ltd. is an international oil and gas exploration and production company, headquartered in Denver, Colorado, incorporated in British Columbia, Canada, and trading on the TSX Venture Exchange under the symbol FO." The Company specializes in the business of conventional and unconventional oil and gas exploration and production and holds interests in prospective properties in Hungary, Australia and South Africa. The Company is focused on discovering, acquiring, and maturing a globally diversified portfolio of drilling opportunities with a goal of maximizing shareholder value through strategic relationships. Additional information concerning Falcon Oil & Gas Ltd. is available at www.falconoilandgas.com. Investor inquiries may be directed to investor@falconoilandgas.com

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, forward-looking statements in this press release include, but are not limited to anticipated developments of the Company's various drilling projects 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, or successfully engaging a partner in any of the Company's endeavours. 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. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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