



## **FALCON OIL & GAS LTD. ANNOUNCES A PRIVATE PLACEMENT**

**DENVER, CO November 24, 2010** - Falcon Oil & Gas Ltd. (TSXV: FO) ("Falcon") announces today that it has entered into an agreement to raise up to \$63 million in the form of units ("Units") priced at \$0.15 per Unit (the "Offering Price") by way of a private placement (the "Offering") with two new investors, the Orient Group Energy Investment Holding Co Ltd. (the "Orient Group") and Leisuo Trading Holding Company ("Leisuo"), as well as certain existing shareholders of Falcon including funds managed by Burlingame Asset Management LLC and Soliter Holdings Corp. controlled by the Renova Group. The Offering Price represents an 18% premium to the last months average trading price. Each Unit will consist of one common share in the capital of Falcon (each a "Common Share") and three quarters (3/4) of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to acquire one additional Common Share at an exercise price of \$0.18, representing a 20% premium to the Offering Price, for a period of three years from the Offering's closing date (the "Closing Date"). The proceeds from the Offering will be used to fund Falcon's ongoing capital program and for general corporate purposes.

Existing major shareholders will be subscribing, in aggregate, for more than 36% of the Offering of which 25% of the Offering is from Insiders. It is expected that on the Closing Date each of the new investors will own greater than 10% of the Common Shares.

The Orient Group is one of the largest, non-state owned investment conglomerates in China.

Leisuo Trading Holding Company is a private investment holding company in China engaged in mining and natural resources in China.

Executive Director of the Orient Group Zhang Xian Feng commented, "We are pleased to be making this investment in Falcon after careful technical and corporate study. We believe Falcon has great potential to unlock value with this proper capitalization. We are long term investors and believe we have the resources to help Falcon continue to grow in the future, either through joint ventures at the asset level with our energy concern or additional investments in Falcon."

Falcon President and CEO Robert Macaulay commented, "I welcome our new shareholders who are bringing strong commitment and tremendous acumen to assist our company in moving forward. I am also grateful to our existing major shareholders who continue to demonstrate their commitment to Falcon by participating in this financing. This is an exciting time for the company, with the focus shifting over the near term towards achieving production tests in some of the high-potential targets on our acreage in Australia and Hungary, while advancing our understanding of our recently applied-for exploration license in South Africa."

The Offering is subject to all necessary corporate and regulatory approvals and subject to TSX Venture Exchange acceptance for filing. All securities issued will be subject to a four-month hold period from the Closing Date.

The purchase by each of Orient Group and Leisuo are contingent upon receipt of foreign exchange approval of the People's Republic of China.

Mueller & Co., LLC acted as financial advisor to Falcon in connection with the transaction.

**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 unconventional and conventional oil and gas exploration and production and holds interests in prospective properties in Australia, Hungary, and South Africa. The company is focused on discovering, acquiring, and maturing a globally diversified portfolio with a goal of maximizing shareholder value through strategic relationships. Additional information concerning Falcon Oil & Gas Ltd. is available at [www.falconoilandgas.com](http://www.falconoilandgas.com). Investor inquiries may be directed to [investor@falconoilandgas.com](mailto:investor@falconoilandgas.com)

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