



FALCON OIL & GAS LTD. ANNOUNCES THE GRANTING OF STOCK OPTIONS

FOR IMMEDIATE RELEASE (TSXV Symbol: FO) May 23, 2011

DENVER, CO May 23 /CNW/ -- Falcon Oil & Gas Ltd. (TSXV: FO) announced today that, under the stock option plan approved at Falcon's annual and special shareholders meeting held on December 14, 2010, it has granted incentive stock options to purchase an aggregate of 17,660,000 common shares of Falcon to a number of recipients including directors, officers, employees and consultants. The stock option grants are all subject to regulatory approval.

Terms of the options include an exercise price of \$0.145 per share, a vesting schedule allowing for 1/3 of the options to vest immediately with an additional 1/3 vesting each subsequent year until the options are fully vested on May 23, 2013, and an expiry date of the options of May 23, 2016.

A maximum of 10% of the issued and outstanding shares of Falcon are reserved for issuance pursuant to Falcon's stock option plan.

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 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. 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.