



FALCON OIL & GAS LTD.
("Falcon")

Filing of Interim Financial Statements

23 August 2018 - Falcon Oil & Gas Ltd. (TSXV: FO, AIM: FOG, ESM: FAC) announces that it has filed its Interim Financial Statements for the three and six months ended 30 June 2018 and the accompanying Management's Discussion and Analysis ("**MD&A**").

The following should be read in conjunction with the complete unaudited unreviewed Interim Financial Statements and the accompanying MD&A for the three and six months ended 30 June 2018, which are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com and on Falcon's website at www.falconoilandgas.com.

2018 Operational Highlights

- Strong financial position, debt free with cash of US\$7.7 million at 30 June 2018 (31 December 2017: US\$9 million).
- Continued focus on strict cost management and efficient operation of the portfolio.

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Falcon Oil & Gas Ltd.

**Interim Condensed Consolidated Statement of Operations and Comprehensive Loss
(Unaudited)**

	Three months ended 30 June 2018 \$'000	Three months ended 30 June 2017 \$'000	Six months ended 30 June 2018 \$'000	Six months ended 30 June 2017 \$'000
Revenue				
Oil and natural gas revenue	2	2	3	5
	2	2	3	5
Expenses				
Exploration and evaluation expenses	(38)	(58)	(79)	(125)
Production and operating expenses	(5)	(3)	(9)	(6)
Depreciation	(1)	(1)	(1)	(2)
General and administrative expenses	(497)	(484)	(1,001)	(961)
Share based compensation	(22)	(130)	(81)	(413)
Foreign exchange (loss) / gain	(134)	142	72	146
	(697)	(534)	(1,243)	(1,361)
Results from operating activities	(695)	(532)	(1,240)	(1,356)
Fair value gain / (loss) – outstanding warrant	283	266	227	(1,854)
Finance expense				
Interest income on bank deposits	25	11	31	45
Accretion of decommission provisions	(55)	(48)	(110)	(96)
Net foreign exchange (loss) / gain	(52)	37	(57)	40
	(82)	-	(136)	(11)
Loss and comprehensive loss for the period	(494)	(266)	(1,149)	(3,221)
Loss and comprehensive loss attributable to:				
Equity holders of the company	(494)	(266)	(1,148)	(3,220)
Non-controlling interests	-	-	(1)	(1)
Loss and comprehensive loss for the period	(494)	(266)	(1,149)	(3,221)
Loss per share attributable to equity holders of the company:				
Basic and diluted	(0.001 cent)	(0.000 cent)	(0.001 cent)	(0.003 cent)

Falcon Oil & Gas Ltd.
Consolidated Statement of Financial Position
(Unaudited)

	At 30 June 2018 \$'000	At 31 December 2017 \$'000
Assets		
Non-current assets		
Exploration and evaluation assets	39,656	39,630
Property, plant and equipment	2	3
Trade and other receivables	22	33
Restricted cash	2,330	2,412
	42,010	42,078
Current assets		
Cash and cash on deposit	7,722	8,995
Trade and other receivables	206	186
	7,928	9,181
Total assets	49,938	51,259
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	383,627	383,570
Contributed surplus	45,018	44,937
Retained deficit	(391,371)	(390,223)
	37,274	38,284
Non-controlling interests	700	701
Total equity	37,974	38,985
Liabilities		
Non-current liabilities		
Decommissioning provision	9,995	9,886
	9,995	9,886
Current liabilities		
Accounts payable and accrued expenses	633	825
Derivative financial liabilities	1,336	1,563
	1,969	2,388
Total liabilities	11,964	12,274
Total equity and liabilities	49,938	51,259

Falcon Oil & Gas Ltd.
Interim Condensed Consolidated Statement of Cash Flows
(Unaudited)

	Six months ended 30 June	
	2018	2017
	\$'000	\$'000
Cash flows from operating activities		
Net loss for the period	(1,149)	(3,221)
Adjustments for:		
Share based compensation	81	413
Depreciation	1	2
Fair value (gain) / loss - outstanding warrant	(227)	1,854
Net finance expense	136	11
Effect of exchange rates on operating activities	73	(149)
Change in non-cash working capital:		
Trade and other receivables	(9)	(60)
Accounts payable and accrued expenses	(196)	83
Net cash used in operating activities	(1,290)	(1,067)
Cash flows from investing activities		
Decrease / (increase) in cash deposits – other receivables	3,528	(3,007)
Interest Received	31	45
Exploration and evaluation assets	(26)	(12)
Net cash generated from / (used in) investing activities	3,533	(2,974)
Cash flows from financing activities		
Proceeds from the exercise of share options	57	539
Net cash generated from financing activities	57	539
Change in cash and cash equivalents	2,300	(3,502)
Effect of exchange rates on cash & cash equivalents	(45)	43
Cash and cash equivalents at beginning of period	2,967	5,857
Cash and cash equivalents at end of period	5,222	2,398

Cash and cash on deposit

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with initial maturities of three months or less at inception and bank overdrafts where a legal right of offset exists. Cash on deposit represents cash on deposit with a maturity in excess of three months.

	30 June	31 December
	2018	2017
	\$'000	\$'000
Cash and cash equivalents	5,222	2,967
Cash on deposit	2,500	6,028
	7,722	8,995

All dollar amounts in this document are in United States dollars “\$”, except as otherwise indicated.

About Falcon Oil & Gas Ltd.

Falcon Oil & Gas Ltd is an international oil & gas company engaged in the acquisition, exploration and development of conventional and unconventional oil and gas assets, with the current portfolio focused in Australia, South Africa and Hungary. Falcon Oil & Gas Ltd is incorporated in British Columbia, Canada and headquartered in Dublin, Ireland with a technical team based in Budapest, Hungary.

For further information on Falcon Oil & Gas Ltd. please visit www.falconoilandgas.com

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