



FALCON OIL & GAS LTD.
("Falcon")

Filing of Interim Financial Statements

25 August 2022 - Falcon Oil & Gas Ltd. (TSXV: FO, AIM: FOG) announces that it has filed its Interim Financial Statements for the three and six months ended 30 June 2022 and 2021 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 2022, 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.

2022 financial highlights and other financial updates

- Strong financial position, debt free with cash of US\$17.4 million at 30 June 2022 (31 December 2021: US\$8.9 million).
- Continued focus on cost management and the efficient operation of the portfolio.

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| | |
|---|------------------|
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Falcon Oil & Gas Ltd.**Interim Condensed Consolidated Statement of Operations and Comprehensive Loss**

(Unaudited)

| | Three months ended 30 June 2022 \$'000 | Three months ended 30 June 2021 \$'000 | Six months ended 30 June 2022 \$'000 | Six months ended 30 June 2021 \$'000 |
|--|---|---|---|---|
| Revenue | | | | |
| Oil and natural gas revenue | - | - | - | 2 |
| | - | - | - | 2 |
| Expenses | | | | |
| Exploration and evaluation expenses | (37) | (42) | (77) | (82) |
| General and administrative expenses | (1,076) | (631) | (1,684) | (1,662) |
| Foreign exchange (loss) / gain | (129) | 37 | (174) | (118) |
| | (1,242) | (636) | (1,935) | (1,862) |
| Results from operating activities | (1,242) | (636) | (1,935) | (1,860) |
| Finance income | 2 | 2 | 5 | 3 |
| Finance expense | (83) | (59) | (143) | (126) |
| Net finance expense | (81) | (57) | (138) | (123) |
| Loss and comprehensive loss for the period | (1,323) | (693) | (2,073) | (1,983) |
| Loss and comprehensive loss attributable to: | | | | |
| Equity holders of the company | (1,323) | (693) | (2,072) | (1,982) |
| Non-controlling interests | (1) | - | (1) | (1) |
| Loss and comprehensive loss for the period | (1,323) | (693) | (2,073) | (1,983) |
| Loss per share attributable to equity holders of the company: | | | | |
| Basic and diluted | (0.001 cent) | (0.001 cent) | (0.002 cent) | (0.002 cent) |

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

| | At 30 June 2022 \$'000 | At 31 December 2021 \$'000 |
|--|------------------------------|----------------------------------|
| Assets | | |
| Non-current assets | | |
| Exploration and evaluation assets | 40,244 | 40,197 |
| Property, plant and equipment | 10 | 13 |
| Trade and other receivables | 21 | 22 |
| Restricted cash | 2,050 | 2,239 |
| | 42,325 | 42,471 |
| Current assets | | |
| Cash and cash equivalents | 17,395 | 8,894 |
| Trade and other receivables | 110 | 74 |
| | 17,505 | 8,968 |
| Total assets | 59,830 | 51,439 |
| Equity and liabilities | | |
| Equity attributable to owners of the parent | | |
| Share capital | 402,120 | 392,170 |
| Contributed surplus | 46,737 | 46,254 |
| Retained deficit | (401,938) | (399,866) |
| | 46,919 | 38,558 |
| Non-controlling interests | 697 | 698 |
| Total equity | 47,616 | 39,256 |
| Liabilities | | |
| Non-current liabilities | | |
| Decommissioning provision | 11,893 | 11,775 |
| | 11,893 | 11,775 |
| Current liabilities | | |
| Accounts payable and accrued expenses | 321 | 408 |
| | 321 | 408 |
| Total liabilities | 12,214 | 12,183 |
| Total equity and liabilities | 59,830 | 51,439 |

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

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Net loss for the period | (2,073) | (1,983) |
| Adjustments for: | | |
| Share based compensation | 483 | 747 |
| Depreciation | 3 | 1 |
| Net finance expense | 138 | 123 |
| Effect of exchange rates on operating activities | 174 | 118 |
| Transfer of Canadian working interests | - | (28) |
| Change in non-cash working capital: | | |
| (Increase) / decrease in trade and other receivables | (35) | 5 |
| Decrease in accounts payable and accrued expenses | (63) | (43) |
| Net cash used in operating activities | (1,373) | (1,060) |
| Cash flows from investing activities | | |
| Interest received | 5 | 3 |
| Exploration and evaluation assets | (44) | (2) |
| Net cash (used in) / generated from investing activities | (39) | 1 |
| Cash flows from financing activities | | |
| Net proceeds from private placement | 9,950 | - |
| Net cash generated from financing activities | 9,950 | - |
| Change in cash and cash equivalents | 8,538 | (1,059) |
| Effect of exchange rates on cash & cash equivalents | (37) | (3) |
| Cash and cash equivalents at beginning of period | 8,894 | 11,036 |
| Cash and cash equivalents at end of period | 17,395 | 9,974 |

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 exploration and development of 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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