



Ryder Scott reports unrisks prospective resource best estimates of 19 billion barrels of oil and 64 trillion cubic feet of gas in Australian Beetaloo Basin property

Company Moves to Re-enter Basin's Shenandoah 1 Well

Denver, CO, August 18, 2009 /CNW/ -- 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 conventional oil and gas resources, today announced the results of the recently completed Ryder Scott Company-Canada Resource Analysis Report ("Report") on the Company's Beetaloo Basin Project in the Northern Territory (NT), of Australia as of July 1, 2009.

Based on all available data, Ryder Scott has prepared an evaluation of the hydrocarbon resource potential pertaining to Falcon's interests in the Beetaloo Basin which consist of four Exploration Permits comprising approximately 28,200 square kilometres (7 million gross acres), covering the majority of the Beetaloo Basin and basin margin highs. Through its wholly owned Australian subsidiary, Falcon Oil & Gas Australia Pty Ltd, the Company owns an undivided 75 percent working interest in the Permits, and is the operator of the Permits.

The Report on the hydrocarbon resource potential of the Beetaloo Basin describes a possible distribution of the unrisks prospective (recoverable) portion of unrisks "Undiscovered in-place Resources," as defined by the Canadian Oil and Gas Evaluation Handbook (COGEH) and does not represent an estimate of reserves or contingent resources. The Report has been prepared in accordance with the Canadian standards set out in the COGEH and is compliant with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities."

Ryder Scott evaluates oil and gas properties and independently certifies petroleum reserve and resource quantities in the U.S., Canada and internationally. Founded in 1937, Ryder Scott is one of the largest, oldest and most respected reservoir-evaluation consulting firms in the industry. Their resource evaluation of the Beetaloo Basin is as follows:

Table 9: Total Undiscovered and Prospective (Recoverable) Oil Resources in the Beetaloo Basin, Australia						
Reservoir	Unrisked Undiscovered Oil-In-Place (Bstb)			Unrisked Prospective (Recoverable) Oil Resources (Bstb)		
	Low	Best	High	Low	Best	High
Hayfield	0.049	0.088	0.148	0.005	0.010	0.018
Jamison	8.220	11.920	16.402	0.800	1.337	2.153
Conventional Subtotal	8.269	12.008	16.550	0.805	1.347	2.171
Upper Kyalla Shale Oil	127.4	180.9	256.0	11.3	17.8	27.4
Shale Oil Subtotal	127.4	180.9	256.0	11.3	17.8	27.4
Total Oil Resource Within The Beetaloo Basin	135.67	192.91	272.55	12.11	19.15	29.57
Table 10: Total Undiscovered and Prospective (Recoverable) Gas Resources in the Beetaloo Basin, Australia						
Reservoir	Unrisked Undiscovered Gas-In-Place (Tscf)			Unrisked Prospective (Recoverable) Gas Resources (Tscf)		
	Low	Best	High	Low	Best	High
Hayfield (Associated Solution)	0.013	0.025	0.046	0.002	0.004	0.009
Jamison (Associated Solution)	2.041	3.330	5.349	0.313	0.585	1.066
Moroak	0.800	1.437	2.346	0.607	1.048	1.731
Conventional Subtotal	2.85	4.79	7.74	0.92	1.64	2.81
Moroak BCGA	21.00	29.61	40.85	3.18	4.85	7.23
Bessie Creek BCGA	159.4	210.0	275.0	23.8	34.4	49.4
BCGA Subtotal	180.39	239.58	315.81	27.02	39.28	56.64
Lower Kyalla Shale Gas	12.70	15.80	19.20	1.90	2.60	3.50
Middle Velkerrie Shale Gas	94.6	125.1	160.4	14.2	20.4	29.0
Shale Gas Subtotal	107.3	140.9	179.6	16.1	23.0	32.5
Total Gas Resource Within The Beetaloo Basin	290.54	385.27	503.16	44.05	63.91	91.94

Tables 9 and 10 from the July 1, 2009 Ryder Scott Report. For a definition of “Low” “Best” and “High,” see Section 5 of the Report titled “Definitions of Resources and Reserves,” item 5.3.5 titled “Uncertainty Category.” The total oil and gas resource is an arithmetic summation of the multiple estimates of the individual reservoir resources. Under Section 5.2 of COGEH: Undiscovered Petroleum Initially-In-Place (equivalent to undiscovered resources) is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, it may not be economically viable or technically feasible to produce any of the resources

Commenting on the Report and the status of operations on Shenandoah #1 well, Marc Bruner, President, Chairman, and Chief Executive Officer of Falcon Oil and Gas, stated, “We are extremely pleased with the general parameters of the Ryder Scott Report. As we continue to evaluate our data and test our

theories regarding the potential of significant hydrocarbon deposits that we believe to be in place in the Beetaloo Basin, the Report helps us to formulate strategic go-forward plans for the region that are in line with the overall goals of our organization. We have entered into a series of service contracts and commenced operations to re-enter, deepen, and test the Shenandoah #1 well in the Basin, which was originally drilled in 2007. With the combination of our own data analysis, the findings of the Report, and the shear magnitude and size of our exploration permits, it is likely that we will seek a partner in this endeavour. The Shenandoah well is the first step in Falcon taking a careful and structured approach to further exploration and development of this resource.”

About Ryder Scott

Ryder Scott evaluates oil and gas properties and independently certifies petroleum reserves quantities in the U.S. and internationally. The firm performs several hundred consulting studies per year for a variety of clients. The firm has earned worldwide recognition for reliably predicting the performance of complex oil and gas reservoirs in all major petroleum provinces. With approximately 90 professional petroleum engineers and geoscientists, the firm conducts reserve and resource evaluations, geoscience/geology studies, field development and EOR design, reservoir simulation, economic analysis, management consulting and expert witness testimony. The Houston-based firm has branch offices in Calgary and Denver.

Ryder Scott, by far, is the most widely used consulting firm for preparing annual petroleum reserves certifications for filers with the U.S. Securities and Exchange Commission, according to research firm John S. Herold. Ryder Scott also serves clients listed on the London, Toronto, Hong Kong, Australian, and other stock exchanges.

The firm issues reserves certifications considered to be highly reliable by banks and private investment groups. Major banking institutions establish reserves-based loan amounts, monitor credit lines and determine guarantees based on report values. The report also serves as a resource in screening and due-diligence reviews of acquisitions, divestitures and mergers.

About Falcon Oil & Gas Ltd.

Falcon Oil and 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, Romania, and Australia. 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 and Gas 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. It should be clearly understood that the resource plays evaluated herein are high risk and that there is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, it may not be economically viable or technically feasible to produce any of the resources. 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.

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