



## **FALCON OIL & GAS LTD. ANNOUNCES START OF RIG OPERATIONS AT SHENANDOAH #1**

**DENVER, CO September 16, 2011** – Falcon Oil & Gas Ltd. (TSXV: FO) announced today that its majority-owned subsidiary, Falcon Oil & Gas Australia Limited (Falcon Australia) has commenced operations at the Shenandoah #1 wellsite in the Beetaloo Basin, Northern Territories, Australia.

Operations had been delayed on account of unusually heavy rainfall in the area during the recently-ended wet season. The resultant flooding required the building up of the access road in to the area plus further construction at the wellsite. This allowed a drilling rig to move on to location last week. Rig-up operations and safety checks have been completed and the well was re-entered on 14 September and is currently drilling out the six cement plugs in the wellbore.

The rig will run and cement a 4.5 inch casing string to total depth at 2,714 metres. It will then move away allowing the Halliburton stimulation equipment on-site for testing operations. A total of five intervals are planned to be tested; two in the Velkerri shales, two in the Moroak sandstones and one in the Lower Kyalla shales. The intervals are prospective for gas, and while high flowrates are not expected from this vertical well, hydrocarbons produced to surface will direct the future placement of horizontal wells for the purpose of testing commerciality. The full test sequence is expected to be concluded around the end of November, 2011.

### **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.

For additional information about Falcon Oil & Gas, please visit our website at [www.falconoilandgas.com](http://www.falconoilandgas.com) or contact investor relations at 303-951-1110, or [hmitchell@falconoilandgas.com](mailto:hmitchell@falconoilandgas.com).

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