



Falcon Oil & Gas Ltd. Announces Fulfillment Of Beetaloo Basin Transaction Closing Condition

Denver, Co. – September 22, 2008 – Falcon Oil & Gas Ltd. (TSXV: FO) (“Falcon” or the “Company”) today announced that the Company has been advised by the Australian Foreign Investment Review Board that they have no objection to the Company’s acquisition of a 50% working interest in PetroHunter Energy Corporation’s 7 million acre prospect in Northern Territory, Australia (the “Beetaloo Basin”).

Receipt of this confirmation means that the key third party condition to completion of the Beetaloo Basin transaction announced on August 25, 2008 has been fulfilled. As a result, the Company and PetroHunter can move towards the closing of the Beetaloo Basin transaction subject only to the fulfillment or waiver of closing conditions common for transactions of this nature.

About Falcon Oil & Gas Ltd.

Falcon Oil & Gas Ltd. is a British Columbia corporation in the business of oil and gas exploration and production. It has operations in Hungary through its wholly owned subsidiary TXM Oil and Gas Exploration, LLC, and in Romania through its wholly owned subsidiary JVX Energy Corporation. Further information about Falcon is available at www.falconoilandgas.com.

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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 drilling project in Hungary and the timing thereof, the Company’s drilling project in Romania 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. 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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.