



## **Ryder Scott Issues Update on Beetaloo Basin**

### *Shenandoah-1 Well Results Support Estimates*

**Denver, CO, October 27, 2009** -- 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, announced that Ryder Scott Company provided a letter to Falcon, dated October 23, 2009 (the “Letter”), which supports the Ryder Scott Company-Canada Resource Analysis Report, dated August 5, 2009, effective date July 1, 2009 (“Report”), on the Company’s Beetaloo Basin Project in the Northern Territory (NT), of Australia.

Ryder Scott engaged in a preliminary review of all the newly available data from the deepening of the Shenandoah-1 well, including the logs and cores. Based on Ryder Scott’s review of these data, the Ryder Scott Letter states, “This work supports the resource estimates and conclusions presented in the Report. The preliminary analyses indicate that both the Lower Kyalla and Middle Velkerri organic rich shales likely contain significant amounts of adsorbed gas. In the deepened Shenandoah #1 Well, the mud-log recorded very high gas readings while drilling through both shale intervals and gas was observed in the drilling mud. High mud-log gas readings and high resistivities were also observed from the top of the Moroak Sandstone (1,718 meters) down to approximately 1,806 meters at which point both the gas readings and log resistivities dropped. Preliminary log analyses suggest the possibility of a gas/water contact at that point and the possible existence of a conventional gas accumulation in the Moroak Sandstone in the well.”

The Letter also includes various cautionary notes regarding the uncertainty and preliminary nature of the findings and data at this stage in the exploration of the properties.

Falcon’s interest in the Beetaloo Basin consists of four Exploration Permits (the “Permits”) comprising approximately 28,200 square kilometers (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.

Their resource evaluation of the Beetaloo Basin is as follows:

<b>Table 9: Total Undiscovered and Prospective (Recoverable) Oil Resources in the Beetaloo Basin, Australia</b>						
<b>Reservoir</b>	<b>Unrisked Undiscovered Oil-In-Place (Bstb)</b>			<b>Unrisked Prospective (Recoverable) Oil Resources (Bstb)</b>		
	<b>Low</b>	<b>Best</b>	<b>High</b>	<b>Low</b>	<b>Best</b>	<b>High</b>
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
<b>Conventional Subtotal</b>	<b>8.269</b>	<b>12.008</b>	<b>16.550</b>	<b>0.805</b>	<b>1.347</b>	<b>2.171</b>
Upper Kyalla Shale Oil	127.4	180.9	256.0	11.3	17.8	27.4
<b>Shale Oil Subtotal</b>	<b>127.4</b>	<b>180.9</b>	<b>256.0</b>	<b>11.3</b>	<b>17.8</b>	<b>27.4</b>
<b>Total Oil Resource Within The Beetaloo Basin</b>	<b>135.67</b>	<b>192.91</b>	<b>272.55</b>	<b>12.11</b>	<b>19.15</b>	<b>29.57</b>

  

<b>Table 10: Total Undiscovered and Prospective (Recoverable) Gas Resources in the Beetaloo Basin, Australia</b>						
<b>Reservoir</b>	<b>Unrisked Undiscovered Gas-In-Place (Tscf)</b>			<b>Unrisked Prospective (Recoverable) Gas Resources (Tscf)</b>		
	<b>Low</b>	<b>Best</b>	<b>High</b>	<b>Low</b>	<b>Best</b>	<b>High</b>
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
<b>Conventional Subtotal</b>	<b>2.85</b>	<b>4.79</b>	<b>7.74</b>	<b>0.92</b>	<b>1.64</b>	<b>2.81</b>
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
<b>BCGA Subtotal</b>	<b>180.39</b>	<b>239.58</b>	<b>315.81</b>	<b>27.02</b>	<b>39.28</b>	<b>56.64</b>
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
<b>Shale Gas Subtotal</b>	<b>107.3</b>	<b>140.9</b>	<b>179.6</b>	<b>16.1</b>	<b>23.0</b>	<b>32.5</b>
<b>Total Gas Resource Within The Beetaloo Basin</b>	<b>290.54</b>	<b>385.27</b>	<b>503.16</b>	<b>44.05</b>	<b>63.91</b>	<b>91.94</b>

*[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.]*

The Report on the hydrocarbon resource potential of the Beetaloo Basin describes a possible distribution of the unrisked prospective (recoverable) portion of unrisked “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.

### **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 & 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 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 & Gas Ltd. is available at [www.falconoilandgas.com](http://www.falconoilandgas.com). Investor inquiries may be directed to [investor@falconoilandgas.com](mailto: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",*

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