



A Unique Play on the Strong European Gas Market

May 2014



FX Energy – Forward Looking Statements

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including with respect to potential and probable reserves, cash flow, value, risked value, timing of drilling and exploration activities and revenue projections. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that might materially affect actual results, levels of activity, performance or achievements.

For example, exploration, drilling, development, construction or other projects or operations may be subject to the successful completion of technical work; environmental, governmental or partner approvals; equipment availability, or other things that are or may be beyond the control of the Company. The Company's exploration or development operations that are anticipated, planned or scheduled may be changed, delayed, take longer than expected, fail to accomplish intended results, or not take place at all. In carrying out exploration it is necessary to identify and evaluate risks and potential rewards. This identification and evaluation is informed by science but remains inherently uncertain. Subsurface features that appear to be possible traps may not exist at all, may be smaller than interpreted, may not contain hydrocarbons, may not contain the quantity or quality estimated, or may have reservoir conditions that do not allow adequate recovery to render a discovery commercial or profitable. Forward looking statements about the size, potential or likelihood of discovery with respect to exploration targets are certainly not guarantees of discovery or of the actual presence or recoverability of hydrocarbons, or of the ability to produce in commercial or profitable quantities. Estimates of potential typically do not take into account all the risks of drilling and completion nor do they take into account the fact that hydrocarbon volumes are never 100% recoverable. Such estimates are part of the complex process of trying to measure and evaluate risk and reward in an uncertain industry.

Other factors that could materially affect actual results, levels of activity, performance or achievement can be found in the Company's Annual Report on Form 10-K filed on March 14, 2013 and in the documents incorporated therein by reference. If any of these risks and uncertainties develop, or if any of our underlying assumptions prove to be incorrect, our actual results, levels of activity, performance or achievement may vary significantly from what we projected. Any forward looking statement contained in or made during this presentation reflects the Company's current views with respect to such future events and is subject to these and other risks, uncertainties and assumptions. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events or developments or otherwise.

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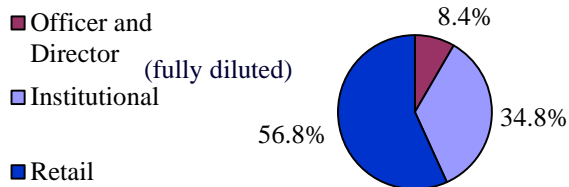
Market and Financial Overview

Major Institutional Shareholders as of 12/31/2013

| | Number of Shares | % Holding |
|--|-------------------|-----------|
| BlackRock Fund Advisors | 3,450,162 | 6.2% |
| Vanguard Group, Inc. | 1,393,867 | 2.5% |
| Wellington Shields & Co. | 1,266,655 | 2.3% |
| Clear Harbor Asset Management LLC | 1,214,504 | 2.2% |
| Potomac Capital Management LLC | 1,043,370 | 1.9% |
| SSgA Funds Management, Inc. | 864,603 | 1.5% |
| National Asset Management, Inc. | 790,566 | 1.4% |
| Northern Trust Investments, Inc. | 783,934 | 1.4% |
| Discovery Capital Management LLC | 600,000 | 1.1% |
| ING Investment Management Co. LLC | 582,000 | 1.0% |
| Investicni spolecnost Management, Ltd. | 555,419 | 1.0% |
| Nantahala Capital Management | 522,863 | 0.9% |
| TFS Capital LLC | 450,203 | 0.8% |
| Tom Lovejoy | 1,052,333 | 1.9% |
| David Pierce | 742,709 | 1.3% |
| Ordinary Shares Outstanding | 53,912,277 | |
| Options | 1,910,069 | |
| Fully Diluted Shares | 55,822,346 | |

Shareholder Ownership

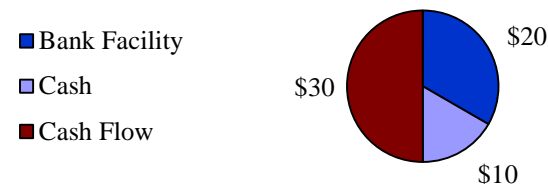
Ownership by Shareholder Category



NASDAQ Symbol: FXEN
Market Cap: \$270 mm @ \$5.00/sh
50 day avg. volume: 600,000 shares/day
52 week price range: \$6.18 - \$2.82

Research Coverage
 Brean Capital Macquarie Capital
 Euro Pacific MLV
 Imperial Capital Roth Capital Partners
 ING Equity Research

Full Year 2014 Liquidity Sources (millions)



Estimated cash flow is after G&A but before exploration and development

Financial Information as of 3/31/2014

| Balance Sheet Data (\$mm) | Unaudited | Audited | Income Statement Data (\$mm) unaudited | |
|---------------------------|----------------|----------------|--|--------------------|
| | 3/31/14 | 12/31/13 | 1Q14 | 2Q13 |
| Current assets | \$21.4 | \$21.8 | Total revenues | \$9.5 \$9.5 |
| Property, net | 80.6 | 76.2 | Operating Costs | 1.2 1.0 |
| Other assets | <u>2.6</u> | <u>2.7</u> | Exploration Costs | 3.3 6.4 |
| Total assets | <u>\$104.6</u> | <u>\$100.7</u> | Non-cash expenses | 2.1 2.0 |
| | | | G&A | 2.0 1.8 |
| Current liabilities | \$8.3 | \$10.5 | Total Costs | 8.6 11.2 |
| Long term debt | 50.0 | 45.0 | Operating inc. (loss) | \$(0.9) \$(1.7) |
| Other long term | 1.7 | 1.6 | | |
| Shldrs Equity | <u>44.6</u> | <u>43.6</u> | | |
| Total | <u>\$104.6</u> | <u>\$100.7</u> | | |

Market Data



Briefly: FX in Poland

➤ FX Energy is an oil and gas company focused on Poland

- Poland still has conventional gas deposits; our commercial wells average 17 Bcfe (P50 pre-tax reserves) and 4.5 Mmcf/d with very low decline rates over the first 5-6 years - vertical wells, no stimulation
- Gas prices are higher in Europe and appear likely to stay that way (~\$12 Europe vs. ~\$4-\$6 US)

➤ FX Energy knows Poland very well and has built a solid track record

- Building reserves since 2003; producing since 2006
- FX historical growth has been slow: limited funds and bureaucracy, but we have used that time to build revenues and develop an inventory of drilling targets and high potential exploration plays

➤ FX now has the revenue, funds and targets to grow both reserves and production

- \$55 mm capex planned for 2014 - up from \$50 mm in 2013 and \$37 mm in 2012
- 7 wells planned for drilling in 2014, up from 5 wells in 2013 and 3 wells in 2012
- Recent Tuchola discoveries may signal a major new hydrocarbon play area

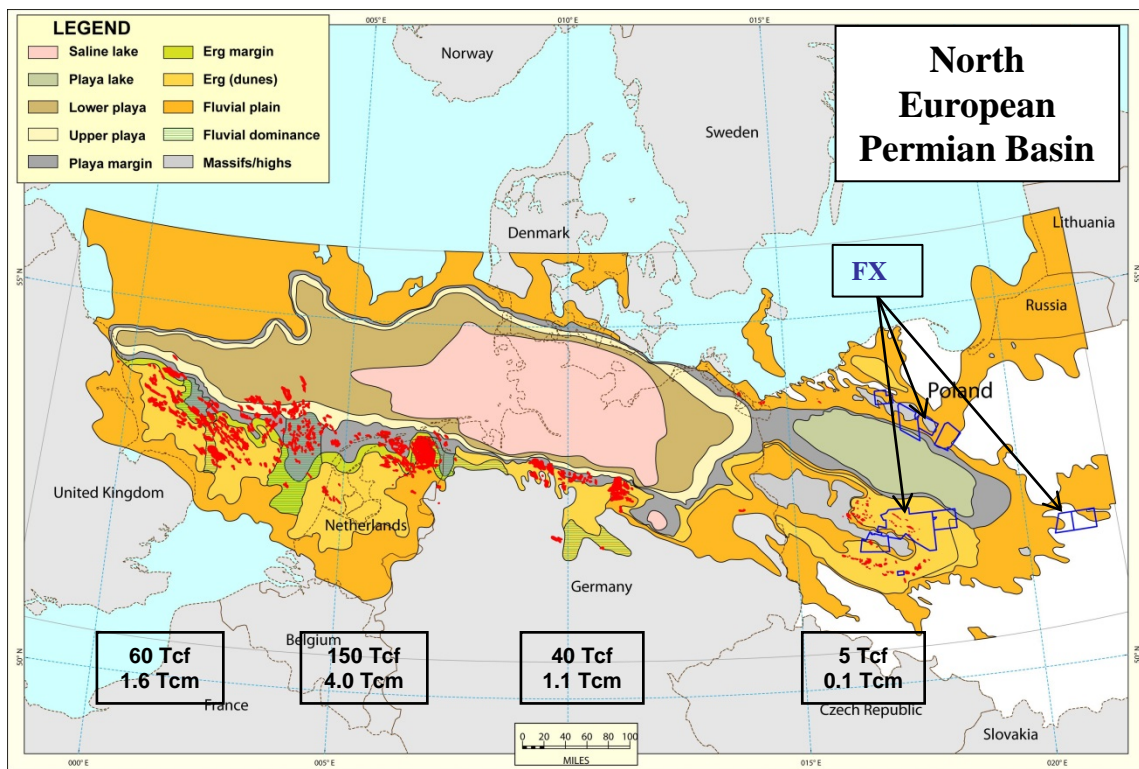
| Reserve Category | Bcfe | Bcme | PV10 pretax |
|--------------------------------|------|------|-------------|
| Proved Developed | 44 | 1.2 | \$158 |
| Proved Undeveloped | 1 | 0.0 | \$1 |
| Total Proved (P90 or 1P) Value | 45 | 1.2 | \$159 |
| Probable Reserves | 25 | 0.7 | \$42 |
| Proved+Probable (P50/2P) | 70 | 1.9 | \$201 |

Per RPS Energy and Hohn Engineering as of 12/31/2013

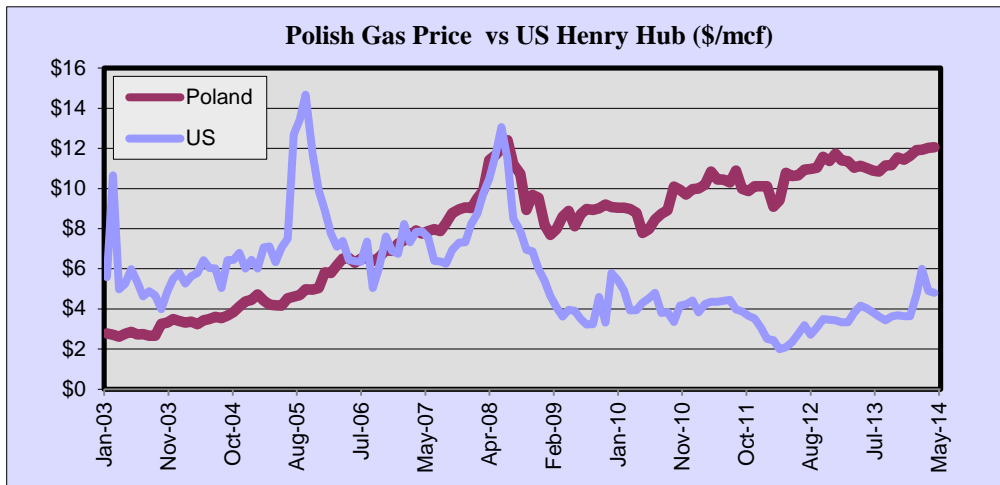
Untapped Resources in Poland

➤ **Poland has significant undiscovered hydrocarbon potential**

- Permian Basin extends across Europe: Permian (Rotliegend) gas fields in Poland are direct analogs to those found in the UK and Dutch sectors of the Southern North Sea and onshore Netherlands and Germany
- The North Sea was - and is - explored by dozens of companies
- But only one company (state owned) was exploring Poland during the Iron Curtain decades
- Geology doesn't stop at the border; Poland is just under-explored



Polish Gas Prices Are Higher Than US



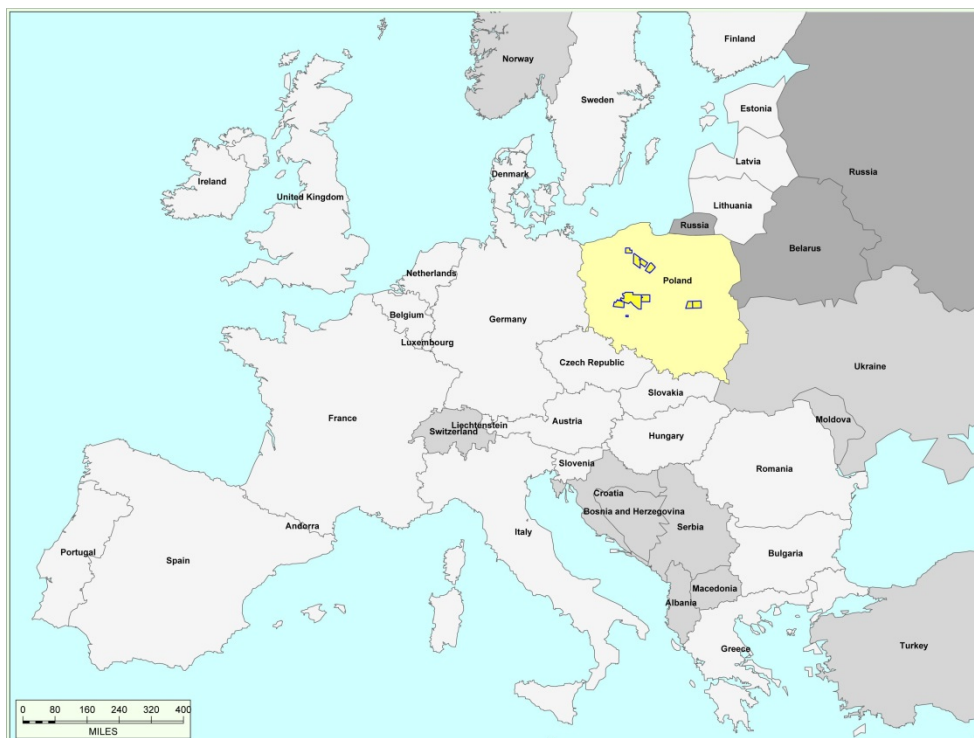
- Polish gas approximately \$12/mmbtu
- FX 2013 average wellhead price:
 - \$8.89/mmbtu
 - \$7.11/mcf (80% methane gas)

- Europe imports 1/2 of its gas supply, mostly from Russia
- Poland imports 2/3 of its gas supply, mostly from Russia/Gazprom
 - Domestic production: 420 Mmcf/day; 150 Bcf/year; 4.2 Bcm/year
 - Natural Gas Imports: 1.1 Bcf/day; 400 Bcf/year; 11.2 Bcm/year
- Russian gas prices are still tied to oil
- Shale gas remains elusive in Europe
- LNG to arrive in Poland 2015 – at about \$20 per mcf (reflecting Asian demand)



Poland: Sound Economy, Rule of Law

- **Size:** 312,000 sq. km (120,000 sq. mi.); comparable to Germany - or New Mexico
- **Population:** 38 million people; well educated, multi-lingual, culturally homogeneous; (Germany has 80 million; France and UK have 60 million each)
- **Political stability:** Poland is a member of the European Union (EU) and NATO; it has a long history of adhering to the rule of law
- **Economy:**
 - Poland is Europe's sixth largest economy
 - Poland has its own currency (zloty) and its own central bank
 - Poland's GDP has continued to see growth since 2008, despite poor economic performance in the rest of the EU



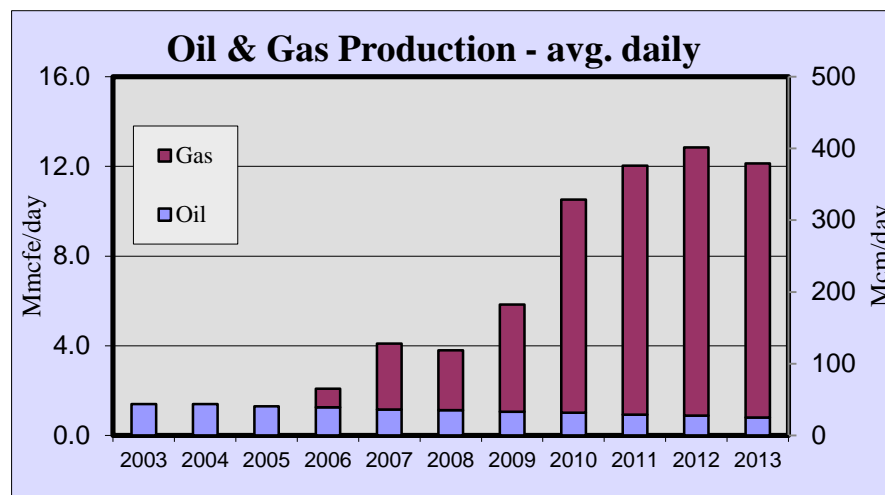
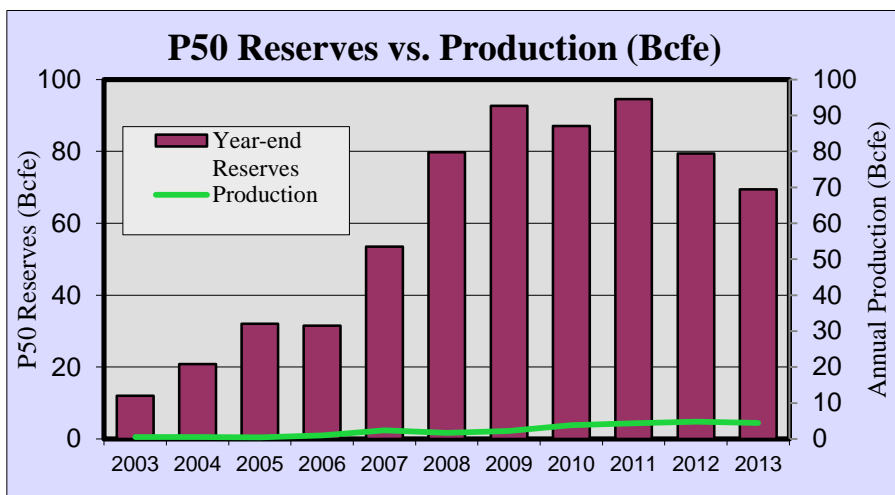
FX's Production Base in Poland

➤ FX started building reserves in 2003

- FX farmed into a good acreage block in 2000 (49% non-op interest in the “Fences” license)
- 73% successful on structural traps, but only averaged 1 well per year from 2000 through 2012
- Pace dictated by limited funds and long lead time for seismic

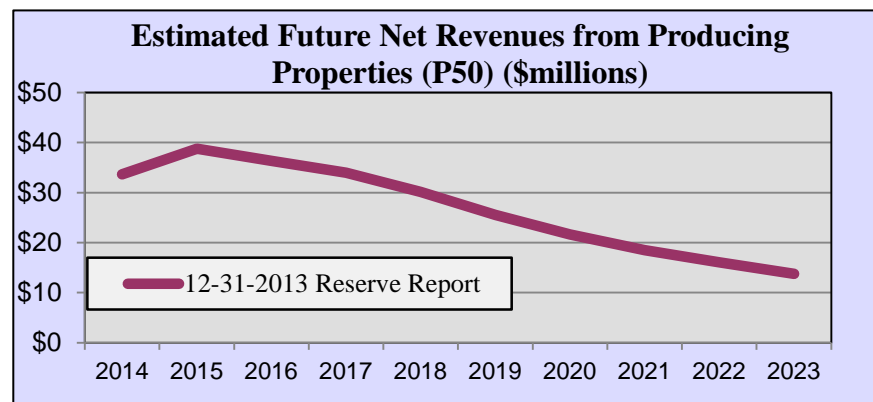
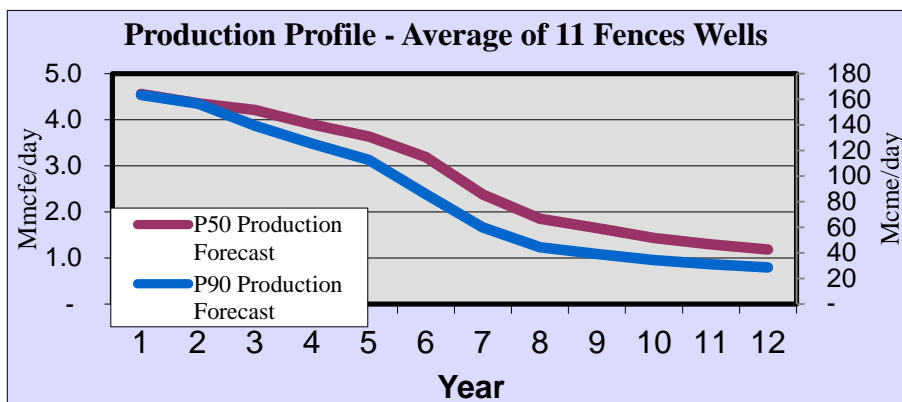
➤ Production and revenues follow reserves

- FX produced ~12-13 Mmcfe/d (about 2,000 boe/d) net in each of the last 3 years
- FX had oil and gas revenues of ~\$30-35 million per year in each of the last 3 years
- Produced 13.6 Mmcfe/d net company-wide 1Q14, with 7 wells producing in core Fences license
- 2 more wells set to come on line in Fences license: 3Q14 and 1Q15





Steady Production – Good Economics



*Production Profile and Economics Notes (charts above and below): Per well averages based on 12/31/2013 independent reserve report ⁽¹⁾ for 11 commercial wells in Fences license
Figures are for 100% working interest

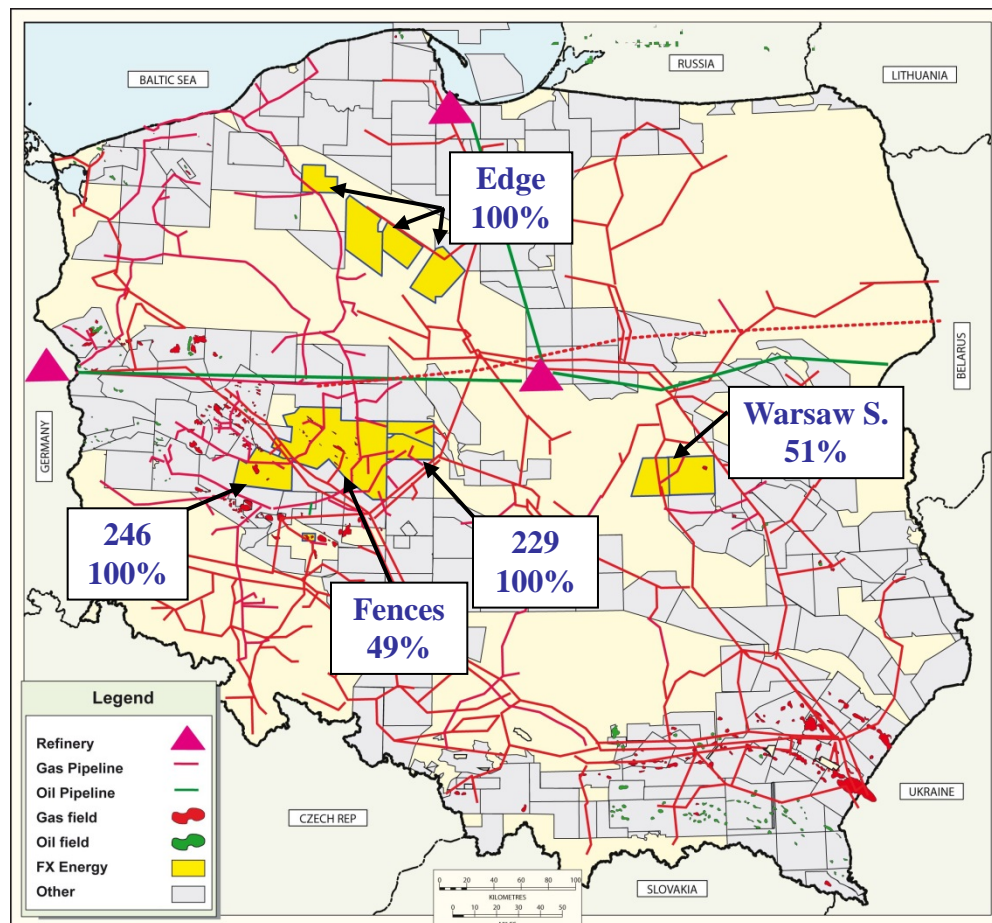
Above chart is from the FX Energy 12/31/2013 independent reserve report ⁽¹⁾. Based on \$6.82/mcf held constant (SEC method: first-day-of-month average 2013 wellhead gas price).

(1) Per RPS Energy and Hohn Engineering as of 12/31/2013

| Economics: Average of 11 Fences Wells (100%)* | |
|--|----------------------------|
| Well cost (current estimate) | \$10 mm |
| Facilities cost (current estimate) | \$4 mm |
| Pre-tax P90/P50 value (PV-10) (avg.) | \$50/\$58 mm |
| P90/P50 cumulative undiscounted net cash flow (avg.) | \$66/\$99 mm |
| Pre-tax P90/P50 reserves (avg.) | 13/17 Bcf (0.3/0.5 Bcm) |
| Initial production rate (avg.) | 4.5 Mmcf/d (119 Mcm/d) |
| Royalty (current) | \$0.04/mcf |

FX Energy Licenses in Poland

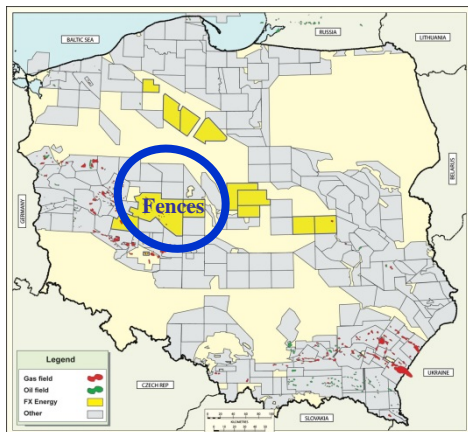
- **Focused on Fences and Edge licenses**
- **Five license areas cover 2.5 million gross acres**
 - FX holds 49% interest in Fences license (this is our core license, the location of virtually all our reserves and production); PGNiG holds 51% and operates
 - FX holds 51% and operates in Warsaw S. license; PGNiG holds 49%
 - All other licenses 100% owned and operated by FX Energy
- **Continuously high-grading acreage**



Main gas distribution lines in red

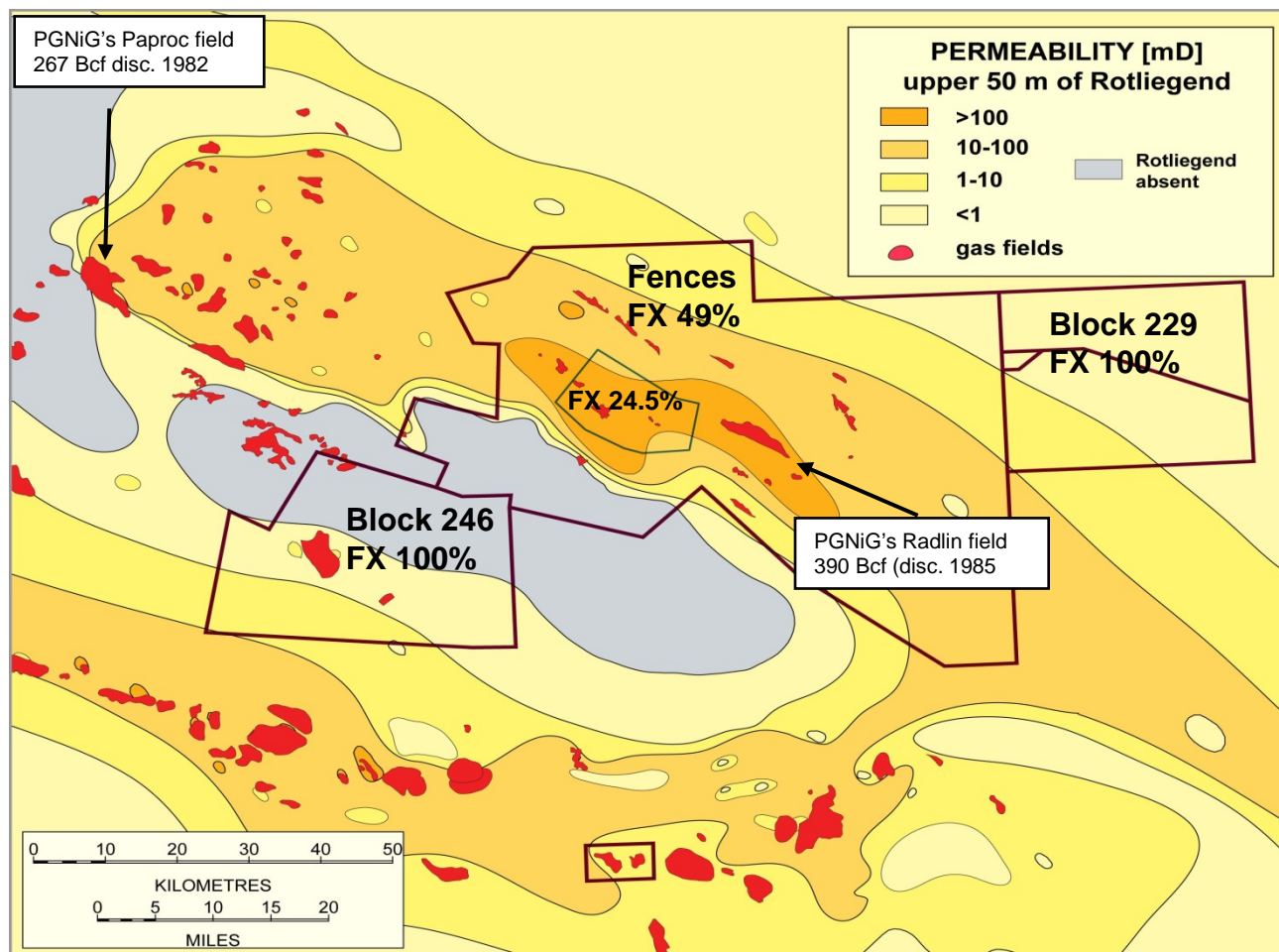
| | Gross (mm acres) | Working Interest | Net (mm acres) | Net (km ²) |
|-----------|---------------------|---------------------|-------------------|---------------------------|
| Fences | 0.85 | 49% | 0.41 | 1,647 |
| Block 229 | 0.23 | 100% | 0.23 | 941 |
| Block 246 | 0.24 | 100% | 0.24 | 975 |
| Warsaw S. | 0.40 | 51% | 0.20 | 820 |
| Edge | 0.73 | 100% | 0.73 | 2,937 |
| Block 287 | 0.01 | 100% | 0.01 | 52 |
| | 2.46 | | 1.82 | 7,372 |

Fences License – FX Core Area



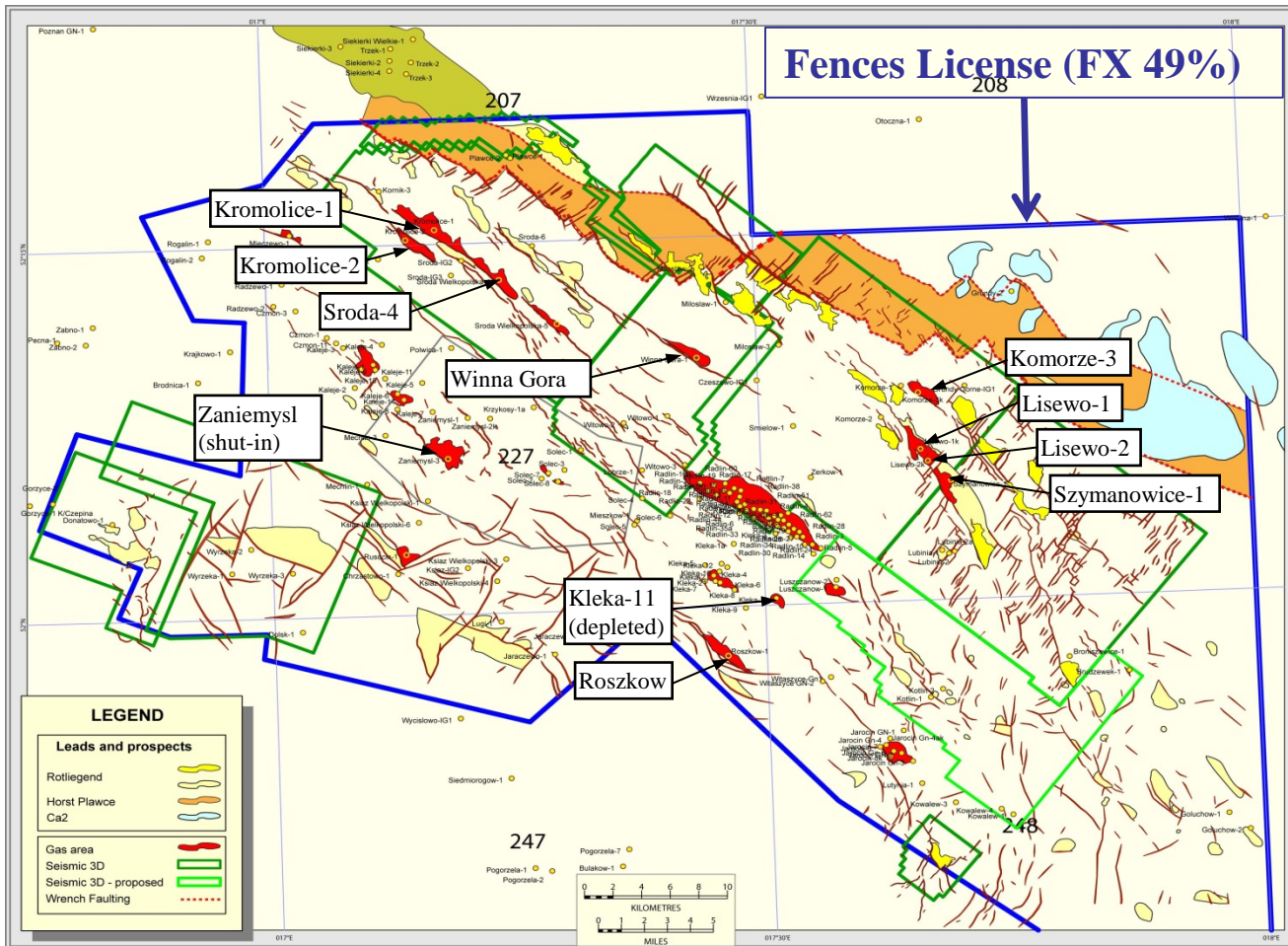
➤ Rotliegend gas potential

- Rotliegend gas fields from the 1980's showed area potential
- PGNiG had given up on the Rotliegend play - too deep for porosity beyond 2500 meters
- FX saw high potential with limited exploration risk
- FX combined modern processing procedures with interpretive skills of Polish interpreters
- Fences: FX earned 49%; PGNiG holds 51% and operates



Fences concession: 850,000 acres (3,440 km²) surrounding PGNiG's 390 Bcf Radlin Gas Field

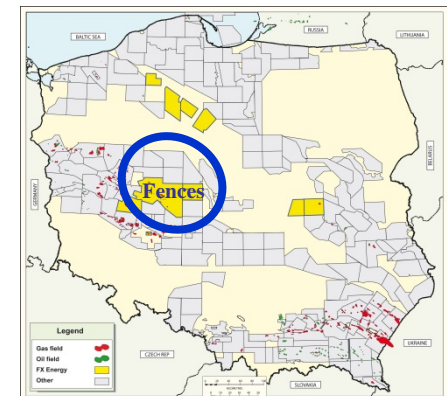
Successes in Fences License



Commercial Discoveries

| | Gross P50 Reserves ⁽¹⁾ /well | |
|-----------------------|---|----------------|
| Kleka-11 | 3 bcf | 0.1 bcm |
| Zaniemysl | 27 bcf | 0.7 bcm |
| Sroda-4 + Kromolice-1 | 42 bcf | 1.1 bcm |
| Winna Gora | 15 bcf | 0.4 bcm |
| Roszkow | 32 bcf | 0.9 bcm |
| Kromolice-2 | 8 bcf | 0.2 bcm |
| Lisewo-1 + Lisewo-2 | 40 bcf | 1.1 bcm |
| Komorze-3 | 8 bcf | 0.2 bcm |
| Szymanowice-1 | 15 bcf | 0.5 bcm |
| Total 11 wells | 190 bcf | 5.2 bcm |
| Avg. 11 wells | 17 bcf | 0.5 bcm |

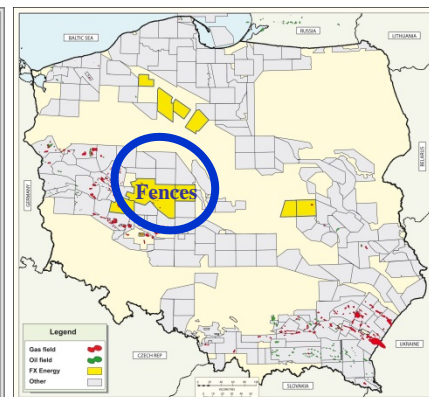
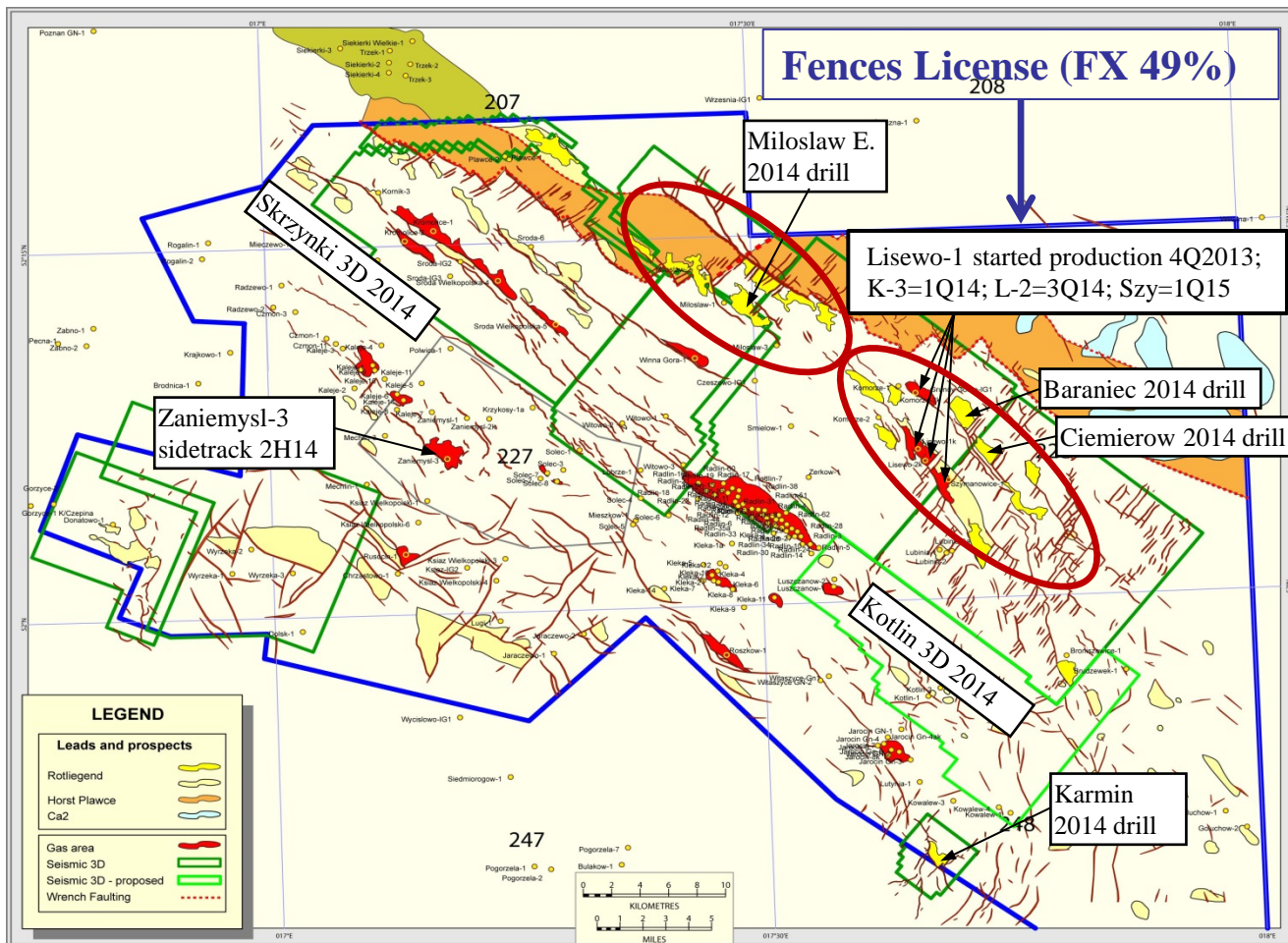
(1) P50 Estimated Ultimate Recovery



➤ FX brought new seismic techniques for acquisition, processing and depth conversion

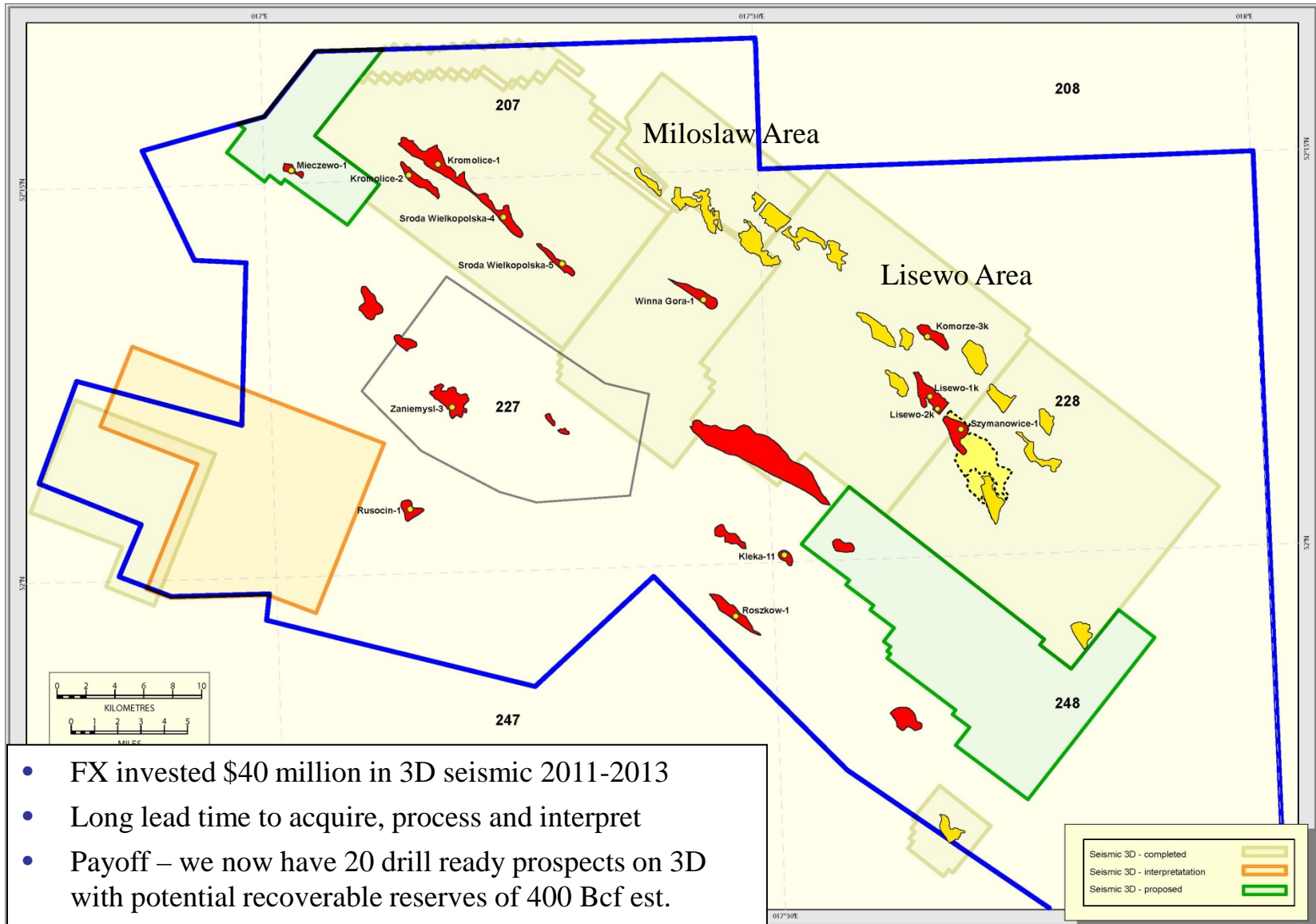
- Result: 11 commercial successes out of 15 wells (73%) targeting Rotliegend structures
- Average well size (11 wells): 17 Bcf gross P50 pre-tax
- Average daily production per well: approximately 4.5 Mmcf/day gross initial rate

2014 Plans for Fences License



- 7 wells now producing; 2 more wells to start producing 3Q14 and 1Q15
- 4 more wells planned for 2014 drilling: 2 in Lisewo area; 1 in Miloslaw area; 1 at Karmin
- Zaniemysl-3 sidetrack set for 2H14
- 3D seismic acquisition to start this year in Kotlin and Skrzyнки areas

Backlog of 20 Undrilled Prospects



- FX invested \$40 million in 3D seismic 2011-2013
- Long lead time to acquire, process and interpret
- Payoff – we now have 20 drill ready prospects on 3D with potential recoverable reserves of 400 Bcf est.

Growth in the Fences License

- **20 undrilled 3-D defined Rotliegend structural prospects with 400 Bcf of gross unrisked potential recoverable reserves**
 - FX's 49% share, unrisked, is approximately 200 Bcf, or 4 times current proved reserves
 - FX's 49% share, risked, is approximately 100 Bcf, or 2 times current proved reserves

- **Drilling pace is increasing**
 - 2000 to 2012: drilled 1 well per year on average
 - 2013: drilled 3 wells, of which 2 are commercial
 - 2014: 4 new wells planned – on familiar structural targets with a 73% success rate historically
 - PGNiG, 51% owner/operator, gave support to increasing the number of wells last year and this year

- **Production is ramping up**
 - 7 wells are producing now: 13.6 Mmcfe/d net company-wide average for 1Q2014
 - 2 more wells awaiting hook-up
 - 4 more wells planned for 2014 drilling
 - FX is already working on permits to tie these new wells into production

- **Fences is low risk (73%), high return on investment, with substantial growth potential**

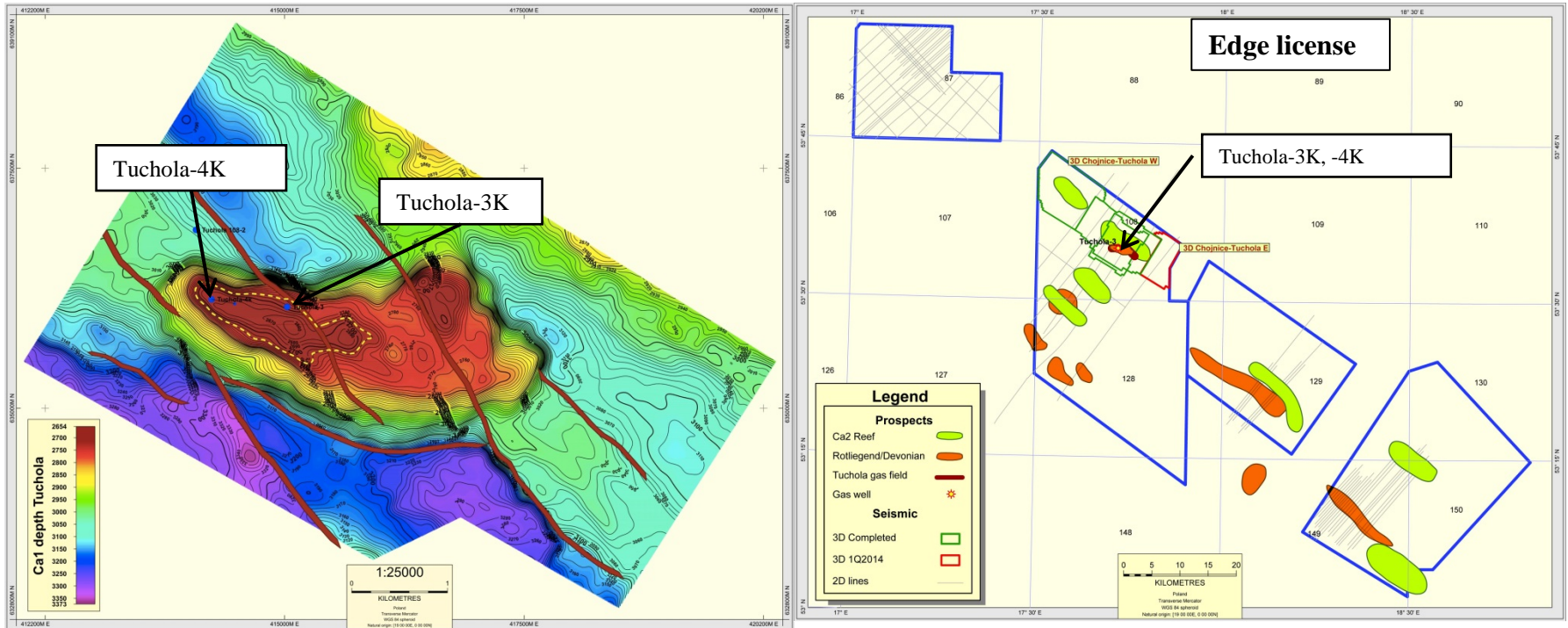


FX 100% Licenses

- **Edge license: new discoveries signal potential for major hydrocarbon play**
 - Two wells capable of an estimated 24 Mmcf/d net to FX' 100% working interest
 - This rate would nearly triple the Company's current net gas production
 - Current development concept: remove nitrogen, extract helium, sell gas into high methane line
 - Plan two more wells this year
 - Currently considering overall exploration strategy for the Edge license

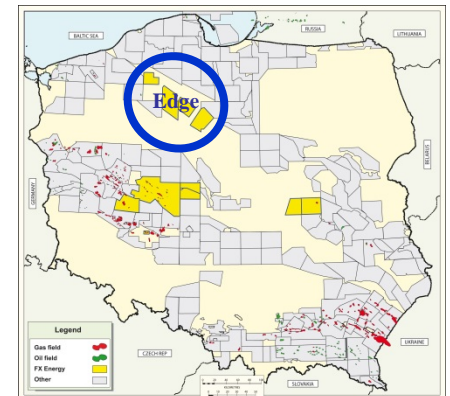
- **Other FX licenses: Block 229, Block 246 and Warsaw South**
 - Operations on other exploration licenses deferred for now, except for data analysis, to focus capital and other resources in light of current opportunities in the Edge and Fences license areas
 - Plans to be clarified in the next few months

Edge License – Tuchola Gas Field

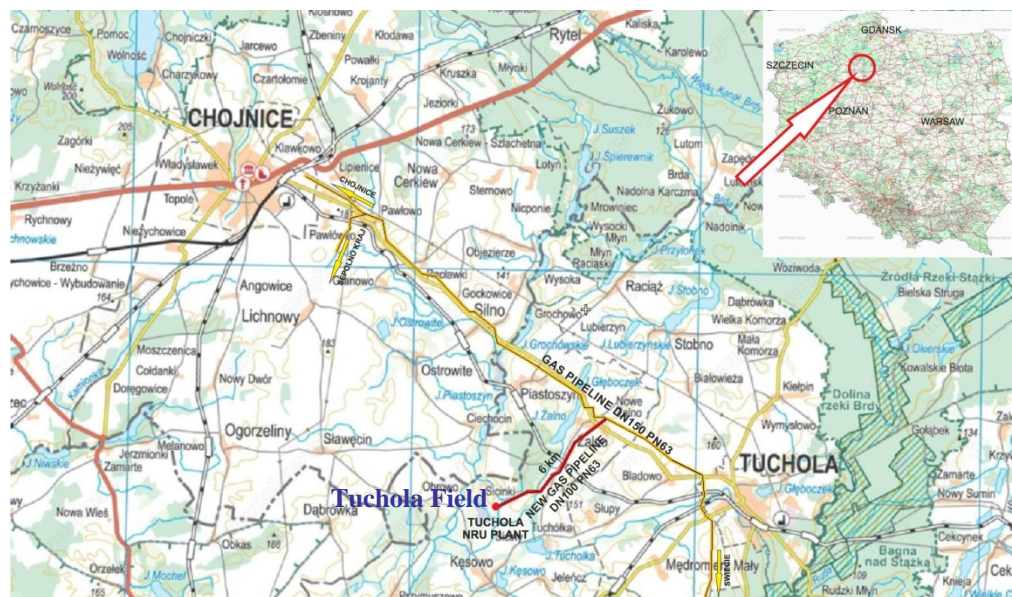
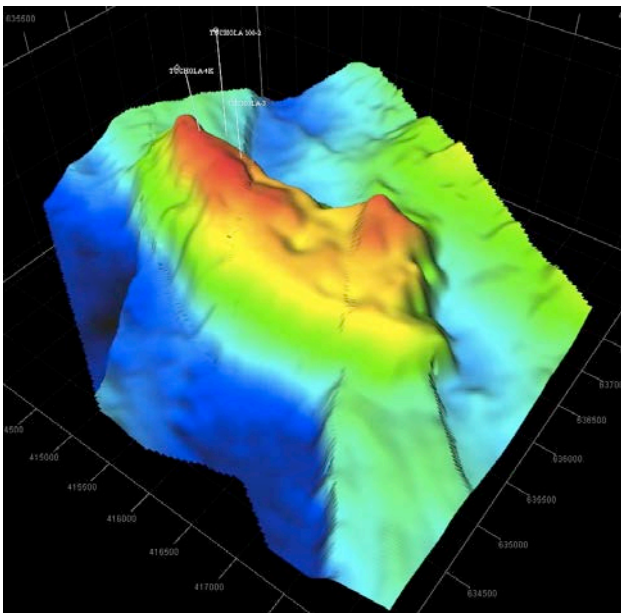


➤ Tuchola Results Signal a Significant New Area for FX to Explore

- 24 Mmcfe/day forecast from Tuchola-3K and -4K wells combined; could nearly triple FX' current net gas production
- Gas price anticipated to be comparable to Fences on a per produced-mcf basis
- Older 2D seismic shows multiple new leads; new 3D may confirm
- 240 sq. km. 3D acquired; now processing and interpreting; 3Q14 select next target
- Hope to select next target in 2-3 months; two more wells planned for 2014

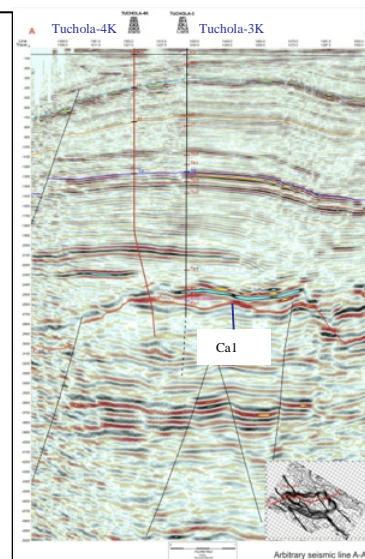


Tuchola Development

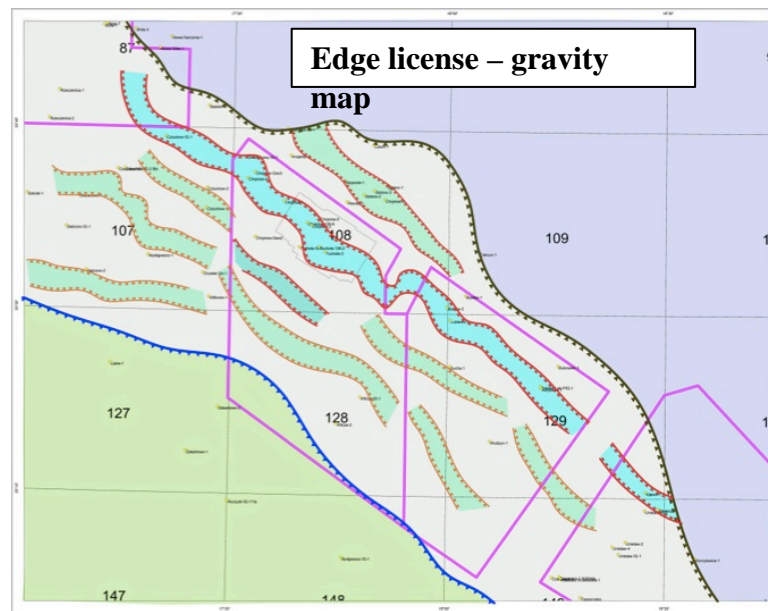
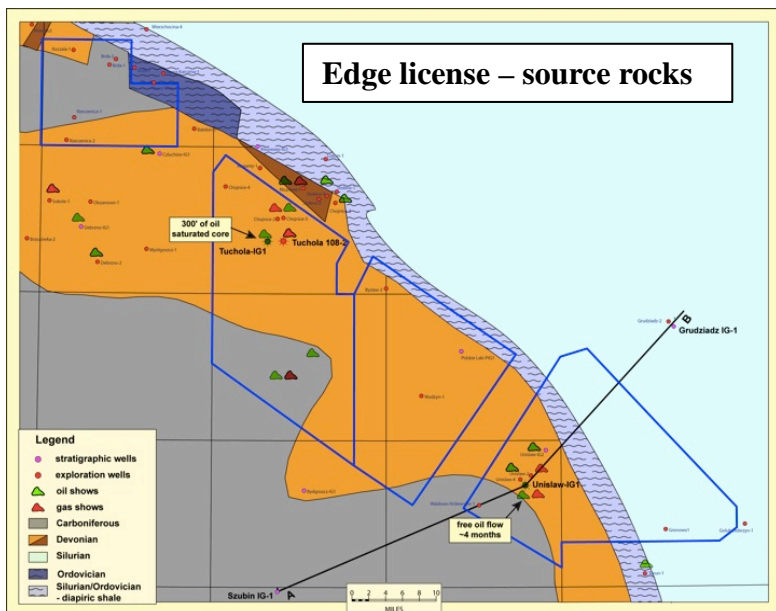


➤ Tuchola Gas Field Alone May Support Development, Subject to Reserves

- Permitting to start immediately on facilities and pipeline
- Total cost of production facilities, nitrogen removal and helium extraction plant could be approximately \$35, including connection to high methane line; costs mostly in 2016
- Permitting and construction could be accomplished as early as end 2016, by which time we hope to have other discoveries to share these facilities
- Annual gas revenues from Tuchola could exceed \$60 million
- Development funds could come from existing bank facility, or from facilities contractors or downstream gas purchasers

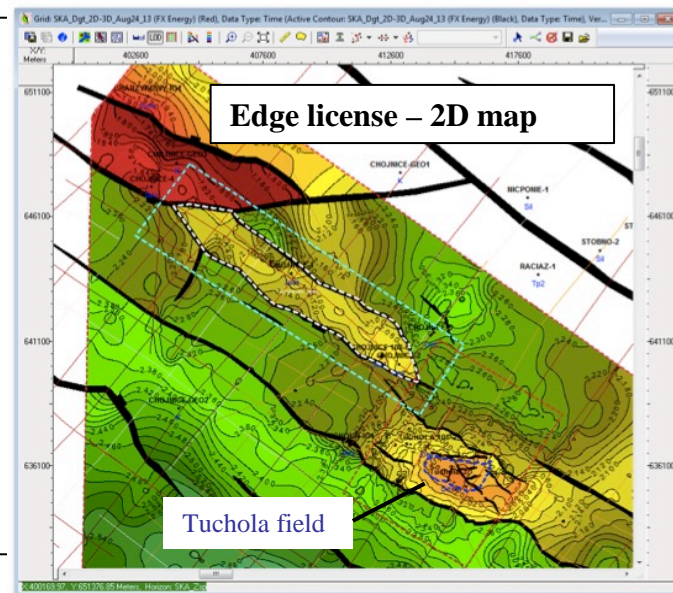


Edge Exploration



➤ Ongoing Exploration in the Edge License

- Known Carboniferous and Devonian source rock
- Carbonate deposits along Zechstein/Devonian shorelines form very good potential reservoirs
- Gravity and 2D seismic bring focus on potential target areas but high quality 3D seismic required to resolve complex tectonics and multiple play possibilities; currently working 240 sq. km 3D
- 730,000 gross and net acres/2,900 km²; FX operates and holds 100% working interest



Recap

- **FXEN has many 3D targets, its best-ever drilling schedule and the funds to carry out its 2014 plan**
 - 2013: capex approx. \$50 million; 5 wells drilled plus extra seismic
 - 2014: capex planned at \$55 million; 7 wells planned plus some seismic

- **Fences license: reserves and production base established; drill more wells to grow that base**
 - 7 Fences wells now producing; company-wide production 13.6 Mmcf/d 1Q2014 average
 - 2 more Fences wells coming on line: first production expected in 3Q14 and 1Q15
 - 4 more Fences wells planned for 2014 drilling; 73% success rate to date
 - 20 structures (16 more) on 3-D seismic – potential gross recoverable 400 Bcf

- **Edge license: a significant new exploration play for FX Energy**
 - Tuchola gas field (2 wells) should produce approximately 24 Mmcf/d net to FX
 - Prices comparable to Fences license prices (per mcf produced)
 - Development permitting to start this month
 - First production could be as early as end 2016
 - 2014 plans include two more wells
 - FX owns 100% working interest in 730,000 gross and net acres