

Falcon Oil & Gas Ltd

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Falcon Oil & Gas: Origin Energy doubles Beetaloo basin stake

Aussie oil and gas major Origin Energy has bought-out Sasol from the Beetaloo basin shale venture in the Northern Territory.

Origin's stake in the project doubles to 70% as a result of the deal, while AIM-quoted Falcon Oil & Gas Ltd (LON:FOG) retains the other 30%.

Details of the deal value were not announced and the transaction is subject to a number of conditions, including government approval.

In a statement in London, Falcon noted that the transaction does not impact upon what it is due from the farm-out deal it agreed with both Origin and Sasol in 2014, as Origin will now assume 100% of the project spending pledged by both partners.

The deal comes after Origin outlined a very significant potential resource in the shale discoveries made by recent wells - it estimated some 6.6 trillion cubic feet of gas resources and said there could be as much as 496 TCF which would be 82bn barrels of oil - though operations on the ground are on hold, as there's presently a moratorium on fracking in the Northern Territory.

Philip O'Quigley, Falcon chief executive, said: "Having recently announced the discovery of a material shale gas resource in the Beetaloo Basin, Origin's doubling of its interest in the Beetaloo Joint Venture is a significant endorsement in what some regard as the Northern Territory's most prospective onshore basin for shale gas.

"We look forward with Origin to progressing our understanding of the entire play while maturing the contingent resources to reserves over time, subject to the outcome of the Northern Territory's inquiry into hydraulic fracturing."

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Price: 22.625p

Market Cap: £208.5M

1 Year Share Price Graph



Share Information

Code: FOG

Listing: AIM

52 week High Low
29.925p 3.85p

Sector: Energy

Website: www.falconoilandgas.com

Company Synopsis:

Falcon Oil & Gas Ltd. is a global energy company that is focused on acquiring, exploring and developing large acreage positions of unconventional and conventional oil and gas resources. We focus on areas in politically and economically stable countries that are characterized by a high regional demand for energy with existing infrastructure allowing rapid delivery of oil and gas to market.

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