

Falcon Oil & Gas Ltd

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Falcon Oil & Gas investors find encouragement as partner Origin praises preliminary report on Fracking in Northern Territory

Investors in Falcon Oil & Gas Ltd (LON:FOG) are finding encouragement as its Australian partner and project operator Origin Energy.

Origin has held a presentation for Australian investors, and press reports have highlighted a degree of positivity from the oil and gas firm as it awaits a decision on fracking in the Northern Territory (where the exploitation technique is presently under moratorium).

Falcon's AIM-quoted shares rose some 5.7% to trade at 22.08p on Thursday morning.

It comes after a preliminary report was released from the scientific inquiry that will help inform the NT's decision.

Origin Energy's chief geologist is quoted in support of the preliminary report.

"By and large I think it was an excellent summary of the process to date of some of the data gaps. It made some really clear summaries of the risks and why they might be low risks or otherwise," he said.

"Overall I think the balance was excellent, the independence of the inquiry has been absolute and we as an industry really support that it needs to run entirely independently of all parties. And that is how it is being conducted."

Whether or not the decision goes the oil and gas companies' way remains to be seen, though increasingly it seems the view in Australia is that by allowing fracking to take place the authorities can alleviate some of the high demand for gas, particularly on the east coast where it is expected that supplies will struggle to keep up.

Falcon was the first mover in the Northern Territory, where it staked prospective acreage across an area known as the Beetaloo basin before subsequently bringing in partner Origin and Sasol (Origin recently bought out the South African group from the venture) and a series of wells unearthed a potentially vast discovery of shale gas.

Rapid initial success was, however, tempered as the NT authorities put a moratorium of fracking following elections last year.

Excitement surrounding the Beetaloo was piqued in February this year when Origin estimated there was a massive 496 trillion cubic feet (TCF) of gas. That equates to a massive 82bn barrels of oil potential .

Now an awful lot of that has yet to be proven, but drilling and testing immediately prior to the fracking moratorium provided the basis for a resource of 6.6 TCF - which is still very much considered a 'world class' class project.

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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A green-light on fracking would be substantial catalyst for the project, as it would be for the Falcon Oil & Gas share price as well.

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