

# Falcon Oil & Gas Ltd

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## Falcon Oil & Gas is "well worth following" - RBC Capital

Falcon Oil & Gas Plc (LON:FOG) presents a "story that's well worth following", according to RBC Capital, in a new write up following the release of a draft final report in the ongoing review of fracking in Australia's Northern Territory.

Falcon is sitting on a major shale discovery in the Beetaloo basin though its recent progress has been halted by a moratorium on fracking. A government-commissioned report is being produced in order to inform the government ahead of a decision to either allow or deny the controversial well stimulation technique.

**READ:** Falcon Oil & Gas boosted as draft scientific report says Australian fracking risks are manageable

The draft, released on Tuesday, contains many points and recommendations but its overall conclusion stated the belief that "the challenges and risks associated with any onshore shale gas industry in the NT are manageable".

"We see Falcon as a near pure option on what could prove to be a very large, economic gas resource with long-dated strategic appeal," RBC analyst Ben Wilson said in a note.

"The nascent nature of the target Beetaloo Basin and the near-term activity hiatus temper our enthusiasm; however, we acknowledge it is an asset appraisal story that is well worth following. "

Wilson added: "Resumption of drilling in the Beetaloo is contingent on lifting NT's frac moratorium. Strong East Coast gas pricing (US\$5-7/mcf), a rapidly improving Asian Basin LNG market (spot ~US\$10/mcf), forecast NT deficits and an encouraging draft inquiry report provide support for lifting of the moratorium.

**READ:** Falcon Oil & Gas highlights strong financial position as it awaits Australia fracking verdict

"We note uncertainty around political processes presents risks of delays to Beetaloo appraisal which factors into our recommendation."

RBC holds a 'sector perform' recommendation, with a price target of 25p which sees some upside to the current price of 23.5p.

**Price:** 18.05p

**Market Cap:** £168.64M

### 1 Year Share Price Graph



### Share Information

**Code:** FOG

**Listing:** AIM

**52 week High Low**  
28.9p 14.75p

**Sector:** Energy

**Website:** [www.falconoilandgas.com](http://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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