

# Falcon Oil & Gas Ltd

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## Falcon Oil & Gas partner Origin details additional potential in Australian shale play

Falcon Oil & Gas Ltd (LON:FOG, CVE:FO) shares jumped by 10% on Wednesday after the firm detailed new insights regarding the potential of its Beetaloo shales discoveries in Australia, coming from the analysis of project operator, Origin Energy.

It comes as the two partners anticipate news of the Northern Territory's review of fracking, which is under moratorium, when the authorities release a long awaited report next month.

READ: Falcon Oil & Gas is "well worth following" - RBC Capital Origin, at a conference in Sydney, spoke about two zones identified in the Beetaloo W-1 well - separate to the declared Velkerri discovery - and it highlighted certain advantages to pursuing these zones further in the future.

It identified two potential source rock reservoir (SRR) intervals, middle Kyalla SRR and lower Kyalla SRR.

According to Origin, the lower Kyalla SRR has the greater potential and it could be conducive to successful hydraulic fracture stimulation. Additionally, it said a development could have significant cost advantages over the middle Velkerri SRR, because of lower drilling costs.

Origin highlighted that the lower Kyalla SRR reservoir is likely to be wet gas and that could also improve the economics considerably.

There is now potential for the Beetaloo play to be advanced as a 'stacked play' - meaning that wells could be positioned to encounter the multiple zones - as the middle Velkerri SRR development is progressed, Origin said. That would also enhance the economics of the future infrastructure, by providing significant cost savings.

READ: Falcon Oil & Gas boosted as draft scientific report says Australian fracking risks are manageable  
It did clarify, however, that further appraisal work would be needed for the Kyalla SRRs.

Philip O'Quigley, Falcon chief executive, said: "Today's announcement is encouraging and follows the February 2017 Discovery Evaluation Report publication on the existence of a material gas resource in the middle Velkerri formation.

"We look forward to the final report from the scientific inquiry into hydraulic fracturing due to be published in March and the Northern Territory Government's response to the final report before determining the forward exploration/appraisal programme."

**Price:** 18.25p

**Market Cap:** £168.18M

### 1 Year Share Price Graph



### Share Information

**Code:** FOG

**Listing:** AIM

**52 week High Low**  
29.925p 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.*

### Author:

**Proactive Investors Ltd**

+44 (0)207 989 0813

action@proactiveinvestors.com

In early afternoon trading, Falcon O&G shares were up 10.3% at 16.88p.

-- Adds share price --

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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