

Falcon Oil & Gas Ltd

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Falcon Oil & Gas jumps as final scientific report says Australian fracking risks can be managed

Falcon Oil & Gas Ltd (LON:FOG) shares jumped 12% higher on Tuesday after a scientific inquiry into hydraulic fracturing in Australia's Northern Territory commissioned by the region's government has concluded that the inherent risks of the controversial oil and gas extraction method can be mitigated, reduced to an acceptable level or in some cases eliminated entirely.

The conclusion, which is intended to inform the region's politicians, will be taken as good news by Falcon Oil & Gas, its partner Origin Energy and their respective investors.

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

A potentially significant shale discovery was unearthed by Origin and Falcon back in 2016 but at about the same time, the Northern Territory authorities put a moratorium on fracking (which would be an essential component in developing the shale).

The inquiry chair, Justice Rachel Pepper said: "It was not the role of the Inquiry to recommend whether the moratorium on hydraulic fracturing in the Northern Territory be lifted, that is a political decision that rests with the Government alone."

"But having considered the latest and best-available scientific data from a wide range of sources, and noting the recent and continuing technological improvements in the extraction of onshore shale gas, the conclusion of this inquiry is that the challenges and risks associated with any onshore shale gas industry in the NT can be appropriately managed."

"It is the panel's opinion that, provided that all of the recommendations made in this report are adopted and implemented in their entirety, not only should the risks associated with an onshore shale gas industry be minimised to an acceptable level, in some instances, they can be avoided altogether."

The findings came in the final report of an inquiry which was announced by the Northern Territory government on Sept 14.

In afternoon trading, shares in Falcon Oil & Gas were 12.2% higher at 20.25p.

-- Adds share price --

Price: 24.65p

Market Cap: £229.34M

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

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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