

# Falcon Oil & Gas Ltd

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## Falcon Oil & Gas in strong financial position to advance its projects

Canada-based and London-listed Falcon Oil & Gas Ltd (LON:FOG) is in a healthy financial position to ramp up exploration of its shale assets.

The junior closed its third quarter with cash of US\$7.5mln and no debt.

**WATCH:** Falcon Oil & Gas 'taking Beetaloo shale project forward at pace'  
The business's main shale interests are in Australia at Beetaloo and in South Africa's Karoo Basin.

In a very short statement that accompanied the third quarter update, the junior said its focus was on strict cost management and efficient operation of the portfolio.

Operating losses in the three months to September were cut to US\$501,000 from US\$651,000.

Falcon is not yet generating any revenues.

Nine-month losses were US\$1.34mln compared to US\$4mln a year earlier.

Falcon believes the Beetaloo Basin in Australia's Northern Territory remains "relatively under-explored" and has both shale oil and shale gas commercial potential.

Operator Origin Energy has identified four additional potential plays in the Beetaloo sub-basin in addition to the existing and explored Velkerri shale dry gas play.

In August, Falcon and Origin agreed to accelerate exploration activity for the Beetaloo shale project.

### **READ: Falcon Oil & Gas and Origin Energy agree to ramp-up Beetaloo activity**

After a Stage 1 campaign in 2014 - drilling three vertical wells and one horizontal, fracture stimulated well - it is now appropriate to move ahead, said the companies.

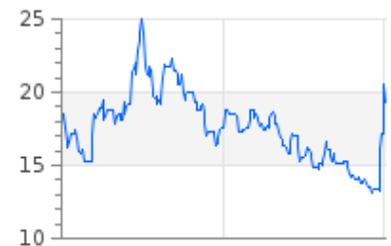
With the launch of the Stage 2 campaign the partners are increasing the 'cost cap' (ie the portion of costs covered by Falcon's farm-out deal with Origin) by A\$15mln, with the programme now comprising two horizontal, fracture stimulated wells and will not include the fracking of a vertical well.

In South Africa, Falcon said it expects the exploration right over the acreage in the Karoo Basin will be awarded in 2019.

**Price:** 19.75p

**Market Cap:** £183.81M

#### 1 Year Share Price Graph



January 2018 July 2018 January 2019

#### Share Information

**Code:** FOG

**Listing:** AIM

**52 week High Low**  
26.40p 13.00p

**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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This licence is about 173 million acres and contains thick, organic-rich shales such as the Permian Whitehill formation.

Falcon is also continuing to review its operations in Hungary, which includes the Makó Trough.

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