

Falcon Oil & Gas Ltd

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Falcon Oil & Gas and Origin Energy agree to cancel Beetaloo royalty

Falcon Oil & Gas Ltd (LON:FOG) has confirmed that, alongside partner Origin Energy, it has cancelled a 1% royalty that would've been tied to future production from the Beetaloo shale gas project in Australia.

Falcon and Origin, originally, would've been required to pay \$5mIn during a five-year option period to cancel the royalty.

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But, the royalty holder CR Innovations AG (CRIAG) was adjudicated bankrupt in March 2017 and the Beetaloo partners subsequently reached an agreement with the liquidator, agreeing to pay around \$151,000 (CHF 150,000) for the termination.

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

With the launch of the Stage 2 campaign, the partners are now advancing plans for two horizontal, fracture stimulated wells. Falcon's share of costs is being covered by Origin, up to A\$65mIn.

Stage 3, to take place in 2019, will comprise one vertical and two horizontal wells. Preparations for the Stage 3 drilling are already underway.

Price: 8.1

Market Cap: £79.53 m

1 Year Share Price Graph



Share Information

Code: FOG

Listing: AIM

52 week High Low
17.725 4.9

Sector: Oil & Gas

Website: falconoilandgas.com

Company Synopsis:

Falcon Oil & Gas Ltd. ("Falcon" or "Company") is an international oil and gas company engaged in the acquisition, exploration and development of unconventional oil and gas assets. The Company's principal interests are located in two major underexplored basins in Australia and South Africa; with further interests in Hungary, covering approximately 12.3 million gross acres.

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