

Falcon Oil & Gas Ltd

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Falcon Oil & Gas kicks off new Beetaloo shale well drilling

Falcon Oil & Gas Ltd's (LON:FOG) (CVE:FO) (OTCMKTS:FOLG) exciting Australian shale gas project is now back actively underway, with the start of new drilling in the Beetaloo basin.

The Kyalla 117 N2-1 has now been spudded, the company revealed in a statement.

It is the first well in the 'Stage 2' drill programme at Beetaloo. The well is located some 32 kilometres from the prior Beetaloo W-1 well and it is targeting the shale liquids rich gas play.

READ: Falcon Oil & Gas highlights 'strong financial position'

First, a vertical pilot well is being drilled down to around 1,750 metres into the Kyalla formation. A horizontal section of around 1,000 metres will then be drilled. The horizontal well will be completed and will undergo a production test.

"The spudding of the Kyalla 117 N2-1 appraisal well is an exciting development for Falcon and marks the re-commencement of the drilling programme with our JV partner," said Philip O'Quigley, Falcon chief executive.

"We look forward to updating the market as soon as results become available."

Origin Energy, the operator and Falcon's partner, aims to assess hydrocarbon maturity, saturation and reservoir quality.

The well programme is expected to provide further information on the areal distribution of the Kyalla Formation. It will collect data for subsequent drilling operations.

Origin previously committed to covering up to A\$113mln of Falcon's costs for Stage 2 and Stage 3 drill programmes, and, earlier this Falcon guided that it expected its share of costs would amount to around US\$5.5mln (not including contingencies).

Financial results released in August confirmed a "strong financial position" with the explorer holding US\$14.5mln of cash at the end of June.

Falcon retains a 30% interest in the Beetaloo projects.

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Price: 12.125

Market Cap: £119.05 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: FOG

Listing: AIM

52 week High Low
20.5 10.5

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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