

Falcon Oil & Gas Ltd

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Falcon Oil very encouraged by Beetaloo horizontal

Falcon Oil & Gas's (LON:FOG, CVE:FO) rapid progress in its Australian shale venture has continued with the completion of a successful horizontal well.

Hot on the heels of two successful vertical wells Falcon and its partners have now drilled the Amungee NW-1H well to a total measured depth of 3,808 metres and has cut 1,100 metres horizontally through the 'B Shale' interval of the Middle Velkerri formation.

The B Shale is said to have favourable properties, excellent gas shows were observed throughout and the results are described by Falcon as "very encouraged".

It is now anticipated that the Amungee NW-1H well will be fracked and tested in 2016.

In the meantime there will be an in-depth evaluation and petrophysical analysis of all the technical data gathered from the three wells drilled this year.

Falcon told investors that the results to date confirm the area as a "prospective and laterally extensive sweet spot" in the north of the Beetaloo basin, and highlighted that they have "fully justified" the decision to accelerate the drill programme.

Following the success of the first two vertical wells the partners had agreed to bring forward horizontal drilling by about a year.

Philip O'Quigley, Falcon chief executive, also pointed out that the drill rig is now being 'warm stacked' which means it could be mobilised more easily to start a further drill programme in early 2016.

He says it demonstrates further commitment from Origin Energy and Sasol, which via a 2014 farm-in agreement are covering Falcon's share of costs from the ongoing programme.

"This continues to be an exciting time for Falcon with continued positive developments for the Beetaloo Joint Venture," O'Quigley said.

"Experiencing excellent gas shows during the drilling of Amungee NW-1H demonstrates the high level of gas saturation in the entire horizontal section which is a strong indication of the potential prospectivity of our Beetaloo acreage."

He added that the in-depth analysis of the 2015 results should provide further positive evidence of the high prospectivity of the Beetaloo basin.

"This should provide the JV with the technical knowledge to best plan and design the 2016 program which will include a further two vertical wells and the multi-stage hydraulic fracturing of the Amungee NW-1H horizontal well," O'Quigley said.

Price: 11.75

Market Cap: £115.37 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: FOG

Listing: AIM

52 week High Low
21 11.0075

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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