

Falcon Oil & Gas Ltd

09:07 03 Dec 2015

Falcon Oil & Gas to receive US\$3.7m from NIS

--ADDS BROKER COMMENT--

Falcon Oil & Gas (LON:FOG, CVE:FO) is to receive US\$3.7m from former partner Naftna Industrija Srbije (NIS).

NIS, which is part owned by Gazprom, agreed to pay the money in fulfilment of its contractual obligations to a project in Hungary's Mako Trough, Falcon said in a statement.

A termination agreement has now been signed for an oilfield services contract, which the companies previously entered into in 2013.

NIS drilled two of three wells agreed in the contract. Falcon had previously granted extensions to the deadline for the proposed project.

Falcon retains a 100% interest in the Mako Trough Licence in Hungary.

"This will serve to boost the company's already stable cash position as it looks to progress its carried drilling programme in Australia," said Sam Wahab, analyst at broker Cantor Fitzgerald.

Meanwhile, finnCap analyst Dougie Youngson said: "This situation has been ongoing for some considerable time so this is a positive outcome for Falcon and helps to strengthen its balance sheet."

Price: 11.375

Market Cap: £111.69 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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