

The joint venture continues its in-depth shale evaluation programme, the company said, with technical data available from conventional cores, sidewall cores, DFITs and extensive wireline logging.

Falcon and partner Origin Energy are working to expand the known footprint of the shale play whilst also exploring and de-risking the engineering and commercial understanding of the project - ahead of what could be a very large-scale development.

Huge volumes of gas could potentially be unlocked for export into energy-hungry Asian markets.

In March, Falcon announced that its latest Beetaloo shale well would be suspended prior to the start of a fracking programme as operator Origin responded to the challenges of the coronavirus.

In doing so, Origin Energy adhered to advice from the Northern Territory and Federal Government on health and safety and social distancing.

It is expected to be a temporary, three month pause to operations. The programme is expected to resume in the second half of 2020. The drilling of the next well, the Velkerri Flank well, will likely then follow in the first half of 2021.

Karoo, Mako

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

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

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

What the boss says: Philip O'Quigley, chief executive

Falcon chief executive Philip O'Quigley highlighted that the deal confirms that Origin remains committed to the project.

"This farm down together with Falcon's unaudited cash reserves of US\$11.5 million at 31 March 2020 leaves us well-positioned to participate in the future upside potential of the Beetaloo.

"We look forward to updating the market as soon as operations recommence in the Beetaloo."

What analysts say

Stockbroker Cenkos, which rates Falcon as a 'buy' with a 40p target price, said in a note in late April that the company was a unique proposition on AIM.

"We believe Falcon is now fully funded through one of the greatest periods of uncertainty in the oil and gas industry, eliminating all equity and dilution risk for shareholders", the broker said, adding that if the company was able to prove the commercially of any of its plays they will be "ideally situated for both export and domestic utilisation".

"At a time when many oil and gas companies fight for their very survival, we believe Falcon has secured an excellent deal for shareholders", Cenkos said.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Falcon Oil & Gas Ltd named herein, including the promotion by the Company of Falcon Oil & Gas Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).