

Falcon Oil & Gas Ltd. - US\$10 million Private Placement with US Strategic Investor And US\$6 million Acquisition of Overriding Royalty Interest

31.03.2022 | [GlobeNewswire](#)

[Falcon Oil & Gas Ltd.](#)

("Falcon" or the "Company")

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31 March 2022 - [Falcon Oil & Gas Ltd.](#) (TSXV: FO, AIM: FOG) is pleased to announce that it has received a subscription from Sheffield Holdings LP ("Sheffield") for a US\$10 million private placement through the issue of 62,500,000 Common Shares ("the Placing Shares") at a price of CAD\$0.20 per share ("the Placing"). Following the placement Sheffield will hold a total of 90,443,607 Common Shares of Falcon, representing 8.66% of Falcon's issued and outstanding Common Shares.

Falcon Oil & Gas Australia Limited ("Falcon Australia") has also agreed to grant Sheffield a 2% overriding royalty interest ("ORRI") over Falcon Australia's 22.5% working interest in the Beetaloo Sub-Basin exploration permits in return for a cash payment of US\$6 million. The 2% ORRI is being granted to Sheffield calculated on equal economic terms as the existing 3% ORRI with the TOG Group. The cash proceeds of US\$6 million will be used to exercise Falcon Australia's call option to reduce the existing ORRI with the TOG group from 3% to 1%, which is expected to take place before 30 April 2022. The assets subject to the ORRI are not currently revenue generating and there are no profits or losses attributable to them. These changes to the ORRI's, will be submitted to the Northern Territory Government, Australia for registration.

Details of the Placing

The completion of the Placing is subject to approval of the TSX Venture Exchange. A further update on Admission will be provided in due course. The Placing Shares will not trade on the TSX Venture Exchange Market until the date that is four months and a day after the day of issuance. The Company's total issued share capital following Admission will be 1,044,347,425 Common Shares. The information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this Announcement this inside information is now considered to be within the public domain.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United State or to, or for the account or benefit of, U.S. persons absent registrations or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in which such offer, solicitation or sale would be unlawful.

Use of Funds

The Placing will add US\$10 million to the Company's cash balance of US\$8.4 million as at 28 February 2022, which leaves Falcon in a strong financial position well ahead of future decisions on the Beetaloo project.

Philip O'Quigley (CEO of Falcon) commented:

"Falcon is very pleased that Bryan Sheffield of Sheffield Holdings LP has increased his strategic stake in the Company at this time. Bryan is a highly successful investor and has made significant returns in the US unconventional energy sector in the past. He was Founder of Parsley Energy Inc. ("PE"), an independent unconventional oil and gas producer in the Permian Basin, Texas and previously served as its Chairman and CEO.

PE was acquired for over US\$7 billion by [Pioneer Natural Resources Company](#) ("Pioneer"), itself a leading independent oil and gas company and with the PE acquisition became a Permian pure play company. Pioneer has a current market capitalisation of c. US\$60 billion."

Bryan Sheffield of Sheffield Holdings LP commented:

"Falcon and its partner have the largest acreage (4.6 million acres) position centred over the Beetaloo Sub-Basin. The Beetaloo is emerging as a world class shale gas basin with stacked pay potential from several shale intervals. Flow tests from the B Shale of the Amungee Member have confirmed a productive dry gas system in place. Geologic and engineering data from test wells across the Sub-basin have similar properties to some of the highly successful shale gas plays in the United States. The Beetaloo Sub-Basin is still in the exploration and appraisal phase, but with continued good well results, Falcon is well positioned to become a key supplier of low carbon energy to Australia and to the world within a few short years. I am delighted to have this opportunity to acquire a significant interest in Falcon and gain exposure to their net 1 million acres in what may become one of the biggest shale plays in the world."

Ends.

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About Falcon Oil & Gas Ltd.

[Falcon Oil & Gas Ltd.](#) is an international oil & gas company engaged in the exploration and development of unconventional oil and gas assets, with the current portfolio focused in Australia, South Africa and Hungary. [Falcon Oil & Gas Ltd.](#) is incorporated in British Columbia, Canada and headquartered in Dublin, Ireland with a technical team based in Budapest, Hungary.

Falcon Oil & Gas Australia Limited is a c. 98% subsidiary of [Falcon Oil & Gas Ltd.](#) Falcon Oil & Gas Australia Limited and a wholly-owned subsidiary of Origin Energy Limited (ASX: ORG) ("Origin Energy") are joint venture partners in respect of the Beetaloo project.

For further information on [Falcon Oil & Gas Ltd.](#) please visit www.falconoilandgas.com

Glossary of terms

Admission	means admission of the Placing Shares to trading on AIM
Announcement	means this announcement
Common Shares	means the common shares in the share capital of the Company
CAD\$	Canadian dollar
US\$	United States dollars

Advisory regarding forward looking statements

Certain information in this press release may constitute forward-looking information. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking information. Forward-looking information typically contains statements with words such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "dependent", "potential", "scheduled", "forecast", "outlook", "budget", "hope", "support" or the negative of those terms or similar words suggesting future outcomes. In particular, forward-looking information in this press release includes, but is not limited to, comments made with respect to the private placement and overriding royalty, the anticipated completion of such transactions and the use of proceeds therefrom and the development of the Beetaloo project by the Company and its joint venture partner. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. The risks, assumptions and other factors that could influence actual results include assumptions regarding all necessary regulatory approvals relating to the proposed transactions being obtained; risks associated with fluctuations in market prices for shale gas; risks related to the exploration, development and production of shale gas reserves; general economic, market and business conditions; substantial capital requirements; uncertainties inherent in estimating quantities of reserves and resources; extent of, and cost of compliance with, government laws and regulations and the effect of changes in such laws and regulations; the need to obtain regulatory approvals before development commences; environmental risks and hazards and the cost of compliance with environmental regulations; aboriginal claims; inherent risks and hazards with operations such as mechanical or pipe failure, cratering and other dangerous conditions; potential cost overruns, drilling wells is speculative, often involving significant costs that may be more than estimated and may not result in any discoveries; variations in foreign exchange rates; competition for capital, equipment, new leases, pipeline capacity and skilled personnel; the failure of the holder of licenses, leases and permits to meet requirements of such; changes in royalty regimes; failure to accurately estimate abandonment and reclamation costs; inaccurate estimates and assumptions by management and their joint venture partners; effectiveness of internal controls; the potential lack of available drilling equipment; failure to obtain or keep key personnel; title deficiencies; geo-political risks; and risk of litigation.

Readers are cautioned that the foregoing list of important factors is not exhaustive and that these factors and risks are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Falcon assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to Falcon. Additional information identifying risks and uncertainties is contained in Falcon's filings with the Canadian securities regulators, which filings are available at www.sedar.com, including under "Risk Factors" in the Annual Information Form.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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<https://www.rohstoff-welt.de/news/411207--Falcon-Oil-und-Gas-Ltd.-US10-million-Private-Placement-with-US-Strategic-Investor-And-US6-million-Acquisition>

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