



Falcon Oil & Gas Ltd. ("Falcon")

Four additional potential plays in the Beetaloo Basin, Australia

15 May 2018 - Falcon Oil & Gas Ltd. (TSXV: FO, AIM: FOG, ESM: FAC) is pleased to report that Origin Energy Limited ("Origin") presented a technical paper, headlined - *"Australia's premier shale basin: 5 plays 1,000,000,000 years in the making"*, at the Australian Petroleum Production and Exploration Association ("APPEA") Conference in Adelaide earlier today. The key findings are summarised below.

Overall

- Origin has identified four additional potential plays in the Beetaloo sub-basin in addition to the existing and explored Velkerri shale dry gas play, namely;
 - o Velkerri shale liquids rich gas play,
 - o Kyalla shale and hybrid liquids rich gas plays, and
 - o Hayfield sandstone oil/condensate play.
- The Velkerri shale dry gas remains the most materially and technically mature resource.
- Origin stated, "as such, the Beetaloo provides the JV with a diversified portfolio of material multi-TCF plays, each with the potential to redefine Australia's energy market."

Velkerri shale liquids rich gas play

- Located along the northern and south-eastern flanks of the Beetaloo sub-basin.
- Indications that porosity and permeability are higher in these areas.
- Gas composition and maturity modelling indicate a possible condensate to gas ratio ("CGR") in the region of 5-40 bbl/MMscf.
- A horizontal fracture stimulated well to test the deliverability of the play is required to assess technical viability.

Kyalla shale and hybrid lithology liquids rich gas play

- Two related liquid rich gas play types have been identified for further appraisal:
 - o shale play targets, and
 - o hybrid play targets.
- Prospective areas are interpreted to be confined to the JV's permits.
- There is likely a cost advantage over the Velkerri shale dry gas play as it is shallower.
- Liquid yields could be in the range of 15-60 bbl/MMscf.
- Additional work is required to rank these plays for further appraisal.

Hayfield sandstone oil/condensate play

- Interpreted as a thin but regionally extensive sandstone confined to the north of the JV permits.
- Strong wet gas shows in the Amungee NW-1 and other regional wells suggest the presence of liquid hydrocarbons without significant formation water.

- The Hayfield Sandstone is a tight sandstone with a significant secondary porosity network (but low matrix permeability) and potentially the presence of open, uncemented, hydrocarbon filled natural fractures.
- Anticipated to have the highest liquid yields and lowest well costs that could contribute to improved economics of a stacked play development.
- Success will be dependent on the combination of system permeability and resource density.
- Would require a horizontal fracture stimulated well to assess the technical viability of the play.

Philip O’Quigley, CEO of Falcon, commented:

“The Beetaloo sub basin provides us with an exciting diversified portfolio, having exposure to all five identified plays. When activity resumes, the JV will look to demonstrate improved well deliverability through longer laterals in the Velkerri shale while simultaneously seeking to prove up high value plays with increased liquids potential with lower well cost and improved economics. We look forward to announcing a forward exploration and appraisal drilling programme in due course.”

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This announcement has been reviewed by Dr. Gábor Bada, Falcon Oil & Gas Ltd's Head of Technical Operations. Dr. Bada obtained his geology degree at the Eötvös L. University in Budapest, Hungary and his PhD at the Vrije Universiteit Amsterdam, the Netherlands. He is a member of AAPG.

About Falcon Oil & Gas Ltd.

Falcon Oil & Gas Ltd is an international oil & gas company engaged in the acquisition, exploration and development of conventional and 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.

For further information on Falcon Oil & Gas Ltd. please visit www.falconoilandgas.com

About Origin Energy

Origin Energy (ASX: ORG) is the leading Australian integrated energy company. Origin is the leading energy retailer with approximately 4.2 million customer accounts, has approximately 6,000 MW of power generation capacity and is also a large natural gas supplier. Origin is the upstream operator of Australia Pacific LNG, which supplies natural gas to domestic markets and exports LNG under long term contracts.

www.originenergy.com.au

Glossary of terms

bbl	stock tank barrels of oil
CGR	condensate to gas ratio
JV	Joint venture
MMscf	million standard cubic feet
TCF	trillion standard cubic feet

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