**Falcon Oil & Gas Ltd.**

Interim Condensed Consolidated Financial Statements
Three and Nine Months Ended 30 September 2025 and 2024

(Presented in U.S. Dollars)

26 November 2025

To the shareholders of Falcon Oil & Gas Ltd.

## Notice of No Auditor Review

The accompanying unaudited interim condensed consolidated financial statements as at and for the three and nine months ended 30 September 2025 and 2024, have been prepared by the management of the Company and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements.

## Proposed sale of all Falcon subsidiaries to Tamboran

On 30 September 2025 Falcon and Tamboran Resources Corporation (NYSE: TBN, ASX: TBN) ("**Tamboran**") entered into a definitive agreement ("**Transaction**") whereby Tamboran will acquire all of Falcon's subsidiaries (as listed on page 8 under *Note 1. General Information*") in exchange for 6,537,503 shares of Tamboran NYSE Common Stock (the "Share Consideration") and cash consideration of $23.7 million (the "Cash Consideration") for non-eligible shareholders. Pursuant to the Transaction, eligible Falcon shareholders will exchange their common shares for the Share Consideration on the basis of 0.00687 Tamboran common shares for each Falcon common share and the Cash Consideration will be held by a depositary for certain ineligible shareholders. Former Falcon shareholders are expected to own ~26.8% of the combined pro forma business. The Transaction is expected to close in the first quarter of 2026, subject to satisfaction of closing conditions, including the approval by Falcon shareholders of the Transaction pursuant to Rule 15 of the AIM Rules for Companies and applicable Canadian corporate and securities laws and the approval by Tamboran stockholders of the issuance of the Tamboran Common Stock. The Transaction will on completion result in Falcon ceasing to own all of its assets and business; accordingly, Falcon also intends to seek shareholder approval for the cancellation of its shares from trading on the AIM market of the London Stock Exchange and the TSX Venture Exchange, conditional on closing of the Transaction.

No adjustments have been made to these consolidated financial statements to reflect the Transaction as outlined above.

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**Falcon Oil & Gas Ltd.**
**Interim Condensed Consolidated Statement of Operations and Comprehensive Loss**
(Unaudited)

| | Notes | **Three months ended 30 September 2025 $'000** | Three months ended 30 September 2024 $'000 | **Nine months ended 30 September 2025 $'000** | Nine months ended 30 September 2024 $'000 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas revenue | | **-** | - | - | - |
| | | **-** | - | - | - |
| **Other income** | | | | | |
| Other income | | **-** | - | **63** | - |
| | | **-** | - | **63** | - |
| **Expenses** | | | | | |
| Exploration and evaluation expenses | | **(51)** | (44) | **(136)** | (130) |
| General and administrative expenses | 13 | **(666)** | (523) | **(1,669)** | (1,601) |
| Foreign exchange gain | | **34** | 91 | **207** | 133 |
| | | **(683)** | (476) | **(1,598)** | (1,598) |
| **Results from operating activities** | | **(683)** | (476) | **(1,535)** | (1,598) |
| Finance income | 4 | **10** | 365 | **280** | 193 |
| Finance expense | 4 | **(142)** | (132) | **(432)** | (393) |
| Net finance (expense) / income | | **(132)** | 233 | **(152)** | (200) |
| **Loss and comprehensive loss for the period** | | **(815)** | (243) | **(1,687)** | (1,798) |
| Loss and comprehensive loss attributable to: | | | | | |
| Equity holders of the company | | **(813)** | (247) | **(1,684)** | (1,798) |
| Non-controlling interests | | **(2)** | 4 | **(3)** | - |
| **Loss and comprehensive loss for the period** | | **(815)** | (243) | **(1,687)** | (1,798) |
| Loss per share attributable to equity holders of the company: | | | | | |
| Basic and diluted | 5 | **(0.001 cent)** | (0.000 cent) | **(0.002 cent)** | (0.002 cent) |

The notes are an integral part of these interim condensed consolidated financial statements.

**Falcon Oil & Gas Ltd.**
**Interim Condensed Consolidated Statement of Financial Position**
(Unaudited)

| | Notes | At 30 September 2025 $'000 | At 31 December 2024 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Exploration and evaluation assets | 6 | **56,178** | 50,291 |
| Right of use assets | 12 | **8** | - |
| Accounts receivable | 15 | **2,741** | 56 |
| Restricted cash | 7 | **35** | 2,040 |
| | | **58,962** | 52,387 |
| **Current assets** | | | |
| Cash and cash equivalents | 8 | **1,973** | 6,823 |
| Accounts receivable | 16 | **99** | 3,031 |
| | | **2,072** | 9,854 |
| **Total assets** | | **61,034** | 62,241 |
| **Equity and liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | 22 | **406,684** | 406,684 |
| Contributed surplus | | **47,446** | 47,446 |
| Retained deficit | | **(411,839)** | (410,155) |
| | | **42,291** | 43,975 |
| **Non-controlling interests** | | **687** | 690 |
| **Total equity** | | **42,978** | 44,665 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Decommissioning provision | 14 | **17,151** | 16,587 |
| | | **17,151** | 16,587 |
| **Current liabilities** | | | |
| Accounts payable and accrued expenses | 17 | **894** | 989 |
| Lease liability | 12 | **11** | - |
| | | **905** | 989 |
| **Total liabilities** | | **18,056** | 17,576 |
| **Total equity and liabilities** | | **61,034** | 62,241 |

The notes are an integral part of these interim condensed consolidated financial statements.

**Falcon Oil & Gas Ltd.**
**Interim Condensed Consolidated Statement of Changes in Equity**
(Unaudited)

| | Notes | Share capital $'000 | Contributed surplus $'000 | Retained deficit $'000 | Equity interests of the parent $'000 | Non-Controlling interests ("NCI") $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|
| At 1 January 2024 | | 402,120 | 47,379 | (407,197) | **42,302** | 697 | **42,999** |
| Loss and total comprehensive loss for the period | | - | - | (1,798) | **(1,798)** | - | **(1,798)** |
| *Contributions by and distributions to the owners:* | | | | | | | |
| Share based compensation | 9 | - | 65 | - | **65** | - | **65** |
| Equity raise | 22 | 4,570 | - | - | **4,570** | - | **4,570** |
| *Sub-total* | | *4,570* | *65* | *-* | ***4,635*** | *-* | ***4,635*** |
| At 30 September 2024 | | **406,690** | **47,444** | **(408,995)** | **45,139** | **697** | **45,836** |
| At 1 January 2025 | | 406,684 | 47,446 | (410,155) | **43,975** | 690 | **44,665** |
| Loss and total comprehensive loss for the period | | - | - | (1,684) | **(1,684)** | (3) | **(1,687)** |
| **At 30 September 2025** | | **406,684** | **47,446** | **(411,839)** | **42,291** | **687** | **42,978** |

The notes are an integral part of these interim condensed consolidated financial statements.

**Falcon Oil & Gas Ltd.**
**Interim Condensed Consolidated Statement of Cash Flows**
(Unaudited)

| | | Nine months ended 30 September | |
|---|---|---|---|
| | | **2025** | 2024 |
| | **Notes** | **$'000** | $'000 |
| **Cash flows from operating activities** | | | |
| Net loss for the period | | **(1,687)** | (1,798) |
| Adjustments for: | | | |
| Share based compensation | 9 | **-** | 65 |
| Depreciation | | **-** | 2 |
| Amortisation of right of use assets | 12 | **31** | - |
| Proceeds from sale of fixed assets | | **(63)** | - |
| Net finance expense | | **152** | 200 |
| Effect of exchange rates on operating activities | | **(203)** | (133) |
| Change in non-cash working capital: | | | |
| Increase in accounts receivables | | **(71)** | (893) |
| Increase in accounts payable and accrued expenses | | **143** | 920 |
| **Net cash used in operating activities** | | **(1,698)** | (1,637) |
| **Cash flows from investing activities** | | | |
| Interest received | | **20** | 31 |
| Legacy exploration permit bonds refunded | | **19** | - |
| R&D tax incentive refunded | | **2,962** | - |
| Proceeds from sale of ORRIs | 18 | **-** | 4,000 |
| Proceeds from sale of fixed assets | | **63** | - |
| Repayment of restricted cash – Hungarian decommissioning obligations | 7 | **2,265** | - |
| Deposit paid re. Hungarian decommissioning obligations | 7 | **(2,300)** | - |
| Deposit paid re. Australian decommissioning obligations | | **(333)** | - |
| Exploration and evaluation assets | | **(6,070)** | (5,153) |
| **Net cash used in investing activities** | | **(3,374)** | (1,122) |
| **Cash flows from financing activities** | | | |
| Principal paid on lease liabilities | | **(31)** | - |
| Interest paid on lease liabilities | 12 | **(7)** | - |
| Net proceeds from private placement | | **-** | 4,570 |
| **Net cash from financing activities** | | **(38)** | 4,570 |
| Change in cash and cash equivalents | | **(5,110)** | 1,811 |
| Effect of exchange rates on cash and cash equivalents | | **260** | 162 |
| Cash and cash equivalents at beginning of period | | **6,823** | 7,992 |
| **Cash and cash equivalents at end of period** | 8 | **1,973** | 9,965 |

The notes are an integral part of these interim condensed consolidated financial statements.

## 1. General Information

Falcon Oil & Gas Ltd. ("**Falcon**") is an oil and gas company engaged in the exploration and development of unconventional oil and gas assets. Falcon's interests are located in Australia, Hungary and South Africa.

Falcon is incorporated in British Columbia, Canada with a registered office at 1200 Waterfront Centre, 200 Burrard Street, Vancouver BC, V7X 1T2, Canada and headquartered in Dublin, Ireland. Falcon's common shares are traded on Toronto's TSX Venture Exchange ("**TSX-V**") (symbol: FO.V); and AIM, a market operated by the London Stock Exchange (symbol: FOG).

The information provided herein in respect of Falcon includes information in respect of its wholly-owned subsidiaries: TXM Oil and Gas Exploration Kft., a Hungarian limited liability company ("**TXM**"); Falcon Oil & Gas Ireland Limited., an Irish limited liability company ("**Falcon Ireland**"); Falcon Oil & Gas Holdings Ireland Limited., an Irish limited liability company ("**Falcon Holdings Ireland**); Falcon Exploration and Production South Africa (Pty) Ltd., a South African limited liability company ("**Falcon South Africa**") and its 98.1% majority owned subsidiary, Falcon Oil & Gas Australia Limited, an Australian limited liability company ("**Falcon Australia**") (collectively, the "**Company**" or the "**Group**").

## 2. Accounting policies

### Basis of preparation and going concern

These Interim Condensed Consolidated Financial Statements ("**Interim Statements**") of the Group have been prepared in accordance with IAS 34 'Interim Financial Reporting' and, except as described below, on the basis of the same accounting principles as, and should be read in conjunction with, the Consolidated Financial Statements for the year ended 31 December 2024 (pages 11 to 16) as filed on the Canadian Securities Administrator's System for Electronic Document Analysis and Retrieval ("**SEDAR+**") at www.sedarplus.ca.

There are no amended accounting standards or new accounting standards that have any significant impact on these interim financial statements applicable as at 1 January 2025.

The Interim Statements are presented in United States dollars ("**$**"). All amounts, except as otherwise indicated, are presented in thousands of dollars. Where referenced in the Interim Statements "**CDN$**" represents Canadian Dollars, "**£**" represents British Pounds Sterling, "**HUF**" represents Hungarian Forints, and "**A$**" represents Australian Dollars.

On 30 September 2025 Falcon and Tamboran entered into a Transaction whereby Tamboran will acquire all of Falcon's subsidiaries (as listed above under "*1. General Information*") in exchange for 6,537,503 shares of Tamboran NYSE Common Stock (the "Share Consideration") and cash consideration of $23.7 million (the "Cash Consideration") for non-eligible shareholders. Pursuant to the Transaction, eligible Falcon shareholders will exchange their common shares for the Share Consideration on the basis of 0.00687 Tamboran common shares for each Falcon common share and the Cash Consideration will be held by a depositary for certain ineligible shareholders. Former Falcon shareholders are expected to own ~26.8% of the combined pro forma business. The Transaction is expected to close in the first quarter of 2026, subject to satisfaction of closing conditions, including the approval by Falcon shareholders of the Transaction pursuant to Rule 15 of the AIM Rules for Companies and applicable Canadian corporate and securities laws and the approval by Tamboran stockholders of the issuance of the Tamboran Common Stock. The Transaction will on completion result in Falcon ceasing to own all of its assets and business; accordingly, Falcon also intends to seek shareholder approval for the cancellation of its shares from trading on the AIM market of the London Stock Exchange and the TSX Venture Exchange, conditional on closing of the Transaction. Furthermore, as agreed as part of the Transaction, Tamboran has, subject to certain conditions, agreed to use commercially reasonable endeavours to pay any cash calls or credit support required to be paid by Falcon, in accordance with the terms of the Beetaloo Joint Operating Agreement and the APA Development Agreement as applicable. Should the Transaction be terminated Falcon is required to repay all amounts paid on its behalf within three months.

As of 30 September 2025 the Group had $2 million of cash and cash equivalents which is sufficient to cover Falcon's own ongoing operating costs for at least four months from the date of the approval of these financial statements, the increased costs relate to the required legal, tax and advisory costs related to the Transaction outlined above. In addition to this, Falcon is working with its tax advisors in relation to a Research and Development tax Incentive application the estimate of which is currently being determined with Falcon's Australia's advisors but which is expected to be submitted in the coming weeks for approval and is further expected to provide additional cash resources for the Group towards its own operating costs.

## 2. Accounting policies (continued)

Management and those charged with governance are confident that the Transaction will be approved by Shareholders. However, if for some reason this is not the case, then as noted above the Group has a further three months in order to raise further funds in order to pay its share of cash calls that have been accrued during the intervening period to continue as a going concern. As at the date of the approval of these consolidated financial statements no such further funding has been raised and there can be no certainty that sufficient funds can be raised if required. This indicates the existence of a material uncertainty, which may cast significant doubt over the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include adjustments that would result if the Group was unable to continue as a going concern. Having given due consideration to the Transaction as noted above and the cash requirements of the Group, management and those charged with governance has a reasonable expectation that the Group will have adequate resources to continue in operational existence for a period up to the finalization of the Transaction or if for whatever reason the Transaction does not proceed for at least twelve months from the date of approval of these financial statements. For this reason, the Board continues to adopt the going concern basis in preparing these consolidated financial statements which assumes the Group will be able to meet its liabilities as they fall due for the foreseeable future.

## 3. Segment information

Based on internal reporting information, it was determined that there is one reportable segment. All the Group's operations are in the petroleum and natural gas industry with its principal business activity being in the acquisition, exploration and development of petroleum and natural gas properties. The Group has no producing petroleum and natural gas properties, the Group has unproven petroleum and natural gas interests in Australia, South Africa and Hungary.

The key performance measures reviewed for the segment which management believes are the most relevant information when evaluating the results of the Group are:

- the progress and extent to which farm-out agreements have been executed over the Group's acreage; and
- cash flow, capital expenditure and operating expenses.

An analysis of the geographic areas is as follows:

| | **Australia $'000** | **South Africa $'000** | **Hungary $'000** | **Other $'000** | **Total $'000** |
|---|---|---|---|---|---|
| Nine months ended 30 September 2025 | | | | | |
| **Net loss (i)** | **(498)** | **(45)** | **(263)** | **(878)** | **(1,684)** |
| At 30 September 2025 | | | | | |
| **Capital assets (ii)** | **56,178** | **-** | **-** | **35** | **56,213** |

| | Australia $'000 | South Africa $'000 | Hungary $'000 | Other $'000 | Total $'000 |
|---|---|---|---|---|---|
| Nine months ended 30 September 2024 | | | | | |
| Net loss (i) | (262) | (44) | (523) | (969) | (1,798) |
| At 30 September 2024 | | | | | |
| Capital assets (ii) | 50,721 | - | 2,166 | 33 | 52,920 |

**(i)** Net loss attributable to equity holders of the company.
**(ii)** Capital assets consist of exploration and evaluation assets and restricted cash.

## 4. Finance income and expense

| | | Three months ended 30 September | | Nine months ended 30 September | |
|---|---|---|---|---|---|
| | **Notes** | **2025 $'000** | 2024 $'000 | **2025 $'000** | 2024 $'000 |
| **Finance income** | | | | | |
| Interest income on bank deposits | | **6** | 13 | **20** | 31 |
| Foreign exchange gain | | **4** | 352 | **260** | 162 |
| | | **10** | 365 | **280** | 193 |
| **Finance expense** | | | | | |
| Accretion of decommissioning provisions | 14 | **(142)** | (132) | **(425)** | (393) |
| Interest expense – lease liability | 12 | **-** | - | **(7)** | - |
| | | **(142)** | (132) | **(432)** | (393) |
| Net finance (expense) / income | | **(132)** | 233 | **(152)** | (200) |

## 5. Net loss per share

Basic and diluted loss per share is calculated as follows:

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|---|---|---|---|
| | **2025 $'000** | 2024 $'000 | **2025 $'000** | 2024 $'000 |
| Loss attributable to equity holders of the company | **(813)** | (247) | **(1,684)** | (1,798) |
| Weighted average number of common shares in issue - (thousands) | **1,109,142** | 1,109,142 | **1,109,142** | 1,081,444 |
| Diluted loss per share (cent) | **(0.001)** | (0.000) | **(0.002)** | (0.002) |

Future shares issuable under the Group share option plan would be anti-dilutive as those shares would reduce the loss per share.

## 6. Exploration and Evaluation ("E&E") assets

| | **At 30 September 2025 $'000** | At 31 December 2024 $'000 |
|---|---|---|
| Opening balance | **50,291** | 51,287 |
| Additions | **5,889** | 5,804 |
| R&D tax incentive refund | **-** | (2,941) |
| Grant of ORRIs | **-** | (4,000) |
| Decommissioning provision | **(2)** | 141 |
| **Closing balance** | **56,178** | 50,291 |

E&E assets consist of the Group's Australian exploration project which is pending the determination of proven or probable reserves.

## 7. Restricted cash

Restricted cash includes cash held by financial institutions as collateral for ongoing Group operations. In January 2015, the Group placed $2 million on deposit for the benefit of the Hungarian mining authority as a security deposit with regards to the Group's decommissioning obligations. In September 2025, this deposit was released from restricted cash and deposited directly to an account held by the Hungarian mining authority.

| | **30 September 2025 $'000** | 31 December 2024 $'000 |
|---|---|---|
| Restricted cash | **35** | 2,040 |
| | **35** | 2,040 |

## 8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with initial maturities of three months or less at inception.

| | **30 September 2025 $'000** | 31 December 2024 $'000 |
|---|---|---|
| Cash and cash equivalents | **1,973** | 6,823 |
| | **1,973** | 6,823 |

## 9. Share based compensation

The Group, in accordance with the policies of the TSX-V, may grant options to directors, officers, employees and consultants, to acquire up to 10% of the Group's issued and outstanding common stock. The exercise price of each option is based on the market price of the Group's stock at the date of grant, which may be discounted in accordance with TSX-V policies. The exercise price of all options granted to date has been based on the market price of the Group's stock at the date of grant, and no options have been granted at a discount to the market price. The options can be granted for a maximum term of five years. The Group records compensation expense over the vesting period based on the fair value at the grant date of the options granted. These amounts are recorded as contributed surplus. Any consideration paid on the exercise of these options together with the related contributed surplus associated with the exercised options is recorded as share capital.

The Group incurred no share-based expense during the period ended 30 September 2025 (2024: $65,000).

A summary of the Group's stock option plan as of 30 September 2025 and 31 December 2024 and changes during the periods then ended, is presented below:

| | **Nine months ended 30 September 2025** | | Year ended 31 December 2024 | |
|---|---|---|---|---|
| | **Number of options** | **Weighted average exercise price** | Number Of Options | Weighted average exercise price |
| Outstanding at beginning of period | **59,750,000** | **£0.11** | 59,750,000 | £0.11 |
| Outstanding at end of period | **59,750,000** | **£0.11** | 59,750,000 | £0.11 |
| Exercisable at end of period | **59,750,000** | **£0.11** | 59,750,000 | £0.11 |

## 9. Share based compensation (continued)

The exercise prices of the outstanding options are as follows:

| Date of grant | Options | Exercise price | Date of Expiry | Weighted average contractual life remaining (years) |
|---|---|---|---|---|
| 18 February 2021 | 21,500,000 | £0.08 | 17 February 2026 | 0.38 |
| 18 February 2021 | 16,500,000 | £0.12 | 17 February 2026 | 0.38 |
| 10 September 2021 | 3,000,000 | £0.10 | 9 September 2026 | 0.94 |
| 06 June 2022 | 16,250,000 | £0.15 | 5 June 2027 | 1.68 |
| 29 November 2022 | 2,500,000 | £0.15 | 28 November 2027 | 2.16 |
| | **59,750,000** | £0.11 | | |

## 10. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the methods outlined below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

*Cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses, lease liability*
As at 30 September 2025 and 31 December 2024, the fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses and lease liability approximated their carrying value due to their short-term to maturity.

## 11. Financial Instruments and risk management

The following tables provide fair value measurement information for financial assets and liabilities as at 30 September 2025 and 31 December 2024. The carrying value of cash and cash equivalents, restricted cash, accounts payable and accrued expenses and lease liability included in the consolidated statement of financial position approximate fair value due to the short-term nature of those instruments. Financial assets in the table below are measured at amortised cost.

| | **30 September 2025** | | 31 December 2024 | |
|---|---|---|---|---|
| | **Carrying value $'000** | **Fair value $'000** | Carrying value $'000 | Fair value $'000 |
| **Financial assets:** | | | | |
| Cash and cash equivalents including restricted cash | **2,008** | **2,008** | **8,863** | **8,863** |
| **Financial Liabilities:** | | | | |
| *Other financial liabilities* | | | | |
| Accounts payable and accrued expenses | **894** | **894** | **989** | **989** |
| Lease liability | **11** | **11** | - | - |

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

*Level 1 Fair Value Measurements*
- Level 1 fair value measurements are based on unadjusted quoted market prices.

## 11. Financial Instruments and risk management (continued)

*Level 2 Fair Value Measurements*

- Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.

*Level 3 Fair Value Measurements*

- Level 3 fair value measurements are based on unobservable information. No financial assets or liabilities have been valued using the Level 3 fair value measurements.

## 12. Leases

***Right of use assets***

| | Office $'000 | Office - Total $'000 |
|---|---|---|
| **Cost:** | | |
| At 1 January 2025 | **-** | **-** |
| Additions | **39** | **39** |
| At 30 September 2025 | **39** | **39** |
| | | |
| **Amortisation:** | | |
| At 1 January 2025 | **-** | **-** |
| Amortisation for the period | **31** | **31** |
| At 30 September 2025 | **31** | **31** |
| | | |
| Net book value: | | |
| At 30 September 2025 | **8** | **8** |

***Lease liability***

| | Office $'000 | Total $'000 |
|---|---|---|
| At 1 January 2025 | **-** | **-** |
| Additions | **39** | **39** |
| Lease payments | **(38)** | **(38)** |
| Interest expense | **7** | **7** |
| Foreign exchange | **3** | **3** |
| At 30 September 2025 | **11** | **11** |

Falcon Ireland leases an office in Dublin, Ireland which has a quarterly fixed payment over the lease term expiring in April 2026.

## 13. General and administrative expenses

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Accounting and audit fees | **(69)** | (76) | **(222)** | (200) |
| Consulting fees | **(15)** | (16) | **(54)** | (49) |
| Legal fees | **(139)** | (22) | **(156)** | (46) |
| Investor relations | **(74)** | (59) | **(165)** | (199) |
| Office and administrative costs | **(33)** | (26) | **(95)** | (82) |
| Payroll and related costs | **(267)** | (253) | **(772)** | (740) |
| Directors' fees | **(59)** | (60) | **(173)** | (178) |
| Travel and promotion | **(10)** | (8) | **(32)** | (42) |
| Shared based compensation (Note 9) | **-** | (3) | **-** | (65) |
| | **(666)** | (523) | **(1,669)** | (1,601) |

## 14. Decommissioning provision

A reconciliation of the decommissioning provision for the period ended 30 September 2025 and the year ended 31 December 2024 is provided below:

| | **30 September 2025 $'000** | 31 December 2024 $'000 |
|---|---|---|
| Balance as at beginning of year | **16,587** | 16,204 |
| Additions to Beetaloo working interests | **-** | 105 |
| Revision to Beetaloo provision | **(2)** | 37 |
| Foreign exchange revaluation adjustment | **141** | (236) |
| Accretion | **425** | 477 |
| **Non – current; balance at end of period** | **17,151** | 16,587 |

The Group's decommissioning provision results from its ownership interest in oil and natural gas assets. The total decommissioning provision is estimated based on the Group's net ownership interest in the wells, estimated costs to reclaim and abandon these wells and the estimated timing of the costs to be incurred in future years.

The Group has estimated the net present value of the decommissioning provision for its Hungarian well interests to be $14.1 million as at 30 September 2025 (31 December 2024: $14 million) based on an undiscounted total future liability of $16.1 million (31 December 2024: $16.4 million). These payments are expected to be made in 4 years. The discount factor, being the risk-free rate related to the liability, was 3.23% as at 30 September 2025 (31 December 2024: 3.23%). The inflation factor related to the liability, was 2.45% as at 30 September 2025 (31 December 2024: 2.45%). A 1% increase / (decrease) in the discount rate to 4.23% / 2.23% will (decrease) / increase the provision by ($566,000) / $596,000.

The estimated net present value of the decommissioning provision for its Australian Beetaloo well interests is $2.76 million as at 30 September 2025 (31 December 2024: $2.5 million) based on an undiscounted total future liability of $6.12 million (31 December 2024: $5.8 million). These payments are expected to be made between 2-29 years. The discount factors, being the risk-free rate related to the liability, were 3.82% and 4.83% respectively as at 30 September 2025 and 31 December 2024. The inflation factor related to the liability, was 2.50% as at 30 September 2025 and 31 December 2024. A 1% increase / (decrease) in the discount rate will (decrease) / increase the provision by ($311,000) / $399,000.

## 15. Non-current accounts receivable

Non-current accounts receivable mainly related to monies placed on deposit with local governments to cover future decommissioning obligations.

| | **30 September 2025 $'000** | 31 December 2024 $'000 |
|---|---|---|
| Deposit paid re. Hungarian decommissioning obligations | **2,345** | - |
| Deposit paid re. Australian decommissioning obligations | **390** | 51 |
| Other non-current deposits | **6** | 5 |
| | **2,741** | 56 |

### 16. Accounts receivable

| | **30 September 2025 $'000** | 31 December 2024 $'000 |
|---|---|---|
| Other receivables | **20** | 16 |
| Australian R&D tax incentive receivable | **-** | 2,960 |
| Prepayments | **79** | 55 |
| | **99** | 3,031 |

### 17. Accounts payable and accrued expenses

| | **30 September 2025 $'000** | 31 December 2024 $'000 |
|---|---|---|
| **Current** | | |
| Accounts payable | **452** | 475 |
| Accrued expenses | **452** | 514 |
| | **894** | 989 |

### 18. Overriding royalties

On 18 April 2024 Falcon announced that Falcon Australia had agreed to grant Daly Waters Energy, LP ("**Daly Waters**") and a major US-based energy industry service provider an overriding royalty interest ("**ORRI**") over Falcon Australia's participating interest ("**PI**") in the Beetaloo Sub-basin Exploration Permits in return for cash payments of $3 million and $1 million, respectively.

Falcon Australia agreed to grant:

- to Daly Waters, in consideration for a cash payment of $3 million, an ORRI of 6.0% in respect of the area around the Pilot Project, measuring 51,200 acres, in which Falcon Australia has a 5% PI, and an ORRI of 1.3333% in respect of the remaining 4.52 million acres; and
- to a major US-based energy services provider, in consideration for a cash payment of $1 million, an ORRI of 2% in respect of the area around the Pilot Project, measuring 51,200 acres, and an ORRI of 0.4444% in respect of the remaining 4.52 million acres.

Other ORRIs granted in previous years over Falcon Australia's 22.5% PI are as follows:

- 2% ORRI to Sheffield Holdings LP
- 1% ORRI Malcolm John Gerrard, Territory Oil & Gas LLC and Tom Dugan Family Partnership LLC

In accordance with local law and regulations, Falcon Australia's acreage interests are also subject to combined government and Northern Land Council royalties on production values of up to approximately 12%. No liability has been recognised with respect to the overriding royalties given the associated Exploration Permits do not have commercially producing wells and have not generated revenue to date.

### 19. Related party transactions

There were no related party transactions during the period.

## 20. Commitments

***Work program commitments***

*Australia - Beetaloo Sub-Basin, Northern Territory, Australia*

The Group planned a drilling programme which commenced in 2015 with its farm-out partners. Work recommenced in 2019 following the moratorium on hydraulic fracturing, details of current operations are included in the Management's Discussion & Analysis document for the three and nine months ended 30 September 2025.

Since April 2020 Falcon Australia holds a 22.5% PI in the Exploration Permits and there was also an overall cost cap of A$263.8 million resulting from farm out transactions agreed to up to that date. In October 2022, Falcon Australia was granted an additional carry on costs up to A$30 million (gross) and there was the introduction of drilling spacing units ("**DSUs**") on sole risk operations providing optionality to Falcon Australia on future wells drilled. The size of a DSU varies depending on (a) the type and length of the well to be drilled and (b) whether or not the well is a "commitment well" under the terms of the Exploration Permits, a non-commitment well creates a DSU to a maximum of 6,400 acres, while a government commitment well creates a DSU to a maximum of 25,600 acres. The optionality created by the DSUs allows Falcon Australia to participate at its PI of 22.5% or reduce its interest as low as 0% in a particular DSU without impairing the percentage it participates in a future DSU across the acreage. The cost cap and the additional carry have now been consumed and Falcon Australia is contributing to the costs in proportion to its 22.5% PI or reduced interest as elected. A Pilot Project at the Shenandoah South location commenced in 2024 with Falcon Australia electing to reduce its PI in the first two wells of the Pilot Project to 5% and further reducing its PI in the remaining wells to be drilled in the Pilot Project through 2025 to 0%.

The terms of the Beetaloo Joint Venture continue to necessitate specific minimum work obligations through May 2028. Future commitments for the next three years to May 2028 include an expected gross spend of A$102 million across the Exploration Permits, related to drilling and multi-stage stimulations, 3D seismic survey, and sub-surface studies, with gross expenditure across EP76 of A$0.75 million, EP98 of A$80.25 million and EP117 of A$20.75 million. Falcon Australia's level of future spend will be dependent on the PI it opts into each of the joint operations at.

*South Africa - Karoo Basin, South Africa*
On granting of an approved exploration right in South Africa, the Group will be required to make a payment to the South African government of approximately $0.7 million. Management does not foresee this payment falling due within the next 12 months based on the expected timeframe of being granted an approved exploration right.

*Hungary - Makó Trough, Hungary*
The Group is not committed to any independent technical operations in Hungary.

## 21. Subsequent Events

On 15 October 2025 it was announced that the three wells of the 2025 drilling campaign were successfully cased, drilled and suspended ahead of stimulation, each with a 3,000-metre horizontal section.

There were no other subsequent events noted up to the approval of the of these interim financial statements on 26 November 2025.

## 22. Share capital

As at 30 September 2025 and 31 December 2024, the Company was authorised to issue an unlimited number of common shares, without par value.

The following is a reconciliation of issued and outstanding common shares:

| | Number of shares | Share capital $'000 |
|---|---|---|
| At 1 January 2024 | 1,044,347,425 | 402,120 |
| Private placement – April/May 2024 | 64,794,087 | 4,865 |
| Private placement – April/May 2024 | - | (301) |
| | **64,794,087** | **4,564** |
| As at 31 December 2024 | 1,109,141,512 | 406,684 |
| **At 30 September 2025** | **1,109,141,512** | **406,684** |

On 22 April 2024 Falcon announced it had raised gross proceeds of $4.9 million, through a subscription and placing, for 64,794,087 Common Shares at an Issue Price of £0.06 per share. The settlement of the subscription and placing was completed in two tranches.

The settlement and admission of the Common Shares forming part of the First Admission (being 58,155,490 Common Shares) became effective and dealings commenced on 26 April 2024. The settlement of the Common Shares forming part of the Second Admission (being 6,638,597 Common Shares) and the admission became effective and dealings in those Common Shares commenced on 7 May 2024.

The 64,794,087 Common Shares could not trade on the TSX Venture Exchange Market until the date that was four months and a day after the day of issuance.

## 23. Approval of Interim financial statements

These Interim Financial Statements were approved by the Audit Committee as delegated by the Board of Directors and authorised for issue on 26 November 2025.

**[End of document]**