Falcon Oil & Gas Ltd.

Annual Information Form
For the Fiscal Year Ended 31 December 2023

25 April 2024

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1. INTRODUCTION

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 Ltd., an Irish limited liability company ("**Falcon Ireland**"); Falcon Oil & Gas Holdings Ireland Ltd., 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**").

References to "**Falcon**" refers to Falcon Oil & Gas Ltd. only.

Unless stated otherwise, the information given herein is as at 31 December 2023.

Forward-looking statements

Any statements not 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", "preliminary" "projects", "dependent", "potential", "scheduled", "forecast", "outlook", "budget", "hope", "support" "ongoing", "objective", "measure", "depends", "could" or the negative of those terms or similar words suggesting future outcomes. In particular forward-looking statements in this MD&A include, but are not limited to, statements with respect to: strategy of the Board of Directors of Falcon (the "Board") and countries it believes support the exploitation of unconventional oil and gas; the shale oil and shale gas potential of the Beetaloo Sub-basin; the Beetaloo Sub-basin Stage 3 work programme; objectives of the wells to be drilled in the Beetaloo Sub-basin Australia; expectations on bringing the project to commerciality and a multi-well pilot programme in 2024; information relating to drilling operations at the Amungee NW-3H ("A3H") well and initial evaluation of drilling results and reservoir conditions; information relating to drilling operations at the Shenandoah South 1H ("SS1H") well and the belief that the SS1H 30-day initial production ("IP30") and the 60-day initial production ("IP60") results to be above the commercial threshold required to progress the Beetaloo to pilot development during 2024, IP30 and IP60 flow test extrapolation for proposed future development wells, geological rock properties in the region indicative of favourable well performance with potential to result in long-term, low-declining gas production, that this region is one of the best locations in the Beetaloo Sub-basin to commence pilot development activities, IP90 flow rate results expected to be announced in late April 2024, result of SS1H providing the Beetaloo Joint Venture ("**BJV**") BJV confidence to progress development plans for the proposed 40 million cubic feet per day (**"MMcf/d**") Pilot Project at the Shenandoah South location subject to funding and key approvals; the project is expected to require six 10,000-foot development wells initially to achieve plateau production of 40 MMcf/d. Drilling of the first of these wells is planned to commence in Q2 2024 and the JV is targeting first gas in H1 2026;, drilling of the first of these wells planned to commence in Q2 2024 and the targeting of first gas in H1 2026, funding to commence drilling of the initial two wells in the program and evaluation of opportunities to support funding the remaining capital commitments to reach first production, including issuance of equity and/or debt, evaluation of pre-payment for gas from the proposed Pilot Project and potential farm-down opportunities; signing of a Binding Agreement for a long term Gas Sales Agreement to supply tie Northern Territory, conditional on entering a binding Gas Transportation Agreement and Gas Processing Agreement and reaching a final investment decision on upstream drilling activity and the plan for first gas flow in H1 2026; information and analysis relating to the conducted diagnostic fracture injection test ("DFIT"); treatment under governmental regulatory regimes and tax laws; the quantity of petroleum and natural gas resources or reserves; statements relating to the Group's activities in the Beetaloo Sub-basin; the results at Kyalla 117 N2-1H ST2 ("Kyalla 117"); the contingent resource estimate for the Amungee NW-1H ("A1H") Velkerri B shale gas pool and statements relating to whether all frack stages contributed to the initial extended production test in 2016; details relating to normalised gas flow rates at Amungee, the prospectivity of the Amungee Member/Middle Velkerri play, anticipated production rates, information relating to the letter of intent ("**LOI**") executed with Tamboran (B2) Pty Limited ("**Tamboran B2**") following Origin Energy B2 Pty Ltd.'s ("**Origin**") divestment of its interest in the Beetaloo Exploration Permits, amendments to the Joint Operating Agreement and the Farm-In Agreement following the executed LOI, limited proration units on sole risk operations providing future participation optionality and future sole risk operations; fiscal terms regarding the Karoo basin, South Africa, the Mineral and Petroleum Resources Development Amendment Bill ("**MPRDA Bill**"), the awarding of exploration rights; liquidity and financial capital including the going concern capabilities of the Company; expectations regarding the ability of Falcon to access additional sources of funding including those not currently available; and Falcon's ability to leverage its experience in the unconventional oil and gas industry to acquire interests in licenses.

Some of the risks and other factors, which could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in the Republic of Hungary, the Commonwealth of Australia, the Republic of South Africa and globally; supply and demand for petroleum and natural gas; industry conditions, including fluctuations in the price of petroleum and natural gas; governmental regulation of the petroleum and natural gas industry, including income tax, environmental and regulatory matters adversely impacting the exploitation of unconventional oil and gas resources; introduction of a moratorium; fluctuation in foreign exchange or interest rates; risks and liabilities inherent in petroleum and natural gas operations, including exploration, development, exploitation, marketing and transportation risk and for relatively under-explored basins such as the Beetaloo Sub-basin there may not be the shale oil and gas commercial potential; renewal of Exploration Permits; need to obtain regulatory approvals before development commences; environmental risks and hazards and cost of compliance with environmental regulations; aboriginal claims; initial evaluation confirming reservoir continuity of the Amungee Member B-shale over 150 kilometres between A2H and Beetaloo W-1 wells including a target development area of approximately 1 million acres where the shale depth exceeds 2,700 metres may not be accurate; risks and uncertainties associated with wellbore or reservoir conditions, geological, technical, drilling and processing problems; unanticipated operating events which can delay exploration and appraisal or reduce production or cause production to be shut-in or delayed; willingness of joint venture partners to continue with a work programme and bringing towards commerciality; the ability of our joint venture partners to pay their proportionate share of joint interest billings; failure to obtain industry partner and other third party consents and approvals, when required; stock market volatility and market valuations; competition for, among other things, capital, acquisition of reserves, processing and transportation capacity, undeveloped land and skilled personnel; uncertainties inherent in estimating quantities of reserves and resources and bringing to commerciality; the need to obtain required approvals from regulatory authorities with delays impacting work programmes and associated costs or not receiving the requisite license to explore; risks associated with drilling wells which is speculative and often involves significant costs that may be more than estimated and may not result in any discoveries; cash availability to meet unforeseen expenses as they fall due; pandemics such as COVID-19 may be prolonged, delaying work programmes and increasing cost; macroeconomic risks such as inflationary pressures and the current Ukraine Russia conflict also delay work programmes due to delivery of goods and increasing costs and the other factors considered under "**Risk Factors**" set out on page 27.

With respect to forward-looking statements contained in this AIF, Falcon has made assumptions regarding: the countries where the Group operates supporting the exploitation of unconventional oil and gas; the shale oil and shale gas commercial potential of the Beetaloo Sub-basin while it remains relatively under-explored; the continuation of the Beetaloo Sub-basin work programme and the project being brought towards commerciality; the original gas in place and contingent gas resource calculated with respect to the Beetaloo Sub-basin are the best estimates based on the drilling results to date and other data (including seismic) available; work with Falcon's new joint venture partner, Tamboran B2, will continue, adopting recommendations of the scientific inquiry and obtaining necessary approvals to complete the remaining work programme; estimated date for the awarding of the exploration right over the acreage in the Karoo Basin; the Group's ability to continue as a going concern; the Beetaloo Sub-basin project being brought towards commerciality.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this AIF in order to provide readers with a more complete perspective on Falcon's future operations and such information may not be appropriate for other purposes. Falcon's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that the Company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Falcon disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulation. In addition, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements.

Advisory regarding oil and gas information

Any references in this AIF to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Falcon. Such rates are based on field estimates and may be based on limited data available at this time.

Contingent resource estimates are those quantities of gas (produced gas minus carbon dioxide and inert gasses) that are potentially recoverable from known accumulations, but which are not yet considered commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original gas in place, and confirmation of prices and development costs. There is uncertainty that it will be commercially viable to produce any portion of the resources. For additional information relating to contingent resource estimates in respect of the Amungee NW-1H Velkerri B Shale Gas Pool which were prepared by an Origin employee and a Qualified Reserves and Resources Evaluator effective as of February 15, 2017, please refer to pages 13-15 for details.

Documents incorporated by reference.

The following documents, referenced herein, have been filed on the Canadian Securities Administrator's System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com and are incorporated by reference herein:

1. Statement of Reserves Data and Other Oil and Gas Information with an effective date of 31 December 2023 (the "**51-101F1 Report**").
2. Report on Reserves Data prepared by Chapman Petroleum Engineering Ltd. ("**Chapman**") dated 10 Jan 2024 (the "**51-101F2 Report**").
3. Report of Management and Directors on Reserves Data and Other Information dated 25 April 2024 (the "**51-101F3 Report**").

Dollar amounts
All dollar amounts in this document are in United States dollars (**"$"**), except as otherwise indicated. ("**CDN$**") where referenced represents Canadian Dollars; ("**£**") represents British Pounds sterling, ("**HUF**") represents Hungarian Forints (**"A$**") represents Australian Dollars and ("**€**") represents the Euro.

The financial information provided herein has been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

2. CORPORATE STRUCTURE

Falcon was incorporated and registered in British Columbia, Canada on 18 January 1980 under the laws of the Province of British Columbia with the name Sanfred Resources Ltd. ("**Sanfred**").

On 21 December 1999, Sanfred consolidated its authorised and issued share capital. On the same date Sanfred changed its name to Falcon Oil & Gas Ltd. On 2 March 2005, Falcon transitioned from the British Columbia Company Act to the new *Business Corporations Act* (British Columbia) ("**BCA**"). Other than the subsidiaries through which Falcon acts, Falcon has no commercial name other than its registered name and does not operate under any other name.

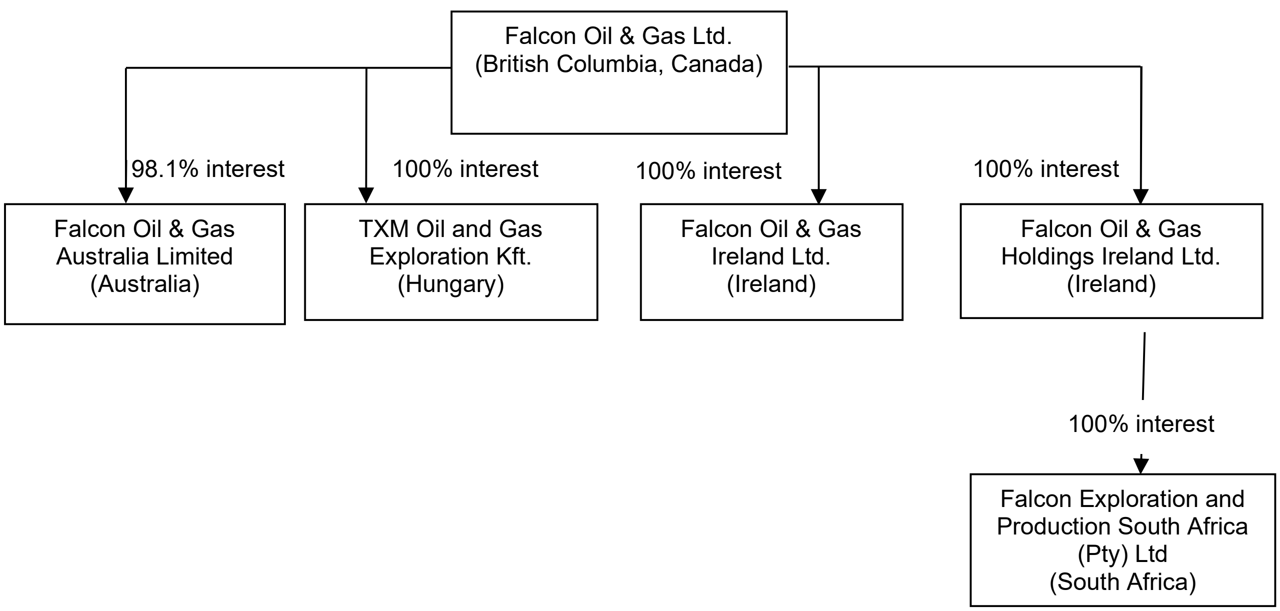
Falcon is a reporting issuer and the principal corporate legislation under which it operates is the BCA and the regulations made thereunder.

Falcon's registered office is at 1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V7X 1T2, Canada. Falcon's head office is at 68 Merrion Square South, Dublin 2, Ireland, telephone number +353 1 676 8702. The Company's corporate website address is www.falconoilandgas.com.

Falcon has no administrative, management or supervisory bodies other than the Board of Directors ("**the Board**"), and the committees as set out in in this document, namely the Audit Committee, the Compensation Committee and the Reserves, Health Safety and Environment Committee.

Organisational structure

The following chart depicts the organisation of the Company as at the date hereof, including its subsidiaries:



Falcon Australia was formed in August 2008 to acquire working interests in certain properties in the Beetaloo Sub-basin located in the Northern Territory, Commonwealth of Australia.

Falcon Ireland was incorporated on 25 April 2012 and functions as a service company for corporate headquarters.

Falcon Holdings Ireland was incorporated on 6 November 2013 and functions as a holding company for the Group's investment in Falcon South Africa.

TXM was formed in 2004 to conduct oil and gas exploration and development business in the Republic of Hungary.

Falcon South Africa was incorporated on 17 March 2014 to conduct oil and gas exploration and development in South Africa.

3. GENERAL DEVELOPMENT OF THE BUSINESS

Developments of the business during 2021

On **19 January 2021** Falcon announced that Origin had submitted a notification of discovery and an initial report on discovery (“**Notification of Discovery**”) to the Department of Industry, Tourism and Trade of the Northern Territory (“**DITT**”) on the Kyalla 117. Full details are included on pages 15-16.

On **22 January 2021** Falcon provided details on the first gas composition data obtained during the 17-hour unassisted flow period of the Kyalla 117.

On **19 February 2021** Falcon announced that on 18 February 2021 it granted incentive stock options (“**Options**”) to purchase an aggregate of 38,000,000 common shares of Falcon to a number of recipients, including directors and officers under the stock option plan approved at Falcon’s annual shareholders meeting held on 10 December 2020.

The Options were granted at an exercise price of £0.08 (equivalent to CDN$0.14) and £0.12 (equivalent to CDN$0.21) respectively, details are included in the table below:

Name	Number of Options granted at £0.08	Number of Options granted at £0.12	Total number of Options held after grant
JoAchim Conrad – Non - Executive Director (former Chairman)	1,000,000	1,000,000	2,000,000
Philip O’Quigley – CEO	10,000,000	10,000,000	20,000,000
Anne Flynn – CFO	5,000,000	-	11,000,000
Daryl Gilbert – Non - Executive Director	1,000,000	1,000,000	2,000,000
Gregory Smith – Non - Executive Director	1,000,000	1,000,000	2,000,000
Maxim Mayorets – Non - Executive Director	1,000,000	1,000,000	2,000,000

The remaining 5,000,000 Options were granted to a consultant of Falcon and to a non-executive director of Falcon Oil & Gas Australia Limited, with 2,500,000 at an exercise price of £0.08 and a further 2,500,000 at an exercise price of £0.12.

The Options granted have a vesting schedule allowing for 1/3 of the Options to vest immediately with an additional 1/3 vesting on each subsequent anniversary until the Options are fully vested on 18 February 2023. The Options have an expiry date of 17 February 2026.

On **22 February 2021** Falcon announced that it agreed to assign its working interest in three gross producing wells and one gross shut-in well and associated infrastructure in Alberta, Canada to a large Canadian-based company. These wells have been loss making and have generated minimal revenues to Falcon over the last number of years. Collective revenues for nine months to September 2020 were $3,000 and the associated costs for the same period were $6,000. For the twelve months to December 2019 there were revenues of $5,000 and costs of $10,000. Under the terms of the assignment, Falcon has agreed to pay a total of CDN$37,000 to cover its net working interest share of the abandonment and reclamation obligations of the wells and associated infrastructure.

On **19 March 2021** Falcon provided details of the planned 2021 work programme in the Beetaloo Sub-basin, Australia.

On **22 June 2021** Falcon announced the commencement of the 2021 work programme, starting with operations at Kyalla 117. On-site operations had begun, with rigging up complete, and clean-up operations resumed.

On **20 July 2021,** Falcon provided an update to the 2021 work programme with activity focusing on the continued clean-up of Kyalla 117 in preparation for extended production testing, using nitrogen to support operations.

On **9 August 2021** Falcon announced the commencement of production testing operations at Amungee.

On **12 August 2021** Falcon announced the spudding of the Velkerri 76 well, targeting the Velkerri play along the south-eastern flank of the Beetaloo Sub-basin, which was predicted to be in a liquids rich gas window.

On **3 September 2021** Falcon provided results on the production log test at the Amungee well. The results suggest a normalised gas flow rate equivalent of between 5.2-5.8 million standard cubic feet per day (“**MMscf/d**”) per 1,000m of horizontal section. Details are included on page 16.

On **9 September 2021** Falcon announced it was notified on 8 September 2021 that Nicolas Mathys was the beneficial owner of 40,000,000 common shares of Falcon (“**Shares**”), representing 4.07% of Falcon’s issued and outstanding Shares at that time.

On **13 September 2021** Falcon announced the appointment of Joe Nally as Non-Executive Chairman to the Board of the Company, with immediate effect, replacing JoAchim Conrad. JoAchim Conrad remained as a Non-Executive Director.

Following Mr. Nally's formal appointment by the Board on 10 September 2021, the Company granted Mr. Nally Options to purchase an aggregate of 3,000,000 Shares of Falcon at an exercise price of £0.10 under the stock option plan.

Appointment of Communication Advisor
Falcon also announced the appointment of Capital Market Communications Ltd ("**Camarco**") as communications advisor. Camarco is a communications firm based in London that provides investor relations and corporate communications services.

On **14 September 2021** it was announced that operations had resumed at Kyalla 117, and it was further noted on **7 October 2021** that production testing was completed and the well shut in. While Kyalla 117 flowed liquids-rich gas without assistance for intermittent periods, production was not sustained and there were indications of a potential downhole flow restriction.

On **15 October 2021** Falcon announced that drilling of Velkerri 76 was complete, with the well drilled to a total vertical depth ("**TVD**") of 2,129 metres.

On **4 November 2021** Falcon was informed by the Bankruptcy Estate of PetroHunter Energy Corporation that it no longer held a beneficial interest in the Shares of Falcon.

On **12 November 2021** Falcon provided details on the preliminary petrophysical interpretation and mud gas composition data from the Velkerri 76.

On **21 December 2021** Falcon announced the appointment of Investor Meet Company Limited ("**IMC**") as a communications facilitator. IMC is a communications firm based in London that provides investor relations and corporate communications services.

Developments of the business during 2022

On **4 January 2022** Falcon announced that directors and officers have purchased an aggregate of 1,600,000 Shares in Falcon.

Details of the respective purchases are included in the table below:

Name	Number of Common Shares purchased	Total number of Common Shares held after purchase	Percentage of issued share capital held after the purchase
Joe Nally – Non - Executive Chairman	500,000	500,000	0.05%
Philip O'Quigley – Chief Executive Officer	500,000	3,513,696	0.36%
Anne Flynn – Chief Financial Officer	200,000	200,000	0.02%
Daryl Gilbert - Non - Executive Director	200,000	200,000	0.02%
Gregory Smith – Non - Executive Director	200,000	670,000	0.07%

On **25 January 2022** Falcon provided details of the planned Stage 3 work programme in the Beetaloo Sub-basin. 2022 would see Falcon and Origin progressing to the Stage 3 work programme of the restated Farm-In Agreement ("**FIA**"), which will include the drilling, fracture stimulation and extended production test of two horizontal wells.

On **1 March 2022** Falcon announced that Maxim Mayorets had agreed to step down as a non-executive director of the Company with effect from 1 March 2022.

On **31 March 2022** Falcon announced it had received a subscription from Sheffield Holdings LP ("**Sheffield**") for a $10 million private placement through the issue of 62,500,000 Common Shares ("**Placing Shares**") at a price of CDN$0.20 per share. Following the placement Sheffield held a total of 90,443,607 Common Shares of Falcon, representing 8.66% of Falcon's issued and outstanding Common Shares. The Placing Shares would not trade on the TSX Venture Exchange Market until the date that was four months and a day after the day of issuance. The Company's total issued share capital following Admission was 1,044,347,425 Common Shares.

Falcon Australia also agreed to grant Sheffield a 2% ORRI over Falcon Australia's 22.5% working interest in the Beetaloo Sub-basin Exploration Permits in return for a cash payment of $6 million. Details are included on page 12.

On **08 April 2022** Falcon announced that, following the approval of the TSX Venture Exchange, it had issued a total of 62,500,000 Placing Shares at a price of CDN$0.20 per share to Sheffield for gross proceeds of $10 million pursuant to the private placement announced on 31 March 2022.The Company also applied for admission of the Placing Shares to trading on AIM (“Admission”).

On **3 May 2022** Falcon announced the appointment of Tom Layman as a Non-Executive Director to the Board. Anne Flynn, Falcon’s Chief Financial Officer, was also appointed to the Board at this time. In conjunction with these appointments, Daryl Gilbert and JoAchim Conrad retired as Non-Executive Directors. All of these changes took place with immediate effect.

On **4 May 2022** Falcon announced that following discussions with Origin, in order to maximise the impact of Stage 3 operations the joint venture had agreed to modify the Stage 3 programme to include a step out location for one well.

On **7 June 2022** Falcon announced that on 6 June 2022 it granted a total of 16,250,000 Options to purchase common shares of Falcon had been granted to directors and officers under the stock option plan approved at Falcon’s annual shareholders meeting held on 12 November 2021.

The Options were granted at an exercise price of £0.15 (equivalent to CDN$0.24), with further details set out below:

Name	**Number of Options granted at £0.15**	**Total number of Options held after grant**
Joe Nally – Non - Executive Chairman	750,000	3,750,000
Philip O’Quigley – CEO	5,000,000	25,000,000
Anne Flynn – CFO	7,500,000	12,500,000
Gregory Smith – Non - Executive Director	500,000	2,500,000
Tom Layman – Non - Executive Director	2,500,000	2,500,000

All of the Options granted have a vesting schedule allowing for 1/3 of the Options to vest immediately with an additional 1/3 vesting on each subsequent anniversary until the Options are fully vested on 6 June 2024. The Options have an expiry date of 5 June 2027.

On **19 September 2022** Origin announced the divestment of its 77.5% interest in the Exploration Permits to Tamboran (B2) Pty Limited (“**Tamboran B2**”). On 11 October 2022 Falcon announced that Falcon Australia had entered into a binding LO**I** with Tamboran B2 pursuant to which the parties have agreed to amend the terms of the Joint Operating Agreement (“**JOA**”) and FIA, each dated 2 May 2014 (as amended), entered into with Origin in respect of Falcon Australia’s interest in the Beetaloo Sub-basin Exploration Permits. Details are included on page 13.

On **10 November 2022** Falcon announced the spudding of the Amungee NW-2H (“**A2H**”) well with the Silver City Rig 40 on EP98 in the Beetaloo Sub-basin, with Falcon Australia Limited’s joint venture partner, Tamboran B2.

On **30 November 2022** Falcon announced that on 29 November 2022 Tom Layman (Non-Executive Director) had been granted Options to purchase 2,500,000 common shares of Falcon at an exercise price of £0.15 (equivalent to CDN$0.24) under the stock option plan approved at Falcon’s annual shareholders meeting held on 14 July 2022. The Options have a vesting schedule allowing for 1/3 of the Options to vest immediately with an additional 1/3 vesting on each subsequent anniversary until the Options are fully vested on 29 November 2024. The Options have an expiry date of 28 November 2027.

On the **07 December 2022**, **12 December 2002** and **14 December 2022** Falcon announced that non-executive directors had purchased Shares in Falcon. Details of the respective purchases are included in the table below:

Date	**Name**	**Number of Common Shares purchased**	**Total number of Common Shares held after purchase**	**Percentage of issued share capital held after the purchase**
7 December 2022	Gregory Smith	100,000	770,000	0.07%
7 December 2022	Tom Layman	250,000	250,000	0.02%
12 December 2022	Gregory Smith	150,000	920,000	0.09%
12 December 2022	Tom Layman	870,000	1,120,000	0.11%
14 December 2022	Gregory Smith	100,000	1,020,000	0.10%

On **23 December 2022** – Falcon announced that drilling operations, including casing and cementing, at the A2H well had been successfully completed.

Developments of the business during 2023

On **16 February 2023** Falcon announced the commencement of the well stimulation programme at the A2H well.

On **22 March 2023** Falcon announced the successful completion of a 25-stage stimulation programme at the A2H well.

On **13 June 2023** Falcon was informed that as of 20 September 2022 Sheffield Holdings LP held a total of 96,473,607 common shares of Falcon representing 9.24% of Falcon's issued and outstanding Shares.

On **22 June 2023** Falcon provided an update on operations at the A2H well, for details please refer to page 17.

On **24 July 2023** Falcon provided an update on operations as preparations to drill the Shenandoah South 1H ("**SS1H**") well were underway, for details please refer to pages 17-18.

On **1 August 2023** Falcon announced the spudding of the SS1H horizontal well in EP117 with a Helmerich & Payne ("**H&P**") super-spec FlexRig® Flex 3 Rig, for further details please refer to page 18.

On **25 August 2023** Falcon noted that Falcon Australia's joint venture partner, Tamboran B2, had given notice that the 2014 farm-in commitments have now been met, having reached the associated cost carry commitment of A$264 million.

On **30 August 2023** Falcon announced that the SS1H pilot hole in EP117 has reached a TVD of 3,300 metres, intersecting approximately 90 metres of the Amungee Member B-shale with strong dry gas shows. For further details please refer to page 18.

On **18 September 2023** Falcon announced that drilling operations on the SS1H well were successfully completed, for further details please refer to page 18.

On **25 September 2023** Falcon announced the spudding of the Amungee NW-3H ("**A3H**") horizontal well in EP98 with a H&P super-spec FlexRig® Flex 3 Rig, for further details please refer to page 18.

On **16 October 2023** Falcon announced that drilling operations on the A3H well in EP98 have been successfully completed, for details please refer to page 18.

On **27 October 2023** Falcon announces that, following the completion of the all-share merger between Cavendish Securities plc (previously named Cenkos Securities plc) and Cavendish Financial plc (previously named finnCap Group plc), and as a consequence of internal reorganisation within the Cavendish Group, the Company has changed its Nominated Adviser and Broker from Cavendish Securities plc to Cavendish Capital Markets Limited.

On **30 October 2023** Falcon provided an operational update on the SS1H well in EP117, for further details please refer to the pages 18-19.

On **27 November 2023** Falcon announced the commencement of stimulation activities at the SS1H well in EP117, for details please refer to page 19.

On **7 December 2023** Falcon announced the completion of the 10-stage stimulation program over a 500 metre horizontal section of the Amungee Member B-Shale within the SS1H well, for details please refer to page 19.

Developments of the business during 2024

On **29 January 2024** Falcon announced the commencement of the 30-day initial production (IP30) testing at the SS1H well in EP117. For details please refer to page 19.

On **26 February 2024** Falcon announced the SS1H well in EP117 achieved commercial IP30 flow rates significantly higher than pre-drill expectations.. For details please refer to pages 19-21.

On **25 March 2024** Falcon announced that it had elected to reduce its working interest in the proposed Shenandoah South Pilot Project ("**Pilot**") from 22.5% to 5%. For details please refer to page 21.

On **26 March 2024** Falcon announced that the SS1H well achieved above commercial IP60 flow rate of 3.0 MMcf/d (normalised to 6.0 MMcf/d over 1,000 metres). For details please refer to pages 21-22.

On **18 April 2024** Falcon announced a proposed placing of new Common Shares of the Company. Furthermore, Falcon Australia agreed to grant Daly Waters Energy, LP (“**Daly Waters**”) and a major US-based energy industry service provider overriding royalty interests (“**ORRIs**”) over Falcon Australia’s working interests in the Beetaloo Sub-Basin exploration permits in return for cash payments of US$3 million and US$1 million, respectively, details are included on page 12.

On **22 April 2024** Falcon announced the Company had raised gross proceeds of c. $4.9 million (c. £3.9 million) through the Subscription and Placing, for a total number of 64,794,087 New Common Shares at an Issue Price of £0.06p per share. The Fundraising is conditional on the admission of the New Common Shares to trading on AIM and the approval of the TSX Venture Exchange. It is expected that settlement of the relevant New Common Shares forming part of the First Admission (being 58,155,490 New Common Shares) will occur on 26 April 2024 and that admission will become effective and dealings in those New Common Shares will commence on AIM at 8.00 a.m. on 26 April 2024. The New Common 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 New Common Shares will, when issued, be subject to the articles of association of the Company and credited as fully paid and will rank equally in all respects with the existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Common Shares after the date of issue of the Placing Shares. The Company’s total issued share capital following First Admission will be 1,102,502,915 Common Shares. A separate announcement will be made in respect of the Second Admission.

On **23 April 2024** Falcon announced that the BJV has signed a Binding Agreement for a long-term Gas Sales Agreement to supply the Northern Territory Government **(“Buyer**”) with 14.6 PJ (13.8 BCF) per annum from the proposed Shenandoah South Pilot Project for an initial term of nine years, with a Buyer’s option to extend for a further six-and-a-half years. For details please refer to pages 21-22.

4. BUSINESS DESCRIPTION

General

Falcon is an international oil and gas company engaged in the exploration and development of unconventional oil and gas assets. The Company's interests are located in internationally diversified countries that are characterised by a high regional demand for energy and are close to existing infrastructure allowing rapid delivery of oil and gas to market in Australia and Hungary.

Falcon's strategy is to leverage the Group's expertise in the unconventional oil and gas industry to acquire interests in licences covering large acreages of land and to build on its internationally diversified portfolio of unconventional assets and interests, located in countries that the Board believes support the exploitation of unconventional oil and gas. Falcon seeks to add value to its assets by entering into farm-in arrangements with major oil and gas companies that will fully or partially carry Falcon through seismic and drilling work programmes. The Group's principal interests are located in two major underexplored basins in Australia and South Africa and further interests in Hungary, covering approximately 12.3 million gross acres in total. The carrying value at 31 December 2023 of the Company's interest in Australia is $51 million, while the Hungarian asset is nil due to a determination in 2014 that the estimated recoverable amount was insufficient to cover the carrying value of the asset. For the South African interest, costs associated with the technical cooperation permit are expensed as incurred.

Falcon is incorporated in British Columbia, Canada and headquartered in Dublin, Ireland. Falcon's Common Shares are traded on the TSX-V (symbol: FO.V) and AIM, a market operated by the London Stock Exchange (symbol: FOG).

Summary of Operations

The following table summarises the principal oil and gas interests of the Company in Australia, South Africa and Hungary:

Assets (Country)	**Interest (%)**	**Operator**	**Status**	**Area (km^2)**
Exploration Permit EP76 (Beetaloo Sub-basin, Northern Territory, Australia)	22.5[(i)]	Tamboran B2[(iii)]	Exploration	1,891.3
Exploration Permit EP98 (Beetaloo Sub-basin, Northern Territory, Australia)	22.5[(i)]	Tamboran B2[(iii)]	Exploration	10,316.0
Exploration Permit EP117 (Beetaloo Sub-basin, Northern Territory, Australia)	22.5[(i)]	Tamboran B2[(iii)]	Exploration	6,412.0
Technical Cooperation Permit, (Karoo Basin, South Africa) [(ii)]	100	Falcon	TCP	30,327.9
Makó Production Licence (Makó Trough, Hungary)	100	TXM	Production	994.6

Notes:
(i) Falcon owns 98.1% of Falcon Australia, which holds a 22.5% interest in EP76, EP98 and EP117 (collectively the "**Exploration Permits**"). The remaining 1.9% interest of Falcon Australia is held by others. Renewal applications for EP76 and EP117 were submitted in September 2022 ahead of the end of the five year term which expired in December 2022, a further renewal application for EP98 was submitted in March 2023 ahead of the current five year term expiring in June 2023. Both renewal applications have been approved by the Northern Territory Government. The permits are currently in year 1 with a permit year end 31 May 2028.

(ii) In compliance with the terms of the Technical Cooperation Permit ("TCP"), the Company submitted its application for an exploration licence in August 2010. Local counsel has confirmed that despite the TCP having an expiry date of October 2010, the Company's interests remain valid and enforceable.

(iii) In September 2022 Origin announced the divestment of their interest in the Exploration Permits to Tamboran B2. Tamboran B2 were appointed as operator.

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Beetaloo Sub-basin, Northern Territory, Australia

Overview
Falcon Australia is one of the two registered holders of approximately 4.6 million gross acres (~ 18,619 km^2), 1 million net acres, of three exploration permits in the Beetaloo Sub-basin, Northern Territory, Australia. The Beetaloo Sub-basin is located 600 kilometres south of Darwin, close to infrastructure including a highway, a pipeline and a railway, offering transport options to the Australian market and beyond via the existing and developing liquified natural gas capacity in Darwin.

The Beetaloo Sub-basin is a Proterozoic and Cambrian tight oil and gas basin. In its entirety, the Beetaloo Sub-basin covers approximately 8.7 million acres (~ 35,260 km2) and is a relatively underexplored onshore exploration basin. The area is also remote and sparsely populated. In consideration of these factors, the Board believes the Beetaloo Sub-basin has shale oil and shale gas potential.

Exploration Permits
A summary of Falcon Australia's Beetaloo exploration permits is included on the previous page.

In accordance with local law and regulations, Falcon Australia's acreage interests are subject to combined government and Northern Land Council royalties on production values of up to approximately 12% and 3% to other parties. Falcon Australia is subject to Commonwealth Government corporation tax of 30%, however where the entity has aggregated annual turnover of less than A$50 million for the financial year and 'base rate entity passive income' of 80% or less of assessable income, Falcon Australia would be considered a 'base rate entity' for Australian tax purposes and would be taxed at a lower rate of 25%. Falcon Australia is also subject to the Commonwealth Government's Petroleum Resource Rent Tax ("**PRRT**") levied at the rate of 40% on taxable profits derived from the petroleum projects. The PRRT is calculated on the individual projects, and royalties are deductible for PRRT purposes. The PRRT tax system is separate from the company income tax system and is based on cash flow. Both royalties and PRRT are deductible for corporate income tax purposes.

Overriding Royalty Beetaloo Sub-basin exploration permits
On **31 March 2022** it was announced that Falcon Australia had agreed to grant Sheffield Holdings LP ("**Sheffield**") a 2% overriding royalty interest ("**ORRI**") over Falcon Australia's 22.5% working interest in return for a cash payment of $6 million. The 2% ORRI granted to Sheffield will be calculated on equal economic terms as the Malcolm John Gerrard, Territory Oil & Gas LLC and Tom Dugan Family Partnership LLC ("**TOG Group**"), with the cash proceeds of $6 million used to exercise Falcon Australia's call option to reduce the existing ORRI with the TOG group from 3% to 1%. Both transactions took place in April 2022. These changes to the ORRI's were submitted for registration to the Northern Territory Government, Australia and were approved.

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 ORRI over Falcon Australia's working interests in the Beetaloo Sub-basin exploration permits in return for cash payments of $3 million and $1 million, respectively. Completion of the grant of the ORRIs is subject to agreement of final legal documentation and to submission to the Northern Territory Government, Australia for registration.

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 development, measuring 51,200 acres, in which Falcon Australia has a 5% working interest, 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 development, measuring 51,200 acres, and an ORRI of 0.4444% in respect of the remaining 4.52 million acres.

Transformational Farm Out of Beetaloo unconventional acreage
On 21 August 2014, Falcon Australia completed its FIA and JOA (collectively the **"Agreements**") with Origin and a subsidiary of Sasol Limited, each farming into 35% of Falcon Australia's Exploration Permits in the Beetaloo Sub-basin. In May 2017 Origin acquired Sasol's 35% interest in the Beetaloo joint venture ("**JV**") with Sasol departing to focus its capital investment on its African and North American footprint.

On **16 August 2018**, Falcon announced it had signed an agreement to amend the FIA with Origin to deem Stage 1 of the exploration and appraisal drilling programme in the Beetaloo Sub-basin complete and to commence Stage 2, with an A$15 million increase to the Stage 2 capped expenditure.

On **7 April 2020** Falcon announced that Falcon Australia had executed a restated FIA and JOA (collectively the "**2020 Agreements**") with Origin to farm down 7.5% of Falcon Australia's 30% participating interest ("**PI**") in the Exploration Permits. Falcon and Origin were obligated to seek the Northern Territory government and TSXV stock exchange approvals, in respect of the 2020 Agreements.

Transaction details

- With the necessary approvals, the PI of the respective JV partners was:
  - Falcon Australia 22.5%
  - Origin 77.5%
- In consideration of Falcon Australia transferring 7.5% of its PI, Origin increases the gross cost cap of the work program by A$150.5 million.
- The previous FIA included a Stage 2 gross cost cap of A$65.3 million and a Stage 3 gross cost cap of A$48 million, or A$113.3 million in total. Under the 2020 Agreements, the Stage 2 and Stage 3 gross cost caps were combined and increased by A$150.5 million to A$263.8 million (the "**Overall Cost Cap**"),
- This Overall Cost Cap applied to the completion of the Stage 2 and Stage 3 work programmes.
- Amounts of the Overall Cost Cap not utilised during Stage 2 and Stage 3 will be applied to future work programmes.
- Expenditure above the Overall Cost Cap will be borne by the JV partners in proportion to their PI.
- Origin assumed 25% of the cost of Falcon Australia's remaining call option to reduce the overriding royalties with the TOG Group. The cost to Falcon Australia, should it wish to exercise the call option, will reduce from $7.5 million to $5.625 million, in line with its reduced PI.

On **19 September 2022** Origin announced its divestment of their 77.5% interest in the Exploration Permits to Tamboran B2, a 50:50 joint venture between Daly Waters Energy, LP and Tamboran (West) Pty Limited. On **11 October 2022** Falcon announced that Falcon Australia had entered into a binding LOI with Tamboran B2 pursuant to which the parties have agreed to amend the terms of the JOA and the FIA, each dated 2 May 2014 (as amended), entered into with Origin in respect of Falcon Australia's interest in the Beetaloo Sub-basin Exploration Permits. The key terms of the LOI provide for:

- Falcon Australia to earn an additional carry on future well costs of up to A$30m (A$6.75m net to Falcon Australia);
- the introduction of limited proration units on sole risk operations to a maximum of 6,400 acres per well, providing Falcon Australia with participation optionality on the drilling of future wells;
- the sharing of well data on any sole risk wells, providing Falcon Australia with visibility on crucial data and analysis even where it elects not to participate; and
- pre-emptive rights in relation to Origin's divestment of its 77.5% interest in the Beetaloo Sub-basin would not be exercised by Falcon Australia and all pre-emptive and similar rights are to be removed from the JOA, providing Falcon Australia with greater flexibility for realisation of licence interests.

Discoveries and Prospectivity

Work was previously undertaken by a Rio Tinto Group subsidiary company, Sweetpea Petroleum Pty Ltd. ("**Sweetpea**"), Hess Oil & Gas Holdings Inc.("**Hess**") and Falcon Australia. Sweetpea drilled the Shenandoah-1 vertical well, which was deepened by Falcon Australia. Hess acquired 3,490 kilometres of 2D seismic data. The seismic database, along with existing well data, provided a solid platform to extrapolate a detailed structural and stratigraphic model for the Beetaloo Sub-basin, concluding the basin was an active petroleum system. 2015 saw the commencement of the work programme with the drilling of three wells, Kalala S-1 to a total depth ("**TD**") of 2,619 metres, Amungee NW-1 to a TD of 2,611 metres and the first horizontal well, Amungee NW-1H to a TD of 3,808 metres, including a 1,100 metre horizontal section. In 2016, the Beetaloo W-1 well was drilled to a TD of 3,173 metres and the horizontal Amungee NW-1H well was hydraulic stimulated.

On **12 October 2016**, Falcon announced that Origin had submitted a Notification of Discovery to the Department of Primary Industry and Resources on the Amungee NW-1H well in the Beetaloo Sub-basin and on **15 February 2017** it was announced that Origin had submitted the Results of Evaluation of the Discovery and Preliminary Estimate of Petroleum in Place for the Amungee NW-1H Velkerri B Shale Gas Pool ("**Discovery Evaluation Report**") to the Northern Territory Government.

The submission followed the completion of extended production testing at the Amungee NW-1H exploration well of the "B Shale" member of the Middle Velkerri formation.

In addition, Origin undertook a resource study based on the Amungee NW-1H well results and other key wells in the Beetaloo Sub-basin including regional seismic data to determine a best estimate ("**2C**") contingent gas resource estimate for the Amungee Member B-Shale (previously the Middle Velkerri B Shale Pool) within EP76, EP98 and EP117.

Key Details of the Discovery Evaluation Report
The Discovery Evaluation Report was submitted in compliance with Section 64 of the Northern Territory Petroleum Act (2016) and as per the Reporting a Petroleum Discovery Guideline. The Report provides the following volumetric estimates and recovery / utilisation factors for the B Shale member of the Middle Velkerri formation within permits EP76, EP98, and EP117.

Middle Velkerri B Shale Volumetric Estimates as of 15 February 2017 (1)		
	Gross	**Net Attributable (2)**
	Best Estimate	**Best Estimate**
Area km^2 (3)	16,145	3,564
Original Gas In Place ("**OGIP**") (TCF)(4)	496	109
Combined Recovery / Utilisation Factor (5)	16%	16%
Technically Recoverable Resource (TCF)	85	19
OGIP Concentration (BCF/km^2) (6)	31	31

[1] The Report and estimates included in the table above were not prepared in accordance with the Canadian Oil and Gas Evaluation Handbook ("**COGEH**")
[2] Falcon's working interest is 22.07% (revised as of 7 April 2020 following the farm down, previously 29.43%), net attributable numbers do not incorporate royalties over the permits
[3] Area defined by a depth range at a maturity cut-off consistent with the dry gas window within the Beetaloo JV Permits (EP76, EP98, EP117)
[4] Trillion cubic feet
[5] The combined recovery/utilization factor range was applied stochastically to the OGIP range to calculate the range of technically recoverable resource within the Beetaloo JV permits.
[6] Billion cubic feet per square kilometre

Understanding the factors controlling deliverability and recovery as well as spatial variation within the gas play/shale pool are in their infancy. A quantitative assessment of the aggregated estimated recoverable resource of the gas play that can handle these complexities will require a statistically significant number of wells testing the gas play. As there is only a single production test within the gas play Origin decided upon a qualitative assessment approach instead to estimate the technically recoverable resource. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Factors considered in the qualitative assessment of technically recoverable hydrocarbon resource in the gas play were the stimulated rock volume recovery factor range, the subsurface utilization factor range and surface utilization factor range.

Origin's Contingent Gas Resource Estimates for the Middle Velkerri B Shale Pool within EP76, EP98 and EP117
Origin also prepared a contingent resource estimate using probabilistic methods and reservoir evaluation data, in addition to regional seismic data.

Assessment of 2C Contingent Gas Resource Estimates for the Middle Velkerri B Shale Pool within EP76, EP98 and EP117 as of 15 February, 2017[1]		
Measured and Estimated Parameters	**Units**	**Best Estimate**
Area [2]	km^2	1,968
OGIP [3]	TCF	61.0
Gross Contingent Resource[4]	TCF	6.6
Net Contingent Resource[4,5]	TCF	1.46

[1] Contingent resource estimates were prepared on a statistical aggregation basis and in accordance with the Society of Petroleum Engineers Petroleum Resources Management System ("**SPE-PRMS**"). SPE-PRMS was developed by an international group of reserves evaluation experts and endorsed by the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, and the Society of Exploration Geophysicists. Contingent resource estimates are those quantities of gas (produced gas minus carbon dioxide and inert gasses) that are potentially recoverable from known accumulations but which are not yet considered commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original gas in place, and confirmation of prices and development costs. If the estimates were to be prepared in accordance with COGEH, Falcon is highly confident that there would be no change to the contingent resource estimates above.
[2] P50 area from the Contingent Resource area distribution
[3] OGIP presented is the product of the P50 Area by the P50 OGIP per km^2
[4] Estimated gas contingent resource category of 2C. There is no certainty that it will be commercially viable to produce any portion of the resources.
[5] Net to Falcon's 22.07% (revised as of 7 April 2020 following the farm down, previously 29.43%) working interest in EP76, EP98, and EP117, the net contingent resource number does not incorporate royalties over the permits

As noted in Origin's press release the "*The contingent resource estimates contained in [their] report are based on, and fairly represents, information and supporting documentation that have been prepared by Alexander Côté who is a full-time Origin employee and a Qualified Reserves and Resource Evaluator. Mr. Côté is a registered professional engineer with specialised unconventional gas resource characterisation and development experience. Mr. Côté has consented to the form and context in which these statements appear*". Mr. Côté is a member of the Association of Professional Engineers and Geoscientists of Alberta.

Further information relating to the disclosure of the contingent gas resource estimates.

Well Name	Amungee NW-1H
Permit / location	EP98 (onshore Beetaloo Sub-basin Northern Territory, Australia)
Working interest in well	Falcon 22.07% (previously 29.43% prior to the farm down on 7 April 2020)
Product type	Shale gas
Geological rock type of formation drilled	Organic rich shale (mudstone and siltstone)
Depth of zones tested	~2170-2190 metres below sea level
Type of test	Production test following hydraulic fracture stimulation
Hydrocarbon phases recovered	Gas (Approximate composition: methane ~92%, ethane+ ~3%, carbon dioxide and inerts ~5%)
Flow rates and volumes	Average rate (57 days): 1.1 MMscf/d, Final production rate: 1.07 MMscf/d, Cumulative production: 63 MMscf
Number of fracture stimulation stages	11 stages (average size ~ 100 ton per stage)
Risks and level of uncertainty with recovery of resources	Risks and uncertainties include the lifting of the Northern Territory moratorium on hydraulic fracture stimulation, completing longer-duration production testing above the 57 days conducted on Amungee NW-1H, reducing well costs with scale of activity, establishing gas sales agreements and building infrastructure to connect the resource to market. Contingent on the moratorium being lifted, additional appraisal drilling is planned (as per the work program associated with the permits), along with hydraulic fracture stimulation and testing to assess deliverability and move the project towards commercialisation.
Significant positive and negative factors relevant to the estimate	Significant positive factors relevant to the estimate of the contingent resources include the successful well test at Amungee NW-1H which produced enough gas to surface to be of commercial interest; core and log data from Amungee NW-1H, Beetaloo W-1, Kalala S-1, Tanumbirini-1, McManus-1, Altree-2 and Walton-2 provide convincing evidence of a significant volume of moveable hydrocarbons; and the Marcellus Shale (Pa., USA) and Barnett Shale (Tx., USA) are analogous, commercially-productive fields that are similar to the Velkerri B Shale reservoir. Significant negative factors include the lifting of the Northern Territory moratorium on hydraulic fracture stimulation, the limited number of wells on the Company's acreage, lack of a developed service sector providing uncertainty regarding estimates of capital and operating costs, developing hydrocarbon regulations and environmental legislation and the requirement to obtain social acceptability for oil and gas operations.
Commerciality	Currently this project is based on a conceptual study. The economic status is undetermined at this time. The contingent resources will continue to be assessed as additional appraisal wells are drilled and tested in order to better evaluate the commercial potential of the play. After a sufficient number of wells have been drilled to demonstrate that the project is technically feasible and a development plan has been generated, economics can be run to determine commerciality of production.

On **19 January 2021** Falcon announced that Origin had submitted a Notification of Discovery to the Department of Industry, Tourism and Trade of the Northern Territory ("**DITT**") on Kyalla 117. The Notification of Discovery is a requirement under s64(1) of the Petroleum Act 1984 (Northern Territory) and the NT Guidelines for reporting a petroleum discovery.

Details of the Notification of Discovery from Origin to the DITT were as follows:

- The Notification of Discovery is supported by preliminary production test data and petrophysical modelling.
- This follows the introduction of nitrogen to lift the fluids in Kyalla 117, which has enabled Kyalla 117 to flow unassisted for a period of seventeen hours.
- Unassisted gas flow rates ranging between 0.4-0.6 MMscf/d over seventeen hours were recorded.
- Flow back of hydraulic fracture stimulation water to surface over the same period, averaged between 400-600 barrels per day ("**bbl/d**").
- Initial analysis suggests a liquid-rich gas composition with less than 1% CO_2.
- Condensate shows were also observed.

Further Information

- Early-stage flow rates were preliminary indications of well performance, and an EPT would be required to determine the long-term performance of Kyalla 117.

- Longer-term measures would need to be put in place to flow back sufficient hydraulic fracture stimulation water to allow Kyalla 117 to flow continually without assistance and enable an EPT to continue.

On **3 September 2021** Falcon provided results on the production log test at the Amungee well. The results suggested a normalised gas flow rate equivalent of between 5.2-5.8 MMscf/d per 1,000m of horizontal section.

Amungee Background

- Located in EP 98, approximately 60 kilometres east of Daly Waters, just south of the Carpentaria Highway.
- It was the first horizontal well to be drilled and first well to be fracked with Falcon's JV partner and operator, Origin.
- In November 2015, the JV successfully drilled the well to a total measured depth of 3,808m, including a 1,100m horizontal section.
- In September 2016, 11 hydraulic stimulation stages were completed along the horizontal section in the Middle Velkerri B shale zone.
- In December 2016, a 57-day extended production test ("**EPT**") was completed, with production averaging 1.10 MMscf/d.
- In February 2017, the Results of Evaluation of the Discovery and Preliminary Estimate of Petroleum in Place were published for the Velkerri B Shale Gas Pool, confirming a gross contingent resource of 6.6 TCF, 1.46 TCF net to Falcon, full details are contained on pages 13-15.

Details of Amungee Testing

- The well was successfully put back on production testing on 7 August 2021.
- Initial flow rates during the first 48 hours of testing ranged between 2 - 4 MMscf/d with rates averaging 1.23 MMscf/d over the first 23 days.
- A production logging tool ("**PLT**") was run on 19 August 2021 to 3,098 metres measured depth ("**mMD**"), just prior to the casing deformation at 3,112mMD.
- The PLT data confirmed that:
    - Only 5-15% of the production came from stages 1-7 beyond the casing deformation point at 3,112 mMD.
    - 85-95 % of the production came from stages 8-11 spanning a 200m horizontal section, prior to the casing deformation.
- The low contribution from stages 1-7 is likely the result of a restriction caused by the casing deformation or the plugs having not milled out, or both.
- Conclusion: stages 8-11 may be representative of the deliverability that can be achieved within the Middle Velkerri B Shale at Amungee.
- The PLT test results equate to a normalised gas flow rate of between 5.2-5.8 MMscf/d per 1,000m of horizontal section.
- A typical future production well would be likely to have a horizontal production section up to three kilometres**.**
- The result validates the decision to undertake a second EPT in order to run a PLT.

Current Activity

On **10 November 2022** Falcon announced the spudding of the A2H well with the Silver City Rig 40 on EP 98 in the Beetaloo Sub-basin, with Falcon Australia Limited's joint venture partner, Tamboran B2.

- Tamboran B2 to drill the vertical and build section to a depth of approximately 2,450metres, followed by the drilling of a 1,000-metre horizontal section within the primary target of the Amungee Member B-Shale.
- Following drilling, the A2H well was expected to commence a hydraulic fracture stimulation programme with a US style unconventional shale design. The well is designed with 5-½ inch casing to allow for effective placement of proppant into the formation, optimizing completion efficiency.
- The A2H well was the first of two horizontal wells in the Stage 3 programme to be drilled during this current drilling campaign.

On **23 December 2022** Falcon announced that drilling operations, including casing and cementing, at the A2H well were successfully completed. The A2H well was drilled to a TD of 3,883 metres, including a 1,275-metre horizontal section within the Amungee Member B-Shale.

Key points to note:

- The A2H well intersected the Amungee Member-B Shale at 2,413 metres vertical depth.
- Preliminary drilling data confirms elevated gas shows with high concentration C_1, (methane) observed.
- Drilling was completed in 38 days (spud to TD) and a total cost of A$14.1 million (excluding casing and cementing), slightly ahead of pre-drill design days and budget. Falcon remains fully carried for the cost of these operations.
- Up to 24 stimulation stages were planned within the Amungee Member B-Shale.

On **16 February 2023** Falcon announced the commencement of the well stimulation programme at the A2H well.

Stimulation programme details were as follows:

- The programme would include up to 24 stimulation stages over a 1,200-metre horizontal section within the Amungee Member B-Shale, with operations expected to be completed within 2-3 weeks.
- The A2H stimulation programme to be executed utilising proven US-style shale stimulation designs and techniques, including the use of 5-½-inch casing, by Condor Energy Services, a respected Australian energy services provider.
- 5-½-inch casing would allow the optimal placement of sand and fluid at an increased rate to the perforations during stimulation and has been proven to deliver significantly higher production rates.
- Following stimulation, up to four-weeks of fluid flow back is expected to take place prior to the installation of production tubing.

On **22 March 2023** Falcon announced the successful completion of a 25-stage stimulation programme at the A2H well.

The stimulation programme details were as follows:

- 25 stages were successfully stimulated across a 1,020-metre horizontal section within the Amungee Member B-Shale, with approximately 2,125 pound per foot of proppant placed along the completed horizontal section.
- Proppant was placed using 5-½-inch casing and was based on modern US shale design, the design is anticipated to result in improved flow rates during the extended production test.
- Stimulation fluid flow back would commence imminently and was estimated to take several weeks before the well is shut-in for installation of production tubing.

On **22 June 2023** Falcon provided an update on operations at A2H. Operations to install production tubing were completed in late-April 2023 and the well was subsequently re-opened in preparation for production flow testing. This was only the sixth well drilled and fracture stimulated in the Beetaloo Sub-basin to June 2023.

<u>Update on Flow Testing</u>

- The A2H well achieved gas breakthrough, however modelling and independent third-party analysis from a US laboratory identified a potential skin inhibiting the flow of gas from the stimulated shale. Despite this, the gas flowed at an average rate of 0.97 mmcf/d over 50 days with circa 10% of the water used in the simulation programme recovered at the date of the announcement, well below other wells in the basin.
- The JV believe flows from the well did not establish an uninhibited 30-day initial production rate.
- As of June 2023, the well was producing approximately 0.83 mmcf/d and water recovery was approximately 50 bbl/d with cumulative gas production and water recovery of 52.37 mmcf and 17,879 bbl, respectively.
- The hydrocarbon phases recovered were dry gas with 90.4% methane and 2.9% ethane.
- The JV believes the results were not indicative of the underlying production potential of the Amungee Member B-Shale as the A1H well achieved flow rates of >5 mmcf/d over a normalised 1,000 metres from the same well pad in 2021. Comparative details are included in the table below:

	A2H	**A1H (full)***	**A1H (flow)***
Stimulated Lat. Length (m)	1020	682	162
Stages	25	11	4
Proppant Volume (kbbls)	169	67	31
Proppant Tonnage (million pounds)	7.1	2.5	1.5

** [1]The A1H well was stimulated over a 682-metre horizontal section in the Amungee Member B-Shale. Following testing, the flow was determined to be flowing over four stages (stage 8 – 11). A1H (flow) shows flow across this smaller length. A1H (full) is over 1,000 metre)*

- Results from the laboratory to determine how the JV can potentially clean-up potential skin within the A2H well and apply learnings going forward on future completion operations.
- Analysis was also conducted to compare the completion and stimulation design of the A2H well and the A1H fracture stimulation in 2016, which had a production logging test completed in 2021, to establish the optimum approach to future completion and fracture stimulation designs.

On **24 July 2023** Falcon announced that preparations to drill SS1H were underway.

- The H&P rig was successfully mobilised to the SS1H well pad location, in EP117, ahead of drilling the first of a two well programme in 2023.
- Drilling of the SS1H well was expected to commence in early August 2023, subject to final joint venture approval, with drilling operations expected to take approximately 45 days.
- The SS1H well would target the Amungee Member B-shale at an estimated target depth of 3,200 metres, (approximately 700 metres deeper than the A2H well in EP98).

- The SS1H well would be located approximately 60 kilometres south of the A2H well site. The deeper reservoir is expected to deliver higher pressures, based on data from the two Santos-operated Tanumbirini wells in EP 161.

On **1 August 2023** Falcon announced the spudding of SS1H with a H&P super-spec FlexRig® Flex 3 Rig.

- The SS1H well, including a horizontal section of approximately 1,000 meters, would target the Amungee Member B-shale at an estimated target depth of 3,200 metres (approximately 700 metres deeper than the A2H well in EP98).
- Falcon participated in the SS1H well at its full PI of 22.5% which, under the terms of the Joint Operating Agreement, created a drilling spacing unit ("DSU") (previously referred to as a proration unit) of 20,480 acres.
- Falcon remained fully funded for its share of all costs associated with the drilling and testing of the SS1H well.

On **30 August 2023** Falcon provided a SS1H well operational update. A pilot hole in EP117 reached a TVD of 3,300 metres, intersecting approximately 90 metres of the Amungee Member B-shale with strong dry gas shows.

- The 90 metres of the Amungee Member B-shale intersected represents the thickest section seen in the Beetaloo Sub-basin depocenter to date.
- The H&P (NYSE: HP) super spec FlexRig® Flex 3 rig reached TVD in 21.5 days, drilling at 153 metres per day, a new record for wells drilled below 3,000 metres in the Beetaloo Sub-basin.
- Logging of the Amungee Member B-shale formation indicated potentially higher porosity and gas saturation relative to offset wells.
- Initial evaluation confirmed reservoir continuity of the Amungee Member B-shale over 150 kilometres between A2H and Beetaloo W-1 wells. This includes a target development area of approximately 1 million acres where the shale depth exceeds 2,700 metres.
- Tamboran B2 would commence a 1,000-metre horizontal section within the shale formation ahead of a stimulation program of up to 10 stages over a 500-metre section, which is planned for Q4 2023.

On **18 September 2023** Falcon announced that drilling operations on the SS1H well were successfully completed. The well was drilled to a TD of 4,300 metres, including a horizontal section over 1,074m in length in the Amungee Member B-shale, with casing and cementing also complete.

The H&P (NYSE: HP) super spec FlexRig® Flex 3 rig would be mobilised to the A3H well site to be drilled from the same pad as A2H. The A3H well is the second of the two well programme in 2023, targeting the Amungee Member B-Shale at an estimated depth of 2,450 metres TVD, with spudding of the well expected by the end of September 2023. Falcon would participate at its full 22.5% interest.

On **25 September 2023** Falcon announced the spudding of the A3H horizontal well in EP98 with a H&P super-spec FlexRig® Flex 3 Rig.

- The A3H well is located approximately 60 kilometres north of the SS1H well that was completed the drilling in September.
- Drilling activity was expected to take approximately 25 days, including a 1,000-metre horizontal section.
- Falcon participated in the A3H well at its full PI of 22.5% which, under the terms of the JOA, created a DSU of 20,480 acres.

On **16 October 2023** Falcon announced that drilling operations on the A3H well were successfully completed.

- The A3H well was drilled, cased and cemented to a TD of 3,837 metres, including a horizontal section of 1,100 metres in the Amungee Member B-shale.
- The well intersected the Amungee Member B-shale at a TVD of 2,272 metres and encountered significant gas shows, in line with pre-drill expectations.
- Drilling took 17.9 days, at an average rate of 214 metres per day, and at 20 days faster than the A2H well, the H&P, super-spec FlexRig® Flex 3 Rig delivered the anticipated drilling efficiencies.
- A stimulation program is planned for the second quarter of 2024, following the Northern Territory wet season.
- Total costs for the drilling and cementing of the A3H well was A$12.6 million. Cost reductions of A$1.8 million compared to A2H, demonstrates the application of learnings from previously drilled wells and the improvement in drilling technology with the H&P super-spec FlexRig® Flex 3 Rig.

On **30 October 2023** Falcon provided an operational update on the SS1H well.

- A diagnostic fracture injection test ("DFIT") of the Amungee Member B-shale on the SS1H well was conducted to analyse geo-mechanical and reservoir properties, with results verified by third-party subsurface experts, Subsurface Dynamics, Inc.
- Formation pressures at SS1H were monitored for over 20 days and analysed to provide a pore pressure prediction for the area.
- DFIT results demonstrated an over pressured regime, with a pore pressure gradient of at least 0.54 pounds per square inch (psi) per foot, which is consistent with an over pressured regime observed in the core area of the US Marcellus shale. In addition, this result provides confidence that the upcoming flow test of the SS1H well can replicate or exceed commercial

flow tests achieved at the Santos-operated Tanumbirini 2H and Tanumbirini 3H wells (0.51 – 0.56 psi per foot) in the EP 161 acreage.
- Condor Energy Services had commenced the mobilisation of stimulation equipment to the SS1H well pad ahead of the planned 10 stage stimulation program in November 2023.
- On successful flow testing of SS1H, the JV would expect to be in a position to sanction a proposed pilot development in the Shenandoah South region.

On **27 November 2023** Falcon announced the commencement of stimulation activities at the SS1H well in EP117.
- The planned program, conducted by Condor Energy Service, included 10 stimulation stages within the Amungee Member B-shale over a 500-metre horizontal section of SS1H. The stimulation operation was expected to be completed in December 2023.
- On completion of the stimulation campaign, production tubing would be installed ahead of expected flowback of stimulation fluid and gas breakthrough.
- The stimulation program incorporated lessons learned from the joint venture's Amungee NW-2H well in EP98 and the Tanumbirini wells in Santos operated EP161. This included an increase in hydraulic horsepower and higher well design pressures to increase effectiveness of stimulation treatments and fluid conditioning methodologies to decrease the risk of skin damage.
- Results from the SS1H well are a key deliverable that will support the sanctioning of the joint venture's proposed 40 mmcf/d pilot project at Shenandoah South.

On **7 December 2023** Falcon announced the completion of the 10-stage stimulation program over a 500 metre horizontal section of the Amungee Member B-Shale within the SS1H well in EP117.

- The stimulation program at SS1H delivered a proppant intensity of 2,212 pounds per foot (lb/ft) and average proppant injection per stage was 356,000 pounds.
- The stimulation program achieved rates of 100 barrels per minute (bpm) using slickwater, a first in the Amungee Member B-Shale and in-line with current US shale basin stimulation designs.
- Tamboran B2 planned to install production tubing ahead of the SS1H well commencing flow back of stimulation fluid.
- Proof of commercial flow rates as measured over the IP30 day period and which Falcon Australia estimated to be 1.5 mmcf/d over the 500 metre horizontal section (3.0 mmcf/d normalised over 1,000 metres) or greater will allow us to progress the sanctioning of the proposed 40 mmcf/d pilot project at Shenandoah South during the first half of 2024.

On **29 January 2024** Falcon announced the commencement of the IP30 testing at the SS1H well in EP117. Following the completion of the 10-stage stimulation program announced on 7 December 2023 and the subsequent successful installation of production tubing, the SS1H well was opened to allow sufficient flow back of stimulation fluid ahead of commencing the IP30 test. For normal operational reasons, the SS1H well was shut-in for a three week soak period and was successfully re-opened on 25 January 2024. The aim of soaking was to allow for sufficient stimulation fluid to be absorbed by the shale, increasing the relative permeability to gas of the formation and enhancing future production performance.

On **26 February 2024** Falcon announced that the SS1H well in EP117 achieved commercial IP30 flow rate of 3.2 MMcf/d (normalised to 6.4 MMcf/d over 1,000 metres), significantly higher than pre-drill expectations.

- The SS1H well in EP117 achieved an average 30-day IP30 flow rate of 3.2 MMcf/d over the 1,644-foot (501 metres), 10 stage stimulated length within the Amungee Member B-Shale, normalised to 6.4 MMcf/d over 3,281-feet (1,000 metres).
- Results from the SS1H well significantly exceeded pre-drill expectations and achieved what Falcon and its partners believe to be above the commercial threshold required to progress the Beetaloo to pilot development during 2024.
- Exit rate trajectory after the 30 days of flow testing showed a steady low declining curve at 2.9 MMcf/d over the stimulated length (normalised at 5.8 MMcf/d per 3,281 feet) and stable reservoir back pressure of 575 psi.
- The IP30 flow test extrapolates to ~19.5 MMcf/d for proposed future 10,000-foot (3,000 metres) development wells, in line with some of the highest flow rates achieved in the US Marcellus shale.
- The geological rock properties at SS1H, indicative of favourable well performance, met or exceed that of the US Marcellus shale, including reservoir pressure, effective porosity and gas-in-place. This creates the potential to result in long-term, low decline gas production, ultimately leading to very significant estimated ultimate recovery per well ("EUR").
- Results to date confirm that this region measuring more than 1 million gross acres below 8,850 feet (2,700 metres) is one of the best locations in the Beetaloo Basin to commence pilot development activities.
- Flow testing of the SS1H well will continue for the next 60 days to achieve average IP90 flow rates to better determine the well's EUR. IP90 flow rate results are expected to be announced in April 2024.
- The JV Partners of Falcon and Tamboran B2 Pty Limited will now progress development plans for the proposed 40 MMcf/d Pilot Project at the Shenandoah South location. The project is expected to require six 10,000-foot development wells initially to achieve plateau production of 40 MMcf/d. Drilling of the first of these wells is planned to commence in Q2 2024 and the BJV is targeting first gas in H1 2026.

Shenandoah South 1H flow results

The SS1H well in permit EP117 successfully achieved IP30 flow rates following the 10-stage stimulation program within the bottom 501 metres (1,644 ft) of the 1,020-metre (3,346 ft) lateral section in the Amungee Member B-Shale (depth of c. 9,957ft). The fracture stages had an average interval spacing of 50 metre (164ft) and the average proppant concentrations of 2,212 lbs/ft across the 10 main stages with a total of over 3.5 million pounds of sand placed.

Testing was carried out following the installation of production tubing and a three-week soaking period to allow for water used in the stimulation process to be absorbed by the shale. The soaking aims to increase the relative permeability to gas of the formation and enhance production performance.

During the initial draw down period from 25 January to 08 February (13.3 days) the choke was opened from 16/64 to 40/64 over staged intervals resulting in gas rates from 12.9 MMcf/d to 3.0 MMcf/d, with flowing wellhead pressures drawn down from 4,611 to 792 psi. During the subsequent flowing period from 08 Feb – 24 Feb (16.7 days) the choke was opened up to 43/64 at the beginning of the period, resulting in gas rates from 3.3 to 2.9 MMcf/d, with an average of 3.0 MMcf/d with flowing wellhead pressures drawn down from 792 to 578 psi. Total cumulative gas production during the IP30 test was 92.2 MMcf.

The well achieved an IP30 flow rate of 3.2 MMcf/d over the 501 metres (1,644 ft), normalised to 6.4 MMcf/d over 1,000 metres (3,481 ft), and 19.5 MMcf/d over 3,048 metres (10,000 ft) significantly exceeding Falcon's normalised pre-drill expectations and Falcon's estimated Beetaloo Basin commerciality threshold.

Table 1: Breakdown of the SS1H IP30 flow result

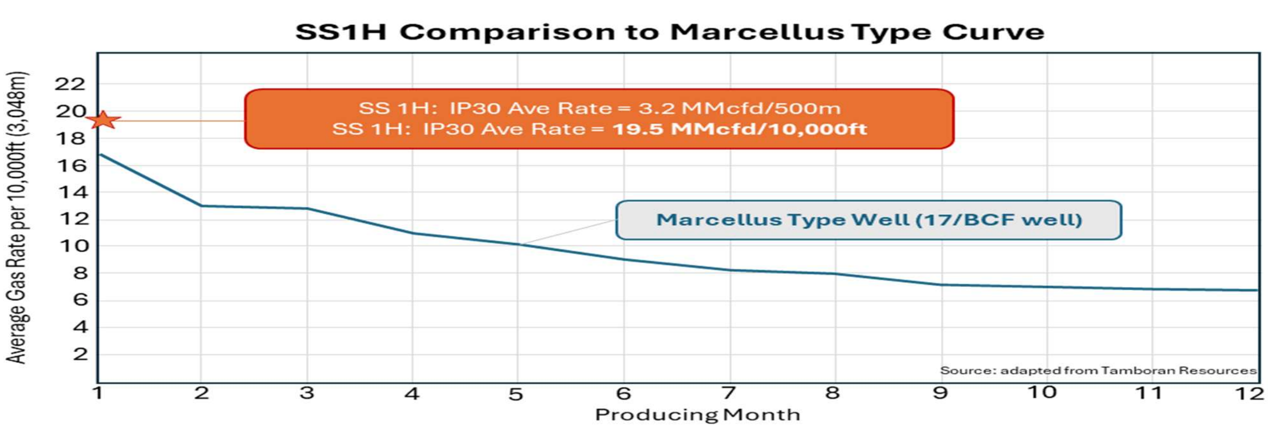
SS1H Rates (MMcf/d)	**Actual (501m; 1,644 ft)**	**Normalized (1,000m; 3,281 ft)**	**Normalized (3,048m; 10,000 ft)**
Average IP30 flow rate	3.2	6.4	19.5
Peak rate	12.9	N/A	N/A
IP30 exit rate	2.9	5.8	18.3

Source: Company Data

The SS1H has demonstrated that the geological rock properties, indicative of favourable well performance, met or exceed the US Marcellus shale (incl. reservoir pressure, effective porosity and gas in place). The analysis of the gas recovered at SS1H confirms that it is Dry Gas with the following composition (mole %): Methane 91.7, Ethane 2.8 and CO_2 3.4. Flow testing has demonstrated pore pressure gradient of ~0.6 psi/ft, resulting in higher reservoir pressure at Shenandoah compared to all other Basin wells.

The SS1H IP30 flow rate delivered the highest normalised rates achieved in the Beetaloo Basin to date, exceeding the previous normalised IP30 record achieved by the Tanumbirini 3H well in the Santos-operated EP 161 acreage in 2022. The SS1H result continues to demonstrate that the deepest regions of the basin have the most consistent geology and deliver the highest flow rates and recoverable volumes. The SS1H IP30 flow rate extrapolated over 10,000ft (3,048m) of 19.5 MMcf/d compares very favourably with the average US Marcellus Type Well (figure 1).

Figure 1: Comparison of SS1H flow potential performance to the US Marcellus Shale Type Well



Pilot Development Program

The results from the SS1H well give the BJV confidence to progress to the proposed 40 MMcf/d Pilot Project 9 MMcf/d net Falcon) in the Shenandoah South region. The BJV is targeting first production from the project in H1 2026, which is expected to deliver volumes into the Northern Territory gas market over a 10-year plateau period, subject to completion of a binding Gas Sales Agreement, funding and key stakeholder approvals.

The program is expected to include six development wells drilled to 10,000 feet to achieve plateau production, the construction of the 40 MMcf/d Sturt Plateau Compression Facility (SPCF) and the 35-kilometre Sturt Plateau Pipeline (SPP) connecting the SPCF to the APA-owned Amadeus Gas Pipeline. Additional wells will be required over the project life, which are expected to be funded from future project cash flow.

Liberty Energy Inc (NYSE: LBRT), a leading North American energy services firm with significant operational and subsurface engineering expertise, plans to import a modern frac fleet into the Beetaloo Basin in 2024 to support the Shenandoah South Pilot Programme stimulation campaign. Liberty plans to dedicate a frac fleet and crew to the Beetaloo to reduce any potential for delays in mobilising equipment to site and increasing completion efficiencies while reducing costs of future stimulation programs. Liberty's presence in the Basin follows on from the previously announced similar arrangement with H&P, the largest drilling solutions provider in the US, whereby H&P imported a 2,000HP rig into the Beetaloo, which is expected to support a material reduction in drilling times and costs.

On **25 March 2024** Falcon announced that it had elected to reduce its working interest in the proposed Shenandoah South Pilot Project ("**Pilot"**) from 22.5% to 5%. This optimises Falcon's interest in the Beetaloo, since Falcon will only have to pay for 5% of the costs of the two wells to be drilled in 2024 as part of the Pilot but will still retain a 10% working interest in the enlarged area of circa 72,000 acres around the Pilot and a 22.5% working interest in the remaining 4.52 million acres.

On **26 March 2024** Falcon announced that the SS1H well achieved above commercial IP60 flow rate of 3.0 MMcf/d (normalised to 6.0 MMcf/d over 1,000 metres).

- The SS1H well achieved an average IP60 flow rate of 3.0 MMcf/d over the 1,644-foot (501 metres), 10 stage stimulated length, normalised to 6.0 MMcf/d over 3,281-feet (1,000 metres).
- Exit rate trajectory after the 60 days of flow testing showed a steady low declining curve at 2.76 MMcf/d over the stimulated length (normalised at 5.52 MMcf/d per 3,281 feet) and stable reservoir back pressure of 530 psi.
- The SS1H IP60 flow test indicates that future development wells with lateral length of 10,000-foot (3,000 metres) may be capable of delivering average rates of 18.4 MMcf/d over the first 60 days of production.
- Results to date confirm that this region measuring more than 1 million gross acres below 8,850 feet (2,700 metres) is one of the best locations in the Beetaloo Basin to commence pilot development activities.
- Flow testing of the SS1H well will continue for the next 30 days to achieve average IP90 flow rates to better determine the well's EUR. IP90 flow rate results are expected to be announced in late April 2024.
- The BJV Partners of Falcon and Tamboran B2 will continue to progress development plans for the proposed 40 MMcf/d Pilot Project at the Shenandoah South location. The project is expected to require six 10,000-foot development wells initially to achieve plateau production of 40 MMcf/d. Drilling of the first of these wells is planned to commence in Q2 2024 and the JV is targeting first gas in H1 2026.

SS1H Rates (MMcf/d)	**Actual (501m; 1,644 ft)**	**Normalized (1,000m; 3,281 ft)**	**Normalized (3,048m; 10,000 ft)**
Peak rate	12.9	N/A	N/A
Average IP30 flow rate	3.2	6.4	19.5
IP30 exit rate	2.9	5.8	17.6
Average IP60 flow rate	3.0	6.0	18.4
IP60 exit rate	2.8	5.5	16.8

Source: Tamboran

On **23 April 2024** Falcon announced that the BJV had signed a Binding Agreement for a long-term Gas Sales Agreement to supply the Buyer with 14.6 PJ (13.8 BCF) per annum from the proposed Shenandoah South Pilot Project for an initial term of nine years, with a Buyer's option to extend for a further six-and-a-half years.

Details of the Binding Agreement are as follows:

- Gas will be delivered to the APA-owned Amadeus Gas Pipeline on a take-or-pay basis at a market-competitive gas price, escalating at 100% of the Consumer Price Index (CPI). The Buyer's extension option is at a slightly discounted price.
- The Agreement is a binding supply commitment conditional on the BJV entering into a binding Gas Transportation Agreement with APA on the proposed Sturt Plateau Pipeline, a binding Gas Processing Agreement for the proposed Sturt Plateau Compression Facility, reaching a Final Investment Decision **("FID")** on upstream drilling activity and receiving all necessary approvals to proceed with these projects.
- The BJV is targeting FID on the proposed 40 TJ (38,000 MCF/D) per day upstream drilling program in mid-2024, subject to securing funding and key regulatory and stakeholder approvals. First gas flow is planned for H1 2026.
- Falcon Australia holds a 5% working interest in the 51,200-acre area that will include the wells required to deliver the proposed Pilot Project volumes.

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Karoo Basin, South Africa

Overview
The Company holds a TCP covering an area of approximately 7.5 million acres (~ 30,327 km^2), in the southwest Karoo Basin, South Africa. The TCP granted Falcon exclusive rights to apply for an exploration right over the underlying acreage, which they duly did in August 2010, submitting an application to the Petroleum Agency of South Africa ("**PASA**"). The Company also submitted an environmental management plan in January 2011 which was updated at the request of the PASA and submitted on 27 February 2015.

Technical Regulations
On 3 June 2015, the Minister of Mineral Resources (the "**Minister**") published the Regulations for Petroleum Exploration and Production, which prescribed various technical and environmental standards for onshore hydraulic fracturing. However, on 18 October 2017, the Eastern Cape High Court held that the Minister lacked the authority to promulgate the Regulations for Petroleum Exploration and Production. On 4 July 2019, the Supreme Court of Appeal upheld the decision of the High Court principally because the Minister was not authorised to make the regulations. The provision of the MPRDA on which the Minister relied to make the regulations had been repealed in 2013 and therefore no longer existed.

Fiscal Terms
In September 2018, the MPRDA Bill, the long-delayed draft legislation for the mining and petroleum industries was withdrawn. There are now plans to come up with separate laws to govern the two sectors. The MPRDA Bill touched on several contentious issues such as requirements for local processing of minerals and free-carry provisions on oil discoveries.

Corporation tax in South Africa is imposed at a rate of 27% of taxable income. Dividends tax is imposed on the shareholder at a rate of 20%, but it may be reduced in terms of a Double Tax Agreement (if applicable) and is 0% in respect of dividends paid by an oil and gas company out of amounts attributable to its oil and gas income. The 20% rate is effective from 22 February 2017.

The South African Government is entitled to a royalty on the sale of mineral resources of up to 7% of gross sales for unrefined resources and 5% of gross sales for refined resources, such as oil and gas.

Discoveries and Prospectivity
The overall Karoo Basin is approximately 173 million acres (~ 700,000 km2), located in central and southern South Africa, containing thick, organic rich shales such as the Permian Whitehill formation. The Karoo describes a geological period lasting some 120 million years, covering the late Paleozoic to early Mesozoic interval periods. Rocks were deposited in a large regional basin, resulting in the build-up of extensive deposits. Until recently, the Karoo Basin was not considered prospective for commercial hydrocarbons resulting, however in an independent report dated June 2013, the U.S. Energy Information Administration ("**EIA**") estimated there are 390 trillion cubic feet ("**Tcf**") of technically recoverable resources, ranking it fifth in the world after China, USA, Argentina and Mexico for shale gas potential. The Permian Ecca group contains three potential shales identified as having potential for shale gas, with the Whitehall Formation, in particular, considered ubiquitous, having a high organic content and deemed thermally mature for gas.

Current activity
The Board awaits the new legislation for the petroleum industry following the withdrawal of the MPRDA Bill in 2018 and the Board does not foresee the awarding of an exploration right over the acreage within the next 12 months.

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Makó Trough, Hungary

Overview
Falcon has been active in the Makó Trough since 2005 when it acquired two exploration licences, the Makó and the Tisza exploration licences. In 2007, Falcon's subsidiary, TXM, was awarded the 35-year Makó Production Licence which covers some of the acreage originally covered by the Makó and the Tisza exploration licences.

Makó Production Licence
The Makó Production Licence was granted by the Hungarian Mining Authority over a gas exploration project in the Makó Trough, covering approximately 245,775 acres (~ 1,000 km2), located in south-eastern Hungary. It is located approximately ten kilometres to the east of the largest producing field in Hungary, the Algyő field, owned and operated by the MOL Group. The area is transected by existing gas pipelines and infrastructure, including a 12 kilometre gas pipeline built by Falcon, offering transport and potential access to local markets and larger distribution centres for international markets.

Under the terms of the licence, the Group is obliged to pay a 2% royalty to the Hungarian Government on any unconventional production and has a further 5% royalty payable to John B. Gustavson Living Trust., the previous owners of the acreage.

From 1 January 2017, corporate income tax is a single rate of 9%, which is applicable to all levels of net income. There is also a profit-based energy industry tax of 31% levied on energy supplying companies with deductions allowable for certain capital expenditures. TXM is the operator and there are no outstanding work commitments on the Makó Production Licence.

Discoveries and Prospectivity
The Makó Trough contains two plays:
- the shallower Algyő Play at depths between 2,300 metres and 3,500 metres; and
- a deeper unconventional play targeting significant contingent resources in the Deep Makó Trough.

The Algyő Play
The Algyő Play is a relatively shallow play between 2,300 and 3,500 metres deep. While wells have been drilled through the Algyő Play and encountered gas shows, none tested the shallow play at an optimal location, as they targeted the Deep Makó Trough. Multiple Algyő prospects have been identified by the Group through extensive amplitude versus offset analysis, and 3D seismic data showed the presence of possible gas zones above the Szolnok formation (part of the Deep Makó Trough).

In 2013, Falcon agreed to a three-well drilling exploration programme with Naftna industrija Srbije jsc ("**NIS**"), a company 56% owned by Gazprom Group, to target the Algyő Play. receiving a cash payment of $1.5 million. Two of the three wells were drilled. Kútvölgy-1 reached TD of 3,305 metres, with the well penetrating an alternating sequence of sandstones, siltstones and shales over a gross interval of 320 metres to TD, with gas shows throughout, however well production did not meet commercial rates and the well was plugged and abandoned. Besa-D-1, the second well, was completed in November 2014. The testing of two sand intervals, both part of the tight turbiditic sequence in the lower Algyő Formation, indicated well production did not meet commercial rates and the well was plugged and abandoned. In 2015, Falcon signed a termination agreement with NIS, with NIS paying $3.7 million in fulfilment of its contractual obligations. Falcon retains a 100% interest in the Algyő Play.

The Deep Makó Trough
This is a deeper unconventional play targeting gas, and to a lesser extent oil, in the low permeability and low porosity rocks in the deeper horizons of the basin.

Between 2005 and 2007, Falcon acquired 1,100 km2 of 3D seismic data and executed a six-well drilling programme on the Deep Makó Trough. Each well encountered thick sequences of hydrocarbon bearing rocks, and tests flowed hydrocarbons from each tested horizon. Several wells flowed gas on test and one well, Magyarcsanád-1, tested light oil. The Makó-7 results demonstrated the presence of a very large column of hydrocarbons in the well-bore.

Current activity
Falcon continues to maintain and safeguard its Hungarian wells and review its operations in Hungary, evaluating all options available to the Group to deliver shareholder value. The Group maintains its 100% interest in the Makó Trough.

Employees

As at 31 December 2023 and the date of this document, the Company had the following number of employees (including Executive Directors):

	31 December 2023			Date of this document		
Job Function	**Budapest, Hungary**	**Dublin, Ireland**	**Total**	**Budapest, Hungary**	**Dublin, Ireland**	**Total**
Management & Administration	-	4	4	-	4	4
Technical	1	-	1	1	-	1
Total	**1**	**4**	**5**	**1**	**4**	**5**

Special skill & knowledge

The Company's ability to complete drilling and exploration is dependent on the availability of well-trained, experienced crews to operate its field equipment and qualified management. The Group believes that its strategic arrangement with other oil and gas exploration companies aids the Company in ensuring that it has the skills and knowledge available to assist the drilling, testing and evaluation of the Company's resources.

Competitive conditions

The oil and gas industry in Australia, Hungary and South Africa will continue to be competitive. Most contracts will be awarded on the basis of competitive bids, resulting in price competition.

Dependence on customers & suppliers

The Company is not dependent upon a single or few customers or suppliers for revenues or its operations.

Changes to contracts

There is no aspect of the Company's business in which changes to contracts would reasonably be expected to affect the Company in the current financial year.

Environmental protection and policies

The Company is subject to various federal, state, territorial, provincial and local environmental laws and regulations enacted in most jurisdictions in which it operates, which primarily govern the manufacture, processing, importation, transportation, handlings and disposal of certain materials used in operations, as well as limits on emissions into the air and discharges into surface and sub-surface waters. The Company adheres to all such laws and regulations. The Company may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

The introduction of a moratorium on hydraulic fracturing resulted in a delay to the drilling and exploration programme in the Beetaloo Sub-basin, Australia. In March 2018, the inquiry concluded its work with the publication of a final report, and this was followed by the NT government's decision to lift the moratorium in April 2018. Legislative changes required to give effect to the recommendations of the inquiry are fully adhered to by the JV. These changes have led to increased capital expenditures to ensure compliance with all recommendations.

To date environmental protection requirements have not had a significant effect on the Company's earnings or competitive position.

During 2023 Company operations complied in all material respects with applicable corporate standards and environmental regulations and there were no material notices of violations, fines or convictions relating to environmental matters at any of the Company's operations.

The Group believes that it is in substantial compliance with all material current government controls and regulations at each of its properties.

See also *"General Development of the Business"* and *"Risk Factors"*.

Foreign operations

The Group is dependent on its foreign operations. The Group's principal interests are in Australia, South Africa and Hungary. All costs capitalised at 31 December 2023 for exploration and evaluation assets relate to Australia.

Companies with oil and gas activities

The 51-101F1 Report, 51-101F2 Report and the 51-101F3 Report are incorporated by reference herein.

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RISKS FACTORS

The risk factors identified below, are those the Board believes are material to the Group but these risks may not be the only risks faced by the Group. Additional risks, including those the Board is unaware of or those that are currently deemed immaterial, may also result in decreased income, increased expenses or a decline in the value of Common Shares.

1. RISKS RELATING TO THE GROUP AND ITS BUSINESS

The Group may be unable to get the necessary approvals to operate its business.
The Group may be unable to obtain necessary approvals from one or more Australian, South African or Hungarian government agencies, surface owners or other third parties, for: surface use for seismic surveys; surface use for drilling activities; surface use for gathering lines, pipelines, or surface equipment.

Australia
Australian government agencies have discretion in interpreting various laws, regulations and policies, which govern operations in the Beetaloo Sub-basin. Actions by Australian government agencies may affect the Company's operations including obtaining necessary approvals, land access, sovereign risk, regulatory risk, taxation and royalties which may be payable on the proceeds of the sale of a successful exploration.

Exploration Permit renewals and approval of contractual arrangements relating to them are also matters of governmental discretion, with no guarantees.

In Australia, Aboriginal native title to land ("**Native Title**") has survived the Crown's acquisition of sovereignty. The Native Title Act 1993 (Commonwealth) and the complementary state Native Title legislation, regulates the recognition and protection of Native Title in Australia, setting procedures to be followed regarding "future acts", including the grant of petroleum tenements. The Company must obtain clearances, consents and approvals relating to Native Title regarding the Beetaloo Exploration Permits. Access may be restricted or subject to negotiated arrangements (for example, compensation and access arrangements) in respect of areas subject to Native Title. If requisite approvals and consents are not obtained, the Group's business, prospects, financial condition and operational results may be adversely impacted.

Permit renewals: Permit renewal applications must be submitted to the Minister of the Northern Territory Government, Australia, no later than 3 months but no earlier than 6 months before the permit's expiration. The Minister may not renew the permit more than twice. A renewal application must include a comprehensive report of the previous work commitment program, findings and results. It must also include the proposed work program towards development of each of the 5 year renewal terms and a report on the future strategic exploration plan. While there is a presumption in the legislation that 50% of the acreage must be relinquished upon renewal the minister may approve the renewal of more than 50% of the permit area if sufficient justification is provided. Before the exemption period ends, the permittee may apply for an extension of the exemption and, if the Minister is satisfied in considering certain criteria, may extend the exemption for a period not exceeding 12 months. The permittee may also apply for a retention license which removes the need for relinquishment but is materially expensive to acquire. If permit renewals, relinquishment exemptions or retention licenses are not granted, there may be a material adverse effect on the Group's business, prospects, financial condition and results of operations.

South Africa
The Company holds a TCP covering an area of approximately 7.5 million acres, in the southwest Karoo Basin, South Africa. The TCP granted Falcon exclusive rights to apply for an exploration license over the underlying acreage, which they duly did in August 2010. The Company also submitted an environmental management plan in January 2011 which was updated at the request of the PASA and submitted on 27 February 2015. However, delays with both the technical regulations and the fiscal terms have delayed the granting of an exploration right and any progress with the project.

Technical regulations: On 18 October 2017, the Eastern Cape High Court held that the Minister lacked the authority to promulgate the Regulations for Petroleum Exploration and Production. On 4 July 2019, the Supreme Court of Appeal upheld the decision of the High Court principally because the Minister was not authorised to make the regulations. The provision of the MPRDA on which the Minister relied to make the regulations had been repealed in 2013 and therefore no longer existed.

Fiscal Terms: In September 2018, the MPRDA Bill was withdrawn with plans to come up with separate laws to govern the mineral and petroleum sectors.

The delays with both the technical regulations and the fiscal terms may not result in the award of an exploration licence. This eventuality could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Hungary
Hungarian government agencies have discretion in interpreting various laws, regulations, and policies governing operations under the Makó Production Licence. The Group must enter agreements with private surface owners to obtain access to the land

for surface facility locations. There is a relatively short history of government agencies' handling and interpreting laws including regulations and policies relating to those laws since the mining laws governing oil and gas operations were only enacted in Hungary in 1993 (laws amended since). This short history provides little precedent or certainty allowing the Group to predict whether such agencies will act favourably toward the Group.

Neither the Makó Production Licence nor Hungarian mining laws grant reasonable use of the surface covered by the Makó Production Licence geographical area. Instead, the licencee must obtain rights of way from surface owners, including private landowners, for access and other purposes. The landowner must ensure mining operators make observations and measurements, lay cables, display adequate signage and take any other actions necessary. If the landowner and licencee cannot mutually agree on operations, a licencee may request and pay for an easement from the Hungarian government. The Hungarian government has discretion to interpret various requirements for the issuance of drilling permits, and there is no assurance the Group will meet all requirements. An inability to meet any requirement could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

A decision by Tamboran B2 not to participate in further drilling operations, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.
If Tamboran B2 decide to reduce or surrender their interest in the Beetaloo Exploration Permits and if the Group was unable to secure a new farm-in or joint venture partner for the development of the Beetaloo Sub-basin, its ability to develop and realise its investment in the asset could be significantly curtailed. This could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Should Falcon fail to find a farm-in or joint venture partner to farm into Falcon's Karoo exploration licence, if awarded; this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.
If the exploration license was to be awarded, and if the Group were unable to secure participation by a new farm-in or joint venture partner for the development of the Karoo acreage, its ability to develop and realise its investment in the asset could be significantly curtailed. This could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

There is no guarantee that the Company has or will continue to have good title to assets.
Although title reviews have been and will continue to be performed according to standard industry practice prior to the acquisition of an oil and gas asset or rights to acquire leases in prospects/assets or the commencement of drilling wells, such reviews do not guarantee or preclude that an unidentified or latent defect in the chain of title will not exist, or that a third party claim will not arise that burdens, diminishes or defeats the claim of the Company. This could impact the Company's ability to realise its investment in a particular asset and could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group cannot be certain that it will continue to meet all requirements to maintain its permits and licences.
Falcon Australia and its JV partner must perform work programmes to maintain the Beetaloo Exploration Permits. Hungarian mining law requires that the Group file annual plans of development ("Plans") relating to the Makó Production Licence. To the extent that the Group cannot fulfil the requirements, it may have to request extensions for filing a Plan/completing a work programme or it may be at risk of losing rights under the Makó Production Licence or the Beetaloo Exploration Permits. The Group may also disagree with the government's interpretation of the legal requirements, resulting in legal proceedings, which could delay exploration and development of the Makó Production Licence or the Beetaloo Sub-basin. Failure to fulfil commitments within the required timeframes, or to successfully negotiate extensions to carry out work plan commitments, could result in the Group losing those relevant interests and the associated resource potential, and also restrict the ability to obtain new licences in the relevant jurisdictions. Renewal applications for Beetaloo EP76 and EP117 were submitted in September 2022 ahead of the end of the five year term which expired in December 2022, a further renewal application for EP98 was submitted in March 2023 ahead of the current five year term expiring in June 2023. Both renewal applications have been approved by the Northern Territory Government. The permits are currently in year 1 with a permit year end 31 May 2028. As licence terms and commitments are typically set by governments there may be unexpected and significant changes to licence terms and commitments. Any of these could significantly impact the value of those licences to the Group, with a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is exposed to general business risks associated with its joint venture and other partners, in addition to their ability to perform their contractual obligations.
Like other companies its size, the development of the Group's business is substantially reliant on forming strategic relationships with larger oil and gas companies. The Group has sought and will continue to seek to involve the financial resources and the technical expertise of farm-in or joint venture partners to explore and develop its interests. These relationships involve surrendering certain economic and operational rights to such partners. As a result, the Company's return on assets operated by others depends upon factors which may be outside the Group's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

The Group will be exposed to the general risks associated with the businesses, operations and financial condition of its joint venture and other partners including, the risks of bankruptcy, insolvency, management changes, adverse change of control and natural disasters. The Group may have disputes with these parties, including disputes regarding the quality and/or timelines of work performed. A failure by one or more of the Group's partners to discharge the agreed-upon commitments on a timely basis may materially and adversely impact the Group's business, prospects, financial condition and results of operations.

The Group may have substantial capital requirements that, if not met, may hinder its growth and operations.
The Group's future growth depends on its ability and that of its partners to invest significant capital expenditures for the exploration and development of oil and gas interests. Future cash flows and the availability of financing will be subject to factors, such as:

- the success of the Group's current and future exploration and development programme in Australia, South Africa and Hungary;
- prevailing market conditions and investors appetite; and
- prevailing oil and gas prices.

A six well Pilot project at the Shenandoah South location over 2 years will commence in 2024. Falcon has elected to reduce it's participation interest in the Pilot project to 5%. Management has plans and estimations in various stages of progress for additional funding which are estimated to be sufficient to cover Falcon's operating costs and it's Beetaloo committed costs for the next 12 months from the date of the approval of this document, however further funding will be required for Falcon Australia's continued participation in the Beetaloo. The A$263.8 million cost cap and additional carry for 2023 are now fully utilized, therefore cash on hand at 31 December 2023, funds raised as announced on 22 April 2024 of $8.9 million, the 2024 carry and an estimation for a R&D refund for exploration costs in the Beetaloo under the Research and Development Tax Incentive, which will be completed and submitted for approval to the Australian authorities in the coming months, are sufficient to cover estimated committed costs for the 2024 Pilot programme including the well pad and the two commitment wells and other estimated Beetaloo general operating costs for twelve months from the date of the approval of the financial statements, however funding will be required to meet expenditure beyond this date. While Falcon has participation optionality in future drilling activities based on the executed JOA, participation in drilling activities beyond the two commitment wells under the Pilot programme requires further funding. Issuing equity securities to satisfy the Group's financial requirements could cause substantial dilution to its existing shareholders. Financing may be unavailable, or the Group may be unable to obtain necessary financing on acceptable terms. If sufficient capital resources are unavailable, the Group may be forced to curtail activities or sell interests in an untimely manner or on unfavourable terms, having a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group may be unable to identify liabilities associated with its licences causing the Group to incur losses.
While the Board and management believes it has reviewed and evaluated its assets in Australia and Hungary in a manner consistent with industry practices, such review and evaluation might not necessarily reveal all existing or potential problems. Inspections on all wells may not always be performed, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken.

Resource estimates depend on many assumptions that may be inconclusive, subject to varying interpretations, or inaccurate.
On 15 February 2017, Falcon announced Origin had submitted a Discovery Evaluation Report to the Northern Territory Government. This provided volumetric estimates and recovery / utilisation factors for the B Shale member of the Middle Velkerri Formation within permits EP76, EP98 and EP117. Understanding the factors controlling deliverability and recovery as well as spatial variation within the gas play/shale pool are in their infancy. A quantitative assessment of the aggregated estimated recoverable resource of the gas play that can handle these complexities will require a statistically significant number of wells testing the gas play. As there was only a single production test within the gas play Origin decided upon a qualitative assessment approach instead to estimate the technically recoverable resource.

Origin also prepared a contingent gas resource estimate using probabilistic methods and reservoir evaluation data, in addition to regional seismic data. The risks and uncertainties with the recovery of the resources include completing longer duration production testing above the 57 days conducted on Amungee NW-1H, reducing well costs with the scale of activity, establishing gas sale agreements and building infrastructure to connect the resource to market. Currently this project is based on a conceptual study, the economic status has yet to be determined. The estimated contingent resources will continue to be assessed as additional appraisal wells are drilled and tested to better evaluate the commercial potential of the play. After a sufficient number of wells have been drilled to demonstrate that the project is technically feasible, and a development plan has been generated, economics can be run to determine commerciality of production. It is possible further drilling and production testing may not yield positive results, having a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Drilling for and producing oil and gas are high-risk activities with many uncertainties that could adversely affect the Group's business, prospects, financial condition or results of operations.
The Group's future success depends primarily on the outcome of its exploration, appraisal and pilot program activities. These activities are subject to risks beyond the Group's control, including not finding commercially productive oil or gas reservoirs. Exploration and development of oil and gas from unconventional resources relies on innovative and expensive techniques and often involves exploration in areas where no proven reserves exist. The Group's decisions to explore, develop or otherwise exploit its interests depends on the evaluation of data obtained through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. The cost of drilling, completing and operating wells is often uncertain before drilling commences, with overruns in budgeted expenditures common risk, making a project uneconomical. Many factors may curtail, delay or prevent drilling operations, including:

- unexpected drilling conditions;
- pressure or irregularities in geological formations;
- equipment failures or accidents;
- pipeline and processing interruptions or unavailability;
- adverse weather conditions;
- lack of market demand for oil and gas;
- delays imposed by or resulting from compliance with environmental and other regulatory requirements;
- delays resulting from a global pandemic, such as COVID-19
- shortage of or delays in the availability of drilling rigs and the delivery of equipment; or
- reductions in oil and gas prices.

The Group's future drilling activities may be unsuccessful, and drilling success rates could decline. The Group could incur losses drilling unproductive wells. A global pandemic may result in significant delays to operations getting both equipment and personnel in country, resulting in potentially significant delays to obtaining drilling results and consequential increased costs, which may materially and adversely impact the Group's business, prospects, financial condition and results of operations. Shut-in wells, curtailed production and other production interruptions may materially and adversely impact the Group's business, prospects, financial condition and results of operations.

Market conditions or operational impediments may hinder the Group's access to oil and gas markets or delay production in the future.
The marketability of future production from the Group's interests will depend upon the availability, proximity and capacity of pipelines, oil and gas gathering systems and processing facilities, with dependence heightened where infrastructure is less developed. The Group may be required to shut-in wells, at least temporarily, due to the inadequacy or unavailability of transportation facilities or the lack of market demand, resulting in the Group being unable to realise revenue until arrangements were made to deliver production to market. The Group's ability to produce and market oil and gas is affected and potentially harmed by:

- the lack of pipeline transmission facilities or carrying capacity;
- the proximity and capacity of processing equipment;
- the availability of open access transportation infrastructure;
- government regulation of oil and gas production including environmental protection, royalties;
- allowable production, pricing, importing and exporting of oil and gas;
- government transportation, tax and energy policies;
- changes in supply and demand for oil and gas; and
- general economic conditions.

Changes in such factors may materially and adversely impact the Group's business, prospects, financial condition and results of operations.

Shortages of rigs, equipment, supplies and personnel could delay or adversely affect the Group's cost of operations or its ability to operate according to its business plans.
Shortages of drilling and completion rigs, field equipment and qualified personnel can occur potentially driven by world events such as the Ukraine Russia situation, resulting in sharp increases in costs and significant delays to operations. The demand for wage rates of qualified drilling rig crews generally rise in response to the increased number of active rigs in service and could increase sharply in the event of a shortage. Shortages of drilling and completion rigs, field equipment or qualified personnel could delay, restrict or curtail the Group's exploration and development operations, which may materially and adversely impact the Group's business, prospects, financial condition and results of operations.

The loss of the Group's key management and Directors or its inability to attract and retain experienced technical personnel could adversely affect the Group's ability to operate.
The Group depends largely on the efforts and continued employment of its management team and board members. The loss of such services could adversely affect the Group's business operations. If the Group cannot retain key personnel or attract additional experienced personnel, its ability to compete in the geographic regions it conducts operations maybe harmed and may materially and adversely impact it's business, prospects, financial condition and results of operations.

The Group is subject to complex laws and regulations, including environmental regulations, which can have a material adverse effect on the cost, manner or feasibility of doing business.
Exploration for and exploitation, production and sale of oil and gas in Australia, South Africa and Hungary are subject to extensive national and local laws and regulations, including complex tax laws, environmental laws and regulations and requires permits and approvals from governmental agencies. If permits are not issued or unfavourable restrictions or conditions are imposed on the Group, operations may be restricted. Failure to comply with laws and regulations, including the requirements of permits, may result in suspension or termination of operations and potential penalties. Compliance costs may be significant. Laws and regulations could also change, substantially increasing the Group's costs. The Group cannot be certain that existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations will not materially and adversely impact its business, prospects, financial position and operations, making future exploration cost prohibitive. The outcome of the moratorium in the Northern Territory, Australia, resulted in 135 recommendations requiring legislative and regulation changes and increased costs.

The Group does not insure against all potential operating risks. It might incur substantial losses and be subject to substantial liability claims of its oil and gas operations.
The Group does not insure against all risks. It maintains insurance against various losses and liabilities arising from operations in accordance with customary industry practices and in amounts that the Board believes to be prudent. Losses and liabilities arising from uninsured and underinsured events or in amounts exceeding existing insurance coverage could have a material adverse effect on the Group's business, prospects, financial condition or results of operations. The Group's oil and gas exploration and production activities will be subject to hazards and risks associated with the drilling for, producing and transporting of oil and gas, and any of these risks can cause substantial losses, these include:

- environmental hazards, such as uncontrollable flows of oil, gas, brine, well fluids, toxic gas or other;
- pollution into the environment, including groundwater and shoreline contamination;
- abnormally pressured formations;
- fires and explosions;
- personal injuries and death;
- regulatory investigations and penalties; and
- natural disasters.

Any of these risks could have a material adverse effect on the Group's ability to conduct operations or result in substantial losses. The Group may elect not to obtain insurance if it considers that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. If a significant accident or other event occurs and is not fully covered by insurance, this may materially and adversely impact the Group's business, prospects, financial condition and results of operations.

The Group's financial statements have been prepared on a going concern basis, it does not include any adjustment that would result if the Group was unable to continue as a going concern due to f**inancing being unavailable or the Group being unable to obtain necessary financing on acceptable terms.**
The Group's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realise its assets and satisfy its liabilities in the ordinary course of business for at least twelve months from the date of this document. As at 31 December 2023 the Group had $8m of cash and cash equivalents. Management has plans and estimations in various stages of progress for additional funding which are estimated to be sufficient to cover Falcon's operating costs and it's Beetaloo committed costs for the next 12 months from the date of the approval of this document, however as outlined below further funding will be required for Falcon Australia's continued participation in the Beetaloo. Falcon Australia holds a 22.5% participating interest ("PI") in the Exploration Permits situated in the Beetaloo Sub-basin, Northern Territory, Australia with Tamboran (B2) Pty Limited ("Tamboran B2") appointed as operator. As part of the transaction agreed and the latest executed Joint Operating Agreement ("JOA") Tamboran B2 granted Falcon Australia an additional carry beyond Stage 3 of A$30 million and terms were agreed on drilling spacing units ("DSU") for sole risk operations, the size of these DSUs vary 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 permit, a non-commitment well creates a DSU to a maximum of 6,400 acres, while a commitment well creates a DSU to a maximum of 25,600 acres, providing Falcon Australia with participation optionality on the drilling of future wells. As announced on 25 March 2024 Falcon has elected to reduce its working interest in the proposed Shenandoah South Pilot Project ("Pilot") from 22.5% to 5%, optimizing Falcon's interest in the Beetaloo, since Falcon will only have to pay for 5% of the costs of the two wells to be drilled in 2024 as part of the Pilot but will still retain a 10% working interest in the enlarged area of circa 72,000 acres around the Pilot and a 22.5% working interest in the remaining 4.52 million acres.

The A$263.8 million cost cap and additional carry for 2023 are now fully utilized, therefore cash on hand at 31 December 2023, funds raised as announced on 22 April 2024 of $8.9 million, the 2024 carry and an estimation for a R&D refund for exploration costs in the Beetaloo under the Research and Development Tax Incentive, which will be completed and submitted for approval to the Australian authorities in the coming months, are sufficient to cover estimated committed costs for the 2024 Pilot programme including the well pad and the two commitment wells and other estimated Beetaloo general operating costs for twelve months from the date of the approval of the financial statements, however funding will be required to meet expenditure beyond this date.

Management and those charged with governance are confident that further funding required can be raised through either an equity raise or debt funding. As at the date of the approval of this document 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 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 of at least twelve months from the date of approval of this document. For this reason, the Board continues to adopt the going concern basis in preparing its consolidated financial statements which assumes the Group will be able to meet its liabilities as they fall due for the foreseeable future.

The Group may be subject to litigation that could have a material adverse effect on the Group
In the normal course of operations, the Group may have disputes or legal proceedings, including regulatory proceedings, tax proceedings or other legal actions. Potential litigation may develop in relation to contract disputes, employment matters, personal injuries, property damage, environmental issues and securities law matters. Such litigation claims may be material. The outcome of any litigation is uncertain and may materially impact the Group's financial condition. Even where the Group is successful in any dispute or legal proceeding, the proceeding may be time consuming and costly which could also have an adverse effect on the Group.

Pandemics may impact the Group's operations or financial condition
Falcon's business, financial condition or liquidity may be materially and adversely impacted by pandemics, epidemics or outbreaks of an infectious disease in Ireland, Australia or worldwide. The extent to which any pandemic, epidemic or other such infectious disease may impact the Company's operations, financial condition and future financial performance is currently unknown and pandemic risk may increase other risks including: market risk due to volatility in commodity prices as a result of reduced oil and natural gas demand and due to volatility in foreign exchange markets; operational risks due to workforce disruption or shut down orders which may restrict current operations and cash flows or future capital projects; and financing risk to the extent additional capital is required as financing alternatives may be limited or only available with terms unacceptable to Falcon as a result of reduced commodity prices and continued volatility in the financial markets.

Cyber-Security Incidents may disrupt the Group's business operations
The Company depends on digital technology, among other things, to process and record financial and operating data; communicate with its employees and business partners; analyze drilling information; and estimate quantities of oil and gas resources or reserves. Accordingly, the Company is susceptible to cyber incidents (both deliberate and unintentional). The unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information could disrupt the Company's business plans and negatively impact its operations in a number of ways, including: (a) negatively impact the Company's competitive position in developing its oil and gas resources or reserves; (b) dry hole cost or drilling incidents; (c) loss of production or accidental discharge; (d) supply chain disruptions; and (e) expensive remediation efforts, distraction of management, damage to the Company's reputation, or a negative impact on the price of the Common Shares of the Company. As cyber threats continue to evolve, the Company may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any information security vulnerabilities.

Forward-Looking Information May Prove Inaccurate
Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Annual Information Form under the heading "Forward Looking Statements".

(ii) RISKS RELATING TO THE GROUP'S INDUSTRY

Competition in the oil and gas industry is intense and many of the Group's competitors have greater financial, technological and other resources than the Group does, which may adversely affect its ability to compete.
The Group operates in the highly competitive areas of oil and gas exploration and development with other companies doing business in Australia, South Africa and Hungary. The Group faces intense competition from both major and other independent

oil and gas companies in the locations where the Group operates. Many of the Group's competitors have substantially greater financial, managerial, technological and other resources. These companies might be able to pay more for exploratory prospects or assets than the Group's financial resources permit or the Group is willing to pay, leaving the Group at a competitive disadvantage. Competitors may also enjoy technological advantages and may be able to implement new technologies more rapidly. The Group's ability to explore for oil and gas prospects and to acquire additional assets in the future depends upon its ability to successfully conduct operations, implement advanced technologies, evaluate and select suitable assets and consummate transactions in this highly competitive environment. This may have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group has been an early entrant into new or emerging shale plays. As a result, its expectations regarding future drilling results are uncertain, and the value of its undeveloped acreage will decline if future drilling is unsuccessful.
The Group has been an early entrant into new or emerging shale plays in the areas it operates, particularly in Australia and South Africa. While the Group considers its early entry provides certain competitive advantages, including a wider selection of available concessions to choose from, there is no guarantee such competitive advantages can be maintained in the future as competitors, many of whom are larger in size and operation, enter these regions. Additionally, the Group's prospects and expectations regarding future drilling results in these emerging shale plays are more uncertain than they would be in areas developed and producing substantial quantities of oil or gas already. Since new or emerging shale plays have limited or no production history, the Group is unable to use past drilling results in those areas to help predict future drilling results. As a result, the Group's risk on costs of drilling, completing and operating wells in these areas may be higher and the value of the Group's undeveloped acreage will decline if future drilling results are unsuccessful, all of which may have a material adverse impact on the Group's business, prospects, financial condition and results of operations.

The environmental implications of certain technologies used in shale gas exploration activities are under scrutiny.
The environmental implications of the Group's activities exploring for shale gas utilising drilling and completion techniques, such as horizontal drilling and hydraulic fracturing are subject to significant controversy and public debate. Given technologies are rapidly developing, their environmental implications may not be fully understood, and research into their effects is still ongoing. Speculation surrounds the possible effects of hydraulic fracturing on water aquifers (due to either the chemicals used in fracking fluids or gases released from the shales), contribution to seismic activity and disruption to local ecosystems amongst other things. The controversy surrounding the environmental implications of shale gas exploration has led to opposition from significant sections of the public as well as certain legislative and regulatory initiatives aimed at restricting these activities. The outcome of the moratorium in the Northern Territory, Australia, resulted in 135 recommendations requiring legislative and regulation changes and increased costs to ensure adherence to the recommendation. In South Africa, a moratorium on shale gas exploration was imposed in February 2011 but was subsequently lifted in 2015 with the introduction of gazetted regulations, however on 18 October 2017, the Eastern Cape High Court held that the Minister lacked the authority to promulgate the Regulations for Petroleum Exploration and Production. On 4 July 2019, the Supreme Court of Appeal upheld the decision of the High Court principally because the Minister was not authorised to make the regulations. The provision of the MPRDA on which the Minister relied to make the regulations had been repealed in 2013 and therefore no longer existed. Similar restrictions have been introduced in other European countries and in various regions of Canada and the United States. Any further restrictions on these activities in Australian and South Africa, or the introduction of such restrictions in other locations in which the Group operates (including a prohibition on hydraulic fracture stimulation), would make shale gas exploration and production unviable due to a lack of presently-existing alternative technologies, and could prevent the Group from being able to profitably develop its interests.

Furthermore, if any Group activities were found to have caused environmental damage, it could be subject to significant liabilities and reputational damage. Even if no environmental damage were tied directly to the Group's activities, to the extent operations by other companies in the shale gas industry were found to have caused environmental damage or to the extent further research provides evidence of negative environmental implications of fracking or other aspects of shale gas exploration, public and political opposition to shale gas exploration may be further intensified and the Group's business could come under increasing legal and regulatory restrictions, all of which may materially and adversely impact the Group's business, prospects, financial condition and results of operations.

The oil and gas industry is subject to extensive environmental regulation, uncertainties related to climate change that could adversely affect the Group's business, prospects, financial condition or results of operations.
The Group faces a variety of uncertainties related to climate change. The oil and gas industry is subject to extensive environmental regulation in the countries it operates, ranging from potential impacts from emission restrictions, carbon taxes and other government policy initiatives, to changes in weather patterns that may affect operations. The direct or indirect costs of changing regulations may have a material adverse effect on the Group's business, financial condition, prospects and results of operations. Although the Group is not a large emitter of greenhouse gases, the future implementation or modification of greenhouse gases regulations, could have a material impact on the Group. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Group and its operations.

A substantial or extended decline in oil and gas prices may adversely impact the Group's business, prospects, financial condition and results of operations.
The Group's future revenues, operating results, rate of growth and ability to execute farm-ins of the Group's acreage are substantially dependent upon the prevailing price and demand for oil and gas. Declines in price and demand for oil and gas may adversely affect the Group's business, prospects, financial condition and results of operations. Lower oil and gas prices may also reduce the oil and gas the Group can produce economically. Lower oil and gas prices may indirectly affect a potential farm-in partner's decision to farm-in to the Group's acreage due to their own cash constraints. Historically, oil and gas prices and markets have been volatile and will likely continue as such in the future. Oil and gas prices are subject to wide fluctuations in response to relatively minor changes in the supply and demand for oil and gas, market uncertainty and a variety of additional factors beyond the Group's control. Factors that could cause this fluctuation include:

- change in global supply and demand for oil and gas;
- levels of production and other activities of the OPEC, and other oil and gas producing nations;
- weather conditions;
- the availability of transportation infrastructure;
- market expectations about future prices;
- the level of global oil and gas exploration,
- production activity and inventories; the overall level of energy demand;
- the effect of worldwide environmental and/or energy conservation measures;
- currency exchange rates;
- government regulations and taxes;
- the overall economic environment;
- political conditions, including embargoes, in or affecting other oil producing activity; and
- the price and availability of alternative fuels.

A substantial or extended decline in oil or gas prices may have a material adverse impact on the Group's business, prospects, financial condition and results of operations.

Political instability or fundamental changes in the leadership or structure of governments in the jurisdictions the Group operates could materially and negatively impact the Group's business, prospects, financial condition and results of operations.

Political and economic upheavals may affect the Group's interests. While jurisdictions the Group operates in welcome foreign investment and are generally stable, there is no assurance the current economic and political situation in these jurisdictions will not change significantly in the future.

Local, regional and world events such as those occurring with the Russia-Ukraine war which commenced in 2022 and the Israel-Palestine war which commenced in 2023, could result in changes to the oil and gas, tax or foreign investment laws, or revisions to government policies in a manner that renders the Group's current and future interests uneconomical. These events could have a material adverse effect on the Group's business, prospects, financial condition and results of operations. There is also the risk of resource nationalisation or the imposition of restrictions and penalties on foreign-owned entities which may materially impact the Group's business, prospects, financial condition and results of operations.

Should one or more of these risks materialise, or should the Group's underlying assumptions prove incorrect, the Group's actual results may materially differ from the Group's current expectations. Therefore, in evaluating forward-looking statements, readers should specifically consider the various factors that could cause the Group's actual results to materially differ from such forward-looking statements.

(iii) RISKS RELATING TO THE COMMON SHARES

The Group's share price might be affected by matters not related to the Group's own operating performance for reasons that include the following:

- general political and economic conditions in Australia, South Africa, Hungary, and globally;
- industry conditions, including fluctuations in the price of oil and gas;
- governmental regulation of the oil and gas industry, including environmental regulation and introduction of moratoriums;
- fluctuation in foreign exchange or interest rates;
- liabilities inherent in oil and gas operations;
- geological, technical, drilling and processing problems;
- a global pandemic;
- competition for, among other things, capital, undeveloped land and skilled personnel;

- the need to obtain required approvals from regulatory authorities;
- investor perception of the oil and gas industry in general and of unconventional oil and gas exploration, in particular;
    - limited trading volume of the Common Shares; and
    - announcements relating to the Company's business or the business of its competitors.

Companies that have experienced volatility in their value have been the subject of securities class action litigation, with the potential for the Group to be involved in similar litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources with a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Volatility of Share Price
The market price of the Common Shares may be subject to fluctuations in response to a wide range of factors, including variations in the operating results of Falcon, divergence in financial results from market expectations, general economic conditions, legislative changes in the sector and other events and factors outside the Group's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares. The value of Common Shares may go down as well as up. Investors may therefore realise less than or lose all their original investment.

Falcon is incorporated in British Columbia, Canada and is subject to Canadian company law.
Falcon is incorporated in the province of British Columbia, Canada and its corporate structure, the rights and obligations of shareholders and its corporate bodies may be different from those of the home countries of international investors. Furthermore, non-Canadian residents may find it more difficult and costly to exercise shareholder rights. International investors may also find it costly and difficult to effect service of process and enforce their civil liabilities against the Company or some of its directors, controlling persons and officers.

A disposal of Common Shares by major Shareholders could adversely impact the market price of Common Shares
Sales of a substantial number of Common Shares in the market by major shareholders, or the perception that these sales might occur, could adversely impact the market price of the Common Shares.

Trading in the Common Shares may be suspended and/or the Common Shares may be excluded from trading on a stock exchange on which it is listed.
Falcon's Common Shares are traded on the TSX Venture Exchange (symbol: FO.V) and AIM, the market operated by the London Stock Exchange (symbol: FOG). These stock exchanges have the right to suspend the trading of a given security if the issuer of the security fails to comply with the regulations of that exchange (such as for example to obey the disclosure rules), or if suspension is necessary to protect the interest of market participants, or if the orderly functioning of the market is temporarily endangered. There can be no assurance that trading in the Common Shares will not be suspended. A suspension of trading could adversely affect the trading price of the Common Shares.

5. DIVIDENDS & DISTRIBUTIONS

Falcon has not declared any dividends on the Common Shares. Given the Group's current exploration stage, the Board does not anticipate paying any dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend upon Falcon's financial condition, results of operations, capital requirements and such other factors as the Board deems relevant.

6. DESCRIPTION OF CAPITAL STRUCTURE

The following is a summary of the Company's outstanding share data as at 31 December 2023:

Class of securities	**31 December 2023**
Common shares [(1)]	1,044,347,425
Stock options	59,750,000

[(1)] Details of share issuance in 2024 are included on page 10 above.

Falcon is authorised to issue an unlimited number of Common Shares. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of Falcon, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis dividends, as and when declared by the Board at its discretion from funds legally available. Upon the liquidation, dissolution or winding up of Falcon shareholders are entitled to receive on a pro rata basis the net assets of Falcon after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

7. MARKET FOR SECURITIES

Trading price and volume

Falcon's Common Shares are traded on the TSX Venture Exchange (symbol: FO.V) and AIM, the market operated by the London Stock Exchange (symbol: FOG).

The following table sets forth, for the periods indicated, the reported high and low closing prices and the aggregate trading volume of the Common Shares on the TSXV(1):

Period	High CDN$	Low CDN$	Trading volume ’000
April 2024(2)	0.140	0.120	2,514
March 2024	0.180	0.130	3,753
February 2024	0.195	0.170	5,468
January 2024	0.175	0.130	2,859
December 2023	0.185	0.125	5,028
November 2023	0.125	0.110	1,866
October 2023	0.130	0.115	1,624
September 2023	0.130	0.115	933
August 2023	0.120	0.105	1,049
July 2023	0.120	0.100	2,249
June 2023	0.185	0.105	8,746
May 2023	0.205	0.165	4,876
April 2023	0.195	0.140	4,163
March 2023	0.155	0.135	4,155
February 2023	0.165	0.150	3,694
January 2023	0.165	0.125	3,365

Notes:
(1) Data obtained from the TSX-V.
(2) Up to an including the trading of the Common Shares on the close of business on 24 April 2024.

Prior Sales

There were no stock options or other securities that are not listed or quoted on a marketplace issued during the year ended 31 December 2023.

8. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class as at 31 December 2023
Common shares – note 1	60,000	0.01%

Note 1: This is a legacy escrow agreement dating back to 1985 between Computershare Trust Company of Canada and a shareholder whereby 60,000 shares remain in escrow.

9. DIRECTORS & EXECUTIVE OFFICERS

The following table sets out Falcon's directors and executive officers as of the date hereof, provides the person's name, location of residence, position(s) held with Falcon, principal occupation during the last five years and if a director, the date on which the person became a director. Each of Falcon's directors will hold office until the close of the next annual meeting of shareholders or until such director's successor is duly elected or appointed. Falcon understands based on information available publicly, that all of Falcon's current directors and executive officers as a group beneficially own, control or direct, directly or indirectly, over 6,553,696 common shares representing, as at 25 April 2024, approximately 0.63% of Falcon's issued and outstanding common shares.

The full names, functions and dates of appointment of the Directors and Executive Officers are as follows:

Name & residence	Function	Date of Appointment	Principal occupation during last 5 years
Joe Nally, Lagos, Portugal (2)	Non-executive Chairman	10 September 2021	Independent businessman Executive Director and Head of Natural Resources at Cenkos Securities PLC
Philip O'Quigley, Dublin, Ireland	Chief Executive Officer, Executive Director	1 May 2012 25 September 2012	CEO of Falcon Oil & Gas Ltd.
Gregory Smith, Calgary, Alberta, Canada (1)(2)(3)	Non-executive Director	22 December 2009	Chartered Professional Accountants of Alberta President of Oakridge Financial Management Inc. Director and officer of CanadaBis Capital Inc. Director and CFO of Maglin Site Furniture Inc. Director of Rohde & Liesenfeld Canada Inc.
Anne Flynn, Dublin, Ireland	Chief Financial Officer, Executive Director	05 October 2016 2 May 2022	CFO, Falcon Oil & Gas Ltd.
Tom Layman, Austin, Texas, USA (2)(3)	Non-executive Director	2 May 2022	Certified Petroleum Geologist, acts as a geoscience consultant Senior VP of Geoscience at Parsley Energy
Bruce Lawrence Calgary, Alberta, Canada	Corporate Secretary	13 October 2017	Senior Counsel at Borden Ladner Gervais LLP

Notes:
(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the reserves, health safety and environment committee

Joe Nally - *Non-Executive Chairman*
Mr. Nally was appointed as Non-executive Chairman and to the Board of the Company in September 2021. Mr Nally has over 45 years' experience in London's capital markets including 18 years at Cenkos Securities PLC, a firm he co-founded in 2004. Mr Nally was an Executive Director and Head of Natural Resources at Cenkos, where he helped to build, develop and give strategic advice to a number of successful companies in the oil and gas sector. Prior to this, Mr Nally was a partner and director at Williams de Broe and an individual member of the International Stock Exchange of London.

Philip O'Quigley - *Chief Executive Officer & Executive Director*
Mr. O'Quigley has been a member of the Board since September 2012 and has been Chief Executive Officer of Falcon since May 2012. Mr. O'Quigley brings over 30 years' experience in senior management positions in the oil and gas industry. His career, which spans a number of London and Dublin listed exploration and production companies, includes experience working in countries such as Argentina, the United States, Algeria, the UK and Ireland. Before joining Falcon, he served as Finance Director for Providence Resources plc, an Irish oil and gas exploration and production company. Mr. O'Quigley is a Fellow of the Institute of Chartered Accountants in Ireland and qualified as a Chartered Accountant with Ernst & Young in Dublin.

Gregory Smith - *Non-Executive Director*
Mr. Smith has been a member of the Board and Chairman of the Audit Committee since December 2009 and is a Chartered Professional Accountant and President of Oakridge Financial Management Inc., a provider of financial and management consulting services to private and public companies. He is currently a director of Rhode & Liesenfeld Canada Inc., a company involved in international freight forwarding, specializing in industrial and resource industries; and a director of a number of private corporations. He is a past director and audit committee chairman of a number of public and private resource corporations including Kerr Mines Inc., TriWestern Energy Inc., Manson Creek Resources Ltd., CDG Investments Inc., CanadaBis Capital Inc and Tyler Resources Inc. Mr. Smith was admitted to the Institute of Chartered Professional Accountants of Alberta in 1975 and holds a Bachelor of Commerce degree from the University of Calgary.

Anne Flynn - *Chief Financial Officer & Executive Director*
Ms. Flynn was appointed to the Board in May 2022 and has been Chief Financial Officer since October 2016. Ms. Flynn joined Falcon in September 2014 as Group Financial Controller with responsibility for the Group's Dublin, Hungarian and Australian finance and commercial functions. She had previously held a finance managerial role with Adobe Systems Inc for a period of over three years. Prior to Adobe, she worked for PwC Dublin and PwC New York for six years. Ms Flynn is a Fellow of the Institute of Chartered Accountants Ireland.

Tom Layman - *Non-Executive Director*
Mr. Layman has been a member of the Board since May 2022. Mr. Layman is a certified petroleum geologist with over 40 years' experience in the oil and gas industry. He has significant knowledge of unconventional resources, having worked on over 4,000 horizontal and vertical shale and unconventional wells across multiple US onshore basins on exploration and development projects.

Mr. Layman currently acts as a geoscience consultant, having previously been Senior VP of Geoscience at Parsley Energy, where he held an executive leadership role directing exploration and development of geoscience activities. Before he joined Parsley Energy, Mr. Layman was VP of Exploration Southern Division at Chesapeake Energy, where he worked for over seven years and was responsible for exploration and development activities across the company's asset portfolio. Prior to this, he was a Geoscience Manager at Burlington Resources and a Geologist at Exxon. Mr. Layman has been a member of the American Association of Petroleum Geologists (AAPG) for 40 years and currently serves on the Geology Foundation Advisory Council at the University of Texas at Austin.

Bruce Lawrence - *Corporate secretary*
Mr. Lawrence is Senior Counsel at Borden Ladner Gervais, LLP in the securities and capital markets group, and is the former Regional Chair of their oil and gas focus group. Based in Calgary, he has practised in the corporate/commercial area since 1982, with an emphasis on clients involved in the natural resources sector. The bulk of his practice involves corporate and securities transactions with exposure to numerous public and private financings, mergers, acquisitions, take-over bids, restructurings and plans of arrangement. Mr. Lawrence is also involved in oil sands and off-shore oil and gas development.

Penalties & sanctions

No director or executive officer of Falcon or, to Falcon's knowledge, a shareholder holding a sufficient number of securities of the Company to materially affect the control of Falcon, has or within 10 years prior to the date of this Annual Information Form, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to securities legislation, has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self regulatory body, that would likely be considered important to a reasonable security holder making an investment decision about Falcon.

Corporate cease trade orders or bankruptcy

No director or executive officer of Falcon is, or within the ten years prior to the date of this Annual Information Form, has been, a director or executive officer of any company that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty consecutive days; or was subject to an order that was issued after the director or executive officer ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer.

Other than set forth above, no director or executive officer of Falcon or, to Falcon's knowledge, a shareholder holding a sufficient number of securities of Falcon to materially affect the control of Falcon is, or within the ten years prior to the date of this Annual Information Form, has been, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of Falcon or, to Falcon's knowledge, a shareholder holding a sufficient number of securities of Falcon to materially affect the control of Falcon has, within the ten years prior to the date of this Annual Information Form, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of interest

Certain officers and directors of Falcon are directors or officers of other oil and gas exploration companies. Consequently, potential conflicts of interest may arise in the event that these companies compete in respect of the sale or option of oil and gas properties in which Falcon is or may be interested.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

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10. LEGAL PROCEEDINGS & REGULATORY ACTIONS

The Company has not been involved in any legal proceedings during the financial year and as of 25 April 2024, no legal proceedings are contemplated.

11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of Falcon's current directors or executive officers has any interest, direct or indirect, in any material transactions in which Falcon has participated since 1 January 2021.

No persons or companies that are the direct or indirect beneficial owners of, or who exercise control or direction over, more than 10% of the outstanding Common Shares, or any associate or affiliate of any of the foregoing, has any interest, direct or indirect, in any material transactions in which Falcon has participated since 1 January 2021.

12. TRANSFER AGENT & REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, Canada. Computershare Investor Services Plc acts as the depositary in the United Kingdom and is located at The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom.

13. MATERIAL CONTRACTS

Falcon has not entered into any material contracts outside of the ordinary course of business in the last financial year or before the last financial year which are still in effect.

14. INTERESTS OF EXPERTS

Names of experts

The names of the experts are as follows:

- Charles W. Chapman, co-author of the 51-101F2 Report, Chapman Petroleum Engineering Ltd, 1122 – 4th Street S.W., Suite 700, Calgary, Alberta, T2R 1M1, Canada;
- BDO LLP, the Company's auditors, 55 Baker Street, London W1U 7EU, United Kingdom; and
- RPS Energy author of the RPS 2013 Report, 411N. Sam Houston Parkway E., Suite 400 Houston, Texas 77060-3545, U.S.A.

Interests of experts

As of the date hereof, the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships beneficially own, directly or indirectly in the aggregate, less than one percent of the securities of the Company. No director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

BDO LLP are the auditors of the Group and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

15. ADDITIONAL INFORMATION

Additional information relating to Falcon may be found on SEDAR+ at www.sedarplus.ca.

Additional financial information is provided in Falcon's audited consolidated financial statements and MD&A for the year ended 31 December 2023.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Falcon's securities and options to purchase Falcon's securities, where applicable, is contained in Falcon's most recent information circular dated 17 May 2023.

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