



Half Yearly Report

December 31, 2025

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Independent auditor's review report on interim financial information

To the members of Tamboran Resources Corporation

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Tamboran Resources Corporation and subsidiaries ("the Group"), which comprises the condensed consolidated balance sheet as at December 31, 2025, the condensed consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for the half year then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with U.S. Generally Accepted Accounting Principles. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles.

Ernst & Young

11 February 2026
Sydney
Australia

TAMBORAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands, except share and per share amounts)

		(Unaudited)	
	Note	December 31, 2025	June 30, 2025
ASSETS			
Current assets			
Cash and cash equivalents		\$ 83,404	\$ 39,439
Restricted cash		15,020	5,722
Trade and other receivables:			
Joint interest billings	2	1,272	8,191
ATO receivable		1,713	1,219
Other receivables		1,122	222
Prepaid expenses and other current assets	6	3,832	1,903
Total current assets		106,363	56,696
Natural gas properties, successful efforts method:			
Unproved properties	3	415,574	342,314
Assets under construction - natural gas equipment	3	47,794	24,441
Property, plant and equipment, net	3	530	308
Operating lease right-of-use assets	4	4,126	1,549
Finance lease right-of-use assets	4	17,212	16,544
Prepaid expenses and other non-current assets		8,956	4,610
Total non-current assets		494,192	389,766
TOTAL ASSETS		\$ 600,555	\$ 446,462
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses	5	\$ 38,413	\$ 20,457
Advance against joint interest billings	2	—	450
Current portion of operating lease obligations	4	2,829	391
Current portion of finance lease obligations	4	11,713	15,307
Total current liabilities		52,955	36,605
Operating lease obligations	4	1,277	1,175
Finance lease obligations	4	11,711	9,523
Asset retirement obligations	7	10,461	9,649
Long-term debt, net	6	32,592	—
Other non-current liabilities		807	57
Total non-current liabilities		56,848	20,404
Total liabilities		109,803	57,009
Commitments and contingencies (Note 12)			
Stockholders' equity			
Common stock, \$0.001 par value, 10,000,000,000 authorized; 21,115,136 and 16,717,289 issued and outstanding at December 31, 2025 and June 30, 2025, respectively		21	17
Additional paid-in capital		542,712	464,407
Accumulated other comprehensive loss		(1,801)	(9,421)
Accumulated deficit		(182,077)	(167,281)
Total Tamboran Resources Corporation stockholders' equity		358,855	287,722
Noncontrolling interest		131,897	101,730
Total stockholders' equity		490,752	389,452
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$ 600,555	\$ 446,462

The accompanying notes are an integral part of these condensed financial statements. Certain amounts may not add up or recalculate due to rounding.

TAMBORAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED) (In thousands, except share and per share amounts)

	Note	Three months ended December 31,		Six months ended December 31,	
		2025	2024	2025	2024
Revenue and other operating income		\$ —	\$ —	\$ —	\$ —
Operating costs and expenses					
Compensation and benefits, including stock-based compensation		(3,320)	(1,683)	(5,314)	(3,902)
Consultancy, legal and professional fees		(912)	(1,004)	(2,734)	(2,684)
Depreciation and amortization		(2)	(31)	(3)	(61)
Loss on remeasurement of assets classified as held for sale		—	—	—	(376)
Accretion of asset retirement obligations	7	(293)	(242)	(582)	(500)
Exploration expense		(426)	(1,473)	(1,109)	(2,483)
Camp expense recoveries, net		(1,025)	—	(2,654)	—
LNG feasibility study expense		(136)	(3,233)	(326)	(3,233)
Checkerboard fee		—	(5,950)	—	(5,950)
General and administrative		(1,689)	(1,399)	(3,287)	(2,804)
Total operating costs and expenses		(7,802)	(15,015)	(16,008)	(21,993)
Loss from operations		(7,802)	(15,015)	(16,008)	(21,993)
Other income (expense)					
Interest income (expense), net		238	705	(67)	1,501
Foreign exchange gain (loss), net		8	(1,228)	(543)	(1,482)
Other income (expense), net		—	37	—	(282)
Total other income (expense)		246	(486)	(609)	(263)
Net loss		(7,556)	(15,500)	(16,617)	(22,256)
Less: Net loss attributable to noncontrolling interest		(943)	(1,333)	(1,821)	(2,194)
Net loss attributable to Tamboran Resources Corporation stockholders		\$ (6,613)	\$ (14,167)	\$ (14,796)	\$ (20,062)
Comprehensive income (loss)					
Net loss		\$ (7,556)	\$ (15,500)	\$ (16,617)	\$ (22,256)
Other comprehensive income (loss)					
Foreign currency translation		6,756	(29,158)	8,493	(17,010)
Total comprehensive income (loss)		(800)	(44,658)	(8,124)	(39,266)
Less: Total comprehensive income (loss) attributable to noncontrolling interest		54	(5,359)	(948)	(4,792)
Total comprehensive income (loss) attributable to Tamboran Resources Corporation stockholders		\$ (854)	\$ (39,299)	\$ (7,176)	\$ (34,474)
Net loss per common stock					
Basic and diluted	11	\$ (0.330)	\$ (0.987)	\$ (0.788)	\$ (1.409)
Weighted average number of common stock outstanding					
Basic and diluted	11	20,026,416	14,346,556	18,786,660	14,236,753

The accompanying notes are an integral part of these condensed consolidated financial statements. Certain amounts may not add up or recalculate due to rounding.

TAMBORAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(In thousands)

	Common stock	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total Tamboran Resources stockholders' equity	Noncontrolling interest	Total stockholders' equity
Balance at July 1, 2024	\$ 14	\$ 404,594	\$ (11,513)	\$ (130,380)	\$ 262,715	\$ 44,971	\$ 307,686
Issuance of common stock under greenshoe option, net of issuance cost	—	6,931	—	—	6,931	—	6,931
Contributions from noncontrolling interest holders	—	—	—	—	—	5,903	5,903
Stock-based compensation	—	1,129	—	—	1,129	—	1,129
Foreign exchange translation	—	—	10,721	—	10,721	1,427	12,148
Net loss	—	—	—	(5,895)	(5,895)	(861)	(6,756)
Balance at September 30, 2024	\$ 14	\$ 412,654	\$ (792)	\$ (136,274)	\$ 275,602	\$ 51,439	\$ 327,041
Issuance of common stock as checkerboard fee	—	5,950	—	—	5,950	—	5,950
Contributions from noncontrolling interest holders	—	—	—	—	—	19,089	19,089
Stock-based compensation	—	1,627	—	—	1,627	—	1,627
Foreign exchange translation	—	—	(25,133)	—	(25,133)	(4,025)	(29,158)
Net loss	—	—	—	(14,167)	(14,167)	(1,333)	(15,500)
Balance at December 31, 2024	\$ 15	\$ 420,231	\$ (25,925)	\$ (150,441)	\$ 243,879	\$ 65,170	\$ 309,049

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TAMBORAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(In thousands)

	Common stock	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total Tamboran Resources stockholders' equity	Noncontrolling interest	Total stockholders' equity
Balance at July 1, 2025	\$ 17	\$ 464,407	\$ (9,421)	\$ (167,281)	\$ 287,722	\$ 101,730	\$ 389,452
Issuance of common stock, net of issuance cost	1	13,127	—	—	13,128	—	13,128
Contributions from noncontrolling interest holders	—	—	—	—	—	19,490	19,490
Stock-based compensation	—	621	—	—	621	—	621
Foreign exchange translation	—	—	1,861	—	1,861	(124)	1,738
Net loss	—	—	—	(8,182)	(8,182)	(879)	(9,061)
Balance at September 30, 2025	\$ 18	\$ 478,155	\$ (7,560)	\$ (175,464)	\$ 295,150	\$ 120,218	\$ 415,369
Issuance of common stock, net of issuance cost	3	63,511	—	—	63,514	—	63,514
Contributions from noncontrolling interest holders	—	—	—	—	—	11,625	11,625
Stock-based compensation	—	1,045	—	—	1,045	—	1,045
Foreign exchange translation	—	—	5,759	—	5,759	997	6,756
Net loss	—	—	—	(6,613)	(6,613)	(943)	(7,556)
Balance at December 31, 2025	\$ 21	\$ 542,712	\$ (1,801)	\$ (182,077)	\$ 358,855	\$ 131,897	\$ 490,752

The accompanying notes are an integral part of these condensed consolidated financial statements. Certain amounts may not add up or recalculate due to rounding.

**TAMBORAN RESOURCES CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF
CASH FLOWS (UNAUDITED) (In thousands)**

	Six months ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (16,617)	\$ (22,256)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3	61
Stock-based compensation	1,514	1,834
Foreign exchange (gain) loss, net	543	1,482
Performance bonds facility fee	1,146	—
Loss on remeasurement of assets classified as held for sale	—	376
Accretion of asset retirement obligations	582	500
Checkerboard fee	—	5,950
Accrued interest income	(232)	—
Interest expense	97	94
Changes in operating assets and liabilities:		
Trade and other receivables	28	2
Prepaid expenses and other assets	(131)	680
Accounts payable and accrued expenses	(2,188)	2,361
Other non-current liabilities	749	14
Net cash used in operating activities	(14,506)	(8,902)
Cash flows from investing activities:		
Payments for property, plant and equipment	(208)	(197)
Payments for exploration and evaluation	(47,241)	(42,090)
Payments for assets under construction	(14,247)	(6,603)
Payments of third party costs for proposed Falcon Acquisition	(1,835)	—
Proceeds from sale of assets held for sale	—	7,990
Payment of interest on borrowings	(1,163)	—
Payment of interest on finance lease liabilities	(1,969)	(1,074)
Proceeds from government grants for exploration	120	6,169
Net cash used in investing activities	(66,543)	(35,805)
Cash flows from financing activities:		
Proceeds from issue of common stock	78,356	—
Proceeds from issue of shares under greenshoe option	—	7,410
Contributions received from noncontrolling interest holders	36,419	30,316
Common stock issue transaction costs	(4,494)	(479)
Payment of performance bond facility establishment fee	(271)	(383)
Proceeds from borrowings	32,506	—
Payment of debt issuance costs	(2,887)	—
Repayment of lease liabilities	(6,135)	(5,504)
Net cash from financing activities	133,494	31,360
Net (decrease) increase in cash and cash equivalents and restricted cash	52,447	(13,347)
Cash and cash equivalents and restricted cash at the beginning of period	45,161	74,746
Effects of exchange rate changes on cash and cash equivalents	816	(1,957)
Cash and cash equivalents and restricted cash at the end of period	<u>\$ 98,424</u>	<u>\$ 59,442</u>
Supplemental cash flow information:		
Non-cash investing and financing activities:		
Accrued capital expenditure	\$ 11,863	\$ 5,846
Asset retirement obligations	(60)	(445)
Stock-based compensation	(1,667)	(2,757)
Contribution receivable from noncontrolling interest holders	—	3,286
Operating lease right-of-use assets and lease liabilities	(2,577)	(128)
Interest accrued on finance lease liabilities	—	(415)
Finance lease right-of-use assets and lease liabilities	(914)	—
Accrued debt issuance costs	(595)	—
Interest and fee payable	(514)	—
Non-cash finance lease costs capitalized to unproved properties	4,515	5,480
Non-cash equity issuance transactions	\$ 2,188	\$ —

The accompanying notes are an integral part of these condensed consolidated financial statements. Certain amounts may not add up or recalculate due to rounding.

TAMBORAN RESOURCES CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 – Business and Basis of Preparation

General

Tamboran is an early-stage growth-oriented natural gas company with a vision of supporting the net zero CO₂ energy transition in Australia and Asia-Pacific through developing low CO₂ unconventional gas resources in the Northern Territory (“NT”) of Australia. The Group is in the exploration and appraisal stage with a current focus on exploiting its primary assets, which are rights to working interests (“Tenements”) in exploration acreage in the Beetaloo sub-basin (“Beetaloo” or “Beetaloo Basin”), NT Australia. To date, the Group has not determined whether the Tenements contain any natural gas reserves that are economically recoverable. Further, the Group had no revenues from its gas operations as of December 31, 2025.

Going Concern and Management’s Liquidity Plan

The accompanying condensed consolidated financial statements have been prepared on the basis that the Group will continue as a going concern which contemplates the realization of assets and the satisfaction of liabilities in the ordinary and usual course of business.

As of December 31, 2025, the Group had:

- not generated revenues since inception, and will not generate earnings in the next 12 months sufficient to satisfy all liabilities in the ordinary and usual course of business;
- a working capital surplus of \$38.4 million arising from an increase in cash and cash equivalents subsequent to the capital raise activities during the period;
- long-term debt drawn down of \$32.6 million related to the construction of the Sturt Plateau Compression Facility (“SPCF”) plus associated financing costs;
- an accumulated deficit of \$182.1 million since inception; and
- significant expenditures planned for natural gas properties in the next 12 months.

While these factors raise substantial doubt regarding the Group’s ability to continue as a going concern for the 12 months following the date these condensed consolidated financial statements were available for issuance, there have been milestones recently satisfied by the Company that indicate progress towards eliminating this substantial doubt in future periods. These include reaching Final Investment Decision (“FID”) for the Shenandoah South Pilot Project, which is currently on track to commence first gas sales from the second half of calendar year 2026 and the completion of a public offering in October 2025, the share purchase plan in November 2025, and the Private Investment in Public Equity (“PIPE”) in January 2026.

The continuation of the Group as a going concern is dependent upon the ability of the Group to obtain necessary additional capital to fund ongoing exploration, appraisal and development projects and/or obtain gas producing properties to attain future profitable operations. No assurance can be given that the Group will be successful in these efforts in the future, however, Management is actively pursuing several plans to mitigate this uncertainty, including:

- Assessment of farm-down partners and completion of those arrangements, including the need to raise further equity for EP161, SS1 Pilot expenditure, and the phase 2 development;
- Continuation of SPCF construction during the wet season in the NT, progressing toward revenue from gas production in the second half of calendar year 2026; and
- Research & Development tax incentives from Australian government bodies.

As a result, these condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

Basis of Presentation of Condensed Consolidated Financial Statements

The accompanying condensed consolidated financial statements have been prepared in conformity with the accounting principles generally accepted in the United States of America (“U.S. GAAP”) and rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial statements. Pursuant to such rules and regulations, certain disclosures and information required by U.S. GAAP for complete consolidated financial statements have been condensed or omitted. The accompanying condensed consolidated financial statements and notes therein should be read in conjunction with the financial statements and notes included in our consolidated financial statements for the year ended June 30, 2025 (“Group’s Annual Financial Statements”).

These condensed consolidated financial statements reflect all adjustments, in the opinion of management, which include normal and recurring adjustments necessary to fairly state the Group’s consolidated financial position, results of operations, and cash flows for the periods presented herein. The interim results are not necessarily indicative of results for any other future annual or interim period. The June 30, 2025 condensed consolidated balance sheet was derived from the audited Group’s Annual Financial Statements but does not include all disclosures required by U.S. GAAP for annual financial statements.

In the current fiscal year, the Group changed the presentation of unaudited condensed consolidated financial statements to thousands and, as a result, any necessary rounding adjustments have been made to prior year disclosed amounts. Certain amounts in the Group’s unaudited condensed consolidated financial statements may not add up or recalculate due to rounding.

Significant Judgments and Accounting Estimates

The preparation of these condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts of assets and liabilities, revenue and expenses and related disclosures of contingent assets and liabilities reported in the condensed consolidated financial statements and the accompanying notes. There have been no significant changes to the Group’s accounting estimates from those disclosed in the Group’s Annual Financial Statements.

Significant Accounting Policies

The Group’s significant accounting policies are described in the notes included in the Group’s Annual Financial Statements. There have been no significant changes in accounting policies during the six months ended December 31, 2025.

Cash and Cash Equivalents and Restricted Cash

Cash represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less.

Restricted cash as of December 31, 2025 represents amounts held in a payment reserve account that serves as a security for servicing of expected future interest and commitment fee payments over the term of the long-term debt. Restricted cash as of June 30, 2025 represents amounts related to proceeds received in advance in respect of the common stock pending issuance on that date. The following table is a reconciliation of the total cash and cash equivalents and restricted cash in the accompanying consolidated statements of cash flows and their corresponding balance sheet presentation:

	December 31, 2025	June 30, 2025
Cash and cash equivalents	\$ 83,404	\$ 39,439
Restricted cash	15,020	5,722
Total cash, cash equivalents and restricted cash	<u>\$ 98,424</u>	<u>\$ 45,161</u>

Foreign Currency Translation

These condensed consolidated financial statements are presented in US dollars (“\$” or “dollars”) and the functional currency of the Group is the Australian Dollar (“A\$”). Adjustments resulting from the translation of functional currency financial statements to reporting currency are accumulated and reported as a part of “Accumulated Other Comprehensive Loss”, a separate component of stockholders’ equity.

Foreign Currency Transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at fiscal year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the condensed consolidated statements of operations and comprehensive loss.

Leases

As a Lessee

The Group accounts for leases under ASC 842, *Leases* ("ASC 842"). The Group determines if an arrangement is a lease at inception of the arrangement and if such lease will be classified as an operating lease or a finance lease. The Group's leases represent its right to use an underlying asset for the lease term. Right-of-use ("ROU") assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As the Group's leases do not provide an implicit rate, the Group used a proxy for its incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment.

The Group has elected to account for lease and non-lease components in its contracts as a single lease component for all asset classes except for office premises.

Operating leases are included in "Operating lease right-of-use assets" within the Group's condensed consolidated balance sheet. The Group's related obligation to make lease payments are included in "Current portion of operating lease obligations" and "Operating lease obligations" within the Group's condensed consolidated balance sheet. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

Finance leases are included in "Finance lease right-of-use assets" within the Group's condensed consolidated balance sheet. The Group's related obligation to make lease payments are included in "Current portion of finance lease obligations" and "Finance lease obligations" within the Group's condensed consolidated balance sheet. Finance lease expense includes amortization of the ROU assets and interest on lease liabilities. The Group capitalizes the finance lease expense as a part of unproved properties when the leased asset is directly involved in the drilling of wells (i.e. the finance lease expense is a direct cost of drilling wells).

Leases with a lease term of 12 months or less are not recorded on the condensed consolidated balance sheet and are recognized as lease expense on a straight-line basis over the lease term. When it is reasonably certain the Group will exercise an option to extend the short-term lease beyond 12 months, the cost will be capitalized.

As a Lessor

Sublease income is recognized on a straight-line basis over the term of the sublease agreement and is recorded within "Other income (expense), net" in the condensed consolidated statements of operations and comprehensive loss.

Natural Gas Properties

The Group's operations are in the exploration and appraisal stage and have not yet realized any revenues from operations. The Group holds a number of exploration permits that are grouped into areas of interest according to geographical and geological attributes. Expenditure incurred in each area of interest is accounted for using the successful efforts method, as defined within ASC 932, *Extractive Activities – Oil and Gas*.

Under this method, all general exploration and evaluation costs such as geological and geophysical costs are expensed as incurred. The direct costs of acquiring the rights to explore, drilling exploratory wells, and evaluating the results of drilling are capitalized as exploration and evaluation assets (as a part of unproved properties) pending the determination of the results of the well. If a well does not result in hydrocarbons being present, the previously capitalized costs are immediately expensed.

The Group capitalizes borrowing costs for assets under construction. Upon the asset becoming available for use, capitalized borrowing costs, as a portion of the total cost of the asset, are depreciated over the estimated useful life of the related asset.

Deferred Debt Issuance Costs

The Group presents unamortized deferred debt issuance costs related to the establishment of a Performance Bond Facility Agreement (the “Facility Agreement”) as a component of “Prepaid expenses and other non-current assets” on its consolidated balance sheet because the outstanding balance under this Facility Agreement may fluctuate as the Group borrows and repays the relevant amounts. The Group amortizes the deferred debt issuance costs over the remaining term of the Facility on a straight-line basis which is reported within “interest income (expense), net” in the condensed consolidated statements of operations and comprehensive loss.

The Group initially recognizes the establishment and commitment fees and other third party-fees related to the long-term debt as a component of “Prepaid expenses and other non-current assets” on its consolidated balance sheet. As and when, the Group draws down funds from the long-term debt, these costs are reclassified (on proportionate basis) and presented as a direct deduction from the carrying amount of the debt liability. These costs are amortized to the asset under construction over the contractual term of the debt using the effective interest rate method.

Recently Issued Accounting Standards

In December 2025, the Financial Accounting Standards Board (“FASB”) issued ASU 2025-12, *Codification Improvements* (“ASU 2025-12”). ASU 2025-12 clarifies or otherwise modifies U.S. GAAP in a number of areas. The standard is effective for all entities for annual reporting periods beginning after December 15, 2026, and for interim periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period and adoption can be applied on prospectively or retrospectively, as well as on an issue-by-issue basis. The Group does not expect any material impact on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* (“ASU 2025-11”). ASU 2025-11 clarifies interim disclosure requirements, including providing a comprehensive list of interim disclosure requirements under U.S. GAAP and a disclosure principle that requires entities to disclose events since the last annual reporting period that have a material impact on the entity. The standard is effective for interim periods within annual reporting periods beginning after December 15, 2027. The Group is currently evaluating ASU 2025-11 and the impact it may have on the Group's consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities* (“ASU 2025-10”). ASU 2025-10 establishes authoritative guidance on how to recognize, measure, and present government grants received by business entities. ASU 2025-10 is effective for annual periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. ASU 2025-10 may be applied using a modified prospective, modified retrospective or retrospective approach with early adoption permitted in an interim or annual reporting period. If an entity early adopts in an interim reporting period, it must adopt as of the beginning of the annual reporting period that includes that interim reporting period. The Group is evaluating the impact of this guidance on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures* (“ASU 2024-03”), and in January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* (“ASU 2025-01”). ASU 2024-03 requires public business entities to provide detailed disclosures in the notes to financial statements disaggregating specific expense categories, including employee compensation, depreciation, and intangible asset amortization, as well as certain other disclosures to provide enhanced transparency into the nature and function of expenses on an interim and annual basis. ASU 2024-03, as clarified by ASU 2025-01 is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Group is currently evaluating ASU 2024-03 and the impact it may have on the Group's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* (“ASU 2023-09”), a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions and apply to all entities subject to income taxes. The new standard is effective for annual periods beginning after December 15, 2024. The Group adopted ASU 2023-09 prospectively during the three months ended September 30, 2025. The adoption did not have a material impact on the Group's interim condensed consolidated financial statements but is expected to result in expanded annual income tax disclosures beginning with the Group's Form 10-K for the fiscal year ending June 30, 2026.

Note 2 – Variable Interest Entities

TB1

Tamboran (B1) Pty Ltd (“TB1”) is a 50/50 joint venture between the Company, through its wholly owned subsidiary Tamboran (West) Pty Ltd (“TR West”), and Daly Waters Energy, LP (“DWE”) governed by the terms of an amended and restated joint venture and shareholders agreement dated June 3, 2024 (the “TB1 Joint Venture Agreement”). In determining the primary beneficiary of TB1, the Company considered those activities which most significantly impact the economic performance of TB1, including, for example, which entity serves as the manager, determination of the strategy and direction of TB1, and the power to create a budget.

The Group is the sole manager of TB1, responsible for managing the day-to-day operations of TB1. The Group, as manager, also prepares the work plans and budget of TB1. As such, the Group has the power to direct those activities which most significantly impact TB1’s economic performance and therefore is the primary beneficiary of TB1. As a result, the results of TB1 have been included in the accompanying condensed consolidated financial statements. TB1 has no assets that are collateral for or restricted solely to settle its obligations. The creditors of TB1 do not have recourse to the Group’s general credit.

The Group also assessed which party to the TB1 Joint Venture Agreement has the obligation to absorb losses or the right to receive the benefits of the VIE that could potentially be significant to the VIE. The future profits and losses of TB1 are shared by the Group and DWE in proportion to their respective equity interest in TB1, however, to date the Group has contributed a greater proportion of the capital and has no ability to recoup any of the excess funding the Group has made to TB1 from DWE and therefore has a greater exposure to absorb losses.

In 2022, Tamboran Resources Pty Ltd (formerly known as Tamboran Resources Limited) (“TR Ltd.”), a wholly owned subsidiary of the Company, made a loan to TR West for purposes of funding TR West’s acquisition of its interest in TB1. On November 9, 2022, TB1 completed the acquisition of a 77.5% share of Beetaloo Basin assets, EP 76, EP 98, and EP 117. The Company and DWE each beneficially own a 38.75% interest in the permits for the total undivided interest of 77.5%. Falcon Oil & Gas Australia Limited (“FOGA”) holds the remaining undivided interest of 22.5% in the assets (collectively known as the “Beetaloo Joint Venture”).

On March 4, 2024, FOGA, the owner of the remaining 22.5% interest in the Beetaloo Joint Venture assets, capped its participation to 5% in the Beetaloo Joint Venture’s second Shenandoah South well pad (“SS2”). On March 21, 2024, Tamboran B2 Pty Ltd (“TB1 Operator”) (a wholly owned subsidiary of TB1 in which the Company has a 50% interest) agreed to acquire FOGA’s interest, increasing TB1 Operator’s working interest to at least 95% in the wells drilled from the SS2 well pad.

Pursuant to the TB1 Joint Venture Agreement, the parties were required to implement an approach to dividing the permits whereby Tamboran and DWE pursue a division of TB1 Operator’s interest in the permits such that the title and ownership of the permits will be split evenly between Tamboran and DWE in the specific area in terms of equity interest and number of operated blocks (“Checkerboard Strategy”). The TB1 Joint Venture Agreement provided that if the Checkerboard Strategy was not implemented by December 31, 2024, due to either:

- the failure to obtain the requisite ministerial approval to effectuate the Checkerboard Strategy; or
- a New Area Joint Venture is not approved by the parties to the Joint Operating Agreement (“JOA”) with respect to joint operations of the subject areas, then, by February 15, 2025,

then, the Company must either:

- pay DWE a cash amount of \$7.5 million; or
- issue CHESS Depository Interests (“CDIs”) to DWE with a value of \$15 million, based on the volume weighted average price of CDIs traded on the Australian Stock Exchange (“ASX”) at the time during the 30 days on which sales in CDIs were recorded prior to December 31, 2024.

At the time of the Company’s Initial Public Offering (“IPO”) in June 2024, DWE agreed to waive the \$7.5 million payment obligation in respect of the Checkerboard Strategy in exchange for Tamboran’s issue to DWE, or its nominee, of 312,500 shares of common stock (calculated based on the obligation of \$7.5 million divided by the common stock price at the IPO of \$24.00 per share), subject to shareholders’ approval, which was granted in November 2024. The obligation to implement the Checkerboard Strategy does not cease with this issuance of shares.

On May 12, 2025, TR West, as seller, and the Company, as seller guarantor, and DWE entered into an Asset Sale Agreement – Beetaloo Acreage Position (the “Asset Sale Agreement”) with Elliot Energy I Pty Ltd (“Elliot Energy”). Pursuant to the Asset Sale Agreement, DWE will acquire a non-operating and non-controlling interest within two areas of Tamboran's post-checkerboard acreage position for a consideration of \$15.0 million. The transaction is subject to regulatory approvals and other conditions precedent. As of December 31, 2025, this transaction has not been completed.

On May 12, 2025, the Company, TR West, TR Ltd., DWE and TB1 (collectively, the “parties”) entered into a second amended and restated joint venture and shareholders agreement (the “TB1 A&R JVSA”). The following summarizes the material changes in the Amended and Restated JVSA from the amended and restated joint venture and shareholders agreement filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended June 30, 2024:

- The Company and DWE have signed a binding agreement to finalize the checkerboard of the joint acreage position across EPs 76, 98 and 117.
- The Checkerboarding Strategy is divided into three tranches:
 - In Tranche 1, Tamboran and Daly Waters must apply for retention licenses for both the North and South First Strategic Development Areas (“FSDAs”) by February 14, 2026 (as extended in a letter dated December 11, 2025). The North FSDA will remain with TB1, while the current plan for the South FSDA will be split equally (38.75% each) between Tamboran and DWE, with DWE (or its nominee) acting as Operator. In a letter signed by DWE on February 10, 2026, both Tamboran and DWE have agreed to extend the February 14, 2026, deadline to February 27, 2026 for the retention licenses to be applied for in the FSDAs. Subject to the terms and conditions in the TB1 A&R JVSA, DWE has the right to take over as Manager in the South FSDA if this February 27, 2026 deadline is missed.
 - In Tranche 2, the parties must apply for retention licenses over the Dev A++ and Dev B areas by March 31, 2026, with the grants and transfers to be completed by September 30, 2026. After the retention licenses are granted, Tamboran will remain the operator of Dev A++, and DWE will become the operator of Dev B. If these deadlines are not met, DWE has the same rights as in Tranche 1: to replace the Manager and/or acquire Tamboran's interest.
 - Tranche 3 covers the remaining “Checkerboard” permit areas. Tamboran and DWE will take turns selecting paired blocks and applying for Retention or Production Licenses until all acreage is allocated. Tamboran must select the Checker 10 area as its first choice.
- In the event that retention license conditions referred to above are not met and DWE elects to exercise its right to take over as Manager, the Group will lose the power to direct those activities which most significantly impact TB1's economic performance and therefore, will no longer be the primary beneficiary of TB1. Should this occur, the conditions required to continue consolidating TB1 would no longer be satisfied. The Group would be required to de-consolidate TB1 and recognize its remaining interest in TB1 as an equity accounted investment.
- In conjunction with the checkerboard, the Company and DWE entered into the Asset Sale Agreement whereby DWE will acquire a non-operating and non-controlling interest in 100,000 acres within two areas for a consideration of \$15.0 million, or \$150 per acre. The transaction is subject to regulatory approvals and other conditions precedent.
- On completion, the Company will have retained approximately 1.9 million net prospective, development-ready acres across the Beetaloo Basin.
- The Company has reserved 406,693 gross acres as the Phase 2 Development Area, located immediately north of the proposed Pilot Area, where the Company plans to focus development on supplying gas into Australia's East Coast domestic gas market.
- On completion of the sale to DWE, the Company is expected to hold 236,370 net acres (58.12% operated interest) over the Phase 2 Development Area, with DWE (19.38%) and FOGA (22.5%) holding the remaining interest.
- The Company has engaged RBC Capital Markets, LLC to commence a formal farm-down of the Phase 2 Development Area. As of December 31, 2025, the formal process has commenced and DWE will have participation rights to any transaction on the same terms.

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- Ownership of the Pilot Area which includes the North FSDA and South FSDA, the focus for initial gas production in the NT, remains unchanged (the Company 47.5% operator in the Northern FSDA, DWE 47.5% operator in the Southern FSDA and FOGA 5%).
- The Company will hold 77.5% operating interest in the ex-EP 76, 98 and 117 acreage, with FOGA holding the remaining 22.5% interest.

The following table summarizes the carrying amounts of TB1's assets and liabilities included in the Group's condensed consolidated balance sheet as of December 31, 2025 and June 30, 2025 (in thousands):

	December 31, 2025	June 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,885	\$ 3,729
Trade and other receivables:		
Joint interest billing	1,272	8,191
Intercompany receivable	—	1,934
ATO receivable	1,213	722
Other receivable	778	113
Prepaid expenses and other current assets	—	—
Total current assets	13,147	14,690
Natural gas properties, successful efforts method:		
Unproved properties	357,998	285,631
Operating lease right-of-use-assets	2,752	—
Finance lease right-of-use assets	17,212	16,544
Prepaid expenses and other non-current assets	2,170	2,026
Total non-current assets	380,132	304,201
TOTAL ASSETS	\$ 393,279	\$ 318,891
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 22,584	\$ 12,507
Current portion of operating lease obligations	2,399	—
Current portion of finance lease obligations	11,713	15,307
Total current liabilities	36,696	27,814
Operating lease obligations	306	—
Finance lease obligations	11,711	9,523
Asset retirement obligations	5,589	5,127
Loan from Group	196,762	163,016
Total non-current liabilities	214,368	177,666
TOTAL LIABILITIES	\$ 251,064	\$ 205,480

Tamboran SPCF Pty Ltd

In October 2024, the Company, through its wholly owned subsidiary Tamboran SPCF Pty Ltd (“TR SPCF”), entered into a Unit Holders and Shareholders Deed with Daly Waters Infrastructure, LP (“DWI”) for the establishment of a trust (“SPCF Sub Trust”) to be owned 50%/50% by the Group and DWI to own the SPCF. In determining the primary beneficiary of the SPCF Sub Trust, the Company considered those activities that most significantly impact the economic performance of the SPCF, including, for example, which entity serves as the manager, determination of the strategy and direction of the SPCF, and the power to create a budget.

The Group was appointed as manager of the SPCF Sub Trust responsible for managing the day-to-day operations of the SPCF. The Group, as manager, also prepares the work plans and budget of the SPCF Sub Trust. As such, the Group has the power to direct those activities that most significantly impact the SPCF’s economic performance and therefore is the primary beneficiary of the SPCF Sub Trust. As a result, the results of SPCF Sub Trust have been included in the accompanying condensed consolidated financial statements. SPCF Sub Trust has no assets that are collateral for or restricted solely to settle its obligations. The creditors of SPCF Sub Trust do not have recourse to the Group’s general credit.

The Group also assessed which party to the SPCF Sub Trust has the obligation to absorb losses or the right to receive the benefits of the VIE that could potentially be significant to the VIE. The future profits and losses of SPCF Sub Trust are shared by the Group and DWI in proportion to their respective equity interest in SPCF Sub Trust, and both parties have no ability to recoup any funding the Group has made to SPCF.

The following table summarizes the carrying amounts of SPCF Sub Trust’s assets and liabilities included in the Group’s condensed consolidated balance sheet as of December 31, 2025 and June 30, 2025 (in thousands):

	December 31, 2025	June 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,113	\$ 1,935
Restricted cash	15,020	—
Trade and other receivables:		
ATO receivable	223	123
Other receivable	48	—
Loan to Tamboran	—	1,124
Total current assets	16,404	3,182
Natural gas properties, successful efforts method:		
Assets under construction - natural gas equipment	47,794	24,441
Prepaid expenses and other non-current assets	3,278	—
Total non-current assets	51,072	24,441
TOTAL ASSETS	\$ 67,476	\$ 27,623
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 11,818	\$ 4,364
Advance against joint interest billings	—	450
Intercompany payable	2,355	1,338
Total current liabilities	14,173	6,152
Asset retirement obligations	102	95
Long-term debt, net	32,592	—
Other non-current liabilities	724	—
Total non-current liabilities	33,418	95
TOTAL LIABILITIES	\$ 47,591	\$ 6,247

Note 3 – Property, Plant and Equipment & Natural Gas Properties

Natural Gas Properties

The Group held unproved natural gas properties as of December 31, 2025 and June 30, 2025 amounting to \$415.6 million and \$342.3 million, respectively. These amounts reflect the Group's exploration and evaluation projects, which are pending the determination of proven and probable reserves and were not being depleted for the six months ended December 31, 2025, and 2024. These assets will be reclassified to proven gas properties upon commencement of production and then subsequently depleted.

During the six months ended December 31, 2025 and December 31, 2024, the Group recognized no impairment related to unproved natural gas properties.

(in thousands)	Natural gas properties			
	EP 161	EP 136	EP 76, 98 and 117	Total
Balance at July 1, 2025	\$ 25,091	\$ 45,483	\$ 271,740	\$ 342,314
Capital expenditure	525	104	60,094	60,723
Restoration assets	—	—	60	60
Interest on finance lease liability and related depreciation of ROU assets capitalized	—	—	5,992	5,992
Disposal	—	(444)	—	(444)
Government grants	(66)	(54)	—	(120)
Effect of changes in foreign exchange rates	421	878	5,749	7,048
Balance at December 31, 2025	<u>\$ 25,971</u>	<u>\$ 45,967</u>	<u>\$ 343,635</u>	<u>\$ 415,574</u>

On September 30, 2025, the Beetaloo Joint Venture made a FID for the Shenandoah South Pilot Project in EP 98 and EP 117.

Property, Plant and Equipment

The Group held property, plant and equipment, including leasehold improvements, as of December 31, 2025 and June 30, 2025, amounting to \$0.5 million and \$0.3 million, respectively.

Assets Under Construction

In April 2024, the Group began to execute agreements for the SPCF in the Beetaloo Basin which would deliver a plant that would convert future raw gas to sales gas quality, subject to the terms of definitive development agreements. As of December 31, 2025, construction of the facility is well underway. The Group held total assets under construction related to the SPCF as of December 31, 2025 and June 30, 2025 of \$47.8 million and \$24.4 million, respectively. These costs of construction include \$1.7 million of capitalized borrowing costs for the three months ended and six months ended December 31, 2025, respectively. Refer to [Note 6](#) for additional discussion.

The 40 TJ/d (39 MMcf/d) SPCF is expected to be connected to the Amadeus Gas Pipeline ("AGP") via the construction of the 35-kilometer Sturt Plateau Pipeline ("SPP") subject to achieving project milestones.

Falcon Acquisition

On September 30, 2025, it was announced that Tamboran, Tamboran (Beetaloo) Pty Ltd, a company organized under the laws of Australia and an indirect wholly owned subsidiary of Tamboran ("Australia Sub"), Tamboran Resources Investments Holding Corporation, a Delaware corporation and an indirect wholly owned subsidiary of Tamboran ("U.S. Sub") and Falcon Oil & Gas Ltd., a corporation incorporated under the Business Corporations Act (British Columbia) ("Falcon"), entered into an Arrangement Agreement (the "Arrangement Agreement"), pursuant to which, on the terms and subject to the conditions set forth therein, (a) Australia Sub will acquire from Falcon approximately 98.1% of the issued and outstanding equity interests (the "Falcon Interests") of FOGA and (b) U.S. Sub will acquire from Falcon all of the issued and outstanding equity interests (together with the Falcon Interests, the "Subject Interests") of TXM Oil and Gas Exploration Kft., Falcon Oil & Gas Ireland Limited, Falcon Oil & Gas Holdings Ireland Limited and Falcon Exploration and Production South Africa (Pty) Ltd (collectively, the "Falcon Acquisition"). In exchange for the Subject Interests, Tamboran will issue to Falcon 6,537,503 shares of common stock (the "Falcon Parent stock consideration") and pay \$23.7 million in cash.

The closing of the Falcon Acquisition (the “Closing”) is subject to certain conditions, including, among others, (a) the approval of the Transactions by at least 66 $\frac{2}{3}$ % of the votes cast by Falcon shareholders and, if required by applicable Canadian securities laws, a simple majority of the votes cast by Falcon shareholders, excluding Falcon common shares held by persons required to be excluded under such laws, at a meeting of Falcon shareholders, (b) the approval of the issuance of the Stock Consideration by a majority of the votes cast by Tamboran stockholders at a meeting of Tamboran stockholders, (c) the approval of the Falcon Acquisition by the Supreme Court of British Columbia on terms consistent with the Arrangement Agreement and otherwise reasonably satisfactory to the parties, (d) the authorization for listing of the Stock Consideration on the New York Stock Exchange and (e) the absence of any law or order enjoining, restricting or prohibiting the consummation of the transactions contemplated by the Falcon Acquisition.

On December 30, 2025, FOGA secured necessary approval from its minority shareholders for the sale of Falcon's 98.1% interest in FOGA to Tamboran.

Upon completion of the Falcon Acquisition, the Group will also enter into consulting agreements with certain directors and officers of Falcon, pursuant to which the Group will issue to those directors and officers an aggregate of up to 369,084 share options with an exercise price of \$21.94 per share.

Further, following completion of the Falcon Acquisition, upon Australia Sub owning the Australia Interests, Australia Sub will become entitled to compulsorily acquire the remaining 1.9% of the issued and outstanding equity interests of FOGA (the “FOGA minority stock”) held by the shareholders other than Australia Sub (the “FOGA minority holders”). Australia Sub will proceed with the compulsory acquisition of the FOGA minority stock for cash consideration at a price per share no less than the price paid to Falcon for the Australia Interests. To the extent that any FOGA minority holders notify Australia Sub that they wish to receive shares of Tamboran common stock in lieu of cash, Tamboran and Australia Sub will consider and may agree to such requests. If Tamboran and Australia Sub agree to issue shares of Tamboran common stock in lieu of cash to such requesting FOGA minority holders, Tamboran may issue to the FOGA minority holders up to an aggregate of 147,508 shares of Tamboran common stock.

The Falcon Acquisition is expected to be completed during the three months ended March 31, 2026.

Note 4 – Leases

As a Lessee

The Group's operating lease activities consist of leases for office premises and modular buildings at the camp pad site.

Commencing on October 1, 2025 the Group entered into the use of additional bunkhouses and accommodation verandahs pursuant to the lease arrangement entered into with Northern Transportables on August 14, 2025 (the “Stage 3 Hire of Goods”). The term of the lease arrangement is fifteen months, with an option to further renew the lease (as needed).

Commencing on August 14, 2025, the Group entered into a new lease arrangement with Northern Transportables for the hire of modular buildings and related equipment (the “Stage 1 and 2 Hire of Goods”). The term of the lease arrangement is seventeen months, with an option to further renew the lease (as needed).

Commencing May 24, 2025, the Group entered into a new lease arrangement with Mackwell 33 Queen Pty Ltd for their office premises in Brisbane, Australia. The term of the lease is five years.

Commencing July 1, 2024, the Group entered into a new lease agreement with Drecom Pty Ltd ATF English Family Trust for their office premises in Darwin, Australia. The term of the lease is three years, with an option to further renew the lease for two years.

On October 1, 2023, the Group entered into a new lease agreement with Lendlease IMT (OITST ST) Pty Ltd for their office premises in Barangaroo, Australia. The term of the lease is four years, with no option to renew.

On September 9, 2022, Sweetpea Petroleum Pty Ltd (“Sweetpea”), a wholly owned subsidiary of Tamboran, entered into a drilling contract with Helmerich & Payne International Holdings LLC (“H&P”) for H&P to assist the Group in carrying out its onshore drilling operations in Australia. The drilling contract grants Tamboran the right to use the drilling rig from H&P over the initial non-cancellable contract term of 25 months starting from July 1, 2023. Under the terms of the agreement, the Group has the right to place the drilling rig on a temporary suspension rate between wells for a period up to 270 days (the “Gap Period”). For each day of the original Gap Period consumed, and subsequent suspension periods negotiated, additional days are added to the fixed minimum term. As of December 31, 2025, the end date of the drilling

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contract for the current rig is early January 2028 (inclusive of additional days). The drilling contract is recognized as a finance lease under ASC 842 (“H&P Rig Lease”).

The present value of the minimum future obligations was calculated based on an interest rate of 15.60% per annum, which was recognized in finance lease liabilities in the condensed consolidated balance sheet.

The following table presents the classification and location of the Group’s leases on the condensed consolidated balance sheets (in thousands):

	December 31, 2025	June 30, 2025
Right-of-use assets:		
Operating lease right-of-use assets	\$ 4,126	\$ 1,549
Finance lease right-of-use assets	17,212	16,544
	<u>21,338</u>	<u>18,093</u>
Lease liabilities:		
Current portion of operating lease obligations	2,829	391
Non-current portion of operating lease obligations	1,277	1,175
Current portion of finance lease obligations	11,713	15,307
Non-current portion of finance lease obligations	11,711	9,523
	<u>\$ 27,530</u>	<u>\$ 26,396</u>

For the three months and six months ended December 31, 2025, and 2024, the components of the lease costs were as follows (in thousands):

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
Operating leases:				
Operating lease cost charged to profit and loss	\$ 1,300	\$ 130	\$ 1,439	\$ 287
Finance leases:				
Interest on lease liabilities	809	693	1,476	1,489
Depreciation on right-of-use assets	2,195	2,533	4,515	5,065
Total finance lease cost	3,003	3,225	5,992	6,554
Less: Lease cost capitalized to unproved properties	(3,003)	(3,225)	(5,992)	(6,554)
Finance lease cost charged to profit and loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The following table presents the cash flow information related to lease payments for the six months ended December 31, 2025, and 2024 (in thousands):

	Six months ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 2,215	\$ 287
Financing cash flows for finance leases	6,135	5,504
	<u>\$ 8,350</u>	<u>\$ 5,791</u>

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The following table presents supplemental information for the Group's non-cancellable leases for the six months ended December 31, 2025, and 2024:

	Six months ended December 31,	
	2025	2024
Operating leases:		
Weighted-average remaining lease term	1.88	2.91
Weighted-average incremental borrowing rate	13.67%	11.50%
Finance leases:		
Weighted-average remaining lease term	2.08	1.58
Weighted-average incremental borrowing rate	15.60%	13.45%

As of December 31, 2025, the Group's undiscounted minimum cash payment obligations for its lease liabilities are as follows (in thousands):

As of December 31, 2025	Operating leases	Finance leases
Fiscal year ending June 30, 2026 (excluding six months period from July 1, 2025 to December 31, 2025)	\$ 1,601	\$ 5,392
Fiscal year ending June 30, 2027	2,202	14,418
Fiscal year ending June 30, 2028	344	7,545
Thereafter	482	—
Total lease payments	4,629	27,354
Less: Imputed interest	(524)	(3,929)
Present value of lease liabilities ¹	<u>\$ 4,105</u>	<u>\$ 23,425</u>

¹ Includes both current and long-term portion of the lease liabilities.

Note 5 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses included in current liabilities consist of the following (in thousands):

	December 31, 2025	June 30, 2025
Accounts payable	\$ 3,525	\$ 5,708
Accrued payroll	1,404	5
Compensated absences	647	873
Defined contribution superannuation payable	—	1
Interest and commitment fee payable on Syndicated Facility	514	—
Accrued capital expenditure	31,464	12,315
Accrued expenses	860	1,556
Total accounts payable and accrued expenses	<u>\$ 38,413</u>	<u>\$ 20,457</u>

Note 6 - Long-term debt

The Group's long-term debt consisted of the following (in thousands):

	December 31, 2025	June 30, 2025
Principal balance of Syndicated Facility:		
Tranche 1A	\$ 13,992	\$ —
Tranche 1B	2,781	—
Tranche 2	16,773	—
Total principal balance	33,546	—
Less: Unamortized debt issuance costs ⁽¹⁾	(954)	—
Long-term debt, net	<u>\$ 32,592</u>	<u>\$ —</u>

(1) Unamortized debt issuance costs related to undrawn portions of the Syndicated Facility are included in "Prepaid expenses and other non-current assets" in our condensed consolidated balance sheet. As of December 31, 2025, we had \$2.6 million in unamortized debt issuance costs on our SPCF Syndicated Facility Agreement.

On September 29, 2025, the Group through its subsidiaries, SPCF Financing Pty Ltd, as Borrower ("SPCF Financing"), Sturt Plateau Compression Facility Sub Pty Ltd, in its personal capacity and in its capacity as trustee for the Sturt Plateau Compression Facility Sub Trust, and Sturt Plateau Compression Facility Mid Pty Ltd, in its personal capacity and in its capacity trustee for the Sturt Plateau Compression Facility Mid Trust (together with SPCF Financing, the "Obligors"), have entered into a syndicated facility agreement (the "Syndicated Facility Agreement") with, among others, Macquarie Bank Limited ("Macquarie") and Evolution Trustees Limited as trustee for the Alpha Wave Credit (Australia) Trust as original lenders (the "Lenders").

Pursuant to the terms and conditions of the Syndicated Facility Agreement, the Lenders agreed to extend term loans to the Group in an aggregate principal amount of up to A\$179.8 million (the "Syndicated Facility"), comprised of (i) Tranche 1A in an amount equal to A\$75.0 million ("Tranche 1A"), (ii) Tranche B in an amount equal to A\$14.9 million ("Tranche 1B") and (iii) Tranche 2 in an amount equal to A\$89.9 million ("Tranche 2"). The Syndicated Facility remained available for funding as of December 31, 2025, which was available at the Group's election. The Syndicated Facility Agreement is secured by the following guarantees:

- a guarantee given by the NT Government, up to A\$75.0 million, in respect of Tranche 1A and Tranche 1B (the "Tranche 1 Guarantee"). The Tranche 1 Guarantee will be released upon certain conditions being met relating to the completion of the SPCF and production of commercial volumes of gas (such date, the "Tranche 1 Guarantee Release Date");
- a guarantee given by the Company and its wholly-owned subsidiaries, Tamboran (West) Pty Limited and Tamboran Resources Pty Ltd in respect of Tranche 1A and Tranche 1B (the "Deed of Guarantee"); and
- a guarantee given by Formentera Australia Fund 1, LP and certain of its affiliates, related parties of the Group in respect of Tranche 2.

pursuant to which each relevant entity agrees, among other things, to unconditionally guarantee, in full, the repayment obligations of the Obligors in respect of Tranche 1A, Tranche 1B and/or Tranche 2 (as applicable).

In consideration for providing the Tranche 1 Guarantee, SPCF Financing agrees to pay the NT Government a guarantee fee of 4% per annum on the lesser of (a) the Guarantee Limit, and (b) the daily balance of the principal outstanding under Tranche 1A and Tranche 1B (the "Guarantee Fee"). The Guarantee Fee only becomes payable on the termination of the gas sales agreement, payment by the NT Government under the Tranche 1 Guarantee or the purchase by the NT Government from the Lenders of all amounts outstanding under Tranche 1A and Tranche 1B.

Any outstanding principal on the Syndicated Facility will accrue interest at a rate equal to Australian Bank Bill Swap ("BBSW") Rate plus a margin. Prior to the Tranche 1 Guarantee Release Date, the margin for Tranche 1A is 4% per annum and the margin for Tranches 1B and 2 is 12% per annum. Following the Tranche 1 Guarantee Release Date, the margin for all the Tranches will be 8% per annum. Interest payments are made in arrears depending on the interest selection period, which can be 1-3 months following the funding of a Syndicated Facility Tranches. The Syndicated Facility will terminate four years after financial close under the Syndicated Facility Agreement, September 29, 2029, and all the principal payments on the outstanding balance of Syndicated Facility Tranches will be paid at that date.

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The total amount of debt issuance costs incurred was \$3.5 million consisting of \$2.4 million being paid upfront to original lenders and \$1.1 million to the agent, Security Trustee and third party legal fees.

During the six months ended December 31, 2025 drawdowns of \$14.0 million, \$2.8 million, \$16.8 million were made from the Syndicated Facility for Tranches 1A , 1B and 2, respectively.

The Group is also required to pay a commitment fee of 1.6% per annum for Tranche 1A, and 4.8% per annum for Tranches 1B and 2 on any undrawn principal balance of the Syndicated Facility up to the end of the availability period.

The Syndicated Facility may be prepaid early in accordance with the terms of the Syndicated Facility Agreement, subject to an agreed prepayment premium. If prepayment occurs within the first 12 months after the date of the first utilization, the prepayment premium is 3% of the amount being prepaid. If prepayment occurs within 12 – 18 months after first utilization, the prepayment premium is 2% of the amount being prepaid. If prepayment occurs within 18 – 24 months after first utilization, the prepayment premium is 1% of the amount being prepaid. After 24 months after first utilization, no prepayment premium applies.

The Syndicated Facility Agreement also contains customary events of default, including among other things, our failure to make any principal or interest payments when due, non-compliance, change of Obligor ownership, events which have a material adverse effect and the occurrence of certain bankruptcy or insolvency events. Upon the occurrence of an event of default, the Lenders may, among other things, accelerate our obligations under the Syndicated Facility Agreement. As of December 31, 2025 the total gross amount of borrowings under our Syndicated Facility Agreement was \$33.5 million. Interest expense on the Syndicated Facility Agreement was \$1.7 million for both the three months and six months ended December 31, 2025, respectively.

Note 7 – Asset Retirement Obligations

The Group recognizes the liability for an asset retirement obligation at the estimated fair value in the period in which the obligation originates. Fair value is estimated using the present value technique (level 2) based on a number of observable inputs including estimates and assumptions such as future retirement costs, future inflation rates and the Group's credit-adjusted risk-free interest rate.

The Group capitalized the present value of the estimated asset retirement obligations as a part of the carrying amount of the related natural gas properties. The liability has been accreted to its present value for six months ended December 31, 2025.

The reconciliation of changes in asset retirement obligations for the six months ended December 31, 2025, is as follows (in thousands):

	Six months ended December 31, 2025
Beginning asset retirement obligations	\$ 9,649
Liabilities incurred	60
Accretion expense	582
Effect of changes in foreign exchange rates	170
Long-term asset retirement obligations	<u>\$ 10,461</u>

Note 8 – Stockholders’ Equity

Movement in Common Stock

(in thousands, except share numbers and per share amounts)	Date	Tamboran common stock	Fair market value at time of issuance	Details	Cumulative net proceeds
Balance at July 1, 2025		16,717,289			\$ 450,437
Issuance of common stock pursuant to Subscription Agreement	July 2025	940,729	\$ 17.74	\$ 10,966	
Issuance of common stock as prepayment of Facility Fee	July 2025	112,740	\$ 19.41	\$ 2,188	
Issuance of common stock as termination payment	September 2025	50,000	\$ 19.75	\$ 988	
Issuance of common stock under public offering	October 2025	2,673,111	\$ 21.00	\$ 56,135	
Issuance of common stock under share purchase plan	November 2025	537,794	\$ 20.93	\$ 11,255	
Issuance of shares against vested equity awards	December 2025	38,500	\$ 21.73	\$ 837	
Issuance of shares against vested equity awards	December 2025	7,650	\$ 21.73	\$ 166	
Issuance of shares against vested equity awards	December 2025	2,309	\$ 20.99	\$ 48	
Issuance of shares against vested equity awards	December 2025	5,002	\$ 19.99	\$ 100	
Issuance of shares against vested equity awards	December 2025	30,012	\$ 19.99	\$ 600	
Less: Transaction costs		—		\$ (4,889)	78,394
Balance at December 31, 2025		21,115,136			\$ 528,831

July 2025 Issuance of Common Stock Pursuant to Subscription Agreement

On July 23, 2025, the Company issued 940,729 shares of common stock pursuant to subscription agreements entered into on May 12, 2025, for \$17.74 per share. Total proceeds from this issuance was \$16.7 million out of which \$5.7 million was received in May 2025. The Company incurred \$1.4 million in transaction expenses related to this issuance, out of which \$0.4 million was incurred and recognized during the fiscal year ended June 30, 2025.

July 2025 Issuance of Common Stock as Prepayment of Facility Fee

On July 23, 2025, the Company issued 112,740 shares of Common Stock at a price of \$19.41 per share to Macquarie Bank Limited as prepayment of facility fees that will become due under the Performance Bond Facility Agreement between Tamboran (West) Pty Limited, as borrower, Tamboran Resources Pty Ltd, as guarantor, and Macquarie Bank Limited, as lender, dated December 19, 2024 (Refer [Note 12](#)).

September 2025 Issuance of Common Stock as Termination Payment

On July 28, 2025, the employment of Joel Riddle, the former Chief Executive Officer (“CEO”) and board member of the Company, was terminated and consequently Mr. Riddle resigned from the board of directors (the “Board”). The Company issued 50,000 shares of common stock at a price of \$19.75 per share to Mr. Riddle as a part of his termination payment package.

October 2025 Issuance of Common Stock under Public Offering

On October 27, 2025, the Company issued 2,673,111 shares of common stock for \$21.00 per share under a public offering. Total proceeds from the issuance was \$56.1 million. The Company incurred \$3.9 million in transaction expenses related to this issuance.

November 2025 Share Purchase Plan

On November 24, 2025, the Company issued 107,558,800 CDIs at a price of A\$0.162 per CDI, the equivalent of 537,794 shares of common stock at a price of \$20.93 per share, pursuant to the Share Purchase Plan opened by the Company on October 30, 2025. Total proceeds from the Share Purchase Plan was \$11.3 million (A\$17.4 million).

December 2025 Issuance of Common Stock Against Vested Equity Awards

On December 4, 2025, the Company issued 7,700,000 CDIs at a price of \$0.109 per CDI the equivalent of 38,500 shares of common stock at a price of \$21.73 per share upon the conversion of RSUs granted to certain eligible employees of the Group.

On December 9, 2025, the Company issued 7,650 shares of common stock at a price of \$21.73 per share upon conversion of RSUs granted to certain eligible employees of the Group.

On December 12, 2025, the Company issued 2,309 shares of common stock at a price of \$20.99 per share and 5,002 shares of common stock at a price of \$19.99 per share upon conversion of RSUs granted to a member of the Board.

On December 15, 2025, the Company issued 30,012 shares of common stock at a price of \$19.99 per share upon conversion of RSUs granted to eligible directors, approved June 17, 2024.

Note 9 – Stock-Based Compensation

Milestone Options

During the six months ended December 31, 2025, the Group did not grant any new milestone options to its employees and 12,900,000 milestone options were forfeited.

As a result of the forfeitures during the prior period, there was a reversal of \$1.0 million of previously recorded expense during the six months ended December 31, 2025. The Company accelerated the recognition of the remaining expense for milestone options during the fiscal year ended June 30, 2025 and the Group recognized \$0.1 million as stock-based compensation expense related to milestone options for the six months ended December 31, 2024.

Employee Restricted Stock Units

On August 6, 2024, the Group adopted the 2024 Incentive Award Plan (the “2024 Plan”). As of December 31, 2025, the maximum number of shares of common stock that may be issued under the 2024 Plan was 1,600,000 shares.

The 2024 Plan, allows, among other things, for the grant of Restricted Stock Units (“RSUs”). On August 6, 2024, the Group issued RSUs to certain eligible service providers, employees and executive officers (the “participants”) to provide them an opportunity to participate in the growth and profits of the Group and to attract, motivate, and retain their services to promote the long-term success of the Group.

On August 6, 2024, the Company granted 47,400 Restricted Stock Units (“Retention Awards”) to its employees in Australia and U.S. The Retention Awards granted to Australian employees entitle them to CDIs representing 39,250 shares of common stock (each CDI represents 1/200th of a share of common stock). Similarly, the Retention Awards granted to U.S. employees entitle them to 8,150 shares of common stock. The vesting conditions state that all Retention Awards will vest in full on December 31, 2025, provided the employees remain in service as of the vesting date. The fair value at grant date of the Retention Awards was \$21.73 per common stock and \$0.109 per CDI.

On August 6, 2024, the Company also granted 795,000 Restricted Stock Units (“IPO Awards”) to its employees in Australia and U.S. The IPO Awards granted to Australian employees entitle them to CDIs representing 620,000 shares of common stock. Similarly, the IPO Awards granted to U.S. employees entitle them to 175,000 shares of common stock. The IPO Awards will vest in following three tranches:

- Tranche 1 – 397,500 IPO Awards granted to Australian and U.S. employees will vest in full on July 3, 2027, provided the employee remains in service as of the vesting date. The fair value at grant date of Tranche 1 was \$21.73 per common stock and \$0.109 per CDI.
- Tranche 2 – 98,750 IPO Awards granted to Australian and U.S. employees will vest subject to the completion of the Group’s Phase 1 Development Plan to establish first production of the Shenandoah South Pilot Project and establish first production of 40 TJ/d measured by completion of the milestones (“Vesting Trigger Conditions”). Full vesting of Tranche 2 may occur at any time between July 3, 2027, and July 3, 2029, should the Vesting Trigger Conditions be satisfied, or unless otherwise determined by the Board of the Company. The fair value at grant date of Tranche 2 was \$21.73 per common stock and \$0.109 per CDI.
- Tranche 3 – 298,750 IPO Awards granted to Australian and U.S. employees will vest subject to the Company’s Total Shareholder Return (“TSR”) reaching or exceeding the 75th percentile of the Benchmark Index TSR

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between July 3, 2027, and July 3, 2029. TSR will be measured against the S&P SmallCap 600 Energy (or any other market index determined by the Board in their sole discretion) ("Benchmark Index") over the same performance measurement period. The fair value at grant date of Tranche 3 was \$19.64 per common stock and \$0.098 per CDI.

The grant date fair value of the Tranche 3 RSUs were determined through the use of the Monte Carlo simulation method. This method requires the use of subjective assumptions such as the price and the expected volatility of the Company's common stock and its self-determined peer group companies' stock, risk free rate of return, and cross-correlations between the Company and its peer group companies. Expected volatilities for the Company and each peer company utilized in the model are estimated using a historical period consistent with the awards' remaining performance period as of the grant date. The risk-free interest rate is based on the yield on U.S. Treasury Constant Maturity for a term consistent with the remaining performance period. The valuation model assumes dividends, if any, are immediately reinvested.

The following table summarizes the assumptions used to calculate the grant date fair value of the Tranche 3 RSUs granted on August 6, 2024:

Expected term for performance period (in years)	4.9
Expected volatility	74.6%
Risk-free interest rate	3.7%

The Retention Awards and IPO Awards entitle the participants to receive the equivalent value (in cash or shares of common stock/CDIs) of dividends paid on shares of common stock and CDIs, respectively.

The RSUs are not transferable. There are no participation rights or entitlements inherent in the RSUs, and the participants will not be entitled to participate in new issues of capital offered to stockholders or holders of CDIs.

If the Company makes a bonus issue of common stock, CDIs, or other securities to existing stockholders or holders of CDIs (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of shares of common stock or CDIs that must be issued on the exercise of a Retention Award or IPO Award, respectively, will be increased by the number of shares of common stock or CDIs that the participant would have received if the participant had exercised the RSUs before the record date for the bonus issue.

A summary of the Group's employee RSUs activity for the six months ended December 31, 2025 is as follows (in numbers and dollars):

	Balance at July 1, 2025	Granted	Vested	Forfeited	Balance at December 31, 2025
IPO Awards:					
Tranche 1	395,000	—	(50,000)	(55,000)	290,000
Tranche 2	97,500	—	—	(2,500)	95,000
Tranche 3	297,500	—	—	(102,500)	195,000
Retention Awards	46,650	25,000	(46,150)	(500)	25,000
Total RSUs ⁽¹⁾	836,650	25,000	(96,150)	(160,500)	605,000
Weighted average grant date fair value	\$ 20.99	\$ 19.94	\$ 21.73	\$ 20.40	\$ 20.98

⁽¹⁾ As of December 31, 2025, 605,000 RSU's are expected to vest.

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The following table presents the stock-based compensation costs recognized related to our RSUs for the three months ended December 31, 2025 (in thousands, expect remaining contractual term):

	Three months ended December 31, 2025		
	Stock-Based Compensation Cost Incurred	Remaining costs to recognize, if all vesting conditions are met	Weighted average remaining contractual term (in years)
IPO Awards (Tranche 1)	\$ 552	\$ 3,246	1.50
IPO Awards (Tranche 2)	181	1,063	1.50
IPO Awards (Tranche 3)	335	1,973	1.50
Retention Awards - granted FY25	178	—	1.50
Retention Awards - granted FY26	42	414	2.50
Less: Forfeitures	—	—	
Total cost incurred	\$ 1,288	\$ 6,696	
Total stock compensation costs capitalized	\$ 703		
Total stock compensation costs expensed	585		
Total cost incurred	\$ 1,288		

	Six months ended December 31, 2025		
	Stock-Based Compensation Cost Incurred	Remaining costs to recognize, if all vesting conditions are met	Weighted average remaining contractual term (in years)
IPO Awards (Tranche 1)	\$ 1,112	\$ 3,246	1.50
IPO Awards (Tranche 2)	366	1,063	1.50
IPO Awards (Tranche 3)	675	1,973	1.50
Retention Awards - granted FY25	377	—	1.50
Retention Awards - granted FY26	85	414	2.50
Less: Forfeitures	(1,354)	—	
Total cost incurred	\$ 1,260	\$ 6,696	
Total stock compensation costs capitalized	\$ 1,281		
Total stock compensation costs expensed	(22)		
Total cost incurred	\$ 1,260		

2025 Director Restricted Stock Units

On January 1, 2025, the Company granted 27,281 Director RSUs for which each awarded RSU represented an unfunded, unsecured right to receive a share of the Company's common stock. These awards have a cliff-vesting period of one year. The fair value on grant date of the RSUs was \$20.99 per unit.

Additionally on May 16, 2025, in conjunction with the TB1 A&R JVSA, the Company granted 35,014 Director RSUs under the 2024 plan for which each awarded RSU represented an unfunded, unsecured right to receive a share of the Company's common stock. The awards vesting date is the earlier of the one year anniversary of the grant date and the date of the next annual shareholders' meeting occurring after the grant date, subject to continued service. The Company used a vesting date of the next shareholders meeting subsequent to the grant date, which took place in December 2025. The fair value on the grant date of these RSUs was \$19.99 per unit.

On December 4, 2025, the Company granted 25,271 fully vested Director RSUs under the 2024 plan to Mr. Richard Stoneburner, one of the directors (then Interim "CEO") for which each awarded RSU represented a right to receive a share of the Company's common stock. For the three months and six months ended December 31, 2025, the Company recognized \$0.7 million, respectively, in stock-based compensation expense related to these awards.

As of December 31, 2025 a total of 37,323 RSUs had vested in relation to RSUs issued in May of 2025 and December of 2024. For the three months and six months ended December 31, 2025, the Company recognized \$0.3 million and \$0.8 million, respectively, in stock-based compensation expense related to these Director awards.

Note 10 – Income Taxes

The effective tax rates for the three months and six months ended December 31, 2025, and 2024 were nil. The Group's effective tax rate differed from the applicable statutory income tax rate due to operating losses incurred for the three months and six months ended December 31, 2025, and 2024. As of December 31, 2025, the Group has unrecognized accumulated losses for tax purposes in the amount of \$516.7 million, which may be carried forward and offset against taxable income in the future for an indefinite period, subject to meeting Australian tax rules around continuity of ownership or business continuity test.

On July 4, 2025, the U.S. government enacted The One Big Beautiful Bill Act ("OBBBA") which includes, among other provisions, changes to the U.S. corporate income tax system such as allowing of immediate expensing of qualifying domestic research and development expenses and permanent extensions of certain provisions within the Tax Cuts and Jobs Act. Certain provisions of the OBBBA are effective for the Group beginning in fiscal year 2026. The OBBBA did not have any impact on the Group's interim financial statements for the three months ended December 31, 2025 and is not expected to have an impact on Groups annual financial statements for the year ending on June 30, 2026. For additional information regarding the Group's income tax matters, refer to the section entitled "Income Taxes" of our Annual Report on Form 10-K for the fiscal year ended June 30, 2025.

As of December 31, 2025, and June 30, 2025, the Group did not have any uncertain tax positions.

Note 11 – Loss Per Share

Basic net loss per share applicable to common stockholders is computed by dividing earnings applicable to common stockholders by the weighted average number of common shares outstanding. Diluted loss per share assumes the conversion of any convertible securities using the treasury stock method.

The computations for basic and diluted loss per share are as follows (in thousands, except shares and per share amounts):

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
Numerator:				
Net loss after income tax attributable to Tamboran Resources Corporation stockholders	\$ (6,613)	\$ (14,167)	\$ (14,796)	\$ (20,062)
Denominator:				
Weighted average number of common stock outstanding, basic and diluted	20,026,416	14,346,556	18,786,660	14,236,753
Net loss per share, basic and diluted	<u>\$ (0.330)</u>	<u>\$ (0.987)</u>	<u>\$ (0.788)</u>	<u>\$ (1.409)</u>

The Company's potentially dilutive shares, which include outstanding milestone options and RSUs, have not been included in the computation of diluted net loss per share for the three months and six months December 31, 2025, and 2024 as the result would be anti-dilutive.

Note 12 – Commitments and Contingencies

From time to time, the Group may be subject to various claims, title matters and legal proceedings arising in the ordinary course of business, including environmental contamination claims, personal injury and property damage claims, claims related to joint interest billings and other matters under natural gas operating agreements and other contractual disputes. The Group maintains general liability and other insurance to cover some of these potential liabilities. All known liabilities are fully accrued based on the Group's best estimate of the potential settlement amount. While the outcome and impact on the Group cannot be predicted with certainty, the Group believes that its ultimate liability with respect to any such matters will not have a significant impact or material adverse effect on its financial positions, results of operations or cash flows. Results of operations and cash flows, however, could be significantly impacted in the reporting periods in which such matters are resolved.

Capital Commitments

(in thousands)	December 31, 2025	June 30, 2025
Committed at the reporting date but not recognized as liabilities, payable:		
Sweetpea	\$ 23,327	\$ 23,115
EP 161	5,848	2,302
Beetaloo Joint Venture	76,609	75,630
Midstream	\$ 12,116	\$ 9,056

Sweetpea

Sweetpea's committed spend as of December 31, 2025, was \$23.3 million, which was related to two licenses, EP 136 with total commitments of \$14.0 million and EP 143 with total commitments of \$9.3 million.

A variation application for EP 136 was submitted to the Department of Mining and Energy ("DME") in November 2025, requesting an extension of the permit for a period of 18 months. This application remains under review. As such, the Group maintains a minimum work program commitment of \$14.0 million.

An application for EP 143 was submitted to and approved by DME in December 2025 requesting to suspend the work program conditions for a period of six months to June 30, 2026. The total minimum work program commitments remain the same at \$9.3 million.

EP 161

For the EP 161 working interest, we are obligated to contribute our share of expenses to uphold our stake in this permit, for which Santos Limited is the operator. An application was approved in December 2025 to extend the term of the exploration permit and the required work program twelve months to March 2027 which includes the drilling and stimulation of two horizontal wells along with related geological and geophysical studies. Our commitment through March 2027 is expected to be \$5.8 million based on the minimum work requirements. There are no minimum commitment requirements after March 2027.

Beetaloo Joint Venture

An application was submitted to DME in September 2024 to vary the year 2 and 3 work program and was approved in November 2024. The terms of the Beetaloo Joint Venture continue to necessitate specific minimum work obligations

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through May 2028. These commitments include an expected spend of \$76.6 million related to drilling and multi-stage hydraulic fracturing of four wells, 3D seismic survey, and subsurface studies, with expenditure across EP 76 of \$10.7 million, EP 98 of \$54.2 million and EP 117 of \$11.7 million.

Midstream

Committed spend remaining for the SPCF project as of December 31, 2025, was \$12.1 million which was related to the remaining procurement, and construction management for the detailed design, engineering, planning, construction, testing, inspection and commissioning of the facility.

Environmental

The Group's operations are subject to risks normally associated with drilling, completion and production of oil and gas, including blowouts, fires, and environmental risks such as oil spills or gas leaks that could expose the Group to liabilities associated with these risks.

In the Group's acquisition of existing or previously drilled well bores, the Group may not be aware of prior environmental safeguards, if any, that were taken at the time such wells were drilled or during such time the wells were operated. The Group maintains comprehensive insurance coverage that it believes is adequate to mitigate the risk of any adverse financial effects associated with these risks.

However, should it be determined that a liability exists with respect to any environmental cleanup or restoration, the liability to cure such a violation could still fall upon the Group. No claim has been made, nor is the Group aware of any liability which the Group may have, as it relates to any environmental cleanup, restoration, or the violation of any rules or regulations relating thereto except for the matter discussed above.

Legal Proceedings

The Group is a party to legal proceedings encountered in the ordinary course of its business. While the ultimate outcome and impact to the Group cannot be predicted with certainty, in the opinion of management, it is remote that these legal proceedings will have a material adverse impact on the Group's condensed consolidated financial condition, results of operations or cash flows.

Other Commitments and Contingencies

As part of its ongoing business and operations, the Group is required to provide bank letters of credit and bank guarantees for various purposes, including environmental remediation, reclamation, construction costs and other general corporate purposes.

On December 19, 2024, TR Ltd., as guarantor, entered into the Facility Agreement with TR West, as borrower, each a wholly-owned subsidiary of the Company, as obligors, and Macquarie, as lender. The Facility Agreement provides TR West with A\$25.0 million in availability ("Facility A") for letters of credit and bank guarantees ("performance bonds"), and includes two additional performance bond facilities, each in the amount of A\$5.0 million ("Facility B" and "Facility C," respectively, and collectively, the "Facilities"). Availability under the Facility B and Facility C was subject, among other conditions, to the Company raising additional capital in the amounts of at least A\$62.5 million and A\$75.0 million, respectively, which occurred in July 2025 following completion of that equity raise. Accordingly, the full A\$35.0 million is currently available. All Facilities terminate on December 19, 2027. The obligations under the Facility Agreement are unconditionally guaranteed on a senior secured basis by TR Ltd.

The Facilities are subject to customary representations, warranties and ongoing affirmative and negative covenants and agreements. The Group is required to maintain minimum liquidity of A\$20.0 million and have a current ratio of at least 1:1. The Facility Agreement provides for events of default that include, among others, nonpayment of any amount due under the Facility Agreement, breach of covenants and certain events of bankruptcy or insolvency. If an event of default occurs, Macquarie will be able to, among other things, terminate the commitments immediately, declare any amounts outstanding to be due and payable in whole or in part, and exercise other rights and remedies. The Group was in compliance with all terms of the Facility Agreement as of December 31, 2025.

In relation to Facility A, the Group incurred an establishment fee of A\$0.5 million. The outstanding letters of credit and bank guarantees under the Facilities are subject to a drawdown fee of 10% per annum, payable quarterly in arrears. The Group is also required to pay a commitment fee of 4% per annum, payable quarterly in arrears, on the average monthly unused amount of the Facilities. If the Group fails to pay any amount payable under the Facility Agreement by the due date, interest accrues on the overdue amount at a rate of 12% per annum, payable quarterly in arrears.

As of December 31, 2025, there was A\$32.2 million of letters of credits issued under the Facility Agreement. As of December 31, 2025 there was A\$1.7 million of unused credit under Facility A and A\$1.1 million of unused credit under Facility B and Facility C.

Costs incurred in connection with securing the Facility Agreement, including fees paid to legal advisors and third parties, are deferred and amortized to interest expense over the term of the Facility Agreement. As of December 31, 2025, total unamortized debt issuance costs were A\$0.6 million. During the three months and six months ended December 31, 2025, the Group recorded A\$0.1 million and A\$0.1 million, respectively, as amortization of deferred debt issuance costs as a part of interest expense.

In December 2024, Tamboran B1 Operator signed a Development Agreement (“DA”) with APA Group (“APA”) that defines the conditions under which APA will design and construct the SPP. Under the DA, Tamboran B1 Operator is required to put in place bank guarantees that cover approximately two-thirds of APA’s projected construction cost. As of December 31, 2025, Tamboran had drawn down A\$27.4 million in bank guarantees related to the SPP. Pursuant to the Gas Transportation Agreement (“GTA”) signed with APA, the bank guarantees will be reduced or released by APA once certain performance conditions are met related to well flow test performance and first gas has been delivered to the NT Government under the Gas Sales Agreement (“GSA”). APA may call on the bank guarantees if certain defaults under the DA or GTA remain unremedied, which in turn triggers a requirement by Tamboran B1 Operator to deposit cash amounts sufficient to cover the bank guarantees under the Facility Agreement with Macquarie.

Note 13 – Related Party Transactions

The Group transacts with H&P and Mr. Bryan Sheffield (“Mr. Sheffield”) identified as related parties. The transactions during the six months ended December 31, 2025 with these related parties are as follows.

H&P

During the year ended June 30, 2023, the Group entered into a strategic alliance with H&P and secured a \$15.0 million equity investment from H&P (and as a consequence, Mr. John Bell, a member of the H&P Executive Leadership Team (the “H&P appointee”) was appointed as a director of the Group). The strategic alliance resulted in H&P supporting the Group’s development plans in the Beetaloo Basin through their equity investment in the Company while at the same time executing on H&P’s strategy to gain more international exposure through the use of drilling rigs in Australia.

On July 1, 2023, a lease commenced with H&P for the use of the FlexRig® for a 25-month period (Refer Note 4). During the six months ended December 31, 2025, Mr. Bell resigned from his position as a director of the Group. Consequently, H&P is no longer a related party of the Group.

Mr. Sheffield

During the three months and six months ended December 31, 2025, the Group transacted with DWE and DWI, which are wholly owned by Formentera Australia Fund, LP, which is managed by Formentera Partners, LP, a private equity firm of which Mr. Sheffield serves as managing partner. Mr. Sheffield has been a shareholder in the Company since November 2021.

The Group and DWE jointly own a 50/50 joint venture referred to as TB1 and the Group and DWI jointly own a 50/50 joint venture referred to as SPCF Sub Trust (Refer [Note 2](#)).

During the three months and six months ended December 31, 2025, DWE's share of expenditure for the Beetaloo Joint Venture for which contributions were due was \$16.1 million and \$30.9 million, respectively. As of December 31, 2025, the Group had a joint interest billing receivable owing from DWE in the amount of less than \$0.1 million.

During the three months and six months ended December 31, 2025, DWI's share of expenditure for SPCF was nil as SPCF Sub Trust reimbursed DWI for the contributions made during three months ended September 30, 2025. All SPCF expenditure incurred during the three months ended December 31, 2025 were funded through long-term debt under the Syndicated Facility. As of December 31, 2025, there were no joint interest billings owing to DWI or receivable from DWI as the expenditure is expected to be funded by Syndicated Facility through the end of construction (Refer [Note 6](#)).

Note 14 – Subsequent Events

Appointment of Todd Abbott as Chief Executive Officer

On January 10, 2026, the Board appointed Mr. Todd Abbott as CEO, effective January 15, 2026. Mr. Abbott will succeed Mr. Richard Stoneburner, who has been serving as interim CEO since July 28, 2025, following the resignation of the then CEO, Mr. Riddle. Mr. Stoneburner will continue to serve as Chairman of the Board. Upon concluding his tenure as interim CEO, Mr. Stoneburner will resume his status as an independent Board member.

Mr. Abbott has over 25 years' upstream oil and gas experience spanning unconventional shale operations, business planning, corporate finance and strategy. He was formerly the Chief Operating Officer ("COO") at Appalachian Basin (Marcellus and Utica shale) producer Seneca Resources Company, LLC.

Subscription Agreements

In October 2025, the Company announced entering into a subscription agreement (the "PIPE") with certain investors, including: Mr. Bryan Sheffield, Mr. Scott Sheffield and other directors and certain of our employees and officers (the "PIPE Investors"). The PIPE entered into between the Company and the PIPE investors closed on January 16, 2026 upon issuance of 1,524,337 shares of common stock for \$21.00 per share by the Company. Total gross proceeds from this issuance under the PIPE was \$32.0 million and received in cash in January 2026.

Retention License Application Extension

In a letter signed by DWE on February 10, 2026, both Tamboran and DWE have agreed to extend the February 14, 2026, deadline to February 27, 2026 for the retention licenses to be applied for in the FSDAs. (Refer [Note 2](#))

Long-term debt under Syndicated Facility

Through February 11, 2026, total drawdowns of \$3.3 million, \$0.7 million and \$4.0 million were made from the Syndicated Facility for Tranches 1A, 1B and 2, respectively.

The Group has evaluated its subsequent events occurring after December 31, 2025, through February 11, 2026, which represents the date these condensed consolidated financial statements were available to be issued. No further subsequent events have been identified that would require disclosure in these condensed consolidated financial statements.