

Tamboran Resources Limited (ASX: TBN)

### Third quarter activities report for period ended 31 March 2022

- The Tanumbirini 2H (T2H) well averaged 1.7 million standard cubic feet per day (mmscfd) (2.6 mmscfd normalised for a 1,000-metre section) over an initial 83-days of flow testing. Rates have declined in-line with expectation.
- The Tanumbirini 3H (T3H) well averaged 1.5 mmscfd (2.5 mmscfd normalised for a 1,000-metre section) over 32-days prior to being shut-in for pressure build-up in mid-February 2022. Both the T2H and T3H wells are planned to have production tubing installed during the current quarter.
- Announced a 428 per cent increase to Tamboran’s unrisks net 2C contingent resources to 153 billion cubic feet (BCF), certified by Netherland, Sewell & Associates, Inc. (NSAI). This represents only 1.2 per cent of the ~12.3 TCF best estimate of net prospective gas resource in EP 161, which highlights the significant upside potential for further resource conversion within the permit.
- NSAI resource maturation study highlighting potential for Tamboran to book approximately 1 TCF 2C contingent gas resources within EP 136 by the end of calendar year 2023, subject to positive results from the planned Maverick 1H (M1H), 2H and 3H wells.
- Awarded a grant of up to \$7.5 million through the Commonwealth Government’s Beetaloo Cooperative Drilling Program. The grant is expected to support funding of up to 25 per cent of the M1H well in EP 136, planned to spud in mid-calendar year 2022.
- Members of Tamboran’s Board and management team acquired 3.6 million shares, increasing ownership to 25 per cent. The purchases highlight the team’s confidence in the commercialisation of Tamboran’s Beetaloo acreage following the T2H and T3H flow tests.
- Strong balance sheet with \$55.4 million cash balance at 31 March 2022.

**Tamboran Resources Limited (ASX: TBN) Managing Director and CEO, Joel Riddle said:**

“The third quarter of financial year 2022 was another busy period for the Company as we continue to focus our efforts on commercialising the low-carbon dioxide gas resource in the ‘Core’ Beetaloo Sub-basin of the Northern Territory.

“During the period, the T2H and T3H wells delivered potentially commercial flow rates from unoptimised fracture stimulated lateral sections within the Mid-Velkerri B Shale. Each well produced approximately 3.0 mmscfd, normalised at a 1,000-metre stimulated lateral section, following a recalibration of previously reported flow data in early March 2022.

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“As a result of the T2H and T3H well flow tests, NSAI certified a 428 per cent increase in our net 2C contingent resources to 153 BCF and 336 per cent increase in our net 1C contingent resources to 48 BCF within EP 161. Importantly, these contingent resources cover only 1.2 per cent of the Tamboran’s current 12.3 TCF of net unrisked prospective gas resources in the permit, with further upside as prospective gas resources are converted to contingent resources with additional drilling within the permit.

“During the quarter, our team worked closely with NSAI to develop a resource maturation study that could potentially result in us booking approximately 1 TCF of 2C contingent gas resources within our 100 per cent owned and operated EP 136 acreage. The maturation study includes a three well configuration that could be delivered by successful results from the M1H, M2H and M3H wells by the end of calendar year 2023.”

## **EP 161**

*Santos 75 per cent working interest and operator, Tamboran 25 per cent working interest*

During the third quarter, flow testing of the T2H and T3H wells from horizontal sections with the Mid-Velkerri ‘B’ shale continued within the Santos-operated EP 161 acreage of the ‘Core’ Beetaloo Sub-basin.

Tamboran reported initial flow results from both wells on 1 February 2022, which were revised upward on 21 March 2022 following the recalibration of the historical flow data.

The revised flow rate data resulted in a 17 per cent increase to the previously reported 14-day average gas flow rate for the T2H well to 2.0 mmscfd from a 660-metre stimulated horizontal section (normalised at 3.0 mmscfd over 1,000-metres). In addition, there was a similar increase to the previously reported ten-day average gas flow rate for the T3H well to 1.7 mmscfd from a 600-metre simulated horizontal section (normalised at 2.9 mmscfd over 1,000-metres).

In mid-February 2022, the T3H well was shut-in after averaging 1.5 mmscfd (2.5 mmscfd normalised for a 1,000-metre section) over 32-days to record surface pressure build-up data. At the end of the quarter, the well remained shut in. The operator is planning to run a production tubing string in June 2022 to optimise well performance once the well recommences flow testing in mid-calendar year 2022.

Gas flows from the T2H well continued to decline in-line with expectation. As of 6 April 2022, the well had averaged a stabilised rate of 1.7 mmscfd (normalised at 2.6 mmscfd over 1,000-metres) during the 83-days of testing.

Supported by results of flow test rates from the T2H and T3H wells, NSAI certified a 336 per cent and 428 per cent increase to Tamboran’s EP 161 unrisked 1C and 2C contingent gas resources to 48 BCF and 153 BCF (net to Tamboran) respectively. These contingent gas resources cover only 1.2 per cent of the significant ~12.3 TCF of best estimate net unrisked prospective gas resources within EP 161.

In January 2022, Santos and the pastoral leaseholder of Tanumbirini Station reached an agreement to resolve a dispute regarding the Land Access and Compensation Agreement (LACA) for EP 161. Santos will continue flow testing, monitoring and maintenance at the T2H and T3H wells and conduct other low



impact activities. No additional Petroleum Activities may be undertaken on EP 161 at Tanumbirini Station until after 31 December 2022.

During the March 2022 quarter, approximately \$3.7 million was spent by Tamboran on its share of the current EP 161 joint venture drilling campaign.

**Table 1: Flow test data from T2H and T3H wells in EP 161**

	Tanumbirini 2H	Tanumbirini 3H
Total Measured Depth	4,598-metres	4,857-metres
Stimulated stages	11	10
Stage interval	60-metres	
Total stimulated section	660-metres	600-metres
Peak rate	4.0 mmscfd	10.0 mmscfd
Stabilised rate (updated from 1 February 2022 release)	2.0 mmscfd	1.7 mmscfd
# days stabilised rate (updated from 1 February 2022 release)	14-days	10-days
Normalised flow rate per 1,000-metres (updated from 1 February 2022 release)	3.0 mmscfd	2.9 mmscfd
Avg stabilised rate (as of 6 April 2022)	1.7 mmscfd	Shut in for pressure build-up / tubing
# days stabilised rate (as of 6 April 2022)	83-days	Shut in for pressure build-up / tubing
Normalised flow rate per 1,000-metres (as of 6 April 2022)	2.6 mmscfd	Shut in for pressure build-up / tubing

### **EP 136, EP 143 and EP(A) 197**

#### *Tamboran 100 per cent working interest and operator*

During the March 2022 quarter, Tamboran continued to plan for key activities that aim to support commercialisation of the 100 per cent owned and operated EP 136 permit. Tamboran and NSAI completed a reserve maturation study that could potentially result in the booking of approximately 1 TCF of 2C contingent gas resources within the EP 136 acreage by the end of calendar year 2023, subject to achieving successful results from the planned M1H, M2H and M3H wells.



Preparation of the calendar year 2022 2D seismic acquisition project covering ~90 kilometres continued to progress and is expected to commence during the current quarter. In addition, Tamboran continued to prepare for the spudding of the M1H well in mid-calendar year 2022, with activities subject to achieving land access.

Proceedings within the Northern Territory Civil and Administrative Tribunal (NTCAT) concerning land access at Tanumbirini and Beetaloo Stations took place during throughout the quarter. The NTCAT made an interim decision in Tamboran's favour in respect of Tanumbirini and Beetaloo stations, which is the subject of an appeal application by the pastoral leaseholders in the NT Supreme Court.

Subject to the proceedings and a final decision by the NTCAT, Tamboran intends to carry out its planned activities as soon as possible following the grant of the access agreement in respect of EP 136 at Tanumbirini Station. A final decision regarding land access is expected to be delivered in late April / early May 2022 for Tanumbirini Station. Tribunal proceedings in relation to Beetaloo Station have been set down for hearing in late April 2022.

During the quarter, Tamboran spent \$7.0 million ordering long-lead items in preparation for Tamboran's calendar year 2022 Beetaloo drilling and seismic program.

### **Commercial and Corporate**

On 7 March 2022, Tamboran announced that the Company has been awarded a grant under the Commonwealth Government's Beetaloo Cooperative Drilling Program. The grant funding will support up to 25 per cent of the cost of drilling, fracture stimulation and flow testing of the M1H well, to a maximum of \$7.5 million.

Members of Tamboran's Board and management team acquired 3.6 million shares, increasing their ownership of Tamboran to 25 per cent. The purchases highlight the Board's confidence in the commercialisation of Tamboran's Beetaloo acreage following Tanumbirini 2H and 3H flow testing.

### **Related Party Payments**

Payments of \$371,000 were made to related parties and their associates during the quarter, as disclosed in item 6.1 of the accompanying Appendix 5B, related to directors' fees and Managing Director remuneration.



## Capital Structure

At the end of the quarter, Tamboran had total cash on hand of \$55.4 million and no debt. The current capital structure is as follows:

**747,359,518** Fully paid Ordinary shares

**18,151,251** Options fully vested (unlisted)

**38,750,000** Options unvested and subject to milestones (unlisted)

There are no changes to the capital structure since the release of the last quarterly result on 25 January 2022.

## Use of Funds

The comparison of the Company's actual expenditure since admission to the Official List of the ASX on 2 July 2021 to 31 March 2022 compared with estimated expenditure in the Use of Funds statement of the prospectus is set out below in accordance with ASX Listing Rule 5.3.4.

Activity	Prospectus "Use of Funds" (A\$'000)	Total funds used to date (A\$'000)
EP 161 Tanumbirini 2H & 3H wells	13,600	17,168
EP 136 2D seismic	3,500	727
EP 136 Maverick 1H well	39,000	11,752
<b>Total exploration and evaluation expenditure</b>	<b>56,100</b>	<b>29,647</b>
Royalty reduction payment and leaseholder improvements	1,500	1,478
General administration and working capital	8,226	8,358
Costs of the offer	4,600	4,809
<b>Total funds used</b>	<b>70,426</b>	<b>44,292</b>

There was no production or development expenditure during the quarter.

## Planned Activities for June 2022 Quarter

During the June quarter, the Company's activities will be focused primarily on the Beetaloo Sub-basin assets, with activities and news expected to include the following:

- Continue to report flow rates of the T2H and T3H wells in EP 161.
- Preparations for drilling of the M1H appraisal well in EP 136.
- Further details on the EP 136 seismic acquisition program.



## Tenements

At the end of the quarter, Tamboran and its subsidiaries held the following petroleum tenements:

Exploration Permit	Location	Working Interest
EP 161	Beetaloo Sub-basin, Northern Territory	25%
EP 136	Beetaloo Sub-basin, Northern Territory	100%
EP 143	Beetaloo Sub-basin, Northern Territory	100%
EP(A) 197	Beetaloo Sub-basin, Northern Territory	100%

## ASX Announcements

This Quarterly Activities Report contains information reported in the following announcements released during the reporting period:

- 1 February 2022 Operational Update - EP 161 Tanumbirini 2H and 3H Flow Rates
- 1 February 2022 Upgrade to EP161 Contingent Resources
- 7 March 2022 Tamboran awarded grant of up to \$7.5 Million under the BCDP
- 21 March 2022 Upgrade to T2H and T3H Flow Test Results

This ASX announcement was approved and authorised for release by the Disclosure Committee of Tamboran Resources Limited.

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## About Tamboran Resources Limited

Tamboran Resources Limited is a natural gas company that intends to play a constructive role in the global energy transition towards a lower carbon future, by developing low CO<sub>2</sub> unconventional natural gas resources in the Beetaloo Sub-basin within the Greater McArthur Basin in the Northern Territory of Australia. Tamboran's key assets are a 25 per cent working interest in EP 161 and a 100 per cent working interest in EP 136, EP 143 and EP(A) 197 which are located in the Beetaloo Sub-basin.

Figure 1: EP 161 Tanumbirini 2H/3H and EP 136 Maverick 1H location map

