

Tamboran Resources Limited (ASX: TBN, OTC markets: TBNNY)

Tanumbirini 2H and 3H 30-day normalised flow rates exceed estimated Beetaloo commerciality threshold⁽¹⁾

Highlights

- The Tanumbirini 2H (T2H) and 3H (T3H) wells in EP 161 (Santos 75% operator, Tamboran 25%) have both achieved average 30-day (IP30) flow rates that exceed Tamboran's assessed commerciality threshold for a 1,000-metre horizontal well within our Beetaloo Basin permits(1).
- The T3H well delivered an average IP30 flow rate of 3.1 (mmscfd) over a 600-metre completed horizontal section (normalised at 5.2 mmscfd over 1,000-metres) since re-commencement of flow testing in August 2022 following the installation of production tubing.
- The T2H well delivered an average IP30 flow rate of 2.1 mmscfd over a 660-metre completed horizontal section (normalised at 3.3 mmscfd over 1,000-metres). The T2H well had already produced 0.27 billion cubic feet (BCF) prior to the installation of production tubing, and therefore the current rates do not reflect the true potential IP30 of the well.
- Both wells have stabilised and are currently declining in line with pre-drill expectations, which resemble decline profiles from dry gas shale wells in the US. Tamboran plans to release IP90 flow rates during the fourth quarter of calendar year 2022.
- These are outstanding results and provide increased confidence regarding the commerciality of a potential Beetaloo development.

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

"The successful 30-days flow tests of the T2H and T3H wells are a material event in the de-risking of the Beetaloo Basin. These tests have demonstrated that the rocks are capable of delivering commercial quantities of gas, increasing our confidence that we can develop the basin economically.

"Both the T2H and T3H well have achieved a significant milestone by flowing at an average IP30 of 3.3 and 5.2 mmscfd, when normalised for a 1,000-metre horizontal section. Both wells exceed what Tamboran believes to be the commerciality threshold for our assets within the 'Core' Beetaloo Basin(1).

"The flow test performance also increases our confidence of delivering commercial flow rates from the 100% Tamboran operated Maverick 1H well, which remains on track to commence drilling shortly, with the rig currently on site and rigging up. We look forward to sharing more details on M1H over the remainder of calendar year 2022."

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Background

Tanumbirini 2H

The T2H well was spudded in May 2021 and reached a target depth (TD) of 4,598-metres with an approximately 1,000-metre horizontal section within the Mid-Velkerri “B Shale” in August 2021. The well was fracture stimulated across a completed 660-metre horizontal section, which included 11 stages at specifically selected 60-metre intervals.

Initial flow rates from the T2H well were reported in February 2022, which were revised upward by 17% on 21 March 2022 following the recalibration of the historical flow data by the operator, Santos. The revised T2H well 14-day average gas flow rate was 2.0 mmscfd from a 660-metre stimulated horizontal section (normalised at 3.0 mmscfd over 1,000-metres) through a 56/64-inch choke size(2).

The well was shut-in during June 2022 and production tubing was installed to optimise the flow potential from the reservoir. The well re-commenced flow testing in early August 2022 and delivered an IP8 of 2.8 mmscfd (reported on 15 August 2022) and a IP30 average flow rate of 2.1 mmscfd, both over a 660-metre completed horizontal section (normalised at 4.3 and 3.3 mmscfd over 1,000-metres respectively).

Note that as, apart from the short shut-in to install production tubing, the T2H well has been in production since January 2022, the pressure and therefore flow rate of the well does not reflect a typical IP30 rate for a new well. The well decline rate is in line with pre-drill expectations.

Tanumbirini 3H

The T3H well was spudded in August 2021 and reached a TD of 4,857-metres, with an approximately 1,000-metre of horizontal section in the Mid-Velkerri “B Shale” in November 2021. The well was fracture stimulated across a completed 600-metre horizontal section, which included 10 stages at specifically selected 60-metre intervals.

Initial flow rates from the T3H well were reported in February 2022, which were revised upward by 17% on 21 March 2022 following the recalibration of the historical flow data by the operator, Santos. The revised ten-day average gas flow rate for the T3H well was 1.7 mmscfd from a 600-metre simulated horizontal section (normalised at 2.9 mmscfd over 1,000-metres) through a 52/64-inch choke(2).

The well was shut-in during February 2022 to record surface pressure build-up data and plan for the installation of production tubing string to optimise well performance. The well re-commenced flow testing in early August 2022 and delivered an IP8 of 4.4 mmscfd (reported on 15 August 2022) and a IP30 average flow rate of 3.1 mmscfd, both over a 600-metre completed horizontal section (normalised at 7.4 and 5.2 mmscfd over 1,000-metres, respectively).

The well decline rate is in line with pre-drill expectations.

References:

¹Based on Tamboran's forecast life-cycle costs of \$6.00 – \$7.00 per GJ delivered to Australia's East Coast. This comprises \$2.00 – 3.00 per GJ upstream costs (capital expenditure of \$25 million horizontal well delivering Economic Ultimate Recovery (EUR) of 15 BCF per well plus \$1.00 per GJ operating costs) and transportation costs of ~\$4.00 per GJ). Gas contracts in April and May 2022 have been offered at >\$10.00 per GJ (Source: ACCC Gas Inquiry 2017 – 2025: July 2022 Interim Report (p.12)).

²Refer to Tamboran Resources Announcement (1 February 2022): "EP 161 operational update – Tanumbirini 2H and 3H 30-day flow test.

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 CO₂ unconventional natural gas resources in the Beetaloo Basin within the Greater McArthur Basin in the Northern Territory of Australia. Tamboran's key assets are a 25% working interest in EP 161 and a 100% working interest in EP 136, EP 143 and EP(A) 197 which are located in the Beetaloo Basin.

Disclaimer

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

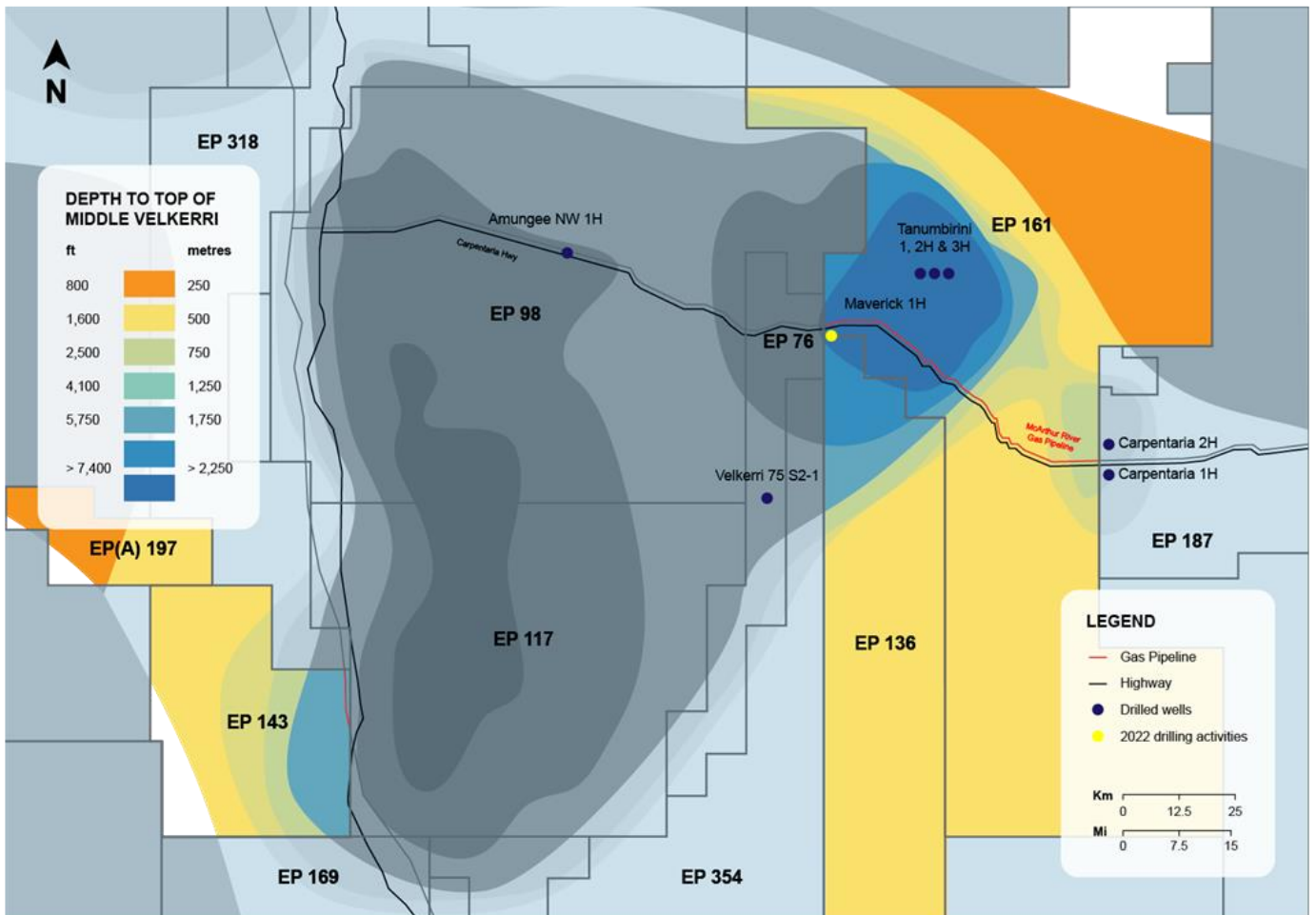


Table 1: Disclosures under ASX Listing Rule 5.30 (T2H)

- a) Tanumbirini 2 horizontal well.
- b) EP 161 of Beetaloo Sub-basin, Northern Territory.
- c) Tamboran hold 25% interest in EP 161 and T2H. Santos holds the remaining 75% operating interest.
- d) Not applicable—this is not a conventional reservoir.
- e) Organic-rich shale.
- f) Average depth of horizontal 3,445 mTVD.
- g) 30-day initial gas flow test. Gas flared.
- h) Gas.
- i) Fracture stimulation fluid is being recovered during testing. The well is currently producing less than 15 bwpd.
- j) 24/64-inch choke size, delivering at an average rate of 2.1 mmscfd over a 30-day period with an average flowing tubing head pressure of 626 psi.
- k) 11 stage fracture stimulation at 60-metre interval spacing within the Mid-Velkerri “B Shale”.
- l) CO₂ levels 3 – 4 per cent.
- m) Testing will continue over the coming months, subject to further test results.

Table 2: Disclosure under ASX Listing Rule 5.30 (T3H)

- a) Tanumbirini 3 horizontal well.
- b) EP 161 of Beetaloo Sub-basin, Northern Territory.
- c) Tamboran hold 25% interest in EP 161 and T3H. Santos holds the remaining 75% operating interest.
- d) Not applicable—this is not a conventional reservoir.
- e) Organic-rich shale.
- f) Average depth of horizontal 3,442 mTVD.
- g) 30-day initial gas flow test. Gas flared.
- h) Gas.
- i) Fracture stimulation fluid is being recovered during testing. The well is currently producing less than 20 bwpd.
- n) 24/64-inch choke size, delivering at an average rate of 3.1 mmscfd over a 30-day period with an average flowing tubing head pressure of 794 psi.
- j) 10 stage fracture stimulation at 60-metre interval spacing within the Mid-Velkerri “B Shale”.
- k) CO₂ levels 3 – 4 per cent.
- l) Testing will continue over the coming months, subject to further test results.