

ASX ANNOUNCEMENT

30 March 2023

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

Market update – Safeguard Mechanism

Highlights

- The Safeguard Mechanism reforms passed by the Federal Parliament are generally in line with recommendations made under the independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory (the Pepper Inquiry).
- Specifically, Recommendation 9.8 of the Pepper Inquiry states that developing the Beetaloo should have “no net increase in the life cycle GHG emissions emitted in Australia”.
- Tamboran believes the Beetaloo Basin’s low reservoir CO₂ is an attractive source of supply for industry seeking to reduce greenhouse gas (GHG) emissions. This includes displacement of higher emitting sources of energy (i.e. coal-fired power and higher reservoir CO₂ fields) and important feedstock for the manufacturing industry.
- In a decarbonising economy, low reservoir CO₂ natural gas produced by a company with Net Zero Scope 1 and 2 targets should be prioritised for development.
- Tamboran is already targeting Net Zero Scope 1 and 2 equity emissions from the commencement of commercial production, which will incorporate electrification of facilities and equipment, including Helmerich and Payne’s (H&P) super-spec FlexRig®, which is enroute to Darwin.
- Operations in Tamboran’s Beetaloo Basin assets are continuing as planned, with the Amungee 2H (A2H) well in exploration permit EP 98 currently flowing back stimulation fluid.
- The 30-day initial production rates from the A2H well are expected to be announced during the second quarter of 2023.

Tamboran Resources Limited Managing Director and CEO, Joel Riddle, said:

“The benefit of Beetaloo Basin gas is that low reservoir CO₂ will provide an attractive source of energy in Australia’s Northern Territory and East Coast markets as coal-fired power stations are decommissioned and gas-fired power is used to complement the uptake of renewable energy.

“Beetaloo gas also has the potential as a low CO₂ source of gas supply for the manufacturing industry, which consumes approximately 45 per cent of gas sold to the domestic market and employs approximately 225,000 people in Australia. Gas is a key input in the manufacturing of fertilisers, glass, cement and bricks.

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“As the existing East Coast gas supply falls from the Gippsland Basin and Cooper Basin, Beetaloo gas is expected to be a key supply source in meeting the anticipated shortfall forecast by the Australian Competition and Consumer Commission (ACCC) and Australian Energy Market Operator (AEMO).”

Recommendation 9.8 of the Pepper Inquiry

The Pepper Inquiry recommendation specifies that one way to fulfill Recommendation 9.8 is for the Federal Government to “*strengthen existing policies and/or the introduction of new policies and initiatives to meet Australia’s international obligations.*”

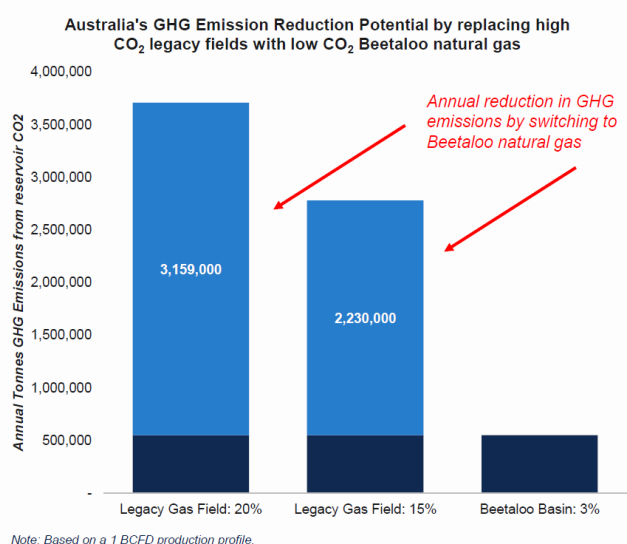
The recommendation goes on to say, “*there are a variety of strategies that may either be expanded or new strategies be implemented to achieve this recommendation, including: early retirement of coal-burning powerplants; fitting of carbon capture and storage to gas or coal-fired power stations; higher emission standards for fossil fuel-burning vehicles; increased uptake of electric vehicles; international offsets; carbon credit offsets in agriculture and savannah burning; formal offset policies and markets; increased deployment of renewable energy; and reductions in deforestation.*”

Benefits of low reservoir CO₂ in reducing Australia’s GHG emissions

Beetaloo: GHG reduction opportunity

Low GHG intensity natural gas should be prioritised to meet Australian and global decarbonisation goals

- **Tamboran has set a target of Net Zero equity Scope 1 and 2 GHG emissions from first commercial production**
 - Tamboran’s Net Zero target is both industry leading and an Australian leading target.
- **Natural Advantage: Low CO₂ natural gas**
 - Tamboran’s natural gas has low reservoir CO₂ at ~3% and is inherently lower GHG intensity compared to other legacy fields with reservoir CO₂ higher than 15%.
 - As older natural gas fields (with high reservoir CO₂) decline, Tamboran can fill this supply gap with low reservoir CO₂ natural gas.
 - Simply by using Tamboran’s natural gas with lower reservoir CO₂, Australia could reduce its annual GHG emissions by ~3 million tonnes of CO₂.
- **Conclusions**
 - To meet global decarbonisation goals, low reservoir CO₂ natural gas should be prioritised for development and companies with early Net Zero targets should be prioritised.



This ASX announcement was approved and authorised for release by Joel Riddle, the Managing Director and Chief Executive Officer of Tamboran Resources Limited.

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About Tamboran Resources Limited

Tamboran Resources Limited is the largest acreage holder and operator with ~1.9 million net prospective net acres in the Beetaloo Sub-basin within the Greater McArthur Basin in the Northern Territory of Australia. The Company is focused on playing a constructive role in the global energy transition towards a lower carbon future, by developing the significant low CO₂ gas resource within the basin. Tamboran's key assets include a 25% non-operated working interest in EP 161, a 100% working interest and operatorship in EP 136, EP 143 and EP(A) 197 and a 38.75% working interest and operatorship in EPs 98, 117 and 76 which are all located in the Beetaloo Basin. Tamboran will focus on the development of the proposed EP 98 Pilot Development, targeting first production by the end of calendar year 2025.

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Figure 1: Tamboran's Beetaloo Basin asset location map

