

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

Fourth quarter activities report for period ended 30 June 2023

Highlights

- The Northern Territory Government granted Tamboran exclusivity over 170-hectares (420-acres) on the Middle Arm Sustainable Development Precinct (Middle Arm) for a proposed LNG development, Northern Territory LNG (NTLNG).
- Tamboran selected APA Group (ASX: APA) as the preferred transmission pipeline partner. The parties will work towards jointly developing pipelines to connect Tamboran's Beetaloo Basin assets to Australia's domestic East Coast gas market and Tamboran's proposed NTLNG development.
- Tamboran announced two non-binding MOUs with bp and Shell to each purchase up to 2.2 million tonnes of LNG per annum (MTPA) over a 20-year period from the proposed NTLNG development.
- Tamboran entered a framework agreement with Clean Energy Fuels Australia (CEFA) group of companies to obtain exclusivity over gas compression, liquefaction and mini-LNG facilities for potential early production from the Beetaloo Basin.
- During the quarter, the Amungee 2H (A2H) well in EP 98 achieved gas breakthrough. Modelling and independent third-party analysis of fluids recovered from the well have identified potential skin with options to clean up the well being evaluated, subject to JV approval.
- Tamboran completed analysis of flow tests from the Tanumbirini 2H (T2H) and 3H (T3H) wells in EP 161 (Tamboran 25 per cent). The independently modelled decline curves demonstrated a 20-year Estimated Ultimate Recovery (EUR) of approximately 16.8 billion cubic feet (BCF) and 18.5 BCF, respectively, in-line with the most productive regions of the Marcellus Basin, USA.
- In June, Tamboran announced a \$71.4 million capital raise to fund further drilling activity at Shenandoah South and Amungee. The raise included a placement of \$53.2 million (before costs) at \$0.18 per share, a \$13.3 million Convertible Note with Helmerich & Payne (H&P) and a Share Purchase Plan to raise up to \$5 million.
- At 30 June 2023, the Company had a cash balance of \$10.6 million.

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

"It has been a busy and exciting quarter for Tamboran, epitomised by the number of key commercial announcements made that underpin our proposed development of the Beetaloo Basin.

Tamboran Resources Limited

ABN 28 135 299 062
110-112 The Corso
Manly NSW 2095, Australia
+61 2 8330 6626



“The agreements with CEFA and APA provide the joint venture with an infrastructure pathway to commercialise our Beetaloo Basin gas. This includes exclusivity over CEFA’s compression and mini-LNG facilities, which could allow for first sales into the Northern Territory gas market in 2024, and an agreement that APA will undertake initial studies and approvals work pertaining to proposed pipelines which would connect the Beetaloo Basin to the East Coast gas network and Tamboran’s proposed NTLNG development at Middle Arm.

“Gaining exclusivity over a 170-hectare block at Middle Arm is a major achievement for the Company, with potential to link the long-term future of the Beetaloo Basin to Australia’s East Coast gas market and international LNG markets. I believe this is an important pathway to supporting our Asia Pacific neighbours in decarbonisation efforts as gas, which emits 50 per cent less CO₂ emissions than coal, replaces coal-fired power. This is supported by the signing of two MOUs for up to 4.4 MTPA of LNG with two of the world’s largest LNG portfolio trading and energy companies.

“At the end of the quarter, we announced a \$71.4 million capital raise to fund additional drilling activity in the Beetaloo, including a return to drilling in the deeper ‘core’ region of the EP 117 acreage, south of Amungee. This location is expected to deliver similar geology to the Tanumbirini wells in EP 161, which both achieved commercial flow rates over a normalised 1,000 metre horizontal section during testing in 2023.

“Thank you to our shareholders for support in the recent equity raise. We continue to focus on delivering value to our shareholders as we progress our activities to first production. We are excited to share the upcoming drilling and flow results with you as we strive to commence gas sales via mini-LNG in 2024, subject to positive flow results at the Shenandoah South 1H (SS1H) and Amungee 3H (A3H) wells.”

EP 76, 98 and 117

Tamboran 38.75 per cent working interest and operator, subject to completion of Falcon Farm-in

During the quarter, Tamboran announced interim results from the A2H well in exploration permit EP 98. The well was drilled in late-2022 and successfully stimulated with 25 stages across a 1,020-metre horizontal section within the Mid-Velkerri “B Shale” during the first quarter of 2023.

The A2H well achieved gas breakthrough during the quarter, however modelling and independent third-party analysis of fluids recovered from the well identified potential skin inhibiting gas and water flow. Tamboran is encouraged that the initial results from the laboratory provide a potential pathway to cleaning up the well and delivering improved flow rates.

The well was flowing at 0.83 million cubic feet per day (mmscfd) and averaged 0.97 mmscf over the first 50 days at the time of the announcement in late June 2023. This was despite gas flow rates being potentially constrained and with only 10 per cent of water used in the stimulation program recovered to date.



Following a comprehensive analysis of data obtained following the acquisition of the assets in October 2022, the joint venture finalised the location for the next series of wells in the 2023 Beetaloo drilling program. The SS1H well is expected to commence drilling during the third quarter of 2023 in EP 117, where the Mid Velkerri "B Shale" is expected to be approximately 700 metres (30 per cent) deeper than at A2H.

In early July 2023, the H&P rig was successfully mobilised to the SS1H location ahead of the planned spudding of the well in early August 2023, subject to final joint venture approvals. The flow test of the SS1H well will complete the farm-in commitment with Falcon Oil and Gas Australia Limited (Falcon).

On completion of SS1H, the joint venture plans to drill the A3H well to follow up results from the A2H location. Tamboran will incorporate lessons learned from the drilling and stimulation program at A2H across both SS1H and A3H wells.

Approximately \$21.3 million was spent by Tamboran during the quarter on the EP 76, 98 and 117 drilling operations.

EP 136, EP 143 and EP(A) 197

Tamboran 100 per cent working interest and operator

During the quarter, limited activity was undertaken within the EP 136 permit following the completion of the Maverick 1V well.

In June 2023, the Northern Territory Civil and Administrative Tribunal's (NTCAT) dismissed the appeal from the Beetaloo Station pastoralist relating to a land access agreement on EP 136. The decision validates the Approved Access Agreement determined by the NTCAT in May 2022, allowing Tamboran to conduct exploration activities in EP 136 under approved Environmental Management Plans.

During the quarter, Tamboran spent approximately \$0.8 million on annual permit costs.

EP 161

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

During the quarter, Santos, operator of the EP 161 permit, continued fluid management at the Tanumbirini site and continued planning of the upcoming 200 – 240-kilometre 2D seismic survey, subject to finalising the Land Access and Compensation Agreement (LACA) with the pastoral leaseholder.

Tamboran completed analysis of two Tanumbirini flow tests, including modelling of the production curves by independent third-party subsurface experts, Subsurface Dynamics, Inc. Results of the analysis demonstrated a 20-year EUR of approximately 16.8 – 18.5 BCF for a proposed ~3,000-metre development scale well. These results are in-line with the most productive regions of the Marcellus Basin, USA,



The productivity of the wells, which flow tested the Mid Velkerri “B Shale” at depths of more than 3,400 metres total vertical depth (TVD), validate Tamboran’s view that the ‘core’ areas of Beetaloo Basin remain the most productive and validate further testing.

During the quarter, there was minimal spend by Tamboran on its share of the EP 161 joint venture drilling campaign.

Commercial and Corporate

Exclusivity over land at Middle Arm Sustainable Development Precinct in Darwin

During the quarter, the Northern Territory Government provided exclusivity to Tamboran over 170-hectares on the Middle Arm Sustainable Development Precinct (Middle Arm) for a proposed LNG development, named Northern Territory LNG (NTLNG).

The Middle Arm acreage has been allocated on a “Do Not Deal” basis for twelve-months, allowing Tamboran to progress a Concept Phase for a proposed NTLNG development.

The acreage position under exclusivity is expected to host an LNG development with an initial capacity of 6.6 MTPA, subject to completion of the Concept Phase, successful Beetaloo appraisal drilling, flow testing and Government approvals.

In July 2023, Tamboran announced that the John Wood Group (Wood) had been awarded the Concept Select Engineering contract. The scope of the studies includes evaluation of the proposed three train concept, LNG liquefaction technology selection including the evaluation of e-drives powered by renewables and carbon capture and storage infrastructure, site configuration and initial cost estimates.

The Concept Select phase is expected to be completed during the first half of 2024, ahead of entering pre-Front-End Engineering and Design (pre-FEED) during 2024.

Non-binding MOUs with bp and Shell for future potential LNG

In June 2023, Tamboran announced two non-binding Memorandum of Understandings (MOU) with BP Singapore Pte. Limited (bp), a subsidiary of BP plc., and Shell Eastern Trading (Pte) Ltd. (Shell), a subsidiary of Shell plc. regarding the potential purchase of liquefied natural gas (LNG) from Tamboran’s proposed NTLNG project at Middle Arm.

The two MOUs include volumes for bp and Shell to each purchase up to 2.2 million tonnes of LNG per annum (MTPA) over a 20-year period. Tamboran plans to progress discussions with both bp and Shell prior to the completion of the FEED in 2024 and aim for formal execution of the LNG Sale and Purchase Agreements (SPA) in 2025.



Exclusivity over CEFA compression and mini-LNG facilities

During the quarter, Tamboran announced the Company had entered into a Framework Agreement with the CEFA group of companies including Clean Energy Fuels Australia Marketing Pty Ltd (CEFAM) to obtain exclusivity over gas compression and liquefaction facilities for potential early production from the Beetaloo Basin.

The parties will work together to finalise a contract for long-term use of the compression and gas conditioning facility for the proposed pilot development. Exclusivity for the compression facility will last until the end of 2023 when the parties expect to move into longer term arrangements. Tamboran has also secured exclusivity over a mini-LNG facility for four months.

The facilities have the potential to accelerate gas production and minimise flaring from appraisal wells via mini-LNG under the Northern Territory's "beneficial use of gas" regulation as early as 2024, subject to standard regulatory, stakeholder and joint venture consents and approvals.

The supply of LNG into the region aims to provide a cleaner and economic alternative to diesel for electricity generation and fuel in the transport and mining industries. This is in line with the Federal Government's Clean Energy Regulations "Emissions Reduction Guidelines".

APA selected as preferred Beetaloo Basin pipeline partner

In June 2023, Tamboran announced that APA Group had been selected as the preferred transmission pipeline partner for Tamboran's Beetaloo Basin development.

APA and Tamboran have signed a term sheet, which is planned to be converted into a longer-form agreement in the coming months, to jointly develop gas transmission pipelines to connect Tamboran's Beetaloo Basin assets to Australia's domestic East Coast gas market and Tamboran's proposed Northern Territory LNG development at Middle Arm.

The principles of the term sheet between APA and Tamboran are that:

- APA will fully fund all activities proposed under the strategic partnership, including spending of up to \$10 million on studies and approvals over the next twelve-months.
- APA will commence a project to install a gas pipeline connecting Tamboran's proposed pilot development at Shenandoah South (SS) to the Amadeus Gas Pipeline (AGP), targeting completion by 2025.
- When operational, the proposed SS to AGP pipeline would enable Tamboran's gas to stabilise the Northern Territory gas grid and commence sales under Tamboran's existing 36.5 PJ per annum (gross) Gas Sales Agreement (GSA) with Origin Energy.



- APA will further progress initial stages of a project to connect the Beetaloo Basin to its existing East Coast gas network to enable gas to flow by 2028.

The proposed projects and long-form agreements to be based on the term sheet are subject to further negotiations and approvals between APA and Tamboran.

Implementation of Pepper Inquiry recommendations

In May 2023, the Northern Territory Government announced the implementation of all 135 recommendations under the 2018 Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (the Pepper Inquiry).

The Pepper Inquiry was a 15-month inquiry led by Honourable Justice Rachel Pepper of the NSW Land and Environment Court in 2018. The inquiry was set up to mitigate the risks associated with any onshore shale gas development in the Northern Territory. On 2 May 2023, the Northern Territory Chief Minister Natasha Fyles announced that all 135 recommendations had been met by the NT Government and cleared the way for an onshore shale gas industry in the Beetaloo Basin.

Passing of the Safeguard Mechanism through Federal Parliament

In March 2023, The Federal Government passed the Safeguard Mechanism, the Australian Government's policy for reducing emissions at Australia's largest industrial facilities. The reforms announced are generally in line with recommendations made under the Pepper Inquiry.

The new Safeguard Mechanism regulations will require shale gas facilities to achieve Net Zero Scope 1 emissions once the facilities are covered by the Safeguard Mechanism. Tamboran's corporate target is to have Net Zero Scope 1 and 2 GHG emissions from first commercial production.

Methane Guiding Principles

Following the end of the quarter, Tamboran became a signatory and the newest member of the Methane Guiding Principles (MGP), an international organisation focused on reducing methane emissions. Established in 2017, the MGP partnership enables action in industry and government to reduce methane emissions from the natural gas supply chain. The MGP allows members to share hands-on interactive tools and guidance to help others learn from their experience and put those lessons into practice to reduce methane emissions.

Tamboran has established a target of Net Zero equity Scope 1 and 2 GHG emissions by first commercial production of natural gas. This GHG target includes methane emissions. Tamboran is proud to join the Methane Guiding Principles and looks forward to working on the shared goal of reducing methane emissions.



Related Party Payments

Payments of \$0.6 million were made to related parties and their associates during the quarter, as disclosed in item 6.1 of the accompanying Appendix 5B relating to directors' fees and Managing Director remuneration.

Capital Structure

At the end of the quarter, Tamboran had total cash on hand of \$10.6 million and no debt. The current capital structure is as follows:

1,416,010,751	Fully paid Ordinary shares
18,151,251	Options fully vested (unlisted)
41,250,000	Options unvested and subject to milestones (unlisted)

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of the ASX on 2 July 2021 to 30 June 2023 with estimated expenditure in the Use of Funds statement of the prospectus is set out below, in accordance with ASX Listing Rule 5.4.4.

Since the release of the prospectus, **Tamboran has spent a total of \$110.0 million** on the following:

- **\$80.7 million on exploration and evaluation expenditure** (*\$56.5 million outlined in the prospectus*), including drilling operations at Tanumbirini 2H/3H and Maverick 1V (civils and shared costs for future wells). The expenditure stated is exclusive of any spend to date on exploration permits EP 76, 98 and 117 assets, which were acquired post-IPO.
- **\$23.0 million on G&A and working capital** (*\$8.2 million outlined in the prospectus*), excluding post-IPO legal costs, advisors and fees related to capital market activities, and administrative costs subsequent to the acquisition of the Beetaloo Basin assets.
- **\$4.8 million relating to the IPO** (*\$4.6 million outlined in the prospectus*).
- **\$1.5 million for royalty reduction payment and leasehold improvements** (*\$1.5 million outlined in the prospectus*).

There was no production or development expenditure during the quarter.



Planned Activities for September 2023 Quarter

During the September 2023 quarter, the Company's activities will be focused primarily on the Beetaloo Basin assets operated by Tamboran, with activities and news expected to include the following:

- Clean up of the A2H well in EP 98.
- Commence drilling of the SS1H well in EP 117.
- Continue planning of the Amungee 3H well in EP 98.
- Complete divestment of US drilling rigs.

Permits

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

Exploration Permit	Location	Working Interest
EP 161	Beetaloo Basin, Northern Territory	25%
EP 136	Beetaloo Basin, Northern Territory	100%*
EP 143	Beetaloo Basin, Northern Territory	100%*
EP(A) 197	Beetaloo Basin, Northern Territory	100%*
EP 76	Beetaloo Basin, Northern Territory	38.75%*, ¹
EP 98	Beetaloo Basin, Northern Territory	38.75%*, ¹
EP 117	Beetaloo Basin, Northern Territory	38.75%*, ¹

*Denotes operator.

¹Subject to completion of Stage 3 of the Falcon Oil & Gas Farm-in Agreement.

ASX Announcements

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

20 April 2023	NT Supreme Court Dismisses EP 136 Land Access Appeal
05 May 2023	Implementation of the Pepper Inquiry and Rig Arrival
09 June 2023	Tamboran granted exclusivity at Middle Arm for Potential LNG
21 June 2023	Tamboran enters framework agreement with CEFA facilities
23 June 2023	EP 98 - Amungee 2H interim flow rates and forward program
23 June 2023	EP 161 - Flow test analysis of Tanumbirini wells
23 June 2023	Tamboran signs non-binding LNG MOU's with bp and Shell
23 June 2023	APA signs initial agreement with Tamboran Resources
27 June 2023	Tamboran Completes Capital Raise
27 June 2023	Tamboran Resources Capital Raise Presentation



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

For further information, please contact:

Investor enquiries:

Chris Morbey, Vice President – Investor Relations

+61 2 8330 6626

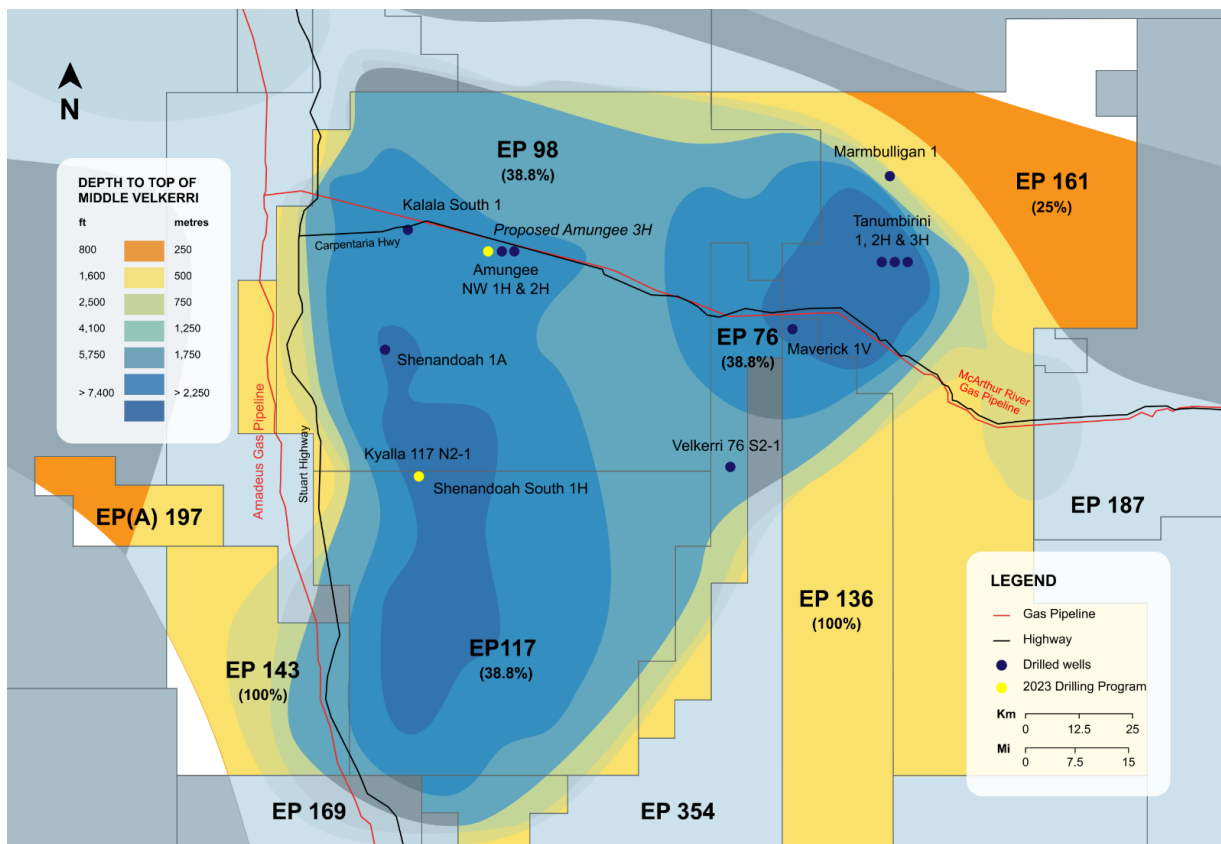
Investors@tamboran.com

Media enquiries:

+61 2 8330 6626

Media@tamboran.com

Figure 1: Tamboran’s Beetaloo Basin asset location map.





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 98/117 Pilot Development, targeting first production by the end of 2025, and the proposed Northern Territory LNG (NTLNG) development at Middle Arm in Darwin, targeting first production by the end of 2030.

Disclaimer

Tamboran makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this report reflect expectations held at the date of this document. Except as required by applicable law or the ASX Listing Rules, Tamboran disclaims any obligation or undertaking to publicly update any forward-looking statements, or discussion of future financial prospects, whether as a result of new information or of future events.

The information contained in this announcement does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, recipients of this announcement should consider their own needs and situation and, if necessary, seek independent professional advice. To the maximum extent permitted by law, Tamboran and its officers, employees, agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of Tamboran nor its officers, employees, agents or advisers accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this announcement.