



2022

Annual Report

For the year ending 30 June 2022

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CORPORATE DIRECTORY

Business Objectives Statement

Between the date of listing on ASX and the date of this report, Tamboran has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in its replacement prospectus dated 4 June 2021.

Directors

Richard (Dick) Stoneburner
Chairman

Joel Riddle
Managing Director and CEO

Fredrick Barrett
Non-Executive Director

Daniel Chandra
Non-Executive Director

Patrick Elliott
Non-Executive Director

Ann Diamant
Non-Executive Director
Appointed 3 March 2021

David Siegel
Non-Executive Director
Appointed 3 March 2021

Chief Financial Officer

Eric Dyer

Chief Operating Officer

Faron Thibodeaux

Company Secretary

Joanna Morbey

Registered Office

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Telephone: +61 (2) 8330-6626
Website: www.tamboran.com

Auditors

Ernst & Young
200 George Street
Sydney NSW 2000

Share Register

Boardroom Pty Limited
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Sydney, NSW 2000
www.boardroomlimited.com.au
Shareholder access:
www.investorserve.com.au

ABN

28 135 299 062

Quoted on the official list of the Australian Securities Exchange (ordinary shares code TBN) and an American Depository Receipt (ADR) on the over-the-counter (OTC) market (OTC markets: TBNNY).

CHAIRMAN'S LETTER



Mr. Dick Stoneburner
Chairman

Financial year 2022 has been an eventful first year for Tamboran as a listed company on the ASX, having commenced trading on 2 July 2021.

The period was defined by achieving important milestones that proved the deliverability of the Beetaloo Basin, with four wells being flow tested. This included extremely positive results from our Tanumbirini 2H (T2H) and 3H (T3H) wells in EP 161 and the recently acquired Amungee NW 1H well in EP 98.

The three wells achieved flow rates that exceed what we believe to be the commerciality threshold for our assets in the Beetaloo Basin. This provides increased confidence for the future development of the Basin.

We plan to drill three wells over the remainder of calendar year 2022, including our first operated well, Maverick 1V (M1V), within our 100 per cent owned EP 136 permit. This vertical will be followed by two horizontal Amungee wells within the recently acquired EP 98 permit from Origin, which will focus on early commercialisation of gas from the proposed Amungee Pilot Development. I am looking forward to being able to update you on the progress of the wells at the AGM later this year.

We are committed to working closely with all our stakeholders, including recognised Traditional Owners of the land within our permits of the Beetaloo Basin.

The development of the Beetaloo Basin's resource is expected to see the creation of job opportunities for Traditional Owners and significant royalties. We have a royalty agreement already in place with native title owners, as well as with the Northern Territory Government. This potential windfall for the Government is expected to have flow-on effects for all Territorians.

As global markets recovered from COVID-19 lockdowns that reduced oil and natural gas demand over the previous two years, global oil and gas supply was impacted by Russia's invasion of the Ukraine in early 2022. This had a profound impact on the oil and gas industry, with energy security becoming a key focus for not only European countries, where a third of gas supply was sourced from Russia to heat homes and maintain competitive industry, but more globally, with many countries enforcing sanctions against Russia.

Closer to home, for a range of reasons, including an absence of clear public policy, there has been a lack of investment in new local gas developments. This is despite forecasts from a number of independent experts over the last decade for a potential

gas shortfall in Australia's eastern states during the 2020s. This uncertainty has started to have a material negative impact on domestic supply and a corresponding increase in domestic gas prices due to limited availability across Australia's East Coast gas market.

Over the last few months, we have seen domestic gas prices reaching new records, which is having a material impact on the cost of living for Australian families. This is occurring directly, through higher gas and electricity prices passed on by energy retailers, and indirectly through inflation in household products, which are passed through by companies.

Achieving global emission reduction targets and developing new supplies of natural gas are not mutually exclusive and despite the negative sentiment towards fossil fuels, natural gas offsetting coal-fired power generation will deliver a fundamental step-change in the reduction of greenhouse gas emissions.

This is an accomplishment that has already been experienced in the US, where CO₂ emissions have fallen by 1,422 million tonnes, or 25 per cent, since 2005 despite a 40 per cent increase in gas consumption. This is primarily due to a 60 per cent reduction in coal consumption.

Over the same period, Asia's five largest CO₂ emitters, namely China, India, Japan, Indonesia and South Korea, have increased their emissions by approximately 5,000 million tonnes of CO₂, or over 50 per cent, with coal consumption increasing by the same quantum. This is 3.5x more than the reduction in US CO₂ emission since 2005 and 13.3x more than Australia's total CO₂ emissions in 2021.

It is the ability for natural gas to play a key role in affordable de-carbonisation that we are continuing to focus our efforts on commercialising the Beetaloo Basin's low-CO₂ shale gas reservoirs.

Development of even a small proportion of our more than 147 trillion cubic feet (TCF) of net prospective natural gas resources has the potential to help Australia meet its emission reduction targets, while maintaining affordable gas supply to households and businesses on Australia's East Coast gas.



Financial year 2023 is already shaping up to be a transformational year for the Company. In September 2022, we announced the acquisition of Origin Energy's operated Beetaloo Basin acreage. This transaction, which is expected to be completed by the end of October 2022, will make Tamboran the leading acreage holder and operator in the Beetaloo, with 1.9 million acres and approximately 147 TCF of net prospective gas resources.

With the announcement of the acquisition of Origin Energy's Beetaloo Basin assets, we are excited to become the lead operator in a potential emerging world class play. With a controlling position, we are well poised to execute our operations with a premier shale team and multiple key strategic partners.

I want to thank my fellow Board members and staff for their efforts over the 2022 financial year. It has been a crucial year for the unlocking of the basin and the team has done a fantastic job in preparing for the spudding of our first operated well.

Finally, thank you to our shareholders for the support over our first year as an ASX listed company. We look forward to updating you through the year on what will be an even busier year for Tamboran and the development of the Beetaloo Basin.

Sincerely,

Mr. Dick Stoneburner
Chairman

MANAGING DIRECTOR'S REPORT



Mr Joel Riddle
Managing Director and CEO

Tamboran has had an exciting first year as a listed company on the ASX as we progressed our activities towards the drilling of our first operated wells within the Beetaloo Basin.

Over the last twelve months, Tamboran has built a strong team with deep knowledge in unconventional shale drilling. Having this expertise has been invaluable as we prepared for the drilling of the M1V well in our 100 per cent owned and operated EP 136 permit, which spudded in mid-September 2022. This will also support our efforts in drilling two Amungee wells in the recently acquired Origin acreage, which are expected to commence in October 2022.

In August 2021, we announced the appointment of Faron Thibodeaux as Chief Operating Officer. Faron is an unconventional drilling expert, having previously served as Senior Vice President for Global Drilling, Completions and Production Engineering at Apache Corporation.

Faron brings with him a team of unconventional technical and operating professionals, with a background of having drilled more than 5,000 unconventional horizontal shale wells in North America.

We also appointed Dr David Close to the role of Vice President of Operations and External Affairs. David formerly served at both Origin Energy and Santos, with a focus on their Beetaloo Basin assets, and has been involved with many exploration programs within the basin over the last decade.

We believe the team has the expertise to unlock the vast low-CO₂ gas resources within the Beetaloo Basin over the coming years.

During the first half of financial year 2022, our partner and operator of EP 161, Santos, completed drilling the T2H and T3H wells within the deeper Beetaloo acreage, which contains an estimated 49 TCF of gross prospective gas resources (12.3 TCF net to Tamboran).

A fracture stimulation campaign was undertaken in both the T2H and T3H wells with 11 and 10 stages across 660-metres and 600-metres, respectively, within the Mid-Velkerri “B shale” formation.

The T2H well delivered initial flow rates of 3.0 mmscfd normalised for a 1,000-metre horizontal section, while the T3H well flowed at 2.9 mmscfd, on a normalised basis.

Production tubing was installed in the wells during the middle of the year to enhance their performance, resulting in a substantial increase to flow rates. In early September 2022, we announced average 30-day initial production (IP30) rates from the T2H and T3H wells, both exceeding what we believe to be the commercial threshold for development in our Beetaloo Basin assets. The T2H well delivered 3.3 mmscfd, normalised for a 1,000-metre horizontal section, while the T3H well achieved a normalised rate of 5.2 mmscfd. Importantly, both wells have stabilised and are declining in line with pre-drill expectation.

Key learnings from the two well campaign in EP 161 with Santos will be incorporated into the drilling and fracture stimulation design for the Amungee 2H (A2H) and 3H (A3H) wells in EP 98 during 2022 and future Maverick horizontal wells in EP 136.

In May 2022, Tamboran commenced operations within EP 136, including an 85-kilometre 2D seismic survey. The program was conducted safely and without incident, with approximately 50 contractors on the ground during the seismic program and well pad construction activities.

The Ensign 970 rig was mobilised to the basin in August 2022 and commenced drilling the M1V well on 17 September 2022. We are also targeting the commencement of drilling the A2H and A3H wells in the newly acquired acreage from Origin in October 2022. We look forward to sharing more details of the drilling activity and the Amungee fracture stimulation campaign over the coming months, with initial IP30 rates expected during the first quarter of calendar year 2023.

Importantly, we have secured a Memorandum of Understanding (MOU) with Jemena for access to the Northern Gas Pipeline (NGP) with a firm capacity of 100 terajoules per day.

With the acquisition of Origin’s Beetaloo Basin assets, Tamboran also secured a binding Gas Sales Agreement (GSA) for supply of up to 36.5 PJ per annum (18.3 PJ per annum net to Tamboran) or 10 years from 2025.

This GSA with Origin and access to the NGP infrastructure with Jemena provides us with a near-term pathway to cash flow and gives us confidence in accelerating the development of our Beetaloo assets.



I am excited for the future of the Beetaloo Basin and how this low CO₂ gas resource can support the energy transition. Beetaloo gas has the potential to help Australia achieve its emission reduction targets in a manner that will not materially impact the high standards of living we have been accustomed to.

This is a world class asset, and it is exciting to be sitting at the inflection point of its development that will benefit many people, including our key stakeholders, in the region.

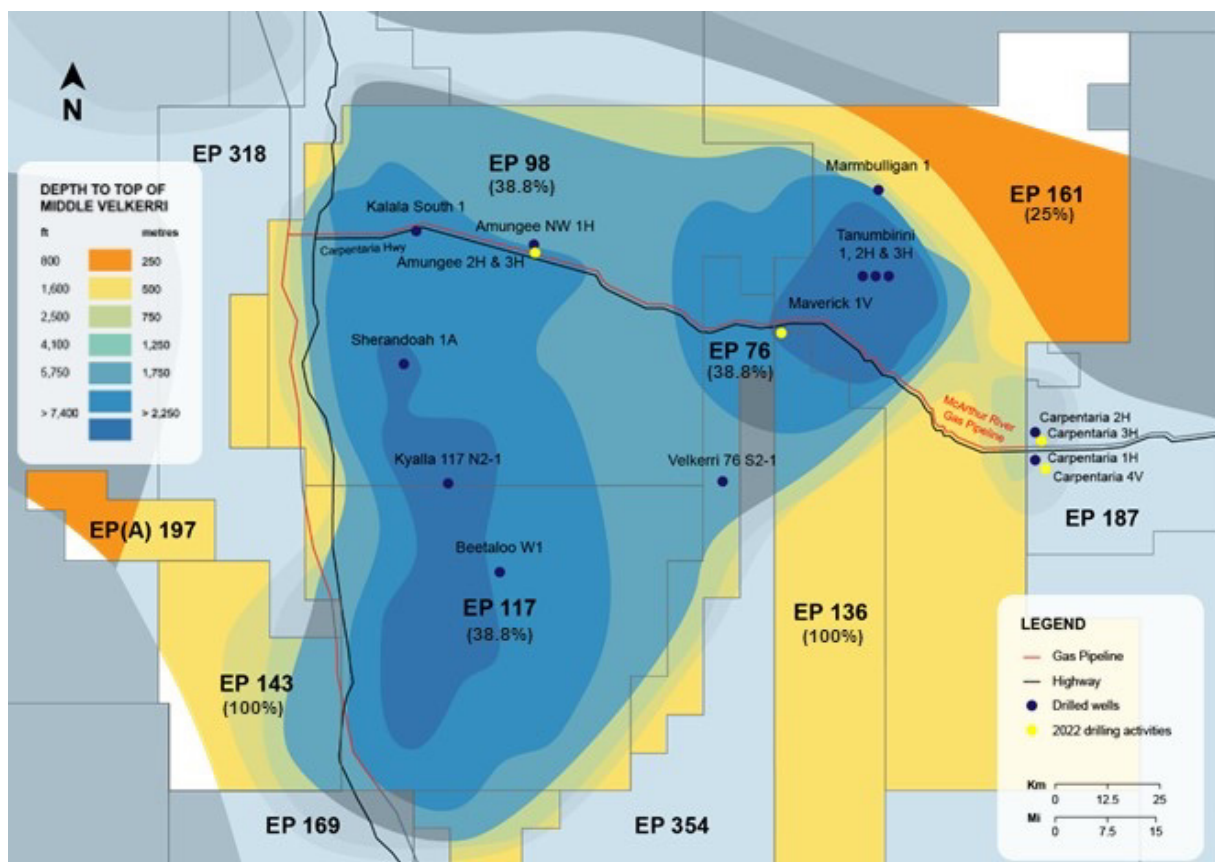
Sincerely,

Joel Riddle
Managing Director and CEO

REVIEW OF OPERATIONS

Tamboran is focused on developing low CO₂ shale gas resources within its Beetaloo Basin portfolio in the Northern Territory.

Following significant price and supply disruptions in the Australian energy sector during the reporting period, as well as an increased focus on emissions reduction initiatives, the Company believes there is an opportunity for Tamboran to book 2P reserves and commercialise the significant prospective resources in its portfolio, while meeting a market that has a requirement for natural gas resources.



EXPLORATION DRILLING

EP 161 (Santos 75% operator, Tamboran 25%)

During the reporting period, the operator of the EP 161 permit, Santos, successfully drilled the T2H well within the Beetaloo Basin in the Northern Territory. The T2H well spudded on 11 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" on 17 August 2021. Significant mud-gas shows were logged through the horizontal section of the well, consistent with data collected from Tanumbirini 1 and other wells across the Beetaloo.

Drilling of the Tanumbirini T3H well commenced on 23 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" on 8 November 2021.

In early December 2021, the T2H and T3H wells were fracture stimulated across 11 and 10 stages, respectively. The stimulated stages were completed at specifically selected 60-metre intervals across 660-metre and 600-metre lateral sections, respectively, within the Mid-Velkerri "B Shale". The decision was made by the EP 161 Joint Operations to conduct fracture stimulation over a smaller lateral section to optimise execution and allow for comparison with future development stimulation designs.

Tamboran reported initial flow results from both wells in early February 2022, which were revised upward by 17% on 21 March 2022 following the recalibration of the historical flow data.

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).

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).

In mid-February 2022, the T3H well was shut-in to record surface pressure build-up data and plan for the installation of production tubing string to optimise well performance. The T2H well was also shut-in during June 2022 to allow for the installation of production tubing program across both wells to take place.

Subsequent to the end of the reporting period, both wells recommenced flow testing. In early September 2022, Tamboran announced the average IP30 rates for both wells following the installation of production tubing. The T2H and T3H wells achieved 2.2 mmscfd and 3.1 mmscfd respectively (normalised at 3.3 mmscfd and 5.2 mmscfd over 1,000-metres).



During the reporting period, the operator of the EP 161 permit, Santos, successfully drilled the T2H and T3H wells within the Beetaloo Basin in the Northern Territory.

The increase in flow rates in the T2H and T3H wells highlights the significant potential of Tamboran's acreage position within the Beetaloo Basin, which benefits from the higher pressures associated with the deeper reservoir in the region.

In September 2022, Tamboran announced a 73 per cent and 164 per cent increase to the Company's estimate of 1C and 2C contingent gas resources to 83 and 404 BCF respectively (330 BCF and 1.6 TCF gross) within EP 161. This resource upgrade followed a review of extended production test data, updated development strategy and additional data supporting Mid-Velkerri "C Shale" reservoir continuity.

The upgrade to contingent resources was certified by independent third-party reserves auditor Netherland, Sewell & Associates, Inc. (NSAI).

Importantly, these booked contingent gas resources represent less than 4 per cent of NSAI's best estimate of Tamboran's net unrisked prospective gas resources within EP 161 of ~12.3 TCF.

Future Drilling Activities Planned

EP 136 (Tamboran 100% operator)

During the financial year, Tamboran finalised land access approvals for EP 136 with key stakeholders, following a final determination from the Northern Territory Civil and Administrative Tribunal (NTCAT). The determination allowed for Tamboran to commence activities within EP 136 during May 2022.

In May 2022, Tamboran announced the Company had secured the Ensign 970 rig to drill the Maverick well. The rig was mobilised to the Beetaloo Basin in August 2022.

The vertical section of the well will be drilled and then suspended, as the Company assesses the optimal appraisal and development strategy of its expanded portfolio following the acquisition of Origin's Beetaloo assets. Tamboran plans to prioritise capital for accelerating 2P reserve booking and commercial production from the proposed Amungee Pilot development in EP 98.

The Company also commenced an 85-kilometre 2D seismic acquisition program within EP 136. The seismic program included twelve seismic lines across the north of EP 136. The seismic acquisition was completed in late July 2022 and is expected to support enhanced imaging of the subsurface of the target zone for the M1V well and subsequent Maverick appraisal and development wells.

Subsequent to the end of the financial year, the Ensign 970 rig commenced drilling the M1V well on 17 September 2022.

Beetaloo Cooperative Drilling Program

In March 2022, Tamboran was awarded a grant of up to \$7.5 million through the Commonwealth Government's Beetaloo Cooperative Drilling Program. The funding will support the drilling of the M1V well within Tamboran's 100 per cent owned and operated EP 136 permit during calendar year 2022.

Northern Gas Pipeline

During the reporting period, Tamboran and Jemena signed a MOU to enable Tamboran to contract ~100 TJ per day of firm capacity through the NGP under a long-term gas transportation agreement, subject to applying NGP Access Principles. The agreement with Jemena is expected to support the sanction of the proposed Amungee Pilot Development, planned for the end of calendar year 2023.

During financial year 2023, Tamboran will commence Front End Engineering and Design (FEED) studies to progress the proposed Amungee Pilot Development. This will include the commencement of stakeholder engagement activities for the selected pipeline route and secure NGP access agreements with Jemena, which is expected during the second half of calendar year 2022.

Subsequent Items

Following the end of the financial year, Tamboran and Bryan Sheffield (Sheffield) agreed to jointly acquire Origin Energy's (Origin) 77.5 per cent interest in three Beetaloo Basin permits (EP 98, 117 and 76) through a joint venture entity for an upfront cash consideration of \$60 million plus a future production royalty.

Under the acquisition, Tamboran will become the largest acreage holder in the Beetaloo Basin with ~1.9 million net prospective acres, resulting in a ~270 per cent increase in Tamboran's estimate of net 2C contingent gas resources to ~1.5 TCF.

The acquisition, supported by a \$138 million placement and strategic partnerships with Sheffield and Helmerich and Payne, Inc. (H&P), is expected to unlock value from the Beetaloo Basin with support of additional unconventional expertise and technology.

Tamboran has entered into a two-year contract with H&P for the super-spec FlexRig® 469. The rig will mobilise into Australia for the Company's 2023 proposed drilling campaign. Once operational, Rig 469 will be one of Australia's most powerful onshore drilling rigs capable of drilling more than 4,000-metre horizontal sections. This is expected to support a material reduction in cost per unit of recoverable gas and minimise the environmental footprint.

Tamboran and Sheffield have also entered into a binding 10-year GSA for up to 36.5 PJ per annum (18.3 PJ per annum net to Tamboran) with Origin, Australia's leading energy retailer, with an option to increase by at least 73 PJ per annum (36.5 PJ per annum net to Tamboran) for 10 years.

COVID-19 PANDEMIC

In previous reporting periods, the Company was impacted by the COVID-19 pandemic following the Australian Government imposing travel restrictions to non-residents and effectively closing its international borders and restricted interstate and intrastate travel from March 2020.

During the current reporting period, in response to ongoing regional and urban travel restrictions, Tamboran employees followed flexible work at home arrangements. While there were some effects on staff movements due to restricted travel, there were no additional impacts or delays due to COVID-19 on operations.

As at the end of the reporting period, apart from some staff sick leave absences, the impacts of COVID-19 are much reduced, with minimal restrictions on personnel movements.

SUSTAINABILITY

Sustainability is a central component of Tamboran's corporate strategy. This includes continued assessment and focus on the Company's impact on the environment, and relationships with Traditional Owners, key stakeholders, and employees.

As part of the energy transition, the world will need reliable, low cost and low greenhouse gas (GHG) intensity natural gas. As an upstream energy company, managing the risks and opportunities associated with climate change and the energy transition is essential for Tamboran's growth and long-term success.

Tamboran has set a target to be a next generation Net Zero Scope 1 and 2 emissions energy company from the commencement of first production. This includes a plan to achieve Net Zero emissions by utilising technology, such as renewable and batteries, and best operating practices, as well as purchasing high-quality carbon offsets to reduce any residual emissions.

By developing our low cost and low GHG intensity natural gas project, Tamboran is helping to meet the world's demand for reliable and low GHG natural gas while also ensuring the Company remains aligned with the objectives of the Paris Agreement.

As a sustainable new energy company with assets in the pre-development stage, Tamboran has the opportunity to integrate environment, community and social matters at the centre of everything the Company delivers. By focusing on the sustainable development of our low GHG natural gas resource in the Beetaloo Basin, the Company aims to grow local jobs, strengthen communities in our operating areas and make a positive social impact. Tamboran commits to respecting the unique environment in the Northern Territory and working closely with the local communities, including the recognised Traditional Owners over the areas of our operations, to understand their views on development and the impact on the environment.



Tamboran launched a Six-Pillar Sustainability Plan during the 2021 financial year:



Community

Partnering with local and host communities to share value through the creation of local jobs and business opportunities.



Climate Change

Committed to Net Zero and integrating renewable energy and carbon offsets into any development.



People

Attracting, developing and retaining a diverse, inclusive, and competent workforce.



Health and Safety

Putting the health and safety of people first.



Environment

Applying leading technologies to minimise environmental impacts.



Economic

Generating economic growth and value for investors, employees, customers and communities.

The Sustainability plan articulates Tamboran's commitment in developing the Beetaloo in a sustainable manner and defines the Company's ambitions, sets action plans, and provides metrics to track performance.

Tamboran has made significant progress over the last twelve months. The Company has:

- Increased internal capabilities in sustainability by growing the Sustainability team.
- Created GHG forecasts for Tamboran's Beetaloo development concepts
- Introduced an internal carbon price.
- Commissioned studies on renewable energy potential in the Beetaloo.
- Developed a greenhouse gas abatement plan.
- Continued to build our carbon offset portfolio by acquiring 3,750 tonnes of CO₂ equivalent high-quality carbon offsets.

Tamboran intends to publish its first Task Force on Climate-related Financial Disclosures (TCFD) Climate Change Report in financial year 2023. This report will explain how the management has positioned Tamboran for a Net Zero world, focused on delivering its proposed Amungee Pilot Project and a future larger development to be Net Zero from first production. It will demonstrate the long term resilience of the Company's low-cost and low-GHG intensity natural gas portfolio. The report will also explain how Tamboran plans to manage climate risks and seize opportunities presented by the energy transition.

Over the next twelve months, Tamboran is focused on progressing the development of the Net Zero natural gas project in the Beetaloo, exploring the new opportunities presented by the energy transition, and sharing its sustainability journey with all stakeholders.

AUSTRALIAN EAST COAST GAS MARKET

Forecasts for a gas shortfall in Australia's East Coast gas market continued during financial year 2022. This is in line with warnings over the last decade that a shortfall is likely to emerge in the early 2020s.

In August 2022, the latest Gas Inquiry Report from Australia's Competition and Consumer Commission (ACCC) reiterated the concern that "supply conditions in the East Coast gas market are expected to deteriorate further in 2023, with a significant supply shortfall now expected". The ACCC now forecast 54 PJ shortfall in 2023 due to the increase in gas fired generation demand and higher LNG export volumes.

This concern aligns with the Australian Energy Market Operator (AEMO) view outlined in the 2022 Gas Statement of Opportunities of "a risk of gas shortfalls in extreme weather conditions from winter 2023".

Under AEMO's longer term forecast, Australia's East Coast market is expected to be approximately 195 PJ short of gas by 2030. Approximately 536 PJ of this supply remains classified as 'anticipated' and is not guaranteed.

The initial impact of this shortfall has already been experienced during the winter of 2022 with gas prices rising due to increased gas demand resulting from outages at coal fired power stations and cold winter conditions in the southern states.

This gas shortage is having an impact on Australian households, which are paying materially higher costs for electricity and gas, and businesses, who are having to pass these costs on to consumers, adding to inflation.

The focus for ensuring gas supply remains available appears to have moved towards domestic importation of gas, despite Australia being one of the largest global exporters of LNG. Becoming an importer of gas raises the risk of Australia becoming reliant on international gas pricing, impacting the cost of living for Australian families and cost of doing business and increases exposure to geo-political instability.

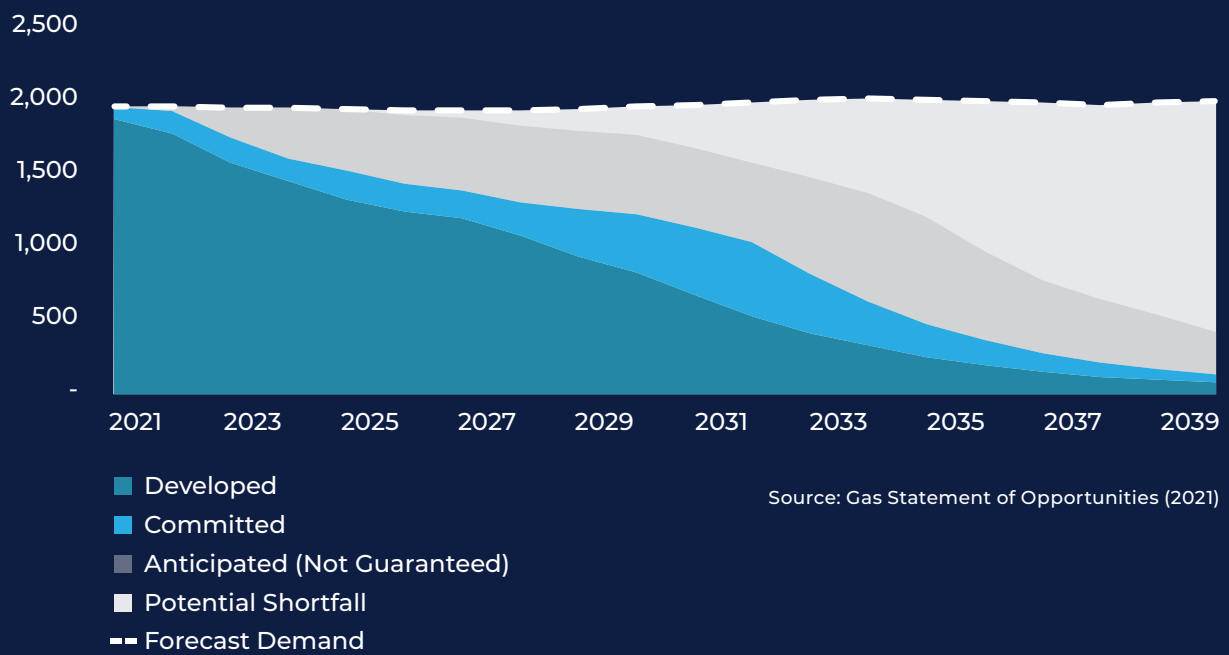
We believe the role of gas in the future of Australia's energy mix remains positive.

AEMO's 2022 Gas Statement of Opportunities highlights that "gas is forecast to have a continuing role in the integrated energy system, including for gas generation of electricity". This is expected to be more prevalent as coal-fired power is retired over the 2020s and 2030s.

Tamboran's low-CO₂ gas has the potential to play a key role in supporting Australia's East Coast gas market. Subject to the results of the wells the Company plans to drill over calendar year 2022 and 2023, Tamboran is targeting to sanction the proposed ~100 TJ per day (~36 PJ per annum) Amungee Pilot Development by the end of 2023, supported by the MOU signed with Jemena in June 2022 and the recently signed 10-year GSA with Origin Energy.



Australia's East Coast Gas Supply/Demand Forecast (PJ)



GLOBAL LNG MARKET

Global liquefied natural gas (LNG) demand remained robust during 2021, increasing by 5.5 per cent to ~379 million tonnes. This was despite the global slowdown resulting from the COVID-19 pandemic and continued lockdowns in China, the world's largest LNG importer.

Gas continues to play a significant role in global efforts to reduce CO₂ emissions as developing countries, particularly in Asia, transition electricity generation from coal to gas. This transition, which is taking place alongside increasing investment in renewable energy projects, is expected to be a key initiative enabling countries to reach their emission reduction targets.

Forecasts prior to Russia's invasion of the Ukraine in early 2022 anticipated compound annual growth in LNG demand of 4.1 per cent by 2030. Based on the current global production forecasts from existing facilities and projects under construction, global supply of LNG was expected to be ~70 million tonnes per annum short of demand by 2030.

This shortfall has evolved due to the delays in sanctioning new LNG projects, including Area 1 and 4 in Mozambique, Papua LNG (now sanctioned) and several US Gulf Coast projects.

Post-Russia's invasion of the Ukraine, compound annual growth in LNG demand is expected to increase to 5.1 per cent by 2030. The resulted supply shortfall has increased to an estimated 150 million tonnes per annum due to western countries seeking alternative supply sources.

This has resulted in a significant increase in gas prices. Spot LNG cargoes that sold for ~US\$4 per million British thermal units (mmBtu) in 2020 were selling for ~US\$30 per mmBtu in mid-2022.

If it can be unlocked commercially, the substantial size of the Beetaloo Basin resource means it has potential to supply low cost gas to both domestic and international markets for decades to come. With several of Australia's East and North Coast LNG export facilities forecast to have spare capacity available by the end of the decade, Tamboran sees a material opportunity for low-CO₂ Beetaloo gas to be exported via LNG into the global market.

The low-reservoir CO₂ is a significant competitive advantage of Beetaloo Basin gas, with potential to support countries in the region to reach emissions reduction targets through coal-to-gas fired power.



This has resulted in a significant increase in gas prices. Spot LNG cargoes that sold for ~US\$4 per million British thermal units (mmBtu) in 2020 were selling for ~US\$30 per mmBtu in mid-2022.



56%
of the global
population live
in this region.

○ LNG shipping times

RESERVES AND RESOURCES STATEMENT

EP 161

In the technical report dated 26 August 2022, Netherland, Sewell & Associates, Inc. (**NSAI**), has provided a best estimate of the unrisksed contingent resources and the unrisksed prospective resources, as of 31 August 2022, to the Company's 25% interest in the EP 161 shale gas prospects of approximately 404 BCF and 12.4 TCF respectively as shown in the table below.

Reservoir	Unrisksed resources net to Tamboran (25% interest)			
	Best Estimate (2C) Contingent		Best Estimate (2U) Prospective	
	Gas (BCF)	Condensate (MBBL)	Gas (BCF)	Condensate (MBBL)
Lower Kyalla	-	-	217	5
Velkerri C	159	1	3,534	30
Velkerri B	245	1	6,514	33
Velkerri A	-	-	2,113	11
TOTAL	404	2	12,378	78

Totals may not add because of rounding.

Gas volumes are after deductions for shrinkage due to condensate (pentanes plus) recovery and removal of inert gases. NSAI has not accounted for natural gas liquids volumes to be recovered; detailed gas analysis will be required to accurately estimate those volumes.

The estimates of contingent resources above are based on data from a vertical well for the Tanumbirini 1 and flow testing of two horizontal wells, Tanumbirini 2H and 3H wells, on EP 161. The two horizontal wells were drilled in the second half of calendar year 2021 and flow tested during the first half of calendar year 2022.

The estimates of Tamboran's unrisksed contingent gas resources relating to its 25% interest in EP 161, as provided by NSAI, range

from a low estimate (1C) of approximately 83 BCF to a high estimate (3C) of approximately 941 BCF, reflecting asymmetrical risk to the upside relative to the 'best estimate' (2C) provided.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown herein are contingent upon (1) demonstration of the economic viability of project development, (2) successful completion of work commitments prior to expiration of the leases, (3) development of infrastructure, (4) a sales contract, and

(5) commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in NSAI's report may be reclassified as reserves; NSAI's estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. Because of the lack of commercial data given the early stage of development of this project, NSAI did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined. It should be understood that no economic gas production has been established in the McArthur Basin to date. The project maturity subclass for these contingent resources is development unclarified.

The contingent resources shown herein have been estimated using a combination of deterministic and probabilistic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate. The estimates of contingent resources included herein have not been adjusted for development risk.

The estimates of Tamboran's unrisks prospective gas and condensate resources relating to its 25% interest in EP 161, as provided by NSAI, range from a low estimate (1U) of approximately 7.1 TCF to a high estimate (3U) of approximately 26.5 TCF, reflecting asymmetrical risk to the upside relative to the 'best estimate' (2U) provided.

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. The prospective resources included in NSAI's report should not be construed as reserves

or contingent resources; they represent exploration opportunities and quantify the development potential in the event a petroleum discovery is made. It should be understood that potentially significant quantities of shale are known to be present in the project area; however, with limited gas content and storage capacity data and no horizontal test data, this area is considered an undiscovered shale gas opportunity and the gas volumes are classified as prospective resources rather than contingent resources. NSAI did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined.

Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are shown for convenience only. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources. Such risk is often significant. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The prospective resources shown herein have been estimated using combination of deterministic and probabilistic methods and are dependent on a shale gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimated amounts is 90% for the low estimate, 50% for the best estimate, and 10% for the high estimate.

EP 136

In the technical report dated 26 August 2022, NSAI has provided a best estimate of the unrisks gross prospective resources, as of 31 August 2022, to the Company's 100% interest in the EP 136 shale gas prospects of approximately 19.1 TCF as shown in the table below.

Reservoir	Unrisks resources net to Tamboran (100% interest)	
	Best Estimate (2U) Prospective	
	Gas (BCF)	Condensate (MBBL)
Lower Kyalla	234	5
Velkerri C	6,084	51
Velkerri B	9,707	49
Velkerri A	3,038	15
TOTAL	19,063	120

Totals may not add because of rounding.

The estimates of Tamboran's gross prospective gas and condensate resources relating to its 100% interest in EP 136, as provided by NSAI, range from a low estimate (1U) of approximately 11.1 TCF to a high estimate (3U) of approximately 40.0 TCF, reflecting asymmetrical risk to the upside relative to the 'best estimate' (2U) provided.

Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are shown for convenience only. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risks prospective resources. Such risk is often significant. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The prospective resources shown herein have been estimated using a combination of deterministic and probabilistic methods and are dependent on a shale gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimate amounts is 90% for the low estimate, 50% for the best estimate, and 10% for the high estimate.

EPS 98, 117 AND 76

In the technical report dated 26 August 2022, **NSAI** has provided a best estimate of the unrisked contingent resources and unrisked prospective resources, as of 31 August 2022, to the Company's 38.75% interest in the EPs 98, 117 and 76 shale gas prospects of approximately 1,083 BCF and 116.3 TCF respectively as shown in the table below.

Reservoir	Unrisked resources net to Tamboran (38.75% interest)			
	Best Estimate (2C) Contingent		Best Estimate (2U) Prospective	
	Gas (BCF)	Condensate (MBBL)	Gas (BCF)	Condensate (MBBL)
Velkerri C	431	3	26,025	225
Velkerri B	652	3	69,927	353
Velkerri A	-	-	20,402	103
TOTAL	1,083	7	116,353	681

Totals may not add because of rounding.

Gas volumes are after deductions for shrinkage due to condensate (pentanes plus) recovery and removal of inert gases. NSAI have not accounted for natural gas liquids volumes to be recovered; detailed gas analysis will be required to accurately estimate those volumes.

The estimates of contingent resources above are based on data from Amungee NW 1 vertical well and flow testing of Amungee NW-1H horizontal well on EP 98. Amungee NW-1H horizontal well was drilled and completed between 2015 and 2016. The well was flow tested in 2016 for 57 days and again in 2021 for 45 days. The other key wells are Kalala S-1, Beetaloo W-1, Shenandoah-1A and Velkerri 76 S2-1.

The estimates of Tamboran's unrisked contingent gas resources relating to its 38.75% interest in EPs 98, 117, and 76, as provided by NSAI, range from a low estimate (1C) of approximately 251 BCF to a high estimate (3C) of approximately 2,440 BCF, reflecting asymmetrical risk to the upside relative to the 'best estimate' (2C) provided.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application

of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown herein are contingent upon (1) demonstration of the economic viability of project development, (2) successful completion of work commitments prior to expiration of the leases, (3) development of infrastructure, (4) a sales contract, and (5) commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in NSAI's report may be reclassified as reserves; NSAI's estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. Because of the lack of commercial data given the early stage of development of this project, NSAI did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined. It should be understood that no economic gas production has been established in the McArthur Basin to date. The project maturity subclass for these contingent resources is development unclarified.

The contingent resources shown herein have been estimated using a combination of deterministic and probabilistic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate. The estimates of contingent resources included herein have not been adjusted for development risk.

The estimates of Tamboran's unrisks prospective gas and condensate resources relating to its 38.75% interest in EPs 98, 117 and 76, as derived from the estimates provided by NSAI, range from a low estimate (1U) of approximately 67.4 TCF to a high estimate (3U) of approximately 245.5 TCF, reflecting asymmetrical risk to the upside relative to the 'best estimate' (2U) provided.

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. The prospective resources included in NSAI's report should not be construed as reserves or contingent resources; they represent exploration opportunities and quantify the development potential in the event a petroleum discovery is made. It should be understood that potentially significant quantities of shale are known to be present in the project area; however, with limited gas content and storage capacity data and no horizontal test data, this area is considered an undiscovered shale gas opportunity and the gas volumes are classified as prospective resources rather than contingent resources. NSAI did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined.

Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are shown for convenience only. Because of the geologic risk associated

with each prospect, meaningful totals beyond this level can be defined only by summing risks prospective resources. Such risk is often significant. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The prospective resources shown herein have been estimated using combination of deterministic and probabilistic methods and are dependent on a shale gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimated amounts is 90% for the low estimate, 50% for the best estimate, and 10% for the high estimate.

Competent Person's Statement

NSAI performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. NSAI provides a complete range of geological, geophysical, petrophysical, and engineering services, and NSAI have the technical expertise and ability to perform these services in any oil and gas producing area in the world. The staff is familiar with recognized industry reserves and resources definitions, specifically those promulgated by the U.S. Securities and Exchange Commission, The ASX, SPE, Society of Petroleum Evaluation Engineers, World Petroleum Council, and American Association of Petroleum Geologists. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards and the requirements listed in the ASX Rules. NSAI are independent petroleum engineers, geologists, geophysicists, and petrophysicists. NSAI does not own an interest in these properties nor are NSAI employed on a contingent basis.

NSAI are not officers or proposed officers of any group, holding, or associated company of Tamboran. Furthermore, none of our staff or associates own shares or equity in Tamboran.

NSAI has prepared thousands of independent technical reports for clients including small privately owned oil and gas companies, major and independent oil and gas companies, national oil and gas companies, financial institutions, and investors. The firm has performed field characterization and reserves assessments for properties that range from exploration and early appraisal drilling areas to fully developed fields. The staff has extensive worldwide experience in the geology and petrophysics of complex structural and stratigraphic fields and unconventional reservoirs such as fractured basement, tight gas, and coal seam gas.

NSAI's reservoir engineering experience includes reserves determination, reservoir simulation, material balance, production analysis, well test analysis, wellbore inflow/outflow modelling, probabilistic modelling, fluid

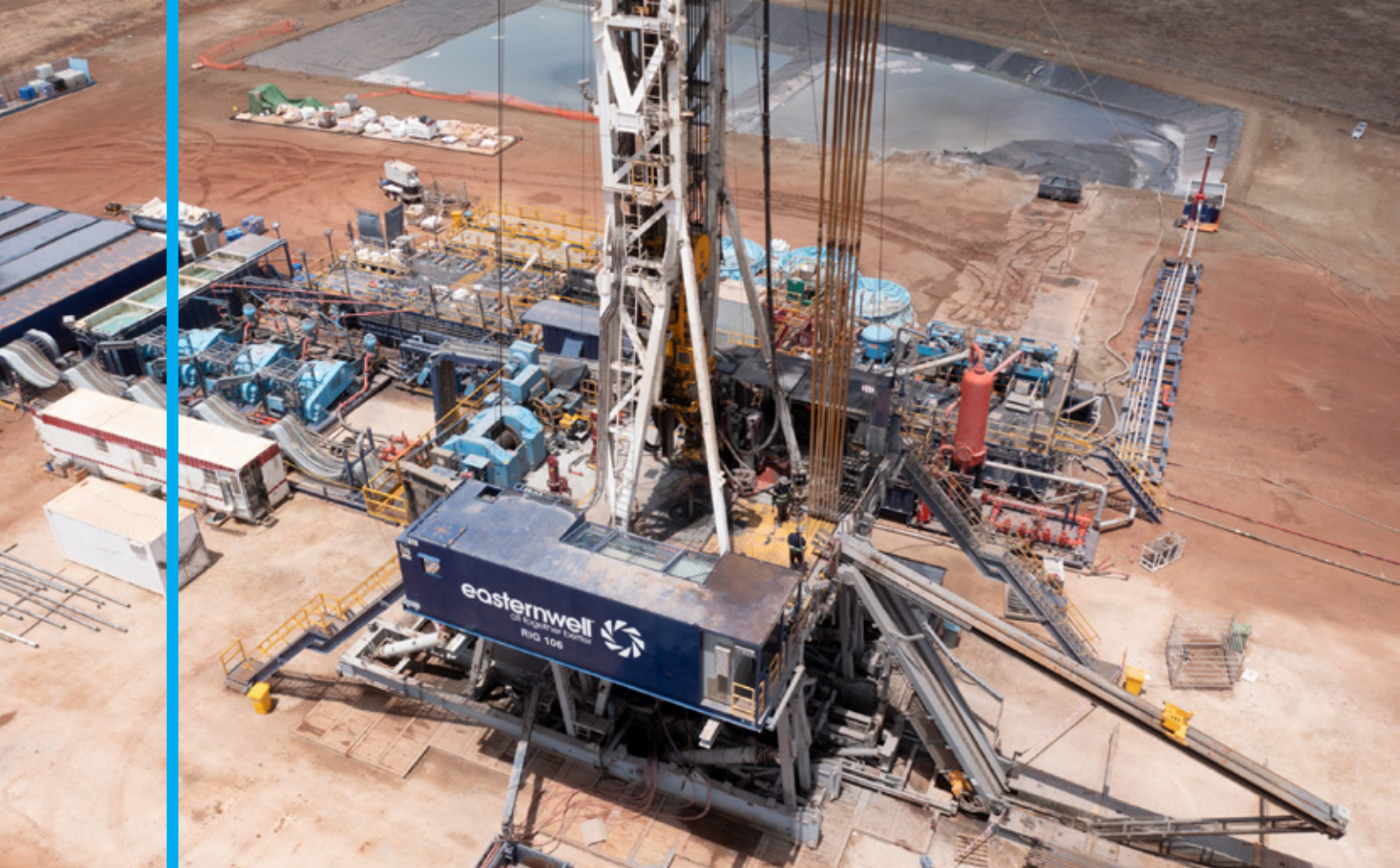
analysis, and economic evaluation. NSAI also have staff engineers who specialize in field operations, facilities planning and design and drilling. NSAI uses its in-house proprietary economics software along with other industry-standard software to estimate future producing rates, future net revenue, and the net present value of such future net revenue in accordance with industry standards and other applicable regulatory provisions.

The estimates of contingent and prospective resources in the permits contained in the announcement were prepared by Netherland, Sewell & Associates, Inc., qualified resource evaluators.

The resource assessment was independently carried out by John G. Hattner, Senior Vice President, and Joseph M. Wolfe, Vice President of Netherland, Sewell & Associates, Inc., in accordance with the 2018 Petroleum Resource Management System (PRMS) approved by the Society of Petroleum Engineers (SPE).

Mr. Hattner and Mr. Wolfe meet the requirements of Qualified Petroleum Reserve and Resource Evaluator as defined in Chapter 19 of the ASX Listing Rules. Mr. Hattner is a Licensed Professional Geophysicist in the State of Texas, USA and Mr. Wolfe is a Licensed Professional Engineer in the State of Texas, USA. Mr. Hattner and Mr. Wolfe have consented to the use of the resource estimates figures in the form and context in which they appear in this release. Mr. Hattner has over 42 years of relevant experience. His qualifications include an MBA from Saint Mary's College of California, Master of Science in Geological Oceanography, Florida State University, and a Bachelor of Science in Geology from University of Miami. Mr. Wolfe has over 14 years of relevant experience. His qualifications include a Master of Petroleum Engineering from Texas A&M University and a Bachelor of Science in Mathematics from Northwestern State University.

The estimates of prospective and contingent resources as set out in this report has been issued with the prior written consent of Mr. John G. Hattner in the form and context in which it appears.



RISKS

Tamboran has an Audit and Risk Management Committee, which identifies, monitors and manages material risks to the business. The risks faced by Tamboran may include regulatory and compliance risks, policy risks, legal risks, environmental risks, occupational health and safety risks, financial risks, reputation risks and operational and execution risks.

The Board is responsible for overseeing the establishment of and approving Tamboran's risk management framework including its strategy, policies, procedures and systems. The Audit and Risk Management Committee reviews and monitors the effectiveness of

Tamboran's risk management framework to provide assurance that major business risks (including contemporary and emerging risks) are identified and to satisfy itself that Tamboran is operating with regard to the risk appetite set by the Board. Tamboran's management is responsible for establishing Tamboran's risk management framework, including identifying major risk areas and developing policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks.

A description of the nature of the material risks and how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

Risk	Risk Description	How we are managing this risk
Exploration Risk	<p>Gas exploration is speculative in nature and requires substantial expenditure to de-risk the prospective resources. In particular, exploration is subject to technical risks and uncertainty of outcome. There is the risk that drilling will result in equipment failure, dry holes or not result in the discovery of commercially exploitable hydrocarbons. Wells may not be productive, or they may not provide sufficient revenues to return a profit after accounting for associated costs. The cost of drilling, completing, equipping and operating wells is subject to uncertainties.</p>	<p>Tamboran utilises multiple internal and external evaluation procedures including strategic planning, scoping, budgeting, forecasting and stakeholder engagement to evaluate exploration prospects as part of managing exploration risks.</p>
Operational Risk	<p>Gas exploration and development activities include numerous operational risks, including but not limited to, adverse weather conditions, environmental hazards, unforeseen increases in establishment costs, accidents (including, for example, fires, explosions, uncontrolled releases, spills and blowouts), equipment failure, industrial disputes, technical issues, supply chain failure, labour issues and other unexpected events. Drilling operations, in particular, carry inherent risk associated with, for example, unexpected geological conditions, mechanical failures or human error. The occurrence of an operational risk event could significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its exploration programs.</p>	<p>Tamboran mitigates these risks by employing or engaging various professionals with considerable experience related to gas exploration and development. The Company follows an extensive framework which includes procurement, production, operational and equipment management processes.</p>

Risk	Risk Description	How we are managing this risk
Reserves and Resources Estimate Risk	<p>Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, analysis of drilling results, assumptions of future commodity prices and business assumptions regarding development and operating costs. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production performance over the life of the field. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.</p>	<p>Tamboran engages relevant independent, external experts with significant experience in the upstream energy industry to provide accurate reporting on estimated Reserves and Resources.</p>
Climate Change Risk	<p>Tamboran is exposed to a number of climate change-related risks. Material climate-related risks include:</p> <ul style="list-style-type: none"> • future variations in demand for natural gas due to regulatory changes and technological advances; • increase in operating costs of assets due to carbon-pricing policies or other market mechanisms in Australia and globally; • physical damage to assets or interruption to operations from climatic changes and extreme weather events; • access to capital for growth projects and future developments; and • reputational damage driven by stakeholder activism and changing societal expectations. <p>The occurrence of any of these risks could result in asset impairment, lost revenue and damage to brand value, amongst other matters.</p>	<p>The Company manages material climate change risk through a number of activities and controls. This includes setting an industry leading ambition to be a Net Zero natural gas company from first production (Scope 1 and 2 emissions), building a high-quality carbon offsets portfolio to manage potential cost impacts from the introduction of GHG market mechanisms, using an internal carbon price when making major investment decision and using climate scenario analysis to understand potential decarbonisation pathways and test resilience to various transition-related risks.</p>

Risk	Risk Description	How we are managing this risk
Growth Strategy and Net Zero Emissions Risk	There is a risk that the Company may fail to execute its proposed growth strategy, which could be caused by legal, regulatory and policy developments, failure to discover and commercially extract resources. In particular, achievement of the Company's vision of becoming a Net Zero Scope 1 and 2 emissions producer of gas will depend on the Company being able to economically manage its carbon emissions, which could, for example, be impacted by availability of future revenues to fund various carbon initiatives, market pricing of carbon offsets, technological developments affecting operations and costs of implementing sustainable practices.	The Company has in place a Sustainability Plan and has a designated Sustainability Committee to consider and manage any such risk that arises.
Environmental Risk	The Company is subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Penalties for failure to adhere to requirements and, in the event of environmental damage, remediation costs can be substantive.	The Company has in place a Sustainability Plan and has a designated Sustainability Committee to consider, monitor and manage its obligations (including potential areas of change) in respect of the environment.
Access to Infrastructure Risk	Tamboran will require access to infrastructure to sell the hydrocarbon reserves it plans to produce. There is no guarantee that Tamboran will be able to gain access to appropriate infrastructure on commercially viable terms. Failure to obtain access to infrastructure would adversely impact Tamboran's financial performance.	Tamboran and Jemena have signed a binding Memorandum of Understanding (MOU) to enable Tamboran to contract ~100 TJ per day of firm capacity through the Northern Gas Pipeline (NGP), subject to applying NGP Access Principles, under a long-term gas transportation agreement.
Development Risk	In the event that Tamboran is successful in locating commercial quantities of hydrocarbons through exploration, then that development could be delayed or be unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, commodity price volatility, supply chain failure, strikes, unavailability of appropriate labour, or an increase in costs.	To mitigate this risk, Tamboran conducts various risk assessments and scenario planning in relation to development risks.

Risk	Risk Description	How we are managing this risk
Permit Risk	The Company is required to comply with a range of laws to retain its permits and periodically renew them. Each permit also has its own specific exploration and expenditure requirements that the Company is required to satisfy.	Tamboran manages its tenure processes and monitors the conditions of each permit to ensure they are complied with, in order to reduce the risk of losing tenure.
Gas Prices Risk	Future gas price may have a material effect on the financial performance of the Company including the carrying value of assets and viability of certain projects. Factors which may impact the gas price include, but are not limited to, global political institutions, military conflicts, technological changes, output controls and global energy consumption which are all outside the control of Tamboran.	Tamboran conducts various risk assessments and scenario planning in relation to fluctuating gas prices.
Regulatory and Policy Risk	Tamboran's business is affected by government policy, which in turn may be influenced by international policies and laws. In particular, there is a risk that the Federal Government could continue to shift its domestic or international policy away from being supportive of natural gas. Tamboran must comply with relevant laws and regulations in each jurisdiction in which it operates as it applies to the environment, tenure, land access, leaseholders and native title holders. A change in the regulatory regime or policy stance may significantly result in a material adverse impact on Tamboran's business and operations.	Tamboran monitors changes in relevant regulations and engages with regulators and governments and seeks legal advice where required to ensure that policy and law changes are appropriately understood and followed.
Native Title and Aboriginal Land Rights and Cultural Heritage Laws	The Company's activities in Australia are subject to the Native Title Act 1993 (Cth) and the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth). If a native title claim is registered or native title rights are determined over areas covered by the Company's tenement applications or tenements, exploration and production activities can be significantly delayed and made more costly. In addition, Commonwealth and State legislation obliges the Company to identify and protect sites that are sacred or otherwise of significance according to Aboriginal custom and tradition.	Tamboran engages with stakeholders, including the recognised Traditional Owners over the operated permits, and monitors laws relating to Native Title and cultural heritage to ensure that it complies with all applicable regulations.

Risk	Risk Description	How we are managing this risk
Access to Funding for Operations Risks	Tamboran has no operating revenue. As is typical for exploration companies with no cash generating businesses, Tamboran's ability to meet its on-going business program is expected to result in expenditure exceeding the estimated cash resources. With future growth, the Company may require funding for future commitments. There can be no assurance that the Company will be able to obtain funding as and when required on commercially acceptable terms, or at all.	Tamboran has internal controls in place to manage its cash flow and various commercial strategies to provide future access to funding.
Reliance on Personnel	The success of the Company is dependent on the continued efforts of its management team. The loss of key personnel could have a material adverse impact on the Company's operations because other (new) personnel may not have the experience and expertise to readily replace these individuals.	Tamboran has hired additional staff and focuses on internal development of its team.
Counterparty Exposure and Joint Operations	The financial performance of the Company is subject to its various counterparties or, in the case of EP 161, joint operations partner, Santos, to perform its obligations under the relevant contracts and the EP 161 joint operation. If one of its counterparties or Santos fails to perform their contractual obligations, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance or reputation.	Tamboran works closely with its partners and frequently monitors its relationships with various partners.

Directors' Report

30th June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Tamboran Resources Limited (referred to hereafter as 'Tamboran', 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were Directors of Tamboran Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

Mr Dick Stoneburner	Chairman
Mr Joel Riddle	Managing Director and Chief Executive Officer
Mr Fred Barrett	Non-Executive Director
Mr Dan Chandra	Non-Executive Director
Ms Ann Diamant	Non-Executive Director
Mr Patrick Elliott	Non-Executive Director
Mr David Siegel	Non-Executive Director

Their qualifications and experience are as follows:

Name:	Mr Richard Stoneburner
Title:	Independent Chairman
Qualifications:	B.Science (Geological Sciences) from the University of Texas at Austin, and a M.Science (Geology) from Wichita State University.
Experience and expertise:	Mr Stoneburner joined the board on 5 April 2016.

Mr Stoneburner is currently an Executive Advisor for Pine Brook Partners, a private equity firm focusing on investments in the energy sector. Mr Stoneburner has approximately 45 years' experience in upstream oil and gas exploration and production. Mr Stoneburner is a former Co-Founder, President and Chief Operating Officer of Petrohawk Energy Corporation (2003-2011) and President – North America Shale Production Division for BHP Billiton Petroleum from 2011-2012.

Prior to co-founding Petrohawk in 2003, Mr Stoneburner was Executive Vice President Exploration for 3TEC Energy Corporation and worked for several E&P companies, including Hugoton Energy Corporation, Stoneburner Exploration Inc., Weber Energy and Texas Oil & Gas.

He also serves on the Advisory Council of The Jackson School of Geosciences, the Visiting Committee of the Bureau of Economic Geology at the University of Texas, and on the board of Switch Energy Alliance, a not-for-profit organisation focusing on energy poverty, and is an Emeritus board member for Memorial Assistance Ministries, a not-for-profit organization in West Houston. Mr Stoneburner was a member of the American Association of Petroleum Geologist's Distinguished Lecturer Series in 2012-2013 and was awarded the Norman Foster Outstanding Explorer of the Year award by the AAPG in 2016.

Other current directorships:	Brigham Minerals; NYSE; 2018-Present
Former directorships (last 3 years):	Yuma Exploration; NYSE; 2015-2020
Special responsibilities:	Chair of the Board
Interests in shares:	2,404,125 ordinary shares (directly held)
Interests in options:	483,393 options over ordinary shares (directly held)

Directors' Report

30th June 2022

Name:	Mr. Joel Riddle
Title:	Managing Director and Chief Executive Officer
Qualifications:	B.Science (Hons) Mech. Eng. University of Florida and a, MBA from the University of Chicago
Experience and expertise:	<p>Mr Riddle joined the Company as Chief Executive Officer in September 2013 and was appointed to Managing Director on 19 December 2018.</p> <p>Mr Riddle has more than 25 years' experience in the upstream oil and gas industry. Prior to joining Tamboran, he served as Vice President, Commercial and Planning at Cobalt International Energy (Cobalt), where he worked closely with executive management in the initial evaluation and implementation of the exploration growth strategy in the Gulf of Mexico and West Africa.</p> <p>In this position, he played an instrumental role in Cobalt's \$1 billion initial public offering in 2009 and subsequent capital raising efforts in 2010 and 2011. Prior to his position with Cobalt, Mr Riddle served in various management positions including business development, commercial and strategic planning with Unocal Corporation from 2002-2005, Murphy Oil Corporation from 2005-2008.</p> <p>In these roles, he was involved in the development and implementation of each company's new business and LNG growth strategies in Southeast Asia and Australia. Prior to Unocal Corporation, from 2001-2002, Mr Riddle was a senior associate with Andersen Consulting, serving upstream exploration and production clients on strategy and performance improvement engagements. Mr Riddle began his career in 1997 as a senior reservoir engineer with ExxonMobil, serving various assignments focused on upstream oil and gas operations in the Gulf of Mexico.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	4,139,035 ordinary shares (328,924 directly held, 3,810,111 indirectly held)
Interests in options:	19,767,500 options over ordinary shares (indirectly held)

Directors' Report

30th June 2022

Name:	Mr. Fredrick Barrett
Title:	Independent Non-Executive Director
Qualifications:	B. Science (Geology) Ft. Lewis College, Durango, Colorado, M. Science (Geology) Kansas State University, Manhattan Kansas, Graduate of the Harvard Business School Advanced Management Program.
Experience and expertise:	<p>Mr Barrett joined the Board on 5 April 2016.</p> <p>Mr Barrett has over 35 years of experience in the oil and gas resources industry and has served as an independent Director for Tamboran since September 2014. Mr Barrett also served as an independent Non-Executive Director on the Board of Asian American Gas (AAG) Energy Holdings from June of 2015 to September 2018. AAG Energy Holdings is a leading coalbed methane (CBM) natural gas company focused in China. Barrett also served as Chairman of the New Business Committee for AAG during 2017 and 2018. Through 2014 and 2015, Mr Barrett served on an advisory panel and steering committee at Santos Ltd (ASX: STO) an independent exploration and production oil and gas company headquartered in Adelaide, Australia. Mr Barrett no longer serves on any advisory function for Santos.</p> <p>Mr Barrett served various positions at Bill Barrett Corporation from 2002 to 2013, which was co-founded by him in January 2002. Bill Barrett Corp was a public (NYSE: BBG) exploration and production company focused on oil and gas activities in the Rocky Mountain region of the U.S.A., and merged with Fifth Creek Resources to form Highpoint Resources (NYSE: HPR) in 2018. While at Bill Barrett Corp, he served as President and Executive Director from January 2002 to July 2006, Chief Executive Officer and Chairman of the Board from March 2006 to January 2013 and also served as Chief Operating Officer from June 2005 to February 2006 and as President from July 2010 to January 2013, respectively. Prior to that, Mr Barrett was a senior exploration geologist for Barrett Resources Corp. (NYSE: BRR) in the U.S. Rocky Mountain Region from 1997 to 2001, and a lead geologist for various Rockies areas from 1989 to 1996. Barrett Resources was an exploration and production company focused principally in the U.S. Rocky Mountain Region, prior to being sold to Williams Companies, Inc. in 2001. Mr Barrett was a Co-Founder and Partner in Terred Oil Company from 1987 to 1989, a private oil and gas partnership that provided geologic oil and gas services for the U.S. Rocky Mountain Region. Mr Barrett worked as a project and wellsite geologist for various periods from 1983 to 1986 for Barrett Resources and held similar roles for various periods for the Barrett Energy and Aeon Energy companies from 1981 to 1983.</p>
Other current directorships:	None
Former directorships (last 3 years):	Asian American Gas Inc.
Special responsibilities:	Mr Barrett is the Chair of the Nomination and Governance Committee and a member of the Remuneration Committee and the Sustainability Committee.
Interests in shares:	2,477,738 ordinary shares (1,486,694 directly held, 991,044 indirectly held)
Interests in options:	733,393 options over ordinary shares (directly held)

Directors' Report

30th June 2022

Name: **Mr. Daniel Chandra**
Title: Independent Non-Executive Director
Qualifications: AB in Economics from Stanford University and a MBA from The Wharton School, University of Pennsylvania
Experience and expertise: Mr Chandra joined the Board on 21 March 2019.

Mr Chandra is currently a Partner and Portfolio Manager at Clear Sky Advisers, an ESG-focused fund based in Houston and New York. Mr Chandra has over 20 years of experience investing across a range of industries and throughout the capital structure. He previously held senior investment positions at various investment funds including Lion Point Capital, DW Partners as well as its predecessor, Brevan Howard, from which it spun out in 2009.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Mr Chandra is a member of the Audit and Risk Committee and the Nomination and Governance Committee.
Interests in shares: 2,237,005 ordinary shares (318,770 directly held, 1,918,235 indirectly held)
Interests in options: 233,393 options over ordinary shares (indirectly held)

Name: **Ms Ann Diamant**
Title: Independent Non-Executive Director
Qualifications: B.Sc (Colour Chemistry) First Class Honours University of Leeds, M.Sc (Management Science) from Imperial College, London
Experience and expertise: Ms Diamant joined Tamboran as a non-executive Director on 3 March 2021.

Ms Diamant has more than 35 years' experience in the oil and gas and investment banking industries. She joined ASX listed Oil Search Limited in 2003 and was responsible for developing and implementing Oil Search Limited's highly regarded investor relations strategy. From 2010 to 2019, in addition to investor relations, she was also head of the corporate communications and media relations functions. Ms Diamant is currently SVP Communications and Investor Relations at Karoon Energy Limited. Prior to her oil and gas company roles, Ms Diamant worked in investment banking, as an equities sell-side analyst, specialising in the energy sector and leading equities research teams.

In 2015, Ms Diamant was appointed a Fellow of the Australian Investor Relations Association ('AIRA'). She served as a member of the AIRA Capital Markets Committee in 2018 to 2019 and the AIRA Best Practice Guidelines Revision Working Group in 2020.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Ms Diamant is chair of the Sustainability Committee and is a member of the Nomination and Governance Committee and the Remuneration Committee.
Interests in shares: 543,166 ordinary shares (directly held)
Interests in options: 233,393 options over ordinary shares (directly held)

Directors' Report

30th June 2022

Name: Mr. Patrick Elliott
Title: Non-Executive Director
Qualifications: B.Commerce University of New South Wales, and a MBA (Mineral Economics) from Macquarie University
Experience and expertise: Mr Elliott is a founding shareholder and joined the board on 9 February 2009. Mr Elliott stepped down as the Chairman of the Company on 1 November 2020 and remains as a non-executive director.

Mr Elliott has over 40 years of diverse experience working in commercial and management roles in the upstream oil and gas mineral resources industries. Prior to joining Tamboran, Mr Elliott worked as a Director of Sapex Limited which is involved in oil and gas exploration in the Arkaringa Basin, South Australia, and a Director of Eastern Star Gas Limited, which was involved in coal seam gas exploration and evaluation.

Other current directorships: Cap-XX Limited, Argonaut Resources NL (Commenced 30 June 2003), Kirrama Resources Limited; Rockfire Resources PLC.

Former directorships (last 3 years): Ioneer Limited (retired 30 November 2020)

Special responsibilities: Mr Elliott sits on the Sustainability Committee and is Chair of the Audit Committee.

Interests in shares: 23,751,245 ordinary shares (2,990,915 directly held, 20,760,330 indirectly held)

Interests in options: 233,393 options over ordinary shares (directly held)

Name: Mr. David Siegel
Title: Non-Executive Director
Qualifications: B.Sc (Applied Mathematics-Economics) magna cum laude from Brown University and a MBA (Honours) from The Harvard Business School.
Experience and expertise: Mr Siegel joined the Board of Tamboran as a Non-Executive Director on 3 March 2021.

Mr Siegel has 25 years' experience as a CEO and substantial experience in private equity and managing public companies. Mr Siegel is the chairman of and is a substantial holder in Longview and is therefore an associate of Longview.

Mr Siegel is currently Senior Advisor to Apollo Global Management and Chairman of two Apollo portfolio companies, Sun Country Airlines and Volotea, S.A. He has previously served as CEO of the following companies: AWAS, Frontier Airlines, XOJET, Inc., Avis Budget Group, Inc., Continental Express Airlines, US Airways Group, Inc., Gategroup, A.G.

Other current directorships: Sun Country Airlines Holdings Inc; Volotea S.A.

Former directorships (last 3 years): Genesis Park Acquisition Corp.

Special responsibilities: Mr Siegel is the Chair of the Remuneration Committee and a member of the Audit and Risk Committee.

Interests in shares: 146,373,641 ordinary shares (3,672,734 directly held, 142,700,907 indirectly held)

Interests in options: 233,393 options over ordinary shares (directly held)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Name: Mrs. Joanna Morbey
Title: Company Secretary
Qualifications: B. Commerce from the University of New South Wales, Chartered Accountant
Experience and expertise: Mrs Morbey is a member of Chartered Accountants Australia and New Zealand and has over 35 years' experience in accounting and company secretarial duties in the investment banking, property development and the mineral exploration industries.

Directors' Report

30th June 2022

Independence

The Board considers that each of Mr Stoneburner, Ms Diamant and Mr Barrett, are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent director.

Mr Siegel is currently considered by the Board not to be independent due to the size of his indirect holding of Tamboran shares.

Mr Chandra is not considered independent as he is an employee of Lion Point Capital, which is a substantial shareholder.

Mr Elliott is not considered independent as he was a substantial holder within the previous 12 months.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held (eligible to attend) during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	<i>Attended</i>	<i>Full Board Held</i>	<i>Audit and Risk Committee Attended</i>	<i>Audit and Risk Committee Held</i>	<i>Remuneration Committee Attended</i>	<i>Remuneration Committee Held</i>
R Stoneburner	12	12	-	-	-	-
J Riddle	12	12	-	-	-	-
F Barrett	12	12	-	-	5	5
D Chandra	12	12	2	2	-	-
A Diamant	11	12	-	-	5	5
P Elliott	12	12	2	2	-	-
D Siegel	12	12	2	2	5	5

	<i>Sustainability Committee Attended</i>	<i>Sustainability Committee Held</i>	<i>Nomination Committee Attended</i>	<i>Nomination Committee Held</i>
R Stoneburner	-	-	-	-
J Riddle	-	-	-	-
F Barrett	2	2	1	1
D Chandra	-	-	1	1
A Diamant	2	2	1	1
P Elliott	2	2	-	-
D Siegel	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Principal activities

The principal activities of Tamboran focus on shale gas exploration in onshore basins in the Northern Territory of Australia.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$10,802,457 (30 June 2021: \$23,821,438).

Refer to the Operating review section preceeding the Directors' report for full details of the review for the year.

Matters subsequent to the end of the financial year

Acquisition of Origin Energy's Beetaloo assets

On 20 September 2022, Tamboran announced the planned acquisition of Origin Energy's Beetaloo assets through a joint venture (JV), which is 50% owned by Tamboran and 50% owned by Bryan Sheffield (Sheffield). The JV will acquire Origin's 77.5% interest and operatorship in three Beetaloo Basin blocks (EP 98, 117 and 76).

Directors' Report

30th June 2022

The consideration for the acquisition includes:

- Upfront cash payment of \$60 million, which will be shared equally between the JV participants.
- 5.5% revenue royalty on production on a 77.5% working interest basis.
- The JV have secured a binding 10-year GSA with Origin for production up to 100 TJ per day (36.5 PJ per annum) from the acquired assets.
- Origin will have the option to acquire at least an additional 200 TJ per day for 10-years from the JV interest in the permits.

Tamboran has committed to solely fund the remaining Origin Stage 3 farm-in commitments, which includes the drilling of two horizontal wells, at an estimated cost of \$80 million, and back costs to the effective date of 1 July 2022.

The acquisition of Origin Energy's Beetaloo assets is subject to regulatory approval, waiving of pre-emptive rights and other customary conditions.

Institutional equity placement

On 20 September 2022, Tamboran announced the successful raise of \$138 million (pre-costs) through the issue of 657,214,192 new shares at an issue price of \$0.21 per share under an institutional placement. This includes a \$98 million Private Placement to strategic partners and US cornerstone investors, comprising equity investments of \$30 million by Sheffield, \$22 million by Helmerich and Payne (H&P) and \$46 million by other US energy-focused institutional investors. An additional \$40 million was raised via a further placement to sophisticated and institutional investors outside the United States.

The transaction will be structured as a two-tranche placement:

- **Unconditional Placement ("First Tranche"):** The First Tranche of \$39.2 million is not subject to shareholder approval and is within the Company's 25% placement capacity under ASX Listing Rules 7.1 and 7.1A. Following the receipt of funds, investors will receive their pro rata allocation of shares ranking pari passu with existing fully paid Ordinary Shares.
- **Conditional Placement ("Second Tranche"):** The Second Tranche of \$98.8 million, will be issued subject to shareholder approval at a General Meeting to be held on Tuesday, 25 October 2022.

Tamboran will also grant a 2.3% overriding royalty interest (ORRI) covering Tamboran's EP 136 (100%), EP 161 (25%) and the Origin Assets (38.75%) to Sheffield for a cash consideration of \$22 million.

The funds raised will be used to complete the acquisition of Origin's Beetaloo Assets and provide capital for drilling the M1V well in 100% owned and operated EP 136 and the Amungee 2H (A2H) and 3H (A3H) wells in the acquired EP 98.

Share Purchase Plan

In conjunction with the equity placement, the Company also announced a Share Purchase Plan to raise approximately \$3 million (up to \$5 million). The total amount raised is not known as of this date.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation

The Consolidated Entity is subject to environmental regulations under the Australian Commonwealth or State Law and under local laws in jurisdictions it operates. The Group holds exploration licences issued by the relevant government authorities which contain conditions which relate to the full rehabilitation of the areas of exploration in accordance with regulatory guidelines and standards. The directors are not aware of any breaches of the licence conditions or environmental regulations during or since the end of the financial year. The Group is committed to meeting environmental and land use regulations, including native title requirements.

Directors' Report

30th June 2022

Corporate Governance Statement

The Company believes that effective corporate governance policies promote and support an informed decision making process within all areas of our business while contributing to long-term value creation for shareholders in a socially responsible manner. The Company is committed to ensuring best practices and operates within the frameworks of a number of internal policies at the Board and management levels. Board and management have established the following corporate governance policies:

Board Charter	Shareholder Communications Policy
Code of Conduct	Securities Trading Policy
Disclosure Policy	Whistleblower Protection Policy
Diversity Policy	Anti-Bribery & Corruption Policy

These policies make clear Tamboran's commitment to ensuring ethical and sustainable operations for our employees, shareholders, partners, and key stakeholders. Transparency and corporate governance best practices are formally monitored through Board level committees, including the Audit and Risk Management Committee, Remuneration Committee, Nomination and Governance Committee and the Sustainability Committee. The governance policies are available on the Company's website at: <https://www.tamboran.com/corporate-governance-statements/>.

Under ASX Listing Rule 4.10.3, Tamboran is required to benchmark its corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition (ASX Governance Recommendations).

Tamboran's 2022 Corporate Governance Statement and Appendix 4G are released to the ASX on the same day as the Annual Report is released and are available on the Company's website at: <https://www.tamboran.com/corporate-governance-statements/>.

Shares under option

Unissued ordinary shares of Tamboran Resources Limited under option at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number under option</i>
20 May 2021	20 May 2026	\$0.3200	10,734,548
20 May 2021	20 May 2026	\$0.2367	7,416,667
20 May 2021	20 May 2026	\$0.4000	16,000,000
28 October 2021	20 May 2026	\$0.4000	20,750,000
17 May 2022	20 May 2026	\$0.4000	400,000
14 June 2022	20 May 2026	\$0.4000	1,250,000
			<u>56,551,215</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Tamboran Resources Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Land Access Arrangements

The Northern Territory Civil and Administrative Tribunal ('NTCAT') provided a final determination regarding the terms of the Land Access and Compensation Agreement ('LACA') for Tanumbirini Station with the pastoral leaseholders covering EP 136. This determination allowed Tamboran to commence calendar year 2022 activities at Tanumbirini Station on EP 136.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Directors' Report

30th June 2022

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel ('KMP') are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Remuneration governance is overseen by the Remuneration Committee and the Nomination Committee. The Committees are committees of the Board established in accordance with the Company's constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities.

Directors' Report

30th June 2022

The ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (ASX Recommendations) recommend that the Company has formal and rigorous processes for the appointment and reappointment of directors to the Board. The Committee was established to assist the Board by undertaking the roles and exercising the responsibilities set out in the Remuneration Charter and Nomination and Governance Committee Charter. Copies of these Charters are available on the Company's website www.tamboran.com.

The Committees aim to bring transparency, focus and independent judgment to these roles. The Committees will review and make recommendations to the Board on matters relevant to these roles and responsibilities, and as required to satisfy the Corporations Act, ASX Recommendations and ASX Listing Rule requirements relevant to these roles and responsibilities.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

Roles of the Nomination Committee and Remuneration Committee

Nomination Committee

The Nomination Committee has the following responsibilities:

- succession planning generally;
- induction and continuing professional development programs for directors;
- the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- determining board size and balance of skills as the Company develops and evolves and becomes more complex as progress is made from project development to full operations;
- the appointment and re-election of directors including with consideration to the appropriate director tenure and length of service for the Company; and
- appointment and succession planning for the Managing Director (or such person performing the function of a chief executive officer) and other senior executives, with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Remuneration Committee

Policies and practices are designed to:

- enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee and the interests of shareholders; and
- comply with relevant legal requirements.

Directors' Report

30th June 2022

Responsibilities of the Nomination Committee and Remuneration Committee

Nomination Committee

The Committee is responsible for:

- **Board size:** making recommendations regarding the size of the Board which would most encourage efficient decision making; current board size range is 6-8; ensuring geographic balance, including directors with Australia residence;
- **Director competencies:** making recommendations regarding the necessary and desirable competencies of directors;
- **Skills matrix:** developing a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership against the desirable range of skills;
- **Director recommendations:** developing and reviewing the process for the selection, appointment and re-election of directors, and making recommendations to the Board by:
 - o evaluating the balance of skills, experience, independence, knowledge and diversity of directors sitting on the Board; evaluating current needs under the circumstances of the short and long term requirements of the business as well as changes in strategy, external environment and anticipated terms of current directors;
 - o in light of this evaluation, preparation of a description of the role and capabilities required for a particular appointment within the context of shorter and longer term business considerations;
 - o sourcing candidates from the available market including with the possible assistance of a third-party provider, and reviewing recommendations from other sources including current directors, advisors, significant shareholders, management, and industry experts;
 - o assuring the candidates possess both the personal qualities of integrity, courage, curiosity, interpersonal skills, interest in the business and the industry, business acumen, ability and capacity to contribute and the appropriate and necessary competencies and skills as described above within the matrix;
 - o reviewing the current diversity represented on the Board with the backdrop of the Company's Diversity Policy to assist with the sourcing and targeting of candidates;
 - o interviewing and evaluating candidates along with obtaining appropriate checks and references; and
 - o putting forward the candidate for appointment and election as a director to the Chairman, Managing Director, and full Board;
- **Providing information:** providing security holders with material information in the Committee's possession relevant to a decision as to whether or not to elect or re-elect a director;
- **Assessing performance:** implementing a process to evaluate the performance of the chairperson, Board, Board committees, individual directors and senior executives on an annual basis to support governance improvement, efficient Board processes and effective decision making and to address issues that may arise from the review;
- **Assessing time commitment:** reviewing the time required to be committed by non-executive directors to properly fulfil their duties to the Company and whether non-executive directors are meeting these requirements;
- **Assessing independence:** assisting the Board in assessing the independence of each non-executive director;
- **Succession plans:** reviewing Board and senior executive succession plans and processes, including for the Managing Director and other senior executive positions and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and
- **Governance matters:** reviewing and making recommendations in relation to any corporate governance issues as requested by the Board from time to time.

Remuneration Committee

The Committee is responsible for informing itself of market-based, publicly available and relevant competitive remuneration committee information and developing, reviewing and making recommendations to the Board on:

- **Directors' fees:** the Company's remuneration framework for directors, including, the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- **Senior executives:** the remuneration packages to be awarded to senior executives;
- **Bias:** reviewing whether there are any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- **Policies:** the Company's recruitment, retention and termination policies for the Managing Director and senior executives and any changes to those policies;
- **Incentive schemes:** incentive schemes, if appropriate, for the Managing Director and senior executives;
- **Equity-based programs:** equity-based remuneration plans, if appropriate, for senior executives and other employees;
- **Superannuation and retirement benefits:** superannuation and retirement benefit arrangements for directors, senior executives and other employees; and
- **Other perquisites:** applying certain other benefits as determined appropriate based upon market and competitive information.

Directors' Report

30th June 2022

Incentive schemes and equity-based remuneration

For any incentive schemes or equity-based plans which are adopted, the Committee is responsible for:

- **Reviewing:** reviewing their terms (including any eligibility criteria and performance hurdles);
- **Administration:** overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme;
- **Shareholder approval:** considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- **Payments and awards:** ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

Non-Executive Directors' remuneration

Under the Constitution, in a general meeting the Company may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of directors' fees paid to the Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in the annual general meeting.

The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. Initially, and until a different amount is determined by Shareholders, the maximum aggregate Non-Executive Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is \$1,000,000 per annum. This amount excludes, among other things, amounts payable to any executive Director under any executive services agreement with the Group or any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company. The remuneration of a Director (who is not the Chief Executive Officer or an Executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

The following annual base fees are payable to Directors:

Director fees per annum including statutory entitlements

Chairman	\$220,000
Non-Executive Director	\$110,000

The following annual committee fees are payable to the Chairman of the following Committees (with effect from Completion):

<i>Committee</i>	<i>Chairman fee</i>
Audit and Risk Management Committee	\$25,000
Remuneration Committee	\$25,000
Nomination and Governance Committee	\$25,000
Sustainability Committee	\$25,000

Directors will receive additional fees for being a member of a Board committee of \$12,500 per annum.

All Directors' fees include superannuation payments required by law to be made. Non-Executive Directors do not receive performance-based remuneration.

Mr Joel Riddle does not receive any fees in his capacity as a Director.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

Directors' Report

30th June 2022

The Tamboran executive compensation strategy provides for fair, competitive remuneration that aligns potential rewards with the Company's objectives while being transparent to shareholders. Key remuneration elements are reviewed annually to determine appropriate awards based upon factors such as individual performance, Company results and competitive benchmark survey data.

The following is a brief description of the approach for each element:

- Primary benefit - base salary is reviewed annually and adjusted based upon individual performance and competitive benchmarks that may be reviewed from time to time to ensure competitiveness.
- Variable short term incentives - cash bonuses are reviewed annually with awards granted based upon individual performance and Company results using identified strategic objectives and metrics. Bonus targets are benchmarked from time to time to ensure competitiveness. The Board reserves the right to grant bonuses and the quantum of the bonus dependent on performances.
- Variable Equity long-term incentives are reviewed annually with incentives being provided to employees or consultants in the form of non-qualified stock options ('NSOs'). Equity grants awarded as part of the Company's annual review cycle will vest over a 5-year period. Equity targets are benchmarked from time to time to ensure competitiveness.

Share-based payment plans

Equity Incentive Plan

Tamboran adopted a new Equity Incentive Plan ('EIP') in May 2021 in preparation for becoming a publicly listed company and to assist in the motivation and retention of selected company employees and directors. As a result, all previous incentives issued to non-executive directors and executives were cancelled and new options were issued.

NSOs were issued as part of the new capital structure in May 2021 and were as follows:

- 7,416,667 fully vested options issued under the Equity Incentive Plan, expiring 20 May 2026 with an exercise price of \$0.2367;
- 10,734,584 fully vested options issued under the Equity Incentive Plan, expiring 20 May 2026 with an exercise price of \$0.32; and
- 16,000,000 unvested options issued as Milestone Options, expiring 20 May 2026 with an exercise price of \$0.40.

Below is a summary of the terms and conditions of issue of the options issued to KMPs under the EIP as of 30 June 2022.

Total number of Options issued under the EIP to KMP	Vesting Condition	Exercise price and expiry date
8,417,858 Options	Fully vested	\$0.32 per Option expiring on 20 May 2026
5,500,000 Options	Fully vested	\$0.24 per Option expiring on 20 May 2026
21,000,000 Milestone Options	(1) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$1.00 per Share (2) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$1.50 per Share (3) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$2.00 per Share (4) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$2.50 per Share	\$0.40 per Milestone Option expiring on 20 May 2026 or, if the Milestone Options vest, the date that is 5 years after the date they vest as determined by the Board

Each option entitles the holder ('Optionholder') to subscribe for one share upon exercise of the option and is exercisable at any time, once vesting conditions have been satisfied, on or prior to 20 May 2026. Shares issued on exercise of the options will rank equally with the then shares of the Company. The options are not transferable.

The options may be exercised by notice in writing to the Company and payment of the relevant exercise price for each option being exercised. The Company will not apply to ASX for quotation of the options however it will apply to ASX for quotation of the shares issued upon the exercise of the options.

Directors' Report

30th June 2022

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders.

If the Company makes a bonus issue of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of shares which must be issued on the exercise of an option will be increased by the number of shares which the Optionholder would have received if the Optionholder had exercised the option before the record date for the bonus issue.

If the Company makes an issue of shares pro rata to Existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an option will be reduced according to the ASX Listing Rules.

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. Milestone options granted are dependent on defined share prices being achieved. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants

During the financial year ended 30 June 2022, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the Company's 2021 Annual General Meeting ('AGM')

At the 8 December 2021 AGM, 99.83% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the following Directors of Tamboran Resources Limited:

- Richard Stoneburner - Chairman
- Joel Riddle - Managing Director and Chief Executive Officer
- Fredrick Barrett - Non-Executive Director
- Daniel Chandra - Non-Executive Director
- Ann Diamant - Non-Executive Director
- Patrick Elliott - Non-Executive Director
- David Siegel - Non-Executive Director

And the following persons:

- Eric Dyer - Chief Financial Officer
- Faron Thibodeaux - Chief Operating Officer (appointed 6 August 2021)

Joanna Morbey was included as a key management personnel in the 30 June 2021 Annual Report. During a review of key management in the current year it was determined that Joanna was not in fact a key management personnel and the comparative has been adjusted to remove Joanna to reflect this.

Directors' Report

30th June 2022

Amounts of remuneration

2022	Cash salary and fees \$	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		Total \$
		Cash bonus \$	Additional services/ acceptance fee \$	Super-annuation and other benefits \$	Long service leave \$	Equity-settled shares \$	Equity-settled options \$	
<i>Non-Executive Directors:</i>								
R Stoneburner	220,000	-	-	-	-	-	-	220,000
F Barrett	160,000	-	-	-	-	-	-	160,000
D Chandra	135,000	-	-	-	-	-	-	135,000
A Diamant	144,227	-	-	14,423	-	-	-	158,650
P Elliott	147,500	-	-	-	-	-	-	147,500
D Siegel	147,500	-	-	-	-	-	-	147,500
<i>Executive Directors:</i>								
J Riddle	679,527	100,000	-	31,411	8,880	-	419,431	1,239,249
<i>Other KMP:</i>								
E Dyer	567,145	100,000	-	20,355	6,844	-	190,651	884,995
F Thibodeaux ¹	502,489	-	51,257	87,725	-	-	203,168	844,639
	<u>2,703,388</u>	<u>200,000</u>	<u>51,257</u>	<u>153,914</u>	<u>15,724</u>	<u>-</u>	<u>813,250</u>	<u>3,937,533</u>

(1) Salary and benefits paid in FY22 of USD\$450,529 (remuneration less equity-settled options) are converted at the average rate of 0.702337

2021	Cash salary and fees \$	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		Total \$
		Cash bonus \$	Additional services/ acceptance fee \$	Super-annuation and other benefits \$	Long service leave \$	Equity-settled shares \$	Equity-settled options \$	
<i>Non-Executive Directors:</i>								
R Stoneburner	124,964	-	128,982	-	-	-	96,679	350,625
F Barrett	153,693	-	128,982	-	-	-	146,679	429,354
D Chandra	125,731	-	128,982	-	-	-	46,679	301,392
A Diamant ¹	39,425	-	25,000	3,745	-	88,487	46,679	203,336
P Elliott ²	261,826	-	128,982	-	-	-	46,679	437,487
D King ³	86,955	-	128,982	2,840	-	-	-	218,777
S Lake ⁴	72,622	-	128,982	-	-	-	-	201,604
D Siegel ⁵	49,168	-	110,608	-	-	-	46,679	206,455
<i>Executive Directors:</i>								
J Riddle	625,000	300,000	-	136,329	-	832,000	2,176,554	4,069,883
<i>Other KMP:</i>								
E Dyer ⁶	652,621	300,000	-	61,594	-	320,000	621,416	1,955,631
	<u>2,192,005</u>	<u>600,000</u>	<u>909,500</u>	<u>204,508</u>	<u>-</u>	<u>1,240,487</u>	<u>3,228,044</u>	<u>8,374,544</u>

Directors' Report

30th June 2022

- (1) Ann Diamant was appointed on 3 March 2021. On appointment Ms Diamant was allocated 276,522 ordinary shares as a sign-on bonus.
- (2) Pat Elliott was the Chairman of the Company for the period 1 July 2020 to 28 February 2021.
- (3) Stuart Lake retired from the Board on 3 March 2021.
- (4) David King retired from the Board on 3 March 2021.
- (5) David Siegel was appointed a non-executive director on 3 March 2021. On appointment Mr Siegel accepted the cash equivalent of 276,522 ordinary shares.
- (6) Eric Dyer commenced as a contractor to Tamboran on 1 November 2019 until 31 January 2021 and became a full time employee on 1 February 2021. The salary in the current period includes a reimbursement of expenses incurred in 2021 of \$100,000.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
R Stoneburner	100.00%	72.43%	-	-	-	27.57%
F Barrett	100.00%	65.84%	-	-	-	34.16%
D Chandra	100.00%	84.51%	-	-	-	15.49%
A Diamant	100.00%	33.53%	-	-	-	66.47%
P Elliott	100.00%	89.33%	-	-	-	10.67%
D King	100.00%	100.00%	-	-	-	-
S Lake	100.00%	100.00%	-	-	-	-
D Siegel	100.00%	77.39%	-	-	-	22.61%
<i>Executive Directors:</i>						
J Riddle	58.08%	18.71%	8.07%	7.37%	33.85%	73.92%
<i>Other KMP:</i>						
E Dyer	67.16%	36.52%	11.30%	15.34%	21.54%	48.14%
F Thibodeaux	75.95%	-	-	-	24.05%	-

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2022	2021	2022	2021
<i>Executive Directors:</i>				
J Riddle	100%	100%	-	-
<i>Other KMP:</i>				
E Dyer	100%	100%	-	-
F Thibodeaux	-	-	-	-

Directors' Report

30th June 2022

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name: **Mr Joel Riddle**
Title: Managing Director and Chief Executive Officer
Details: Fixed remuneration and fees of AU\$679,527

Other benefits:

3,267,500 Options at \$0.32, fully vested, expiring on 20 May 2026.

5,500,000 Options at \$0.2367, fully vested, expiring on 20 May 2026.

11,000,000 Milestone Options at \$0.40, unvested, expiring on the Milestone Option Expiry Dates.

In the event of a change of control, the Board may in its discretion determine that all or a portion of the Managing Director's Milestone Options are to vest immediately or at a future time.

In the event that the Managing Director's employment is terminated and he is a bad leaver, the Board may determine that all or a portion of the unvested Milestone Options are to lapse immediately or at a future time. In the event the Managing Director is a good leaver, the Board may in its discretion determine that all or a portion of the Managing Director's Milestone Options are to vest immediately or at a future time.

Notice period, termination and termination payments:

Six months prior written notice for termination of employment. No other termination benefits applicable.

Non-solicitation/restrictions of future activities:

Must not within 12 months, 6 months, 3 months or 6 weeks (whichever is enforceable) after the termination of employment:

- engage in or work for a Competing Business;
- without the Company's written consent, directly or indirectly interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between Tamboran and any of its clients, customers or suppliers and any prospective customers, suppliers identified by the Company;
- accept a request from a customer to provide services relating to a Competing Business; and
- induce, encourage or solicit any of the Tamboran's employees, contractors or agents where there is a business relationship at any time during the last 12 months of employment to leave employment or agency or to cease providing services to the Company.

Directors' Report

30th June 2022

Name: **Mr Eric Dyer**
Title: Chief Financial Officer
Details: Fixed remuneration and fees of AU\$567,145

Other benefits:

3,000,000 Options at \$0.32, fully vested, expiring on 20 May 2026.

5,000,000 Milestone Options at \$0.40, unvested, expiring on the Milestone Option Expiry Dates.

In the event of a change of control, the Board may in its discretion determine that all or a portion of the CFO's Milestone Options are to vest immediately or at a future time. All Options convert on a one to one basis.

In the event that the CFO's employment is terminated and he is a bad leaver, the Board may determine that all or a portion of the unvested Milestone Options are to lapse immediately or at a future time. In the event the CFO is a good leaver, the Board may in its discretion determine that all or a portion of the CFO's Milestone Options are to vest immediately or at a future time.

Notice period, termination and termination payments:

Three months prior written notice for termination of employment. No other termination benefits applicable.

Non-solicitation/restrictions of future activities:

Must not within 12 months, 6 months, 3 months or 6 weeks (whichever is enforceable) after the termination of employment:

- engage in or work for a Competing business;
- without the Company's written consent, directly or indirectly interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between Tamboran and any of its clients, customers or suppliers and any prospective customers, suppliers identified by the Company;
- accept a request from a customer to provide services relating to a competing business; and
- induce, encourage or solicit any of the Tamboran's employees, contractors or agents where there is a business relationship at any time during the last 12 months of employment to leave employment or agency or to cease providing services to the Company.

Directors' Report

30th June 2022

Name: **Mr Faron Thibodeaux**
Title: Chief Operating Officer (appointed 6 August 2021)
Details: Fixed remuneration and fees of AU\$502,489

Other benefits:

5,000,000 Milestone Options at \$0.40, unvested, expiring on the Milestone Option Expiry Dates.

In the event of a change of control, the Board may in its discretion determine that all or a portion of the COO's Milestone Options are to vest immediately or at a future time. All Options convert on a one to one basis. In the event that the COO's employment is terminated and he is a bad leaver, the Board may determine that all or a portion of the unvested Milestone Options are to lapse immediately or at a future time. In the event the COO is a good leaver, the Board may in its discretion determine that all or a portion of the COO's Milestone Options are to vest immediately or at a future time.

During the employment period, the COO may be eligible to receive short-term incentive compensation as determined by the Board from time to time in its sole discretion. The short-term incentive compensation shall be set by the Board, together with performance metrics and shall initially be 50% of the COO's base salary; provided, however, that such target shall not limit the discretion of the Board.

Notice period, termination and termination payments:

One month prior written notice for termination of employment. No other termination benefits applicable.

Non-solicitation/restrictions of future activities:

Must not within 12 months after the termination of employment:

- offer to provide services to, or disrupt or attempt to disrupt or otherwise interfere with the relationship with any Customer with whom the Employee personally provided or proposed to provide services in connection with the Business;
- solicit for employment, engage, hire, or employ any employee who was an employee of the Company as of Employee's date of termination, or who becomes an employee of the Company during the Restricted period; and
- engage directly or indirectly in or work for a Competing business in the Northern Territory.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Directors' Report

30th June 2022

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
R Stoneburner	483,393	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
J Riddle	3,627,500	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
	5,500,000	20 May 2021	20 May 2021	20 May 2026	\$0.2400	\$0.2200
	2,750,000	20 May 2021	4 December 2023	20 May 2026	\$0.4000	\$0.1352
	2,750,000	20 May 2021	2 May 2024	20 May 2026	\$0.4000	\$0.1208
	2,750,000	20 May 2021	6 August 2024	20 May 2026	\$0.4000	\$0.1036
	2,750,000	20 May 2021	1 October 2024	20 May 2026	\$0.4000	\$0.0884
F Barrett	733,393	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
D Chandra	233,393	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
A Diamant	233,393	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
P Elliott	233,393	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
D Siegel	233,393	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
E Dyer	3,000,000	20 May 2021	20 May 2021	20 May 2026	\$0.3200	\$0.2000
	1,250,000	20 May 2021	4 December 2023	20 May 2026	\$0.4000	\$0.1352
	1,250,000	20 May 2021	2 May 2024	20 May 2026	\$0.4000	\$0.1208
	1,250,000	20 May 2021	6 August 2024	20 May 2026	\$0.4000	\$0.1036
	1,250,000	20 May 2021	1 October 2024	20 May 2026	\$0.4000	\$0.0884
F Thibodeaux	1,250,000	20 May 2021	22 December 2023	20 May 2026	\$0.4000	\$0.1815
	1,250,000	20 May 2021	24 April 2024	20 May 2026	\$0.4000	\$0.1630
	1,250,000	20 May 2021	29 August 2024	20 May 2026	\$0.4000	\$0.1381
	1,250,000	20 May 2021	30 October 2024	20 May 2026	\$0.4000	\$0.1188

Options granted carry no dividend or voting rights.

Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end (\$)	0.22	-	-	-	-
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(1.53)	(19.18)	(15.51)	(16.43)	(4.50)
Diluted loss per share (cents per share)	(1.53)	(19.18)	(15.51)	(16.43)	(4.50)

Directors' Report

30th June 2022

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
R Stoneburner	2,116,102	-	288,023	-	2,404,125
F Barrett	2,189,715	-	288,023	-	2,477,738
D Chandra	1,918,235	-	318,770	-	2,237,005
A Diamant	401,522	-	141,644	-	543,166
P Elliott	23,318,970	-	432,275	-	23,751,245
D Siegel	145,477,429	-	896,212	-	146,373,641
J Riddle	3,810,111	-	328,924	-	4,139,035
E Dyer	2,549,932	-	215,897	-	2,765,829
F Thibodeaux	-	-	3,309,984	-	3,309,984
	181,782,016	-	6,219,752	-	188,001,768

'Balance at start of year' relates to holding as at date of admission of the Company to the Official List of the ASX on 1 July 2021.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
R Stoneburner	483,393	-	-	-	483,393
F Barrett	733,393	-	-	-	733,393
D Chandra	233,393	-	-	-	233,393
A Diamant	233,393	-	-	-	233,393
P Elliott	233,393	-	-	-	233,393
D Siegel	233,393	-	-	-	233,393
J Riddle	19,767,500	-	-	-	19,767,500
E Dyer	8,000,000	-	-	-	8,000,000
F Thibodeaux	-	5,000,000	-	-	5,000,000
	29,917,858	5,000,000	-	-	34,917,858

'Balance at start of year' relates to holding as at date of admission of the Company to the Official List of the ASX on 1 July 2021.

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
R Stoneburner	483,393	-	483,393
F Barrett	733,393	-	733,393
D Chandra	233,393	-	233,393
A Diamant	233,393	-	233,393
P Elliott	233,393	-	233,393
D Siegel	233,393	-	233,393
J Riddle	8,767,500	-	8,767,500
E Dyer	3,000,000	-	3,000,000
F Thibodeaux	-	-	-
	13,917,858	-	13,917,858

Directors' Report

30th June 2022

Loans to KMP and their related parties

There were no loans to KMP or their related parties during the year to 30 June 2022.

Other transactions with KMP and their related parties

Other than remuneration, shares, options or performance rights, as detailed in the sections above, there were no other transactions with KMP and their related parties during the year to 30 June 2022.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Richard Stoneburner
Chairman of the Board

28 September 2022
Sydney

Auditor's Independence Declaration

30th June 2022



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Auditor's independence declaration to the directors of Tamboran Resources Limited

As lead auditor for the audit of the financial report of Tamboran Resources Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tamboran Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ryan Fisk
Partner
28 September 2022

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Profit or Loss and Other Comprehensive Income

30th June 2022

	Note	2022 \$	2021 \$
Revenue			
Other income	5	648,808	2,492,121
Interest income		1,998	6,868
Expenses			
Director and employee benefits expense		(3,619,687)	(5,071,684)
Share-based payments expense		(1,456,014)	(4,438,597)
Depreciation and amortisation expense	6	(562,099)	(447,562)
Consultancy, legal and professional costs		(3,730,731)	(7,422,186)
Administration expenses		(1,824,380)	(489,354)
ASX Listing fees		(145,745)	(181,255)
Verified emissions		-	(132,453)
Foreign exchange losses		-	(113,081)
Other expenses		(52,755)	(198,796)
Finance costs	6	(61,852)	(7,825,459)
Loss before income tax expense		(10,802,457)	(23,821,438)
Income tax expense	7	-	-
Loss after income tax expense for the year		(10,802,457)	(23,821,438)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		772	-
Other comprehensive income for the year, net of tax		772	-
Total comprehensive income for the year		<u>(10,801,685)</u>	<u>(23,821,438)</u>
		Cents	Cents
Basic loss per share	32	(1.53)	(19.18)
Diluted loss per share	32	(1.53)	(19.18)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

30th June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	26,810,224	63,083,722
Trade and other receivables	9	2,896,440	436,442
Other assets	10	986,262	58,315
Total current assets		<u>30,692,926</u>	<u>63,578,479</u>
Non-current assets			
Property, plant and equipment	11	16,372,076	649,427
Right-of-use assets	12	1,030,357	1,416,740
Intangible assets	13	433,457	-
Exploration and evaluation assets	14	84,949,957	46,601,221
Other assets	10	592,614	321,750
Total non-current assets		<u>103,378,461</u>	<u>48,989,138</u>
Total assets		<u>134,071,387</u>	<u>112,567,617</u>
Liabilities			
Current liabilities			
Trade and other payables	15	3,853,956	6,391,269
Lease liabilities	16	390,851	359,830
Employee benefits	17	363,867	232,875
Total current liabilities		<u>4,608,674</u>	<u>6,983,974</u>
Non-current liabilities			
Lease liabilities	16	723,537	1,114,390
Employee benefits	17	131,438	105,222
Total non-current liabilities		<u>854,975</u>	<u>1,219,612</u>
Total liabilities		<u>5,463,649</u>	<u>8,203,586</u>
Net assets		<u>128,607,738</u>	<u>104,364,031</u>
Equity			
Issued capital	18	217,444,729	183,855,350
Reserves	19	10,077,146	8,620,361
Accumulated losses		(98,914,137)	(88,111,680)
Total equity		<u>128,607,738</u>	<u>104,364,031</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

30th June 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	20,518,296	4,181,764	(64,290,242)	(39,590,182)
Loss after income tax expense for the year	-	-	(23,821,438)	(23,821,438)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(23,821,438)	(23,821,438)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of ordinary shares (note 18)	83,868,785	-	-	83,868,785
Conversion of redeemable preference shares (note 18)	82,719,254	-	-	82,719,254
Share issue transaction costs (note 18)	(3,586,860)	-	-	(3,586,860)
Conversion of warrants (note 18)	335,875	-	-	335,875
Share-based payments (note 33)	-	4,438,597	-	4,438,597
Balance at 30 June 2021	<u>183,855,350</u>	<u>8,620,361</u>	<u>(88,111,680)</u>	<u>104,364,031</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	183,855,350	8,620,361	(88,111,680)	104,364,031
Loss after income tax expense for the year	-	-	(10,802,457)	(10,802,457)
Other comprehensive income for the year, net of tax	-	772	-	772
Total comprehensive income for the year	-	772	(10,802,457)	(10,801,685)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of ordinary shares (note 18)	34,964,616	-	-	34,964,616
Share issue transaction costs (note 18)	(1,375,237)	-	-	(1,375,237)
Share-based payments (note 33)	-	1,456,013	-	1,456,013
Balance at 30 June 2022	<u>217,444,729</u>	<u>10,077,146</u>	<u>(98,914,137)</u>	<u>128,607,738</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

30th June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(11,012,230)	(8,562,862)
Interest received		1,998	14,272
Interest and other finance costs paid		<u>(50,238)</u>	<u>(84,994)</u>
Net cash used in operating activities	31	<u>(11,060,470)</u>	<u>(8,633,584)</u>
Cash flows from investing activities			
Payment for expenses relating to acquisitions		(1,027,633)	-
Payments for investments		(204,657)	-
Payments for property, plant and equipment	11	(15,228,389)	(17,695)
Payments for exploration and evaluation		<u>(39,656,584)</u>	<u>(13,196,723)</u>
Net cash used in investing activities		<u>(56,117,263)</u>	<u>(13,214,418)</u>
Cash flows from financing activities			
Proceeds from issue of shares	18	34,964,616	61,004,206
Proceeds from the issue of redeemable preference shares		-	21,653,588
Proceeds from exercise of warrants		-	335,875
Share issue transaction costs		(3,492,997)	(3,346,048)
Repayment of lease liabilities		<u>(359,831)</u>	<u>(310,206)</u>
Net cash from financing activities		<u>31,111,788</u>	<u>79,337,415</u>
Net increase/(decrease) in cash and cash equivalents		(36,065,945)	57,489,413
Cash and cash equivalents at the beginning of the financial year		63,083,722	5,594,309
Effects of exchange rate changes on cash and cash equivalents		<u>(207,553)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>26,810,224</u></u>	<u><u>63,083,722</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

30th June 2022

Note 1. General information

The financial statements of Tamboran Resources Limited are for Tamboran Resources Limited (referred to hereafter as the 'Company', 'Tamboran' or 'parent entity') and its subsidiaries (together referred to hereafter as the 'Group'). The financial statements are presented in Australian dollars, which is Tamboran Resources Limited's functional and presentation currency.

Tamboran Resources Limited is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is:

110-112 The Corso,
Manly NSW 2095

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 September 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in note 34, on 20 September 2022, the Company announced a total raise of \$191 million which included a capital raise of A\$138 million via an equity placement. Of the total raise, \$110 million will be used for the completion of the purchase of Origin Energy's 77.5% interest in three Beetaloo Basin permits (EP 98, 117 and 76) for \$60 million (of which Tamboran will own 50%, or 38.75%, with the remaining portion sold to Bryan Sheffield) and the commitment by Tamboran to solely fund the remaining Origin Stage 3 farm-in commitments, which includes the drilling of two horizontal wells, at an estimated cost of \$80 million, and back costs to the effective date of 1 July 2022.

In conjunction with the equity placement, the Company also announced a non-underwritten Share Purchase Plan (SPP) to existing shareholders targeting to raise approximately \$3.0 million. The SPP is capped at a total of \$5.0 million.

This capital raise when combined with existing cash on hand is sufficient to meet discretionary and non-discretionary obligations as they come due over the next twelve months.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared on a historical cost basis.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the consolidated results of the Group. Supplementary information regarding the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tamboran Resources Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', whereby the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODMs are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Tamboran Resources Limited's functional and presentation currency.

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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

Revenue recognition

The Group recognises revenue as follows:

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

Government grants

Government grants are recognised against the exploration and evaluation asset.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Other financial assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis over the expected useful lives of the asset as follows:

Leasehold improvements	5 years
Machinery work-in-progress	Not depreciated until machinery is fully operational

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Carbon credits

To assist in Tamboran's achievement of the target to be a next generation Net Zero energy company from the commencement of first production, in 2021 Tamboran began to purchase high-quality carbon offsets to reduce any future residual emissions. These carbon offsets have been recognised as intangible assets at cost and will be assessed for impairment whenever an indication of impairment exists.

Exploration and evaluation assets

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. Under this method, all general exploration and evaluation costs are expensed as incurred except the direct costs of acquiring the rights to explore, drilling exploratory wells and evaluating the results of drilling. These direct costs are capitalised as exploration and evaluation assets pending the determination of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

The carrying amounts of exploration and evaluation assets are reviewed at each reporting date to determine whether any of the following indicators of impairment are present:

- the right to explore has expired, or will expire in the near future, and is not expected to be renewed;
- further exploration for and evaluation of resources in the specific area is not budgeted or planned for;
- the Group has decided to discontinue activities in the area; or
- there is sufficient data to indicate the carrying value is unlikely to be recovered in full from successful development or by sale.

Where an indicator of impairment exists, the asset's recoverable amount is estimated. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future exploitation or sale, an impairment is recognised in profit or loss for the difference.

Upon approval of the commercial development of a project, the exploration and evaluation asset is classified as a development asset. Once production commences, development assets are transferred to property, plant and equipment.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte-Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Tamboran Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Certain comparatives in the statement of financial position have been reclassified to align with current year disclosure. There has been no change in net assets or net current assets as a result of any reclassification.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 2020-3 Fees in the '10 per cent' test for derecognition of financial liabilities

This standard amends AASB 9 to clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

AASB 2020-3 Amendments to AASB 137 Onerous Contracts – Cost of Fulfilling a Contract

This standard amends AASB 137 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The standard makes amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Notes to the Consolidated Financial Statements

30th June 2022

Note 2. Significant accounting policies (continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

Amendments of AASB 7, 101 and 108 provide definition and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Group.

AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment revises AASB 112 to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Group.

Other standard amendments and interpretations

Several other standard amendments and interpretations were applicable for the first time from 1 July 2021 or were issued but not yet applicable as of the reporting date, but were not relevant to the Group and does not impact the Group's consolidated financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

During the years ending 30 June 2022 and 30 June 2021, awards were granted to employees under the Employee Incentive Plan. The fair value of these awards were determined by either the Black-Scholes model (for those awards that vested immediately) or the Monte-Carlo model for Milestone awards. Each of these models takes into account the terms and conditions upon which the instruments were granted to determine the fair value of the awards. The inputs to each valuation model include the share price at grant date, exercise price, the term of the right, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The Monte Carlo model also incorporates a probability-based value impact of the market condition.

The accounting estimates and assumptions relating to equity-settled share-based payments, most significantly the volatility assumption, and assumption regarding the achievement of the market conditions, would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Changes in our expectations post-grant date, such as in expected forfeiture, may impact future expense related to our stock-based awards.

Notes to the Consolidated Financial Statements

30th June 2022

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recoverability of exploration and evaluation assets

Assessment of the recoverability of capitalised exploration and evaluation expenditure requires certain estimates and assumptions to be made as to future events and circumstances, particularly in relation to whether economic quantities of reserves have been discovered. Such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available indicating that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Note 4. Operating segments

The Company operates as an unconventional gas exploration company whose tenements and related exploration activities are located in Australia. This is considered the only reportable segment. The consolidated results are therefore representative of this single reporting segment.

Major customers

During the years ended 30 June 2022 and 30 June 2021 there were no major customers of the Group.

Note 5. Other income

	2022 \$	2021 \$
Foreign exchange gain	648,808	-
Previous year expenditure recovered or discounted	-	2,492,121
Other income	<u>648,808</u>	<u>2,492,121</u>

Notes to the Consolidated Financial Statements

30th June 2022

Note 6. Expenses

	2022 \$	2021 \$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest on Sweetpea note payable	-	39,732
Interest and finance charges paid/payable on lease liabilities	61,852	84,995
	<u>61,852</u>	<u>124,727</u>
Redeemable preference shares		
Issuance of shares for modification	-	4,800,000
Accretion of discount on liability	-	4,079,783
Market to market derivative loss/(gain)	-	1,554,759
Unrealised foreign exchange loss/(gain)	-	(2,324,904)
Amortisation of borrowing costs	-	475,172
Remeasurement due to Modification loss/(gain)	-	(884,078)
	<u>-</u>	<u>7,700,732</u>
Total finance costs	<u>61,852</u>	<u>7,825,459</u>
<i>Depreciation</i>		
Leasehold improvements (note 11)	175,716	95,726
Buildings right-of-use assets (note 12)	386,383	351,835
Total depreciation	<u>562,099</u>	<u>447,561</u>
<i>Leases (included in Administration expenses in the statement of profit or loss)</i>		
Short-term lease payments	95,865	-
<i>Superannuation expense (included in Director and employee benefits expense in the statement of profit of loss)</i>		
Defined contribution superannuation expense	202,075	29,842

Note 7. Income tax

	2022 \$	2021 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(10,802,457)</u>	<u>(23,821,438)</u>
Tax at the statutory tax rate of 30%	(3,240,737)	(7,146,431)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure	436,804	4,533,178
Foreign tax rate differential	(3,717)	-
Current year tax losses not recognised	2,807,650	2,613,253
Income tax expense	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements

30th June 2022

Note 7. Income tax (continued)

	2022 \$	2021 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	55,390,509	51,608,760
Potential tax benefit @ 30%	16,581,266	15,482,628

The above potential tax benefit for tax losses has not been recognised in the statement of financial position, as it is not probable that there will be future taxable profits available, against which the tax benefits can be offset. In the event of future taxable profits, the continuity of ownership test, or failing that, the business continuity test will need to be satisfied at the time of loss utilisation, in order to utilise the tax losses.

	2022 \$	2021 \$
<i>Deferred tax not recognised</i>		
Deferred tax not recognised comprises temporary differences attributable to:		
Leases	(32,008)	-
Provisions	408,965	101,429
Transaction costs arising on shares issued	3,756,148	717,372
Tax losses recognised	20,111,603	8,355,315
Exploration assets	(24,129,236)	(9,174,116)
Other	(115,472)	-
Net deferred tax recognised	<u>-</u>	<u>-</u>

Note 8. Cash and cash equivalents

	2022 \$	2021 \$
<i>Current assets</i>		
Cash at bank	26,810,224	63,083,722

Note 9. Trade and other receivables

	2022 \$	2021 \$
<i>Current assets</i>		
GST receivable	304,265	436,442
Government grant receivable	2,592,175	-
	<u>2,896,440</u>	<u>436,442</u>

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Note 10. Other assets

	2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	966,140	58,315
Other current assets	20,122	-
	<u>986,262</u>	<u>58,315</u>
<i>Non-current assets</i>		
Prepayments	255,822	-
Other non-current assets	336,792	321,750
	<u>592,614</u>	<u>321,750</u>

Note 11. Property, plant and equipment

	2022 \$	2021 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	773,899	773,899
Less: Accumulated depreciation	(300,188)	(124,472)
	<u>473,711</u>	<u>649,427</u>
Machinery work-in-progress - at cost	15,898,365	-
	<u>16,372,076</u>	<u>649,427</u>

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	<i>Leasehold improvements</i> \$	<i>Machinery work- in-progress</i> \$	<i>Total</i> \$
Balance at 1 July 2020	727,458	-	727,458
Additions	17,695	-	17,695
Depreciation expense	(95,726)	-	(95,726)
Balance at 30 June 2021	649,427	-	649,427
Additions	-	15,898,365	15,898,365
Depreciation expense	(175,716)	-	(175,716)
Balance at 30 June 2022	<u>473,711</u>	<u>15,898,365</u>	<u>16,372,076</u>

Notes to the Consolidated Financial Statements

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Note 12. Right-of-use assets

	2022 \$	2021 \$
<i>Non-current assets</i>		
Buildings - right-of-use	1,880,095	1,880,095
Less: Accumulated depreciation	<u>(849,738)</u>	<u>(463,355)</u>
	<u>1,030,357</u>	<u>1,416,740</u>

The Group has one lease contract for the use of the office premises. The term of the lease is five years, with an option of three additional years. At the inception of the lease, the Group had assessed the lease period as eight years. In the prior year, the Group has concluded it is unlikely to extend the lease for the optional three years. As such, a lease remeasurement was performed during the prior year, the impacts of which are shown in the table below in addition to the carrying amount of the right of use asset recognised and the movements during the year:

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	<i>Buildings - right-of-use</i> \$
Balance at 1 July 2020	2,564,961
Lease remeasurement	(796,386)
Depreciation expense	<u>(351,835)</u>
Balance at 30 June 2021	1,416,740
Depreciation expense	<u>(386,383)</u>
Balance at 30 June 2022	<u>1,030,357</u>

For other AASB 16 and lease related disclosures refer to the following:

- Refer to note 6 for interest on lease liabilities and other lease payments;
- Refer to note 16 for lease liabilities at 30 June 2022;
- Refer to note 21 for maturity analysis of lease liabilities; and
- Refer to the consolidated statement of cash flows for repayment of lease liabilities.

Note 13. Intangible assets

	2022 \$	2021 \$
<i>Non-current assets</i>		
Carbon credits - at cost	<u>433,457</u>	<u>-</u>

Notes to the Consolidated Financial Statements

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Note 13. Intangible assets (continued)

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	<i>Carbon credits</i>
	\$
Balance at 1 July 2020	-
Balance at 30 June 2021	-
Additions	433,457
Balance at 30 June 2022	<u>433,457</u>

Note 14. Exploration and evaluation assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - EP161 - at cost	<u>38,544,226</u>	<u>21,777,765</u>
Exploration and evaluation - EP136 - at cost	<u>46,405,731</u>	<u>24,823,456</u>
	<u>84,949,957</u>	<u>46,601,221</u>

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	<i>Exploration and evaluation EP161</i>	<i>Exploration and evaluation EP136</i>	<i>Total</i>
	\$	\$	\$
Balance at 1 July 2020	15,677,720	-	15,677,720
Additions - EP 161	6,100,045	-	6,100,045
Acquisition of Sweetpea tenements	-	16,923,287	16,923,287
Additions - Sweetpea tenements (post-acquisition)	-	7,900,169	7,900,169
Balance at 30 June 2021	21,777,765	24,823,456	46,601,221
Additions	16,766,461	24,174,450	40,940,911
Government grant	-	(2,592,175)	(2,592,175)
Balance at 30 June 2022	<u>38,544,226</u>	<u>46,405,731</u>	<u>84,949,957</u>

Exploration and evaluation assets consist of Tamboran's Australian exploration project, which is pending the determination of proven or probable reserves. Sweetpea Assets are subject to a 4% overriding royalty interests ('ORRI') granted in favour of parties that give the holders certain contractual rights (such as to receive a share of the gross revenue) in respect of gas produced from the land within a permit. Given the wells are still in the process of being drilled, these royalties are not yet realised.

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Note 15. Trade and other payables

	2022 \$	2021 \$
<i>Current liabilities</i>		
Trade payables	854,765	5,715,283
Other employee costs	-	761
Other payables and accruals	2,999,191	675,225
	<u>3,853,956</u>	<u>6,391,269</u>

Refer to note 21 for further information on financial instruments.

Note 16. Lease liabilities

	2022 \$	2021 \$
<i>Current liabilities</i>		
Lease liability	<u>390,851</u>	<u>359,830</u>
<i>Non-current liabilities</i>		
Lease liability	<u>723,537</u>	<u>1,114,390</u>

Refer to note 21 for further information on financial instruments.

The Company has one lease contract for the use of the office premises. The term of the lease is five years, with an option of three additional years. At the inception of the lease, the Group had assessed the lease period as eight years. In the prior year, the Group has concluded it is unlikely to extend the lease for the optional three years.

Reconciliations

Reconciliations of the values at the beginning and end of the current financial year are set out below:

	2022 \$	2021 \$
Opening balance	1,474,220	2,580,811
Remeasurement of lease	-	(796,385)
Lease repayments	(411,010)	(395,200)
Interest expense on lease liability	51,178	84,994
Closing balance	<u>1,114,388</u>	<u>1,474,220</u>

Note 17. Employee benefits

	2022 \$	2021 \$
<i>Current liabilities</i>		
Annual leave	<u>363,867</u>	<u>232,875</u>
<i>Non-current liabilities</i>		
Long service leave	<u>131,438</u>	<u>105,222</u>

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Note 17. Employee benefits (continued)

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2022 \$	2021 \$
Employee benefits obligation expected to be settled after 12 months	<u>237,447</u>	<u>-</u>

Note 18. Issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	<u>747,359,518</u>	<u>652,860,557</u>	<u>217,444,729</u>	<u>183,855,350</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	93,712,336		20,518,296
Transaction costs of redeemable preference shares	17 December 2020	15,000,000	\$0.3200	4,800,000
Conversion of warrants	31 December 2020	1,482,011	\$0.2266	335,875
Shares issued in lieu of fees *	14 May 2021	3,186,602	\$0.3200	1,019,713
Employee benefits	21 May 2021	3,600,000	\$0.3200	1,152,000
Shares issued as a sign-on fee	21 May 2021	276,522	\$0.3200	88,487
Conversion of warrants	21 May 2021	207,593		-
Acquisition of Sweetpea	21 May 2021	142,700,907		14,814,107
Voluntary settlement of ORRI	21 May 2021	3,095,475	\$0.3200	990,272
Redeemable preference shares	25 June 2021	237,088,597		82,719,254
Issue of shares	26 June 2021	152,510,514	\$0.4000	61,004,206
Less: cost of raising capital				<u>(3,586,860)</u>
Balance	30 June 2021	652,860,557		183,855,350
Issue of ordinary shares	29 November 2021	94,498,961	\$0.3700	34,964,616
Less: Share issue transaction costs				<u>(1,375,237)</u>
Balance	30 June 2022	<u>747,359,518</u>		<u>217,444,729</u>

* The resolutions covering the issue of shares to directors were accepted by the shareholders of the Company at a general meeting held 14 May 2021.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

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Note 18. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

As the Group has not entered into any financing arrangements subject to covenants no events of default have occurred during the financial year.

Note 19. Reserves

	2022 \$	2021 \$
Foreign currency reserve	772	-
Share-based payments reserve	10,076,374	8,620,361
	<u>10,077,146</u>	<u>8,620,361</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign branches to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	<i>Foreign currency reserve</i> \$	<i>Share-based payments reserve</i> \$	<i>Total</i> \$
Balance at 1 July 2020	-	4,181,764	4,181,764
Share-based payments	-	4,438,597	4,438,597
Balance at 30 June 2021	-	8,620,361	8,620,361
Foreign currency translation	772	-	772
Share-based payments	-	1,456,013	1,456,013
Balance at 30 June 2022	<u>772</u>	<u>10,076,374</u>	<u>10,077,146</u>

Note 20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

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Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units, where appropriate. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Commodity price risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate because of reasonable possible changes in the market interest rates arising in relation to the Company's bank balances.

The risk is managed using variable rate term deposits, where appropriate. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

As at the reporting date, the Group had the following cash balances:

	Weighted average interest rate %	2022 Balance \$	Weighted average interest rate %	2021 Balance \$
Cash balances	0.03%	<u>26,810,224</u>	0.03%	<u>63,083,722</u>
Net exposure to cash flow interest rate risk		<u>26,810,224</u>		<u>63,083,722</u>

Credit risk

The Group is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the Consolidated Financial Statements

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Note 21. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	854,765	-	-	-	854,765
Other payables	-	12,888	-	-	-	12,888
<i>Interest-bearing - variable</i>						
Lease liability	-	464,045	465,318	308,564	-	1,237,927
Total non-derivatives		1,331,698	465,318	308,564	-	2,105,580
2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	5,715,283	-	-	-	5,715,283
Other payables	-	39,986	-	-	-	39,986
<i>Interest-bearing - variable</i>						
Lease liability	-	411,008	427,448	748,709	-	1,587,165
Total non-derivatives		6,166,277	427,448	748,709	-	7,342,434

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 22. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

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Note 23. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2022 \$	2021 \$
Short-term employee benefits	2,970,369	3,701,505
Post-employment benefits	153,914	204,508
Share-based payments	813,250	4,468,531
	<u>3,937,533</u>	<u>8,374,544</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	2022 \$	2021 \$
<i>Audit services - Ernst & Young</i>		
Audit or review of the financial statements	<u>120,000</u>	<u>169,520</u>
<i>Other services - Ernst & Young</i>		
Due diligence	-	449,500
Taxation services	-	54,238
	<u>-</u>	<u>503,738</u>
	<u>120,000</u>	<u>673,258</u>

Note 25. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2022 or 30 June 2021.

Note 26. Commitments

	2022 \$	2021 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Sweetpea Petroleum Pty Ltd	<u>46,600,000</u>	<u>1,500,000</u>
EP 161	<u>2,400,000</u>	<u>-</u>

Sweetpea Petroleum Pty Ltd

Sweetpea Petroleum Pty Ltd Sweetpea has minimum work requirements of 60km of 2D seismic acquisition, completed in August 2022, and the drilling of one vertical exploration well anticipated to be completed by November 2022 for an estimated expenditure of \$18.1 million to comply with the work program conditions of Year 4 of the EP 136 Exploration Permit.

Sweetpea also has minimum work requirements to re-enter a vertical well, side track to drill a horizontal well, stimulate and test one exploration well and perform the assessment of petroleum resources potential for a minimum expenditure of \$28.5 million due on 31 December 2023 to comply with the work program conditions of Year 5 of the EP 136 Exploration Permit.

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Note 26. Commitments (continued)

EP 161

For the Group's joint operations with Santos, the Company must continue to contribute its proportionate share of expenditure in order to maintain its interest in the underlying EP 161 permit. Tamboran has committed approximately A\$2.4 million for the remainder of the 2022 calendar-year drilling program and will commit the required capital for the Company's proportionate share of the 2023 calendar-year drilling program expenditures, once the budget has been finalised.

Note 27. Related party transactions

Parent entity

Tamboran Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Joint operations

Interests in joint operations are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2022	2021
	\$	\$
Current payables:		
Payables to director, Joel Riddle	-	761

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2022	Company 2021
	\$	\$
Loss after income tax	(10,801,685)	(23,821,438)
Total comprehensive income	(10,801,685)	(23,821,438)

Notes to the Consolidated Financial Statements

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Note 28. Parent entity information (continued)

Statement of financial position

	2022 \$	Company 2021 \$
Total current assets	91,164,431	63,578,479
Total assets	128,992,286	112,567,617
Total current liabilities	383,035	6,983,974
Total liabilities	384,548	8,203,586
Net assets	<u>128,607,738</u>	<u>104,364,031</u>
Equity		
Issued capital	217,444,729	183,855,350
Share-based payments reserve	10,076,374	8,620,361
Accumulated losses	<u>(98,913,365)</u>	<u>(88,111,680)</u>
Total equity	<u>128,607,738</u>	<u>104,364,031</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the Consolidated Financial Statements

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Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Tamboran (Services) Pty Ltd	Australia	100%	100%
Tamboran (Beetaloo) Pty Ltd	Australia	100%	100%
Tamboran (Infrastructure) Pty Ltd	Australia	100%	100%
Tamboran (McArthur) Pty Ltd	Australia	100%	100%
Tamboran (Sweetpea) Pty Limited	Australia	100%	100%
Sweetpea Petroleum Pty Limited	Australia	100%	100%
Tamboran (EP197) Pty Ltd*	Australia	100%	-
Tamboran (Equipment) Pty Ltd*	Australia	100%	-
Tamboran Resources USA, LLC	United States	100%	100%
Tamboran Equipment, LLC*	United States	100%	-

* Entity was incorporated in 2022

Note 30. Interests in joint operations

Beetaloo Sub-Basin/McArthur Basin

In December 2012, Tamboran entered into farm-in and joint operation agreements with Santos QNT Pty Limited (herein after referred to as Santos); whereby:

- Santos made a direct investment of \$10 million in Tamboran (representing an interest of approximately 14% of the Company), which was subsequently divested, and
- Santos undertook to invest a further \$71 million to drill and assess Tamboran's exploration permits in the Beetaloo/McArthur Basin.

On 11 September 2017, Santos lodged the executed forms with the Department of Primary Industry and Resources to register its 75% interest in the Permits.

During the financial year, the Company continued working with Santos on the 2021/2022 EP161 Work Plan.

Management has identified the joint arrangement as a joint operation, given the joint control between Santos and Tamboran and accordingly, has only recognised Tamboran's share of the joint operation's assets, liabilities and expenses under Australian Accounting Standards.

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Note 31. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	2022 \$	2021 \$
Loss after income tax expense for the year	(10,802,457)	(23,821,438)
Adjustments for:		
Depreciation and amortisation	562,100	447,562
Share-based payments	1,456,014	4,438,597
Foreign exchange differences	(648,808)	113,081
Finance costs - redeemable preference shares	-	7,825,459
Shares issued in lieu of cash	-	2,260,200
Capital raising cost	340,822	-
Verified emissions reductions	(132,453)	-
Security deposit	(15,042)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(795,768)	(296,323)
Increase/(decrease) in trade and other payables	(1,024,878)	399,278
Net cash used in operating activities	<u>(11,060,470)</u>	<u>(8,633,584)</u>

Changes in liabilities arising from financing activities

	Lease liabilities \$
Balance at 1 July 2020	2,580,811
Net cash used in financing activities	(310,206)
Remeasurement of lease	<u>(796,385)</u>
Balance at 30 June 2021	1,474,220
Net cash used in financing activities	<u>(359,831)</u>
Balance at 30 June 2022	<u>1,114,389</u>

Note 32. Earnings per share

	2022 \$	2021 \$
Loss after income tax	<u>(10,802,457)</u>	<u>(23,821,438)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>708,265,427</u>	<u>124,215,676</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>708,265,427</u>	<u>124,215,676</u>
	Cents	Cents
Basic loss per share	(1.53)	(19.18)
Diluted loss per share	(1.53)	(19.18)

Notes to the Consolidated Financial Statements

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Note 32. Earnings per share (continued)

Options may potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented.

Note 33. Share-based payments

In prior periods the Group executed a number of Subscription Agreements with various institutional investors for a total of 237,088,597 redeemable preference shares. Under the terms of the Redeemable Preference Share Agreement the shares were to be converted to ordinary shares under certain circumstances, including when the Company successfully completed its initial public offering ('IPO'). As outlined in Company's 2021 Annual Report, all redeemable preference shares were converted to ordinary shares as at 25 June 2021 as part of the completion of the IPO.

Non-qualified stock options ('NSOs') were issued as part of the new capital structure and were as follows:

- 2,819,290 fully vested options to consultants expiring 30 November 2021 with an exercise price of \$0.32;
- 7,416,667 fully vested options issued under the Equity Incentive Plan, expiring 20 May 2026 with an exercise price of \$0.2367;
- 10,734,584 fully vested options issued under the Equity Incentive Plan, expiring 20 May 2026 with an exercise price of \$0.32; and
- 16,000,000 unvested options issued as Milestone Options, expiring 20 May 2026 with an exercise price of \$0.40.

Options to consultants

The Company has issued 2,819,920 options to consultants which are fully vested and exercisable at \$0.32 expiring on 30 November 2021.

Each option entitles the holder ('Optionholder') to subscribe for one share upon exercise of the option and is exercisable at any time on or prior to 30 November 2021. Shares issued on exercise of the options are to rank equally with the then shares of the Company. The options are not transferable.

The options may be exercised by notice in writing to the Company and payment of the relevant exercise price for each option being exercised. The Company will not apply to ASX for quotation of the options however it will apply to ASX for quotation of the shares issued upon the exercise of the options.

No options were exercised by 30 November 2021 and accordingly the options lapsed on that date.

Equity Incentive Plan

The Company has adopted the Employee Incentive Plan ('EIP') in order to assist in the motivation and retention of selected Company employees and directors. Below is a summary of the terms and conditions of the options issued under the EIP.

Total number of Options issued under the EIP	Vesting Condition	Exercise price and expiry date
10,734,584 Options	Fully vested	\$0.32 per Option expiring on 20 May 2026
7,416,667 Options	Fully vested	\$0.2367 expiring on 20 May 2026
38,400,000 Milestone Options	(1) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$1.00 per Share (2) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$1.50 per Share (3) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$2.00 per Share (4) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$2.50 per Share	\$0.40 per Milestone Option expiring on 20 May 2026 or, if the Milestone Options vest, the date that is 5 years after the date they vest as determined by the Board

Notes to the Consolidated Financial Statements

30th June 2022

Note 33. Share-based payments (continued)

Each option entitles the holder ('Optionholder') to subscribe for one share upon exercise of the option and is exercisable at any time on or prior to 20 May 2026. Shares issued on exercise of the options will rank equally with the then shares of the Company. The options are not transferable.

The options may be exercised by notice in writing to the Company and payment of the relevant exercise price for each option being exercised. The Company will not apply to ASX for quotation of the options however it will apply to ASX for quotation of the shares issued upon the exercise of the options.

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders.

If the Company makes a bonus issue of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of shares which must be issued on the exercise of an option will be increased by the number of shares which the Optionholder would have received if the Optionholder had exercised the option before the record date for the bonus issue.

If the Company makes an issue of shares pro rata to Existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an option will be reduced according to the ASX Listing Rules.

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

Set out below are summaries of options granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
19/04/2021	30/11/2021	\$0.3200	2,819,290	-	-	(2,819,290)	-
20/05/2021	20/05/2026	\$0.2367	7,416,667	-	-	-	7,416,667
20/05/2021	20/05/2026	\$0.3200	10,734,548	-	-	-	10,734,548
20/05/2021	20/05/2026	\$0.4000	16,000,000	-	-	-	16,000,000
28/10/2021	20/05/2026	\$0.4000	-	22,750,000	-	(2,000,000)	20,750,000
17/05/2022	20/05/2026	\$0.4000	-	400,000	-	-	400,000
14/06/2022	20/05/2026	\$0.4000	-	1,250,000	-	-	1,250,000
			36,970,505	24,400,000	-	(4,819,290)	56,551,215
Weighted average exercise price			\$0.3379	\$0.4000	\$0.0000	\$0.3532	\$0.3634

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other *	Balance at the end of the year
30/06/2017	20/05/2021	\$0.5000	5,401,250	-	-	(5,401,250)	-
30/06/2018	20/05/2021	\$0.2367	2,600,000	-	-	(2,600,000)	-
30/06/2019	20/05/2021	\$0.3200	1,000,000	-	-	(1,000,000)	-
30/06/2020	20/05/2021	\$0.3200	1,333,333	-	-	(1,333,333)	-
30/06/2020	20/05/2021	\$1.0000	500,000	-	-	(500,000)	-
30/06/2020	20/05/2021	\$1.5000	500,000	-	-	(500,000)	-
30/06/2020	20/05/2021	\$2.0000	500,000	-	-	(500,000)	-
19/04/2021	30/11/2021	\$0.3200	-	2,819,290	-	-	2,819,290
20/05/2021	20/05/2026	\$0.2367	-	7,416,667	-	-	7,416,667
20/05/2021	20/05/2026	\$0.3200	-	10,734,548	-	-	10,734,548
20/05/2021	20/05/2026	\$0.4000	-	16,000,000	-	-	16,000,000
			11,834,583	36,970,505	-	(11,834,583)	36,970,505

Notes to the Consolidated Financial Statements

30th June 2022

Note 33. Share-based payments (continued)

Weighted average exercise price	\$0.8395	\$0.3192	\$0.0000	\$0.8395	\$0.3379
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* Expired/forfeited/other relates to options being cancelled under a buy-back agreement and loan extinguishment deed on 17 May 2021.

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2022 Number	2021 Number
20/05/2021	30/11/2021	-	2,819,290
20/05/2021	20/05/2026	7,416,667	7,416,667
20/05/2021	20/05/2026	10,734,584	10,734,584
		<u>18,151,251</u>	<u>20,970,541</u>

The weighted average share price during the financial year was \$0.313.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.89 years (30 June 2021: 5.31 years).

For the options granted during the current financial year, the Monte-Carlo valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28/10/2021	20/05/2026	\$0.4000	\$0.4000	65.0000%	-	1.4809%	\$0.1815
28/10/2021	20/05/2026	\$0.4000	\$0.4000	65.0000%	-	1.4809%	\$0.1630
28/10/2021	20/05/2026	\$0.4000	\$0.4000	65.0000%	-	1.4809%	\$0.1381
28/10/2021	20/05/2026	\$0.4000	\$0.4000	65.0000%	-	1.4809%	\$0.1188
17/05/2022	20/05/2026	\$0.2800	\$0.4000	70.0000%	-	3.1430%	\$0.1050
17/05/2022	20/05/2026	\$0.2800	\$0.4000	70.0000%	-	3.1430%	\$0.0861
17/05/2022	20/05/2026	\$0.2800	\$0.4000	70.0000%	-	3.1430%	\$0.0700
17/05/2022	20/05/2026	\$0.2800	\$0.4000	70.0000%	-	3.1430%	\$0.0577
14/06/2022	20/05/2026	\$0.2300	\$0.4000	70.0000%	-	3.7490%	\$0.0807
14/06/2022	20/05/2026	\$0.2300	\$0.4000	70.0000%	-	3.7490%	\$0.0651
14/06/2022	20/05/2026	\$0.2300	\$0.4000	70.0000%	-	3.7490%	\$0.0528
14/06/2022	20/05/2026	\$0.2300	\$0.4000	70.0000%	-	3.7490%	\$0.0432

Note 34. Events after the reporting period

Acquisition of Origin Energy's Beetaloo assets

On 20 September 2022, Tamboran announced the planned acquisition of Origin Energy's Beetaloo assets through a joint venture (JV), which is 50% owned by Tamboran and 50% owned by Bryan Sheffield (Sheffield). The JV will acquire Origin's 77.5% interest and operatorship in three Beetaloo Basin blocks (EP 98, 117 and 76).

The consideration for the acquisition includes:

- Upfront cash payment of \$60 million, which will be shared equally between the JV participants.
- 5.5% revenue royalty on production on a 77.5% working interest basis.
- The JV have secured a binding 10-year GSA with Origin for production up to 100 TJ per day (36.5 PJ per annum) from the acquired assets.
- Origin will have the option to acquire at least an additional 200 TJ per day for 10-years from the JV interest in the permits.

Tamboran has committed to solely fund the remaining Origin Stage 3 farm-in commitments, which includes the drilling of two horizontal wells, at an estimated cost of \$80 million, and back costs to the effective date of 1 July 2022.

Notes to the Consolidated Financial Statements

30th June 2022

Note 34. Events after the reporting period (continued)

The acquisition of Origin Energy's Beetaloo assets is subject to regulatory approval, waiving of pre-emptive rights and other customary conditions.

Institutional equity placement

On 20 September 2022, Tamboran announced the successfully raise of \$138 million (pre-costs) in equity, through the issue of 657,214,192 new shares at an issue price of \$0.21 per share under the institutional placement. This includes a \$98 million Private Placement to strategic partners and US cornerstone investors, including equity investments of \$30 million by Sheffield, \$22 million by Helmerich and Payne (H&P) and \$46 million by several other US energy-focused institutional investors. An additional \$40 million was raised via a further placement to sophisticated and institutional investors outside the United States.

The transaction will be structured as a two-tranche placement:

- **Unconditional Placement ("First Tranche"):** The First Tranche of \$39.2 million is not subject to shareholder approval and is within the Company's 25% placement capacity under ASX Listing Rules 7.1 and 7.1A. Following the receipt of funds, investors will receive their pro rata allocation of shares ranking pari passu with existing fully paid Ordinary Shares.
- **Conditional Placement ("Second Tranche"):** The Second Tranche of \$98.8 million, will be issued subject to shareholder approval at a General Meeting to be held on Tuesday, 25 October 2022.

Tamboran will also grant a 2.3% overriding royalty interest (ORRI) covering Tamboran's EP 136 (100%), EP 161 (25%) and the Origin Assets (38.75%) to Sheffield for a cash consideration of \$22 million.

The funds raised will be used to complete the acquisition of Origin's Beetaloo Assets and provide capital for drilling the M1V well in 100% owned and operated EP 136 and the Amungee 2H (A2H) and 3H (A3H) wells in the acquired EP 98.

Share Purchase Plan

In conjunction with the equity placement, the Company also announced a Share Purchase Plan to raise approximately \$3 million (up to \$5 million). The total amount is not known as of this date.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

30th June 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Richard Stoneburner
Chairman of the Board

28 September 2022
Sydney

Independent Auditor's Report

30th June 2022



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Independent auditor's report to the members of Tamboran Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Tamboran Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Independent Auditor's Report

30th June 2022



Carrying value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
<p>The Group's exploration and evaluation assets of \$84.9m at 30 June 2022 represent 63% of the total assets of the Group.</p> <p>Exploration and evaluation assets are initially recognised at cost and any additional expenditure is capitalised to the exploration and evaluation asset in accordance with the Group's accounting policy as outlined in Note 2.</p> <p>At each reporting date the Directors assess the Group's exploration and evaluation assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration and evaluation assets to be assessed for impairment in accordance with Australian Accounting Standards involved judgements, including whether, the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest.</p> <p>We considered this to be a Key Audit Matter due to the value of the exploration and evaluation assets relative to the total assets and the significant judgement involved in the assessment of indicators of impairment.</p>	<p>Our audit procedures to address the Group's assessment of impairment indicators for exploration and evaluation assets included the following:</p> <ul style="list-style-type: none"> ▶ Understanding the current exploration program. ▶ Considering the Group's right to explore in the relevant exploration area, which included obtaining and assessing relevant documentation such as license agreements. ▶ Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's cash-flow forecast models and discussions with management as to the intentions and strategy of the Group. ▶ Agreeing a sample of costs capitalised for the period to supporting documentation and considering whether these costs met the requirements of Australian Accounting Standards and the Group's accounting policy. ▶ Assessed whether exploration and evaluation data exist to indicate that the carrying value of capitalised exploration and evaluation is unlikely to be recovered through development or sale. ▶ Assessed whether the methodology used and outcomes reached by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards. ▶ Evaluated the adequacy of the related disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent Auditor's Report

30th June 2022



Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report

30th June 2022



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 49 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Tamboran Resources Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ryan Fisk
Partner
Sydney
28 September 2022

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Additional ASX Information/Shareholder Information

30th June 2022

Additional information:

Tamboran Resources Limited
110-112 The Corso
Manly NSW 2095
Telephone: +61 (02) 8330 6626
ABN: 28 135 299 062

Issued capital

The Company has 934,199,396 fully paid ordinary shares on issue.

Unlisted options on issue

The Company has 56,551,251 unlisted options on issue.

There are no listed options or performance rights.

ASX Listing

Listed on the Australian Securities Exchange on 2 July 2021 (ASX Code: TBN).

US listing

OTC Markets ADR ticket: TBNNY

Corporate Governance Statement

The Corporate Governance Statement dated 28 September 2022 has been lodged separately.

Shareholder information:

The shareholder information set out below was applicable as at 27 September 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Total units	Ordinary shares % of total shares issued
1 to 1,000	22	3,499	0.001
1,001 to 5,000	233	826,007	0.088
5,001 to 10,000	143	1,184,050	0.127
10,001 to 100,000	542	22,067,363	2.362
100,001 and over	297	910,118,477	97.422
	<u>1,237</u>	<u>934,199,396</u>	<u>100.000</u>

Unmarketable parcel

The minimum \$500 parcel at \$0.21 per security represents a minimum parcel size of 2,381 shares of which there are 82 shareholders. This is 0.01527% of the total issued capital.

Additional ASX Information/Shareholder Information

30th June 2022

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
As at 27 September 2022		
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	150,714,795	16.133
LONGVIEW PETROLEUM LLC	142,700,907	15.275
LION POINT MASTER LP	64,752,626	6.931
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	55,319,414	5.922
MORGAN STANLEY AUSTRALIA SECURITIES LIMITED	50,631,643	5.420
UBS NOMINEES PTY LTD	35,155,372	3.763
TETON CAPITAL PARTNERS LP	31,997,599	3.425
GEOTECH INVESTMENTS PTY LTD	31,608,637	3.384
CITICORP NOMINEES PTY LIMITED	30,295,650	3.243
VENTURE HOLDINGS SARL SPF	24,167,920	2.587
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	22,944,771	2.456
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	21,356,636	2.286
YERONDA NOMINEES PTY LIMITED	20,328,055	2.176
YAUPON CAPITAL MANAGEMENT LP	15,785,482	1.690
BNP PARIBAS NOMS PTY LTD	15,070,672	1.613
DAVID ALAN FALVEY & GILLIAN LESLIE TIDEY	10,440,000	1.118
WARBONT NOMINEES PTY LTD	9,572,197	1.025
JUFRAN CARBON PTY LIMITED	7,424,275	0.795
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,410,750	0.686
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,867,310	0.628
	<u>752,544,711</u>	<u>80.556</u>

Unquoted equity securities

	Number on issue	Number of holders
Unlisted options exercise price \$0.2367, Expiry date 20/05/2026	7,416,667	3
Unlisted options exercise price \$0.32, Expiry date 20/05/2026	10,734,584	13
Unlisted options exercise price \$0.40, Expiry date 20/05/2026	38,400,000	15

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
As at 27 September 2022		
Longview Petroleum LLC	142,700,907	15.275
The Baupost Group LLC	130,000,789	13.916
Sheffield Holdings, LP	73,048,447	7.819
Lion Point Master, LP	69,752,626	7.467
Regal Funds Management Pty Limited	63,432,069	6.790
Morgan Stanley Australia Securities (Nominee) Pty Limited	50,631,643	5.420

Additional ASX Information/Shareholder Information

30th June 2022

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options

Option holders have no voting rights until the options are exercised.

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	Number on issue
Fully paid ordinary shares	ASX escrowed 24 months from quotation	212,321,234
Unlisted options \$0.2367	ASX escrowed to 2 July 2023	6,166,667
Unlisted options \$0.32	ASX escrowed to 2 July 2023	9,984,584
		<u>228,472,485</u>

All unlisted options currently held were issued or acquired under an employee incentive scheme.

Tenements:

Description	Tenement number	Interest owned %
<i>Tamboran Resources Limited</i> Beetaloo Sub-basin, Northern Territory	EP 161	25
<i>Sweetpea Petroleum Pty Ltd</i> Beetaloo Sub-basin, Northern Territory	EP 136	100
Beetaloo Sub-basin, Northern Territory	EP 143	100
Beetaloo Sub-basin, Northern Territory	EP(A) 197	100



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