

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

First quarter activities report for period ended 30 September 2023

Highlights

- During the quarter, Tamboran drilled and cemented the Shenandoah South 1H (SS1H) and Amungee NW 3H (A3H) wells within EP 117 and 98, respectively. The wells were drilled with the H&P super-spec FlexRig® Flex 3 rig and delivered significant improvements in drilling efficiency.
- The SS1H well successfully intersected 90 metres of high quality Mid Velkerri B Shale, the thickest section to date within the Beetaloo Basin depocentre. Logging of the shale formation indicated higher porosity and gas saturation relative to offset wells.
- The A3H well was successfully drilled and cemented in less than 18 days, the fastest well drilled to Total Depth (TD) with a horizontal section into the Mid Velkerri B Shale to date. The well was drilled ~20 days faster and ~30% lower cost than the A2H well from the same pad.
- Tamboran announced a 32 per cent increase in Beetaloo Basin unrisks 2C contingent gas resources to 2.0 TCF following the drilling of the Maverick 1V (M1V) well in EP 136.
- During the quarter, Tamboran signed six Letters of Intent (LOIs) with Australia's largest gas and energy retailers for 600 – 875 TJ per day (220 – 320 PJ per annum) for up to 10 – 15 years, demonstrating long term domestic demand for Beetaloo Basin gas supplies.
- In October, Tamboran announced the intention to re-domicile to the United States by way of a Scheme of Arrangement (Scheme). Tamboran will remain listed on the ASX via CHESSE depository interests (CDIs) under the TBN ticker.
- Tamboran commenced Concept Select engineering studies with Wood Group in relation to the Company's proposed NTLNG development at Middle Arm.
- In September, Tamboran announced the appointments of Ms. Stephanie Reed and Mr. Ryan Dalton as Non-Executive Directors to the Board of Tamboran Resources Limited.
- At 30 September 2023, the Company had a cash balance of A\$33.5 million.

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

"The first quarter of the financial year has been an active one for Tamboran as we commenced our FY24 drilling program with two wells in the EP 98/117 acreage utilising H&P's modern US rig. The joint operations

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with H&P have already delivered a step change in drilling efficiency, especially the drilling of the A3H well operations, which reached TD in less than 18 days. We will continue to learn from these activities as we target development well lateral lengths to 3,000 metres (~10,000 feet) in less than 20 days over coming years.

“The drilling and logging activities at the SS1H location have validated our view that the deepest sections of the Beetaloo Basin hold the highest quality shale, with logging of the Mid Velkerri B showing higher porosity and gas saturation relative to offset wells. The 10-stage stimulation program at SS1H is on track to commence in November and we look forward to sharing flow results with the market by early 2024. If deemed commercial, the results are expected to lead to the sanctioning of a proposed 40 TJ per day pilot development in the first half of 2024.

“We also made the decision to re-domicile Tamboran from Australia to the US, which is being undertaken via a Scheme of Arrangement, with shareholder vote planned for early December 2023. While we will continue to be traded on the ASX via CDIs following implementation of the Scheme, the intention to re-domicile aims to allow the Company to access deeper capital markets in North America and improve valuation of our Beetaloo Basin assets in a market that better understands shale developments.”

EP 76, 98 and 117

Tamboran 38.75 per cent working interest and operator

In August 2023, Tamboran commenced drilling of the SS1H well with the Helmerich & Payne, Inc. (H&P), (NYSE: HP), super-spec FlexRig® Flex 3 Rig. The pilot hole reached a TD of 3,300 metres (total vertical depth (TVD)) (10,827 feet), intersecting approximately 90 metres (295 feet) of high quality Mid Velkerri B Shale with strong dry gas shows. This represents the thickest section of Mid Velkerri B Shale intersected in the Beetaloo Sub-basin depocenter to date.

The pilot hole was drilled in 21.5 days, with logging of the Mid Velkerri B Shale formation indicating higher porosity and gas saturation relative to offset wells, consistent with the Marcellus Shale in the US. Initial evaluation confirms reservoir continuity of the Mid Velkerri B Shale over approximately 100 kilometres (~60 miles) between the Amungee 2H and Beetaloo W1 wells. This includes a target development area of approximately 1 million acres where the shale depth exceeds 2,700 metres (8,858 feet).

The results validate the Company’s view that deeper shale areas in the Beetaloo Basin are likely to be the most prolific and optimal areas for the location of the proposed pilot development.

The well was completed with a 1,074-metre (3,524 foot) horizontal section in a total of 41 days (~35 days excluding the drilling of the pilot hole).

Following completion of the SS1H drilling activities, the H&P rig was mobilised to the Amungee pad and commenced drilling of the A3H well in EP 98 in late September 2023. The A3H well was drilled to a TD of



3,837 metres (12,589 feet) in 17.9 days, including a 1,150-metre (3,773 feet) horizontal section within the Mid Velkerri B Shale, a new Beetaloo Basin record.

The drilling activities were completed 20 days faster and approximately 30 per cent cheaper than the A2H well, which was completed to a TD of 3,883 metres (12,740 feet) from the same pad during the fourth quarter of 2022. The improved drilling speed and cost reduction at A3H demonstrates the improvement in drilling efficiency with the H&P rig.

During the SS1H drilling activities, Tamboran gave notice to Falcon Oil and Gas Limited (Falcon) that all farm-in commitments have been fully satisfied, having reached the associated cost carry commitment in accordance with the 2014 Falcon farm-in agreement.

Approximately A\$21.9 million was spent by Tamboran during the quarter on the EP 76, 98 and 117 drilling operations.

EP 136, EP 143 and EP(A) 197

Tamboran 100 per cent working interest and operator

During the quarter, limited activity was undertaken within the EP 136 permit following the completion of the Maverick 1V (M1V) well. Tamboran continued with routine well monitoring and lease maintenance on the Maverick 1 well pad.

During the quarter, Tamboran spent approximately A\$1.1 million on annual permit costs and legal expenses, offset by a A\$0.9 million inflow related to sales of equipment for a net outflow of A\$0.2 million.

EP 161

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

Santos, as operator of the EP 161 permit, is currently planning the decommissioning of the T2H and T3H wells and remediation of the Tanumbirini well pad following successful flow testing during 2022.

During the quarter, the operator finalised the new Land Access and Compensation Agreement with the pastoralist, which includes provisions for the operator to progress the 2024 – 2025 work plan. The JV continues to plan a potential 200 – 240-kilometre (~125 – 150-mile) densely spaced 2D seismic survey in two areas over northern EP 161.

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



Commercial and Corporate

Proposed NTLNG development Concept Select

In July 2023, Tamboran announced that the Wood Group (Wood) had been awarded the Concept Select Engineering contract. The Concept Select phase is expected to be completed during the first quarter of 2024 ahead of entering pre-Front-End Engineering and Design (pre-FEED) during 2024. This engineering work will define and select the key LNG plant specifications including liquefaction technology, compressor drivers, optimised plant size and draft layout on Tamboran's 170-hectare (440-acre) LNG site in the Middle Arm Sustainable Development Precinct in Darwin.

Letters of Intent with domestic gas buyers

During the quarter, Tamboran announced it had signed six LOIs with Australia's largest gas and energy retailers, including Alinta, EnergyAustralia, Engie, Origin Energy and Shell Energy Australia. The LOIs express interest for a total volume of 600 – 875 TJ per day (220 – 320 PJ per annum) of Tamboran's Beetaloo Basin gas supply for up to 10 – 15 years.

The LOIs are conditional upon the Parties agreeing non-binding term sheets and working toward executing binding Gas Sales Agreements (GSAs), including purchase price, transport arrangements and other key commercial terms.

Appointment of two new Non-Executive Directors

In September 2023, Tamboran announced the appointments of Ms. Stephanie Reed and Mr. Ryan Dalton as Non-Executive Directors to the Board of Tamboran Resources Limited, effective 28 September 2023.

Ms. Reed brings over 15 years of oil and gas experience and serves as Partner of Formentera Partners, the major shareholder of Tamboran's Beetaloo Basin joint venture partner, Daly Waters Energy (DWE), in EPs 76, 98 and 117. She was previously Vice President of Oil & Gas Marketing & Midstream at Pioneer Natural Resources Company (NYSE: PXD) and a senior executive at Parsley Energy with a tenure of more than a decade.

Mr. Dalton brings over 20 years of financial experience including nearly a decade in the oil and gas industry. He most recently served as Executive Vice President, Chief Financial Officer at Parsley Energy. He has a background in corporate finance, strategic planning, public and private capital raising as well as risk management.

Tamboran increase Beetaloo Basin 2C gas resources to 2.0 TCF

Tamboran announced an increase to the Company's 1C and 2C unrisks contingent gas resources within the Beetaloo Basin following the drilling of the M1V well in the second half of 2023.



Across EPs 76, 98, 117, 136 and 161, Tamboran's total company unrisks 1C contingent gas resources increased by 37 per cent to 458 BCF and unrisks 2C contingent gas resources increased by 32 per cent to 2.0 trillion cubic feet (TCF).

The resource upgrade was evaluated and certified by leading independent third-party resource certifier Netherland, Sewell & Associates, Inc. (NSAI), with an effective date of 30 June 2023.

Re-domicile Tamboran to the US via Scheme of Arrangement

Tamboran announced the Company's intention to re-domicile the Company and its subsidiaries from Australia to the United States of America by way of a proposed Scheme of Arrangement. Following the successful implementation of the Scheme, Tamboran will continue to trade on the ASX via CDIs.

The Company's Board of Directors believes that the Scheme will best position Tamboran for the next phase of its growth as Tamboran seeks to accelerate the commercialisation of the Beetaloo Sub-basin. The Board unanimously recommends that Tamboran Shareholders vote in favour of the Scheme.

Tamboran Shareholders will be given the opportunity to vote on the Scheme at a Scheme Meeting, which is expected to be held in early December 2023. Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in mid-December 2023. These dates are indicative and subject to change.

Related Party Payments

Payments of A\$1.3 million were made to related parties and their associates during the quarter, as disclosed in Section 6 of the accompanying Appendix 5B. Payments related primarily to the sale of materials from Sweetpea Pty Ltd to Tamboran B2 Pty Ltd in the amount of A\$0.889 million (Item 6.2). The remaining A\$0.385 million in payments related to directors' fees and Managing Director remuneration (Item 6.1).



Capital Structure

At the end of the quarter, Tamboran had total cash on hand of A\$33.5 million and no debt. The current capital structure is as follows:

- 1,716,672,571** Fully paid Ordinary shares
- 18,151,251** Options fully vested (unlisted)
- 36,350,000** Options unvested and subject to milestones (unlisted)

Changes to the capital structure from the previous quarter include:

- The issue of 300,661,820 shares following the completion of the ~A\$53.2 million institutional placement announced on 27 June 2023 and A\$0.9 million SPP, which closed on 03 August 2023.
- The cancellation of 4,900,000 unvested options subject to milestones.

Planned Activities for December 2023 Quarter

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

- Completion of 10-stage stimulation program and commencement of flow testing at SS1H.
- Progression of Concept Select engineering studies for proposed NTLNG development.
- Progression of plans for sanctioning of proposed 40 TJ per day pilot development in EP 98/117 at the Shenandoah South location.

Permits

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

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

*Denotes operator.



ASX Announcements

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

24	July 2023	EP 98 and EP 117 Operational Update
25	July 2023	Wood awarded NTLNG Concept Select Contract
01	August 2023	Tamboran commences drilling at Shenandoah South 1H
02	August 2023	Tamboran signs LOI's with four domestic buyers
07	August 2023	Tamboran completes Share Purchase Plan
25	August 2023	Completion of Falcon Farm-in Carry
28	August 2023	Tamboran signs additional East Coast gas LOI's
30	August 2023	SS1H intersects 90m of high quality Mid Velkerri B shale
11	September 2023	Beetaloo Basin Site Tour Presentation
25	September 2023	EP 98 Operational Update Spudding of A3H
27	September 2023	Tamboran increase Beetaloo Basin 2C gas resources to 2.0 TCF
27	September 2023	2023 Annual Report
28	September 2023	Appointment of two new Non-Executive Directors
12	October 2023	Tamboran announces intention to re-domicile to the U.S.

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

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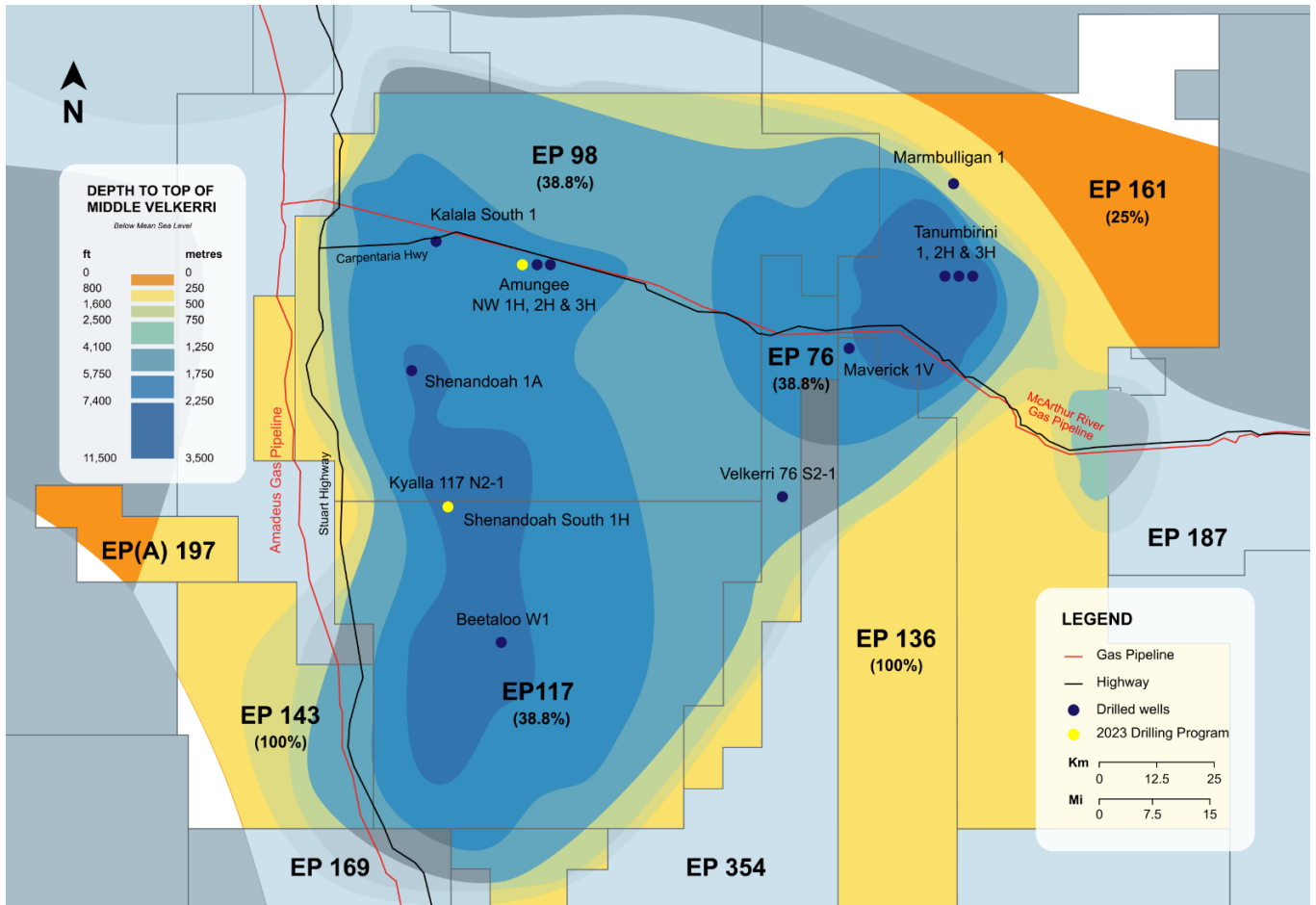
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Figure 1: Tamboran's Beetaloo Basin asset location map.



About Tamboran Resources Limited

Tamboran Resources Limited is the largest acreage holder and operator with ~1.9 million net prospective acres in the Beetaloo Sub-basin within the Greater McArthur Basin in the Northern Territory of Australia. The Company is focused on playing a constructive role in the global energy transition towards a lower carbon future, by developing the significant low CO₂ gas resource within the basin.

Tamboran's key assets include a 25% non-operated working interest in EP 161, a 100% working interest and operatorship in EP 136, EP 143 and EP(A) 197 and a 38.75% working interest and operatorship in EPs 98, 117 and 76 which are all located in the Beetaloo Basin.

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



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