

An aerial photograph of an oil drilling site during sunset. A tall, white and orange drilling rig stands on the left. The ground is reddish-brown dirt with various pieces of equipment, including blue storage containers, a red truck, and a white tanker. The background shows a hilly landscape with sparse vegetation under a warm, orange sky.

2021

Half-Yearly Report

For the period ending 31 December 2021

A blue sphere with a white highlight, representing a globe or a planet.

tamboran

RESOURCES

ACN 135 299 062

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Corporate directory

Directors

Richard (Dick) Stoneburner
Chairman

Joel Riddle
Managing Director
and Chief Executive Officer

Fredrick Barrett

Daniel Chandra

Patrick Elliott

Ann Diamant

David Siegel

Chief Financial Officer

Eric Dyer

Chief Operating Officer

Faron Thibodeaux

Company Secretary

Joanna Morbey

Registered office

110 -112 The Corso, Manly NSW 2095
Telephone: +61 (2) 8330-6626
Website: www.tamboran.com

Share register

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
www.boardroomlimited.com.au
Shareholder access: www.investorserve.com.au

Stock exchange listing

Tamboran Resources Limited shares are listed
on the Australian Securities Exchange
(ASX code: TBN)

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Business objectives

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' report

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 half-year ended 31 December 2021.

Directors

The following persons were Directors of Tamboran Resources Limited during the whole of the financial half-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

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 half-year.

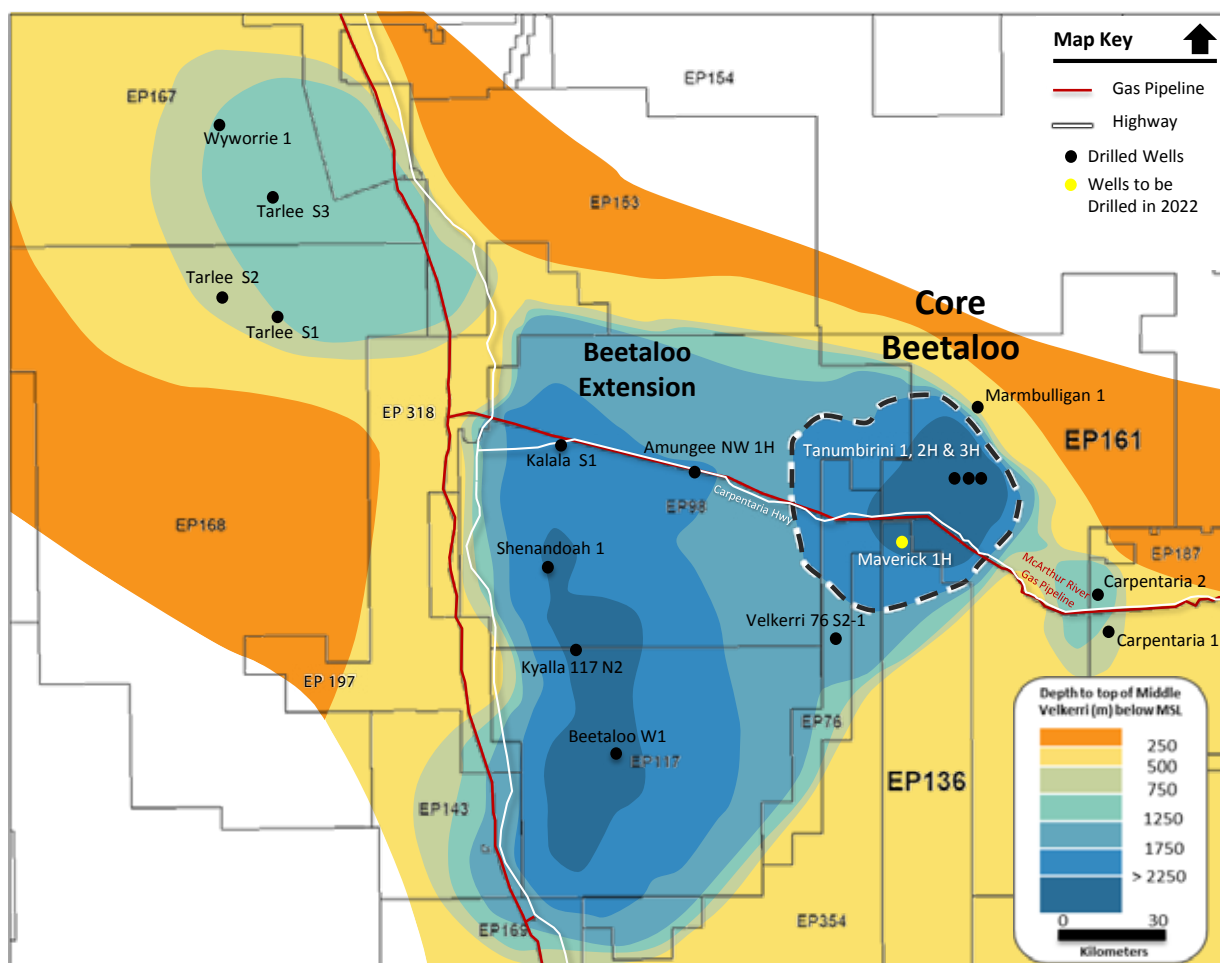


The Tamboran Board believes that there is a considerable opportunity for the Company to commercialise the prospective gas resources within its Beetaloo Sub-basin acreage.”

Review of operations

The loss for the Group after providing for income tax amounted to \$4,910,530 (31 December 2020: \$7,993,426).

The Company remains focused on developing early-stage, unconventional low reservoir CO₂ natural gas resources within its portfolio (EP 136, EP 143, EP 161 and EP(A) 197), located in the Beetaloo Sub-basin of the Northern Territory.



The Tamboran Board believes that there is a considerable opportunity for the Company to commercialise the prospective gas resources within its Beetaloo Sub-basin acreage. This opportunity coincides with the anticipated supply shortfall, as forecast by both the Australian Energy Market Operator ("AEMO") and the Australian Competition and Consumer Commission ("ACCC"), on Australian's East Coast and the push by the Australian Government and industry towards shifting to lower emissions power.

Operations

EP 161 (Tamboran 25% working interest)

The 2021 Tanumbirini appraisal campaign comprised the drilling of two horizontal wells, Tanumbirini 2 horizontal well ("T2H") and Tanumbirini 3 horizontal well ("T3H"), located in the EP 161 permit within the core of the Beetaloo Sub-basin in the Northern Territory. Santos QNT Pty Limited ("Santos") is the operator with 75% working interest and Tamboran owns 25% working interest in EP 161.

Santos commenced drilling of the T2H well, the first of two horizontal wells located in EP 161, in May 2021. The drilling of the T2H well was completed in August 2021, reaching a total depth of approximately 4,598 metres with approximately 1,000 metres of horizontal section in the target Mid-Velkerri 'B' shale. Significant mud gas shows were observed throughout the horizontal section, consistent with data collected in the Tanumbirini 1 vertical well.

The Easternwell 106 rig ("the Rig") was moved a short distance and the T3H well was spudded in late August 2021. The T3H well was completed in early November 2021, reaching a total depth of approximately 4,857 metres with approximately 1,000 metres of horizontal section in the target Mid-Velkerri 'B' shale. The mud gas response was consistent with the response from the T2H well and the Tanumbirini 1 vertical well.

The Rig was released from site following completion of the two wells. Operations in calendar year 2021 were completed safely without any major incidents.

In late November 2021, the operator commenced fracture stimulation of the T2H and T3H wells. Within the T2H and T3H wells, 11 fracture stimulation stages and 10 fracture stimulation stages were completed over 660-metre and 600-metre lateral sections respectively. The stimulation program was completed in late December 2021.

Flow testing commenced immediately after fracture stimulation, with gas successfully flowing to surface.

Subsequent to the end of the quarter, Tamboran announced initial 30-day flow rates from the T2H and T3H.

At the end of January 2022, the T2H well had stabilised at a 14-day average rate of 1.7 million standard cubic feet per day ("mmscfd") over the 660-metre stimulated horizontal section (normalised at 2.6 mmscfd over 1,000-metres) and the T3H well had stabilised at a 10-day average rate of 1.5 mmscfd over the 600-metre horizontal section (normalised at 2.5 mmscfd over 1,000-metres).

Results from the three Tanumbirini wells (Tanumbirini 1, T2H and T3H) within EP 161 have provided Tamboran with data to validate the Company's Mid-Velkerri "B" shale model. The model has been developed using Tamboran's in-house North American shale expertise and has been analysed and verified by independent subsurface expert Subsurface Dynamics, Inc.

EP 136 (Tamboran 100% working interest)

During the first half of FY22, Tamboran continued planning of the Maverick 1 horizontal well ("M1H") in the 100% owned and operated EP 136 located directly west of EP 161. The M1H well is expected to spud in mid-calendar year 2022, subject to final Government and land access approvals.

Current well design is incorporating the learnings from the T2H and T3H wells and Tamboran's proprietary Mid-Velkerri "B" shale model. This model was built with Tamboran's unique intellectual property and unconventional drilling expertise - to optimise the fracture stimulation effectiveness and well productivity.

In addition, technical work on a proposed ~90-kilometre 2D seismic survey in EP 136 is ongoing. The M1H well and the results of the seismic acquisition are intended to support the further de-risking of the Beetaloo Sub-basin.

Outlook

The goal of the Company is to commercialise low CO₂ natural gas from the Beetaloo and deliver gas to the domestic gas markets in the Northern Territory and East Coast markets

Corporate

Cash position

The Company remains well-funded, with \$68.2 million in cash at 31 December 2021.

Initial Public Offering

The Company successfully listed on the Australian Securities Exchange ("ASX") on 4 July 2022. The listing was supported by an equity placement to institutional, sophisticated and retail investors, which raised \$61 million at \$0.40 per share.

Capital raise

In November 2022, Tamboran raised approximately \$35 million through a private placement, anchored with a \$20 million investment by strategic US investor Mr Bryan Sheffield. The remaining \$15 million placement was supported primarily by existing shareholders. The additional 54,045,045 Ordinary shares to Mr Sheffield's existing holding increased his ownership of Tamboran to 7.4%. Subsequent to the end of the period, Mr Sheffield has increased his ownership to 9.3% of listed stock.

The \$35 million placement was conducted at \$0.37 per share, representing a 3% discount to the seven-day Volume Weighted Average Price ("VWAP") and 3.9% discount to the last close.

At the completion of the placement, Tamboran issued 94,498,961 Ordinary shares, taking total shares on issue to 747,359,518 Ordinary shares.

Jemena-Tamboran Joint Venture

On 4 June 2020, a commercial framework was agreed with Jemena Ltd, one of the largest pipeline developers and infrastructure operators in Australia, which provides for the construction of a pipeline connecting the Beetaloo Sub-basin directly to Australia's East Coast gas market via Jemena's existing Northern Gas Pipeline.

During the period, Tamboran advanced strategic goals with Jemena with regards to providing an infrastructure solution that provides a commercial pathway to supply the domestic gas market in Australia.

Subsequent events

Subsequent to the end of the quarter and following 30-day flow results from the T2H and T3H wells, Tamboran announced an increase in the contingent resources within EP 161. The contingent resources were evaluated and certified by leading independent third-party resources certifier, Netherland, Sewell and Associates, Inc. ("NSAI") and only covers approximately 3.4% of the EP 161 prospective fairway acreage.

The unrisked 1C contingent resources net to Tamboran increased by 336 per cent to 48

billion cubic feet ("BCF") net (189 BCF on a gross unrisked basis), including 32 BCF (net to Tamboran) within the Mid-Velkerri "B" shale. The unrisked 2C contingent resources are estimated to have increased by 428 per cent to 153 BCF net to Tamboran (610 BCF on a gross unrisked basis), including 128 BCF (net to Tamboran) within the Mid-Velkerri "B" shale.

On 7 March 2022, Tamboran announced that the Company has been awarded a grant under the Commonwealth Government's Beetaloo Cooperative Drilling Program. The grant funding will support up to 25% of the drilling, fracture stimulation and flow testing of the M1H well, to a maximum of \$7.5 million. The well is expected to spud in mid-calendar year 2022.

Significant changes in the state of affairs

Tamboran Resources Limited was admitted to the Official List of the ASX on 1 July 2021 under ASX code TBN.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

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.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Richard Stoneburner
Chairman of the Board

14 March 2022
Sydney

Auditor's independence declaration



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

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Tamboran Resources Limited

As lead auditor for the review of Tamboran Resources Limited for the half-year ended 31 December 2021, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ryan Fisk
Partner
14 March 2022

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2021

For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$	Group 31 Dec 2020 \$
Interest income		958	6,575
Expenses			
Director and employee benefits expense		(1,477,924)	(1,558,321)
Share-based payments expense		(565,352)	(20,457)
Depreciation and amortisation expense	4	(281,771)	(214,931)
Consultancy, legal and professional costs		(1,616,132)	(2,142,424)
Administration expenses		(370,943)	(34,487)
ASX Listing fees		(136,584)	(5,000)
Foreign exchange (losses)/gains		(70,586)	113
Other expenses		(363,916)	(57,874)
Finance costs	4	(28,280)	(3,966,620)
Loss before income tax expense		(4,910,530)	(7,993,426)
Income tax expense		-	-
Loss after income tax expense for the half-year		(4,910,530)	(7,993,426)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(6,048)	-
Other comprehensive income for the half-year, net of tax		(6,048)	-
Total comprehensive income for the half-year		<u>(4,916,578)</u>	<u>(7,993,426)</u>
		Cents	Cents
Basic earnings per share	10	(0.73)	(8.42)
Diluted earnings per share	10	(0.73)	(8.42)

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

For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$	Group 30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		68,186,337	63,083,722
Trade and other receivables		270,615	436,442
Other assets		1,135,579	58,315
Total current assets		<u>69,592,531</u>	<u>63,578,479</u>
Non-current assets			
Property, plant and equipment		560,847	649,427
Right-of-use assets		1,223,549	1,416,740
Exploration and evaluation	5	70,019,938	46,601,221
Other assets		321,750	321,750
Total non-current assets		<u>72,126,084</u>	<u>48,989,138</u>
Total assets		<u>141,718,615</u>	<u>112,567,617</u>
Liabilities			
Current liabilities			
Trade and other payables	6	6,044,805	5,715,283
Lease liabilities		375,082	359,830
Employee benefits		452,237	908,861
Total current liabilities		<u>6,872,124</u>	<u>6,983,974</u>
Non-current liabilities			
Lease liabilities		923,663	1,114,390
Employee benefits		117,274	105,222
Total non-current liabilities		<u>1,040,937</u>	<u>1,219,612</u>
Total liabilities		<u>7,913,061</u>	<u>8,203,586</u>
Net assets		<u>133,805,554</u>	<u>104,364,031</u>
Equity			
Issued capital	7	217,648,099	183,855,350
Reserves	8	9,179,665	8,620,361
Accumulated losses		(93,022,210)	(88,111,680)
Total equity		<u>133,805,554</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

For the half-year ended 31 December 2021

Group	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in 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 half-year	-	-	(7,993,426)	(7,993,426)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(7,993,426)	(7,993,426)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,800,000	-	-	4,800,000
Share-based payments	-	20,457	-	20,457
Conversion of warrants	335,873	-	-	335,873
Balance at 31 December 2020	<u>25,654,169</u>	<u>4,202,221</u>	<u>(72,283,668)</u>	<u>(42,427,278)</u>
Group	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 half-year	-	-	(4,910,530)	(4,910,530)
Other comprehensive income for the half-year, net of tax	-	(6,048)	-	(6,048)
Total comprehensive income for the half-year	-	(6,048)	(4,910,530)	(4,916,578)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (Note 7)	33,792,749	-	-	33,792,749
Share-based payments	-	565,352	-	565,352
Balance at 31 December 2021	<u>217,648,099</u>	<u>9,179,665</u>	<u>(93,022,210)</u>	<u>133,805,554</u>

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

Consolidated statement of cash flows

For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$	Group 31 Dec 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(6,074,105)	(4,942,770)
Interest received		958	6,575
Payment of lease interest		(28,280)	(49,145)
Net cash used in operating activities		(6,101,427)	(4,985,340)
Cash flows from investing activities			
Payment for expenses relating to acquisitions		(1,027,633)	-
Payments for property, plant and equipment		-	(17,696)
Payments for exploration and evaluation		(18,881,325)	(1,326,854)
Net cash used in investing activities		(19,908,958)	(1,344,550)
Cash flows from financing activities			
Proceeds from issue of shares	7	34,964,616	-
Proceeds from the issue of redeemable preference shares		-	12,039,490
Proceeds from exercise of warrants		-	335,873
Share issue transaction costs		(3,670,093)	-
Repayment of lease liabilities		(175,475)	(145,855)
Net cash from financing activities		31,119,048	12,229,508
Net increase in cash and cash equivalents		5,108,663	5,899,618
Cash and cash equivalents at the beginning of the financial half-year		63,083,722	5,594,309
Effects of exchange rate changes on cash and cash equivalents		(6,048)	-
Cash and cash equivalents at the end of the financial half-year		<u>68,186,337</u>	<u>11,493,927</u>

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

Note 1. General information

The financial statements cover Tamboran Resources Limited as a 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 half-year (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 listed public company limited by shares, incorporated and domiciled in Australia. Its 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 14 March 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Comparatives

Comparatives in the consolidated statement of profit or loss and other comprehensive income have been reclassified to align with disclosure in the 30 June 2021 Annual Report. There was no change to loss for the half-year or total comprehensive loss for the half-year at 30 December 2020 as a result of this classification.

Note 3. Operating segments

The Company operates as an unconventional gas exploration company and operates only in Australia.

The Board of Directors is identified as the Chief Operating Decision Makers ('CODM') and based on the internal reports that are used by the CODM, the Group has one reporting segment being gas exploration in Australia. There is no aggregation of operating segments. The operating segment information is the same information as provided throughout the financial statements and are therefore not duplicated. The information reported to the CODM is on a regular basis.

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

Note 4. Expenses

	31 Dec 2021 \$	Group 31 Dec 2020 \$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	28,280	49,145
Issuance of shares for modification	-	4,800,000
	<u>28,280</u>	<u>4,849,145</u>
Redeemable preference shares (refer Note 11)		
Accretion of discount on liability	-	1,930,189
Market to market derivative loss/(gain)	-	710,911
Unrealised foreign exchange loss/(gain)	-	(2,639,547)
Remeasurement due to Modification loss/(gain)	-	(884,078)
	<u>-</u>	<u>(882,525)</u>
Total finance costs	<u>28,280</u>	<u>3,966,620</u>
<i>Depreciation</i>		
Plant and equipment	88,580	47,651
Buildings right-of-use assets	193,191	167,280
Total depreciation	<u>281,771</u>	<u>214,931</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>72,696</u>	<u>13,688</u>

Note 5. Exploration and evaluation

	31 Dec 2021 \$	Group 30 Jun 2021 \$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	<u>70,019,938</u>	<u>46,601,221</u>

Reconciliations

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

Group	Exploration and evaluation \$
Balance at 1 July 2021	46,601,221
Additions - EP161	13,067,441
Additions - Sweetpea tenements	<u>10,351,276</u>
Balance at 31 December 2021	<u>70,019,938</u>

Exploration and evaluation assets consist of Tamboran's Australian exploration project, which is pending the determination of proven or probable reserves.

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

Note 6. Trade and other payables

	31 Dec 2021 \$	Group 30 Jun 2021 \$
<i>Current liabilities</i>		
Trade payables	5,893,700	5,715,283
Other employee costs	761	-
Other payables and accruals	150,344	-
	<u>6,044,805</u>	<u>5,715,283</u>

Note 7. Issued capital

	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 \$	Group 30 Jun 2021 \$
Ordinary shares - fully paid	<u>747,359,518</u>	<u>652,860,557</u>	<u>217,648,099</u>	<u>183,855,350</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 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				(1,171,867)
Balance	31 December 2021	<u>747,359,518</u>		<u>217,648,099</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. 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.

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

Note 8. Reserves

	31 Dec 2021 \$	Group 30 Jun 2021 \$
Foreign currency reserve	(6,048)	-
Share-based payments reserve	9,185,713	8,620,361
	<u>9,179,665</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 operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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.

Note 9. Dividends

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

Note 10. Earnings per share

	31 Dec 2021 \$	Group 31 Dec 2020 \$
Loss after income tax	<u>(4,910,530)</u>	<u>(7,993,426)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>669,808,740</u>	<u>94,943,216</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>669,808,740</u>	<u>94,943,216</u>
	Cents	Cents
Basic earnings per share	(0.73)	(8.42)
Diluted earnings per share	(0.73)	(8.42)

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.

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

Note 11. 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.

On initial recognition, the residual between the proceeds received from the redeemable preference shares and the fair value of the embedded derivative was recognised as a financial liability. The financial liability was accounted for at amortised cost, while the embedded derivative was measured at fair value each reporting period.

Given all redeemable preference shares were extinguished prior to the 2022 reporting period, there was no impact on the financial statements for the half-year ended 31 December 2021, however the statement of financial performance includes the respective impact of the movement in the redeemable preference shares during the six months to 31 December 2020.

Share option plans are currently in place for the Group and details of the schemes can be found in the 30 June 2021 Annual report.

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

31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
19/04/2021	30/11/2021	\$0.3200	2,819,290	-	-	(2,819,290)	-
20/05/2021	20/05/2026	\$0.3200	10,734,584	-	-	-	10,734,584
20/05/2021	20/05/2026	\$0.2367	7,416,667	-	-	-	7,416,667
20/05/2021	20/05/2026	\$0.4000	16,000,000	-	-	-	16,000,000
28/10/2021	20/05/2026	\$0.4000	-	5,687,500	-	-	5,687,500
28/10/2021	20/05/2026	\$0.4000	-	5,687,500	-	-	5,687,500
28/10/2021	20/05/2026	\$0.4000	-	5,687,500	-	-	5,687,500
28/10/2021	20/05/2026	\$0.4000	-	5,687,500	-	-	5,687,500
			36,970,541	22,750,000	-	(2,819,290)	56,901,251

For the options granted during the current financial half-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

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

Note 12. Events after the reporting period

On 7 March 2022, the Group announced it has been awarded a grant of up to \$7,500,000 through the Commonwealth Government's Beetaloo Cooperative Drilling Program.

The funding will support the drilling of the Maverick 1H ('M1H') well within the Group's 100 per cent owned and operated EP 136 permit, located within the 'Core' Beetaloo Sub-basin during the calendar year 2022.

Subject to the delivery of commercial flow rates from the M1H well, which is planned to spud in mid-calendar year 2022, the Group intends to accelerate the Maverick Pilot Development with a target of delivering gas to the Australian domestic market by the end of calendar year 2025.

For further details refer to the market announcement on the ASX website dated 7 March 2022.

No other matter or circumstance has arisen since 31 December 2021 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.

In the Directors' opinion:

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Richard Stoneburner
Chairman of the Board

14 March 2022
Sydney

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



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

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

Conclusion

We have reviewed the accompanying half-year financial report of Tamboran Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'R. Fisk'.

Ryan Fisk
Partner
Sydney
14 March 2021

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tamboran 
RESOURCES

ACN 135 299 062

Tamboran Resources Ltd

ABN 28 135 299 062

110-112 The Corso,
Manly NSW 2095
Australia

info@tamboran.com
+61 2 8330 6626

www.tamboran.com