

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

## **Fourth quarter activities report for period ended 30 June 2022**

- **Secured Ensign Rig 970 to spud the Maverick 1H (M1H) well in the 100 per cent owned and operated EP 136 permit during third quarter of calendar year 2022, subject to final Environmental Management Plan (EMP) approvals.**
- **Commenced approved civil works and completed an 85-kilometre 2D seismic acquisition program within EP 136. The seismic program is expected to provide improved imaging of the target zone for the M1H well and subsequent Maverick development wells.**
- **Executed a Memorandum of Understanding (MOU) with Jemena enabling Tamboran to contract ~100 TJ per day (36 PJ per annum) of firm capacity through the Northern Gas Pipeline (NGP) under a long-term gas transportation agreement. Completion of the pipeline access agreement will support the sanctioning of the proposed Maverick Pilot Development, planned for the end of calendar year 2023, subject to the results of the EP 136 drilling program.**
- **Paid a cash deposit of US\$10 million (\$14.3 million) to secure a ‘best in class’, modern fast-walking US drilling rig in preparation for Tamboran’s calendar year 2023 drilling program. The rig is capable of drilling more than 3,000-metre laterals, with potential to support up to 60 per cent reduction in drilling cost per unit of recoverable gas and in material reduction in land usage.**
- **Strong balance sheet with \$26.8 million cash balance at 30 June 2022.**

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

“The fourth quarter of financial year 2022 was a significant period for Tamboran, with the Company making material progress towards commercialising its low-carbon dioxide gas resource in the ‘Core’ Beetaloo Sub-basin of the Northern Territory.

“It has been exciting to see our operations get underway on the ground in preparation for our first operated drilling campaign within EP 136. Our team has done an incredible job in progressing the civil works safely and completing 85-kilometres of 2D seismic acquisition, with no reportable incidents to date.

“Securing the Ensign Rig 970 to drill the M1H well, subject to EMP approvals, is a significant milestone and positions the Company for an exciting second half of calendar year 2022.

“The MOU we signed with Jemena during the quarter, which enables Tamboran to contract ~100 terajoules per day of firm capacity through the NGP is also strategically important. Having access to this gas pipeline,

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which provides a gateway for future gas sales to Australia's East Coast gas market, is a critical requirement for commercialisation of our acreage.

"With the seismic program now complete, drilling of the M1H well planned to commence in September and the NGP access agreement in place, the Company is making good progress towards sanctioning the proposed 100 million standard cubic feet per day (mmscfd) Maverick Pilot Development Project, which, subject to the drilling results, is targeted for the end of calendar year 2023."

### **EP 136, EP 143 and EP(A) 197**

#### *Tamboran 100 per cent working interest and operator*

During the quarter, Tamboran secured the Ensign 970 rig to drill the M1H well within the 100 per cent owned and operated EP 136 permit. The rig will mobilise to the Beetaloo Sub-basin during August and is expected to spud M1H during the first week of September 2022, subject to receipt of final Environmental Management Plan (EMP) approvals.

The M1H well is planned to be drilled with an optimised 5 ½-inch production casing well design over a planned 1,000-metre (3,280 foot) horizontal section and will include up to 20 fracture stimulated stages. The final well design was based on data obtained from the drilling and completion of the Tanumbirini 2H (T2H) and 3H (T3H) wells in the adjacent Santos-operated EP 161 permit.

Approved civil works commenced in late May 2022 with the construction of access tracks, one well pad and a camp pad. The first control monitor water bore was completed in early July 2022.

In May 2022, Tamboran commenced an 85-kilometre 2D seismic acquisition program within EP 136, as approved by the Northern Territory Government. The seismic program included twelve seismic lines allowing for improved imaging of the Mid Velkerri 'B shale' within the 'Core' Beetaloo Sub-basin. The seismic acquisition was completed in late July 2022 and will support enhanced imaging of the subsurface of the target zone for the Maverick 1H well and subsequent Maverick development wells.

During the quarter, proceedings in the Northern Territory Supreme Court (NTSC) were completed in relation to the Tanumbirini Station pastoral leaseholder's appeal application following the Northern Territory Civil and Administrative Tribunal (NTCAT) decision to grant Tamboran EP134 land access. Injunction proceedings were heard by the NTSC in mid-July 2022, with a final determination pending. In the interim, Tamboran is permitted to continue its approved work program, including the drilling of the M1H well.

During the quarter, Tamboran spent approximately \$9.6 million in preparation for Tamboran's calendar year 2022 Beetaloo drilling program.



## **EP 161**

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

During the fourth quarter, testing of the Tanumbirini 2H well (T2H) well continued from the horizontal section in the Mid-Velkerri “B shale” within the Santos-operated EP 161 acreage of the ‘Core’ Beetaloo Sub-basin.

Both the T2H and T3H wells are now shut-in in preparation for the installation of production tubing string, which is expected to be completed shortly. The program aims to optimise performance of both wells, with testing expected to recommence immediately following the tubing installations.

Pressure build-up within the T3H well, which has been shut-in since February 2022, has increased in line with expectations, with the recorded surface pressure exceeding 4,000 psi and continuing to build.

During the quarter, approximately \$0.1 million was spent by Tamboran on its share of the current EP 161 joint venture drilling campaign.

### **Commercial and Corporate**

*MOU with Jemena securing NGP access*

In June 2022, the Company executed an MOU with Jemena to enable Tamboran to contract ~100 TJ per day (36 PJ per annum) of firm capacity through the Northern Gas Pipeline (NGP), subject to applying NGP Access Principles, under a long-term gas transportation agreement.

The long-term transportation access agreement with Jemena will support the sanctioning of the proposed ~100 mmscfd Maverick Pilot Development, planned for the end of calendar year 2023. Tamboran will commence stakeholder engagement activities for the selected pipeline route and secure NGP access agreements with Jemena, planned to be completed during the second half of calendar year 2022.

*US ADR Program*

In May 2022, Tamboran established a sponsored American Depository Receipt (ADR) program in the United States under the appointment of Bank of New York Mellon with the ADR code TBNNY. The ADR has allowed Tamboran, as a non-US listed Company, to make shares available outside its home market, enabling US investors to more easily invest in Tamboran.

With the world’s deepest and most liquid capital market and considerable knowledge in unconventional shale developments, access to the US market is expected to deliver greater value realisation for Tamboran shareholders.



### *Securing modern US drilling rig for 2023 drilling program*

During the quarter, Tamboran made a deposit of US\$10 million (\$14.3 million) to secure a 'best in class', modern fast walking US drilling rig and equipment to support the Company's calendar year 2023 Beetaloo Sub-basin drilling program.

The modern drilling rig is capable of drilling longer lateral lengths within the Mid-Velkerri "B shale" than the current rig fleet in Australia. The rig has potential to support up to a 60 per cent reduction in drilling cost per unit of recoverable gas and lead to a material reduction in land usage.

Following the initial payment, Tamboran has also secured ownership of two smaller rigs, parts and equipment. Tamboran is in the process of reviewing and possibly divesting these assets, given the increased demand and supply chain issues in the US rig market since agreeing the purchase.

### **Related Party Payments**

Payments of \$659,000 were made to related parties and their associates during the quarter as disclosed in item 6.1 of the accompanying Appendix 5B relate to directors' fees and Managing Director remuneration.

### **Capital Structure**

At the end of the quarter, Tamboran had total cash on hand of \$26.8 million and no debt. The current capital structure is as follows:

**747,359,518** Fully paid Ordinary shares

**18,151,251** Options fully vested (unlisted)

**38,400,000** Options unvested and subject to milestones (unlisted)

Changes to the capital structure from the previous quarter include the net cancellation of 350,000 unvested options.



## Use of Funds

The comparison of the Company's actual expenditure since admission to the Official List of the ASX on 2 July 2021 to 30 June 2022 compared with estimated expenditure in the Use of Funds statement of the prospectus is set out below in accordance with ASX Listing Rule 5.4.4.

Activity	Prospectus "Use of Funds" (A\$'000)	Total funds used to date (A\$'000)
EP 161: Tanumbirini 2H & 3H wells	13,600	17,294
EP 136: 2D seismic	3,500	727
EP 136: Maverick 1H well	39,400	21,636
<b>Total exploration and evaluation expenditure</b>	<b>56,500</b>	<b>39,657</b>
Royalty reduction payment and leaseholder improvements	1,500	1,478
General, administration, and working capital	8,226	10,068
Drilling rig and equipment	-	15,228
Costs of the offer	4,600	4,809
<b>Total Prospectus funds</b>	<b>70,826</b>	<b>71,240</b>
Additional Capital Raised since Prospectus	34,964	-
<b>Total funds</b>	<b>105,790</b>	<b>71,240</b>

The total exploration and evaluation expenditure includes long lead items for the Maverick 2H and 3H wells. The table has also been updated to include the expenditure for the rigs during the period as detailed above under 'Commercial and Corporate' and the \$35 million raised through the private placement in December 2021.

There was no production or development expenditure during the quarter.

## Planned Activities for September 2022 Quarter

During the September quarter, the Company's activities will be focused primarily on the Beetaloo Sub-basin assets, with activities and news expected to include the following:

- Completion and interpretation of the EP 136 seismic acquisition program.
- Commencement of drilling of the M1H appraisal well in EP 136, subject to EMP approvals.



## Tenements

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

Exploration Permit	Location	Working Interest
EP 161	Beetaloo Sub-basin, Northern Territory	25%
EP 136	Beetaloo Sub-basin, Northern Territory	100%
EP 143	Beetaloo Sub-basin, Northern Territory	100%
EP(A) 197	Beetaloo Sub-basin, Northern Territory	100%

## ASX Announcements

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

5 May 2022	EP 136 Operational Update
26 May 2022	Tamboran commences American Depository Receipt (ADR) Program
22 June 2022	Presentation – Gold Coast Investment Showcase
27 June 2022	EP 136 Operational Update
27 June 2022	Jemena MOU Secures Access to Northern Gas Pipeline

This ASX announcement was approved and authorised for release by the Disclosure Committee of Tamboran Resources Limited.

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## **About Tamboran Resources Limited**

Tamboran Resources Limited is a natural gas company that intends to play a constructive role in the global energy transition towards a lower carbon future, by developing low CO<sub>2</sub> unconventional natural gas resources in the Beetaloo Sub-basin within the Greater McArthur Basin in the Northern Territory of Australia. Tamboran's key assets are a 25 per cent working interest in EP 161 and a 100 per cent working interest in EP 136, EP 143 and EP(A) 197 which are located in the Beetaloo Sub-basin.

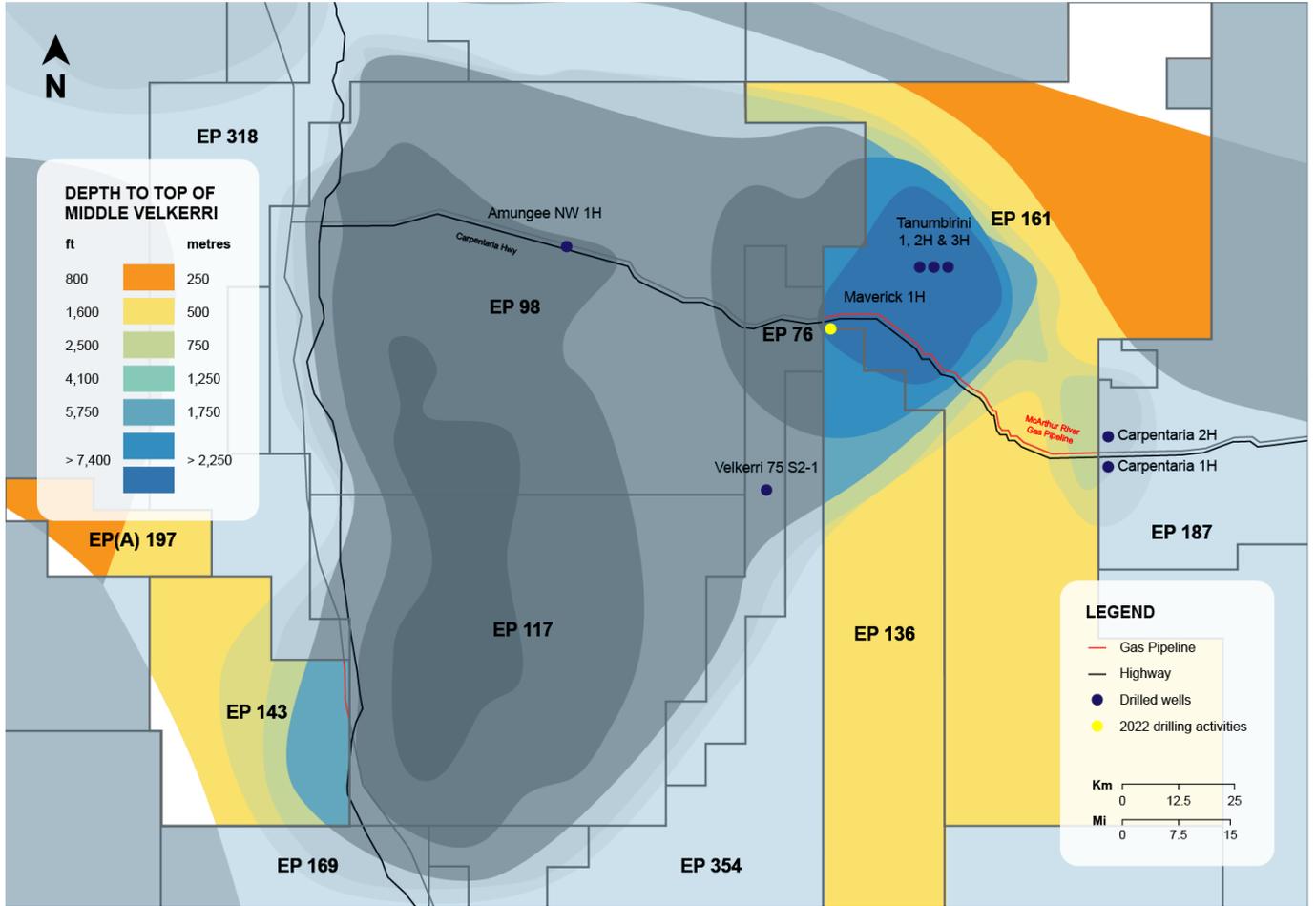
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Figure 1: EP 161 Tanumbirini 2H/3H and EP 136 Maverick 1H location map





**Figure 2: Pad construction and water bore activities within EP 136.**

