

ASX ANNOUNCEMENT

31 January 2024

Tamboran Resources Corporation (ASX: TBN)

Second quarter activities report for period ended 31 December 2023

Highlights

- Tamboran successfully completed the 10-stage stimulation program over a 500-metre (1,640-foot) horizontal section of Mid Velkerri B Shale within the Shenandoah South 1H (SS-1H) well in Beetaloo Basin exploration permit EP 117. Flow back commenced in January 2024 and the Company is on track to announce 30-day initial production (IP30) flow rates in Q1 2024.
- Diagnostic fracture injection test (DFIT) of the Mid Velkerri B Shale in SS-1H demonstrated an over pressured regime, with a pore pressure gradient of at least 0.54 pounds per square inch (psi) per foot, in line with results demonstrated at Tanumbirini (0.51 – 0.56 psi per foot).
- The Company announced a Strategic Partnership and received a US\$10 million (A\$15.2 million) equity investment from Liberty Energy Inc. (NYSE: LBRT) (Liberty), a leading North American energy services firm. Liberty plans to import a modern frac fleet into the Beetaloo Basin in 2024.
- Tamboran and APA Group (ASX: APA) signed three agreements for the development of the Beetaloo Basin: an Early Works Agreement to develop a pipeline to connect the proposed Sturt Plateau Compression Facility (SPCF) to the Amadeus Gas Pipeline; an Early Works Agreement to develop a large diameter pipeline to connect Tamboran's acreage in the Beetaloo Basin to the East Coast gas grid; and an enduring Partnering Agreement.
- Tamboran's Security holders voted in favour to redomicile the Company in the USA via a Scheme of Arrangement. Securities remain listed on the ASX via CHESS Depository Interests (CDIs).
- The Company successfully raised A\$55 million via an Institutional Placement and Entitlement Offer on a 1 for 6.2 basis at A\$0.16 per CDI. The placement was supported by a A\$7.6 million investment from the Company's largest shareholder, Mr. Bryan Sheffield, and existing shareholders.
- As at 31 December 2023, the Company had a cash balance of A\$47.8 million. Tamboran received an additional A\$14.2 million in January 2024 relating to the Retail Entitlement Offer.

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

"The second quarter has seen significant activity as we progress towards our proposed Pilot Project in the deeper section of the Mid Velkerri B Shale at Shenandoah South. The successful stimulation program at SS-1H was carried out in December 2023 and we look forward to announcing IP30 flow rates from the well during the first quarter of 2024.

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“The Company successfully raised A\$55 million from our existing shareholders and new strategic partner Liberty Energy, a highly regarded onshore energy services firm. The funding is expected to support our activities and purchase of long lead items until the sanctioning of the proposed Shenandoah Pilot Project.

“Finally, we advanced key commercial agreements with APA Group in the form of three signed agreements for the development of the Beetaloo Basin. Our strategic partnerships with APA Group, Liberty Energy and Helmerich & Payne strongly position the Company to accelerate the development of our significant Beetaloo Basin acreage position to initially support both the Northern Territory and East Coast gas markets, which are both expected to be short of gas during the decade.”

EP 76, 98 and 117

Tamboran 38.75 per cent working interest and operator

During the quarter, Tamboran announced results from a DFIT analysis of the Mid Velkerri B Shale within the SS-1H well. The results were based on a linear flow analysis and demonstrated an over pressured regime, with a pore pressure gradient of at least 0.54 psi per foot, in line with results at Tanumbirini (0.51 – 0.56 psi per foot). The analysis was verified by third-party subsurface experts, Subsurface Dynamics, Inc.

Tamboran successfully completed the 10-stage stimulation program at the SS-1H well in December 2023 delivering a proppant intensity of 2,212 pounds per foot (lb/ft) and rates of 100 barrels per minute (bpm), a first in the Mid Velkerri B Shale and in line with current US shale basin slickwater stimulation designs. Initial evaluation of the stimulation performance has demonstrated strong fracture conductivity, exceeding the pre-stimulation design modeling, and assessment of the fractures during the early recovery of stimulation fluid indicate no skin damage within the formation.

Following the installation of production tubing, flow back activities were initiated and the well achieved gas breakthrough prior to the end of the year, delivering strong and steadily increasing flow rates.

In early 2024, flow back activities were paused and the well shut in to allow for a three-week soaking period. The soaking aims to allow for the remaining stimulation fluid to be absorbed by the shale, increasing the relative permeability to gas of the formation and enhancing future production performance. The well was re-opened in mid-January 2024 and flow testing commenced. The IP30 flow test results are expected to be announced during the first quarter of 2024.

Approximately A\$19.5 million was spent by Tamboran during the quarter on the EP 76, 98 and 117 drilling operations.



EP 161

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

Santos, as operator of the EP 161 permit, completed the suspension activities of the T2H and T3H wells and continued the remediation of the Tanumbirini well pad following successful flow testing during 2022.

During the quarter, the operator submitted an Environmental Management Plan to DEPWS for the acquisition of a 200 – 240-kilometre (~125 – 150-mile) 2D seismic survey in two areas over northern EP 161. The operator also commenced trucking waste fluid offsite for disposal in preparation of final dismantling of the storage tanks.

During the quarter, Tamboran spent approximately A\$0.5 million on its share of the EP 161 joint venture activities.

EP 136, EP 143 and EP(A) 197

Tamboran 100 per cent working interest and operator

Tamboran continued with routine well monitoring and lease maintenance on the Maverick 1 well pad.

During the quarter, Tamboran spent approximately A\$0.3 million on legal and other expenses.

Commercial and Corporate

Re-domiciling to the US

In mid-October 2023, Tamboran announced the intention to re-domicile the Company and its subsidiaries from Australia to the United States of America (USA) by way of a proposed Scheme of Arrangement. On 1 December 2023, shareholders voted in favour of the decision at a Scheme Meeting. The scheme became effective as of 7 December 2023 following the lodgement of the orders of the Federal Court with the Australian Securities and Investments Commission.

The Board of Directors believe the decision to re-domicile the Company in the USA best positions Tamboran for the next phase of its growth as the Company seeks to accelerate the commercialisation of the Beetaloo Sub-Basin. Being domiciled in the USA positions Tamboran with access to deeper capital markets where shale investors are more active and have access to lower-cost debt to support future financing activities, and simplifies the capital structure.

Securities in Tamboran continue to be traded on the ASX via CDIs, which will allow Tamboran's existing shareholders and the Australian market to benefit from potential future valuation realisation in coming years.



Tamboran progresses key pipeline agreements with APA Group

During the quarter, Tamboran announced the three formal and binding agreements with APA Group (ASX: APA) to support the development of the Company's Beetaloo Basin assets, including:

- an Early Development Agreement relating to the construction of a ~35-kilometre Sturt Plateau Pipeline (SPP) that is planned to connect the proposed 40 MMcf/d Sturt Plateau Compression Facility (SPCF) to the Amadeus Gas Pipeline (AGP), targeting an online date as early as H2 2025, subject to achieving project milestones and executing further agreements;
- an Early Development Agreement for construction of a Beetaloo Basin to East Coast gas pipeline that aims to deliver in excess of 500 MMcf/d of Beetaloo Basin gas into Australia's East Coast gas market, targeting an online date as early as 2028, subject to achieving project milestones and executing further agreements; and
- a Partnering Agreement under which Tamboran agrees to work exclusively with APA Group and provides an option for Tamboran to acquire up to 15 per cent of any Beetaloo pipeline projects in the lead up to Final Investment Decision (FID) (excluding the SPP), subject to certain conditions being met.

Under the Early Development Agreements, APA has agreed a process to continue development of the proposed pipelines with early works expenditure of up to A\$10 million on the basis that Tamboran continues to progress and achieve agreed milestones in relation to the proposed Shenandoah South Pilot Project.

The parties will commence negotiations on a binding Gas Transportation Agreement (GTA) targeting execution in H1 2024, subject to Tamboran achieving certain project milestones.

Tamboran enters Strategic Partnership with Liberty Energy

In December 2023, Tamboran announced it had entered into a Strategic Partnership and received a US\$10 million (A\$15.2 million) equity investment from Liberty, a leading North American energy services firm.

Under the Strategic Partnership, Liberty plans to import a modern frac fleet into the Beetaloo Basin in 2024 to support the stimulation campaign with industry leading operational and subsurface engineering expertise for Tamboran's proposed 40 MMcf/d Shenandoah South Pilot Project, which is planned to commence production in 2026.

A\$55 million equity placement and entitlement offer

In mid-December 2023, Tamboran announced the Company had successfully raised A\$40.8 million via an Institutional Placement and institutional component of the 1 for 6.2 pro rata accelerated non-renounceable Entitlement Offer. The raise was conducted at A\$0.16 per new CDI. The raise was supported by a A\$7.6 million pre-commitment from the Company's largest shareholder, Mr. Bryan Sheffield, a US\$10 million (A\$15.2 million) strategic placement from Liberty and existing US and UK shareholders.



The Company announced the completion of the Retail Entitlement Offer in mid-January 2024, which raised an additional A\$14.2 million, completing a total raise of A\$55.0 million. The funds from the capital raise aim to support Tamboran's activities, including SS-1H flow testing and purchase of long lead items, to the sanctioning of the proposed 40 MMcf/d Shenandoah South Pilot Project during the first half of 2024.

Proposed NTLNG development Concept Select

During the quarter, Tamboran continued Concept Select Engineering studies with Wood for the Company's proposed NTLNG development at Middle Arm, Darwin. 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 driver configuration, LNG capacity and draft facility layout on Tamboran's 170-hectare (440-acre) proposed LNG site in the Middle Arm Sustainable Development Precinct near Darwin.

Tamboran Resources publishes first TCFD Climate Change Report

In December 2023, Tamboran released the Company's first Climate Change Report (CCR). The CCR aims to align with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

The TCFD Report outlines Tamboran's strategy to respond to climate change, achieve Net Zero equity Scope 1 and 2 greenhouse gas (GHG) emissions from first commercial production and play a leading role in the energy transition as a reliable supplier of natural gas.

The TCFD Climate Change Report is available on the Tamboran website.

Related Party Payments

Payments of A\$1.2 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\$0.7 million (Item 6.2). The remaining A\$0.5 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\$47.8 million and no debt. The current capital structure, as at the date of this report, is as follows:

2,060,287,200 CHES Depositary Interests 200:1

18,151,222 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 254,905,000 New CDIs following the completion of the ~A\$40.8 million Placement and Institutional Entitlement Offer announced on 14 December 2023.
- The issue of 88,709,600 New CDIs following the completion of the ~A\$14.2 million Retail Entitlement Offer announced on 15 January 2024.

Planned Activities for March 2024 Quarter

During the March 2024 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:

- Flow testing of the SS-1H well in EP 117, including delivering of the IP30 flow test.
- Subject to Board and joint venture approvals, achieving Final Investment Decision (FID) and placing the Long Lead Item (LLI) orders for key procurement packages for the 40 MMcf/d Sturt Plateau Compression Facility (SPCF) at the Shenandoah South location.
- Progression of upstream planning for sanctioning of proposed 40 MMcf/d Pilot Project in EP 98/117, including securing key approvals and drilling schedule.
- Completion of the Concept Select engineering studies for the proposed NTLNG development.



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:

12	October 2023	Tamboran announces intention to re-domicile to the U.S.
30	October 2023	EP 117 Operational Update SS-1H DFIT Analysis
27	November 2023	EP 117 Operational Update Stimulation Commences at SS-1H
06	December 2023	Tamboran Re-domiciliation Court approves Scheme
07	December 2023	EP 117 Operational Update Completion of SS-1H stimulation
14	December 2023	Tamboran announces launch of equity raise
15	December 2023	Successful completion placement & institutional entitlement
15	December 2023	Tamboran enters Strategic Partnership with Liberty Energy
18	December 2023	Tamboran progress key pipeline agreements with APA Group
19	December 2023	Tamboran Resources publishes first TCFD Climate Change Report



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

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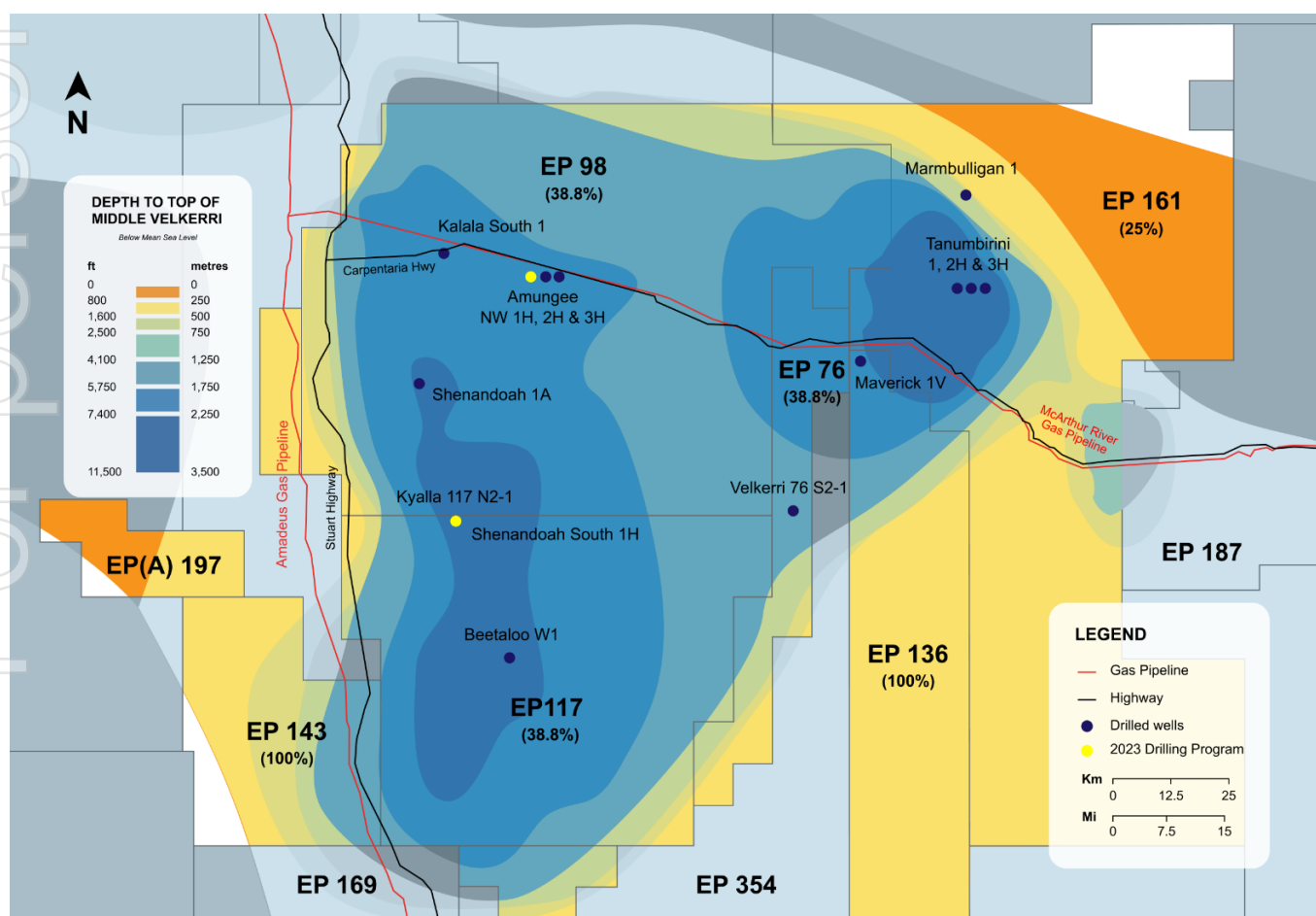
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Figure 1: Tamboran's Beetaloo Basin asset location map.





About Tamboran Resources Corporation

Tamboran Resources Corporation 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 in the early 2026, 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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