

Tamboran Resources Limited (ASX: TBN)

Second quarter activities report for period ended 31 December 2021

- **Fracture stimulation of the Tanumbirini 2H (“T2H”) and Tanumbirini 3H (“T3H”) wells was completed in EP 161, with both wells flowing gas to surface at the end of the quarter.**
- **Gas continued flowing to surface following a weather related shut-in during early January 2022.**
- **Learnings from the Santos-operated EP 161 drilling program are being incorporated into Tamboran’s 100 per cent operated EP 136 Beetaloo drilling program. The Maverick 1H (“M1H”) well is expected to spud in mid-calender year 2022.**
- **Approximately \$35 million was raised through a private placement, anchored by a \$20 million investment from strategic US investor, Mr Bryan Sheffield.**

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

“The second quarter of financial year 2022 was an active period for Tamboran as we made steps towards establishing commercial flow rates within the extensive low carbon dioxide gas resource in the Core Beetaloo Sub-basin of the Northern Territory.

“In EP 161, the Santos-operated calendar year 2021 drilling program was completed in late November following the successful drilling of T3H. The well encountered significant gas shows and pressures within the Mid-Velkerri ‘B’ shale target, in line with the results from the T2H well. The program was completed with no major safety incidents.

“Fracture stimulation of T2H and T3H within the Mid-Velkerri ‘B’ shale was conducted across 11 stages over a 660-metre lateral interval and 10 stages over a 600-metre lateral interval respectively during December 2021. Both wells were undergoing clean-up activities and flowing gas to surface at the end of the quarter. Operations were interrupted and the wells shut-in due to weather for a short period in early-January 2022. Testing operations have since resumed and gas is continuing to flow to surface. We expect to be in a position to announce initial flow rates in the near-term.

“During the December 2021 quarter, we continued planning our 100 per cent operated drilling campaign in permit EP 136. The program is incorporating data and learnings from the recent program and aims to achieve reductions in drilling time and reduce costs.

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“We are entering a significant year for the Beetaloo Sub-basin, as Tamboran plans to drill our M1H well in EP 136. The well will be drilled with an advanced frac design and will target commercial flow rates and support the booking of an initial contingent resource within our 100 per cent owned and operated acreage.”

EP 161

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

During the quarter, the T3H well was safely and successfully drilled to a total depth of 4,857 metres Measured Depth, encountering significant gas shows within the Mid-Velkerri ‘B’ shale. The Easternwell Rig 106 was released and de-mobilised in late November 2021.

In early December 2021, 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 Venture to conduct fracture stimulation over a smaller lateral section to optimise execution and allow for comparison with future development stimulation designs.

At the end of the quarter, gas was flowing to surface, with both wells undergoing clean-up activities, including flow back of the fracture stimulation water injected during the process. The wells were temporarily suspended due to weather during January 2022 and have since returned to testing operations, with gas continuing to flow to surface.

Subsequent to the end of the quarter, Santos and the pastoral leaseholder of Tanumbirini Station reached an agreement to resolve the Land Access and Compensation Agreement (“LACA”) process for EP 161. Santos will continue flow testing, monitoring and maintenance at the T2H and T3H wells and conduct other low impact activities. No additional petroleum activities may be undertaken on EP 161 at Tanumbirini Station until after 31 December 2022.

During the December 2021 quarter, approximately \$7.9 million was spent by Tamboran on its share of the current EP 161 joint venture drilling campaign.

EP 136, EP 143 and EP(A) 197

Tamboran 100 per cent working interest and operator

Tamboran continued preparations for the Company’s 100 per cent owned and operated CY2022 Beetaloo drilling program, which will include the drilling of M1H in EP 136.

The M1H well is planned as an appraisal of the Core Beetaloo to the southwest of EP 161. The well is expected to include drilling and fracture stimulation of a horizontal section in excess of 1,000 metres within the Mid-Velkerri ‘B’ shale and an extended flow test. Using data and learnings from the T2H and T3H wells drilled during CY2021, the M1H well is expected to include more compact fracture stimulation stages aimed at increasing well productivity.



During the quarter, Tamboran spent \$2.8 million ordering long-lead items in preparation for Tamboran's CY2022 Beetaloo drilling program.

Commercial and Corporate

In November 2021, Tamboran successfully completed a \$35 million private placement, anchored by a strategic \$20 million investment by Mr Bryan Sheffield, the former Chairman, CEO and founder of Parsley Energy Inc. The remaining \$15 million was raised predominantly from existing shareholders. Funds will be used to accelerate commercialisation of Tamboran's 100 per cent owned and operated EP 136 permit and working capital purposes.

Tamboran has commissioned Netherland Sewell and Associates, Inc, a leading third-party resource certifier, to provide an independent resource report. The report will incorporate results from the EP 161 drilling program and has potential to lead to Tamboran booking a revised contingent resource during the March quarter of CY2022.

Related Party Payments

Payments of \$371,000 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 \$68.2 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)
- 38,750,000** Options unvested and subject to milestones (unlisted)

Changes from the previous quarter included the issuance of 94,498,961 Ordinary shares on completion of the \$35 million placement at \$0.37 per share, as announced on 23 November 2021.



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 31 December 2021 compared with estimated expenditure in the Use of Funds statement of the prospectus is set out below in accordance with ASX Listing Rule 5.3.4.

Activity	Prospectus "Use of Funds" (A\$'000)	Total funds used to date (A\$'000)
EP 161 Tanumbirini 2H & 3H wells	13,600	13,425
EP 136 2D seismic	3,500	727
EP 136 Maverick 1H well	39,000	4,761
Total exploration and evaluation expenditure	56,500	18,913
Royalty reduction payment and leaseholder improvements	1,500	1,478
General administration and working capital	8,226	6,269
Costs of the offer	4,600	4,809
Total funds used	70,826	31,468

There was no production or development expenditure during the quarter.

Planned Activities for March 2022 Quarter

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

- Report initial flow rates of the T2H and T3H wells in EP 161.
- Preparations for drilling of the M1H appraisal well in EP 136.
- Further details on the EP 136 seismic acquisition program.

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:

6	October 2021	Operational Update – EP 161 Tanumbirini 3H Well
8	November 2021	Operational Update – EP 161 Tanumbirini 3H Well Successfully Drilled
23	November 2021	Tamboran Secures Strategic US Investor through \$35 million Placement
29	November 2021	Operational Update – EP 161 Tanumbirini
30	November 2021	Key Executive Appointments Strengthen Australian Management Team
30	December 2021	Tanumbirini 2H and 3H in EP 161 Flow Gas to Surface

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 CO₂ 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.



Figure 1: Drilling operations at T3H in progress in EP 161, October 2021



Tamboran 25% working interest, Santos 75% working interest and operator



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

