

Tamboran Resources

Important MOU signed with Jemena to secure pipeline access for future gas production

Tamboran securing 100mmcf/d of gas transportation capacity

Tamboran has announced the signing of a binding Memorandum of Understanding with infrastructure company Jemena for 100TJ/d (~100mmcf/d) of firm transportation capacity through the Northern Gas Pipeline (NGP). This will provide access to the only gas pipeline route connecting the Northern Territory to Australia's East Coast gas market. This deal should support the potential sanctioning of the proposed Maverick Pilot Development (MPD) planned for YE'23. In the interim, TBN plans to drill three horizontal wells, which in a success case could prove up 1tcf of gas resource to support the MPD. TBN is targeting initial production by YE'25. TBN is commencing FEED studies to progress the MPD utilising renewable technologies to facilitate Net Zero gas production. The Beetaloo Basin has potential to be one of the lowest cost gas producers into Asia.

Tamboran building on previous deal with Jemena signed in 2020

Jemena owns and operates a diverse portfolio of Australian energy assets. In November 2020, Tamboran signed an important deal with Jemena to build a 1bcf/d pipeline from the Beetaloo to access the East coast domestic gas and LNG export market. This has two major implications, first it means that Tamboran as a partner with Jemena will have access to significant capacity of up to 500mmcf/d that it can send down the pipeline, de-risking its route to market. Secondly there is significant value in gas infrastructure assets in Australia demonstrated by several deals such as Shell selling a stake in its QCLNG common facilities and TOTAL announcing a US\$750mm sale and lease back deal on its GLNG plant, both with GIP Australia on the East coast. Origin Energy announced the sale of 10% in its APLNG project for A\$2.1bn (US\$1.6bn) to EIG Partners and Woodside sold down 49% of its Pluto LNG Train 2 development to Global Infrastructure Partners. There is the potential for Tamboran to reach 100mmcf/d of net production in 2025 and 500mmcf/d by the end of the decade supplying either the East Coast or Darwin/Ichthys LNG.

EP 136 Operational Update: Maverick on track to be spudded in Q3'22

TBN has commenced an 85-kilometre 2D seismic acquisition program on EP 136, which includes twelve seismic lines allowing for enhanced resolution of the Mid Velkerri 'B shale' formation. Approved civil works commenced in early June with the construction of access tracks, three well pads and a camp pad. Civil works are expected to be completed ahead of the Q3'22 drilling of the Maverick 1H well. This is despite the attempts by the pastoral leaseholder to prevent exploration activities. An appeal against the favourable decision TBN received against the leaseholder from the NT Tribunal was concluded at the NT Supreme Court on 21 June with the outcome expected shortly. The M1H well will be drilled with an optimised well design over a planned 1,000-metre horizontal section and is targeted to include up to 20 fracture stimulated stages at tighter intervals and increased proppant intensity when compared to the T2H and T3H wells drilled by Santos. We expect M1H well to deliver the equivalent of at least 4.5mmcf/d per 1,000m, which is significantly higher than the commercial threshold.

Valuation: our risked NAV implies >250% upside

Our risked NAV is unchanged at A\$0.84/sh based on our long-term Brent forecast of US\$70/bbl (implied L.T. Asian LNG price of US\$12.6/mcf at 13% of Brent). On an unrisked basis we have a NAV of A\$2.20/sh or 10x upside for the development of 3.5tcf net to TBN. At our NPV10 of ~A\$0.5/mcf, TBN shares are pricing in a development of <0.4tcf out of the 31tcf of prospective unrisked net gas resource. TBN's latest reported cash position was A\$55mm at the end of Q1'22, which means it has sufficient funding for its Maverick drilling programme. The Block contains unrisked prospective resource of ~19tcf. Revised Australian Energy Market Operator (AEMO) data has indicated the East Coast gas market shortfall could be as early as the winter of 2023.

GICS Sector	Energy
Ticker	ASX:TBN
Market cap 24-Jun-22 (US\$m)	120
Share price 24-Jun-22 (AUD \$)	0.23

NAV summary (AUD c/sh)

Asset	Unrisked	Risked
Cash & other	10	10
EP 136	169	51
EP 161	42	23
Total NAV	220	84

Source: H&P estimates

31tcf

Tamboran's unrisked net prospective gas resource.

Net zero CO₂

Tamboran has committed to produce natural gas with zero Scope 1 and 2 emissions.

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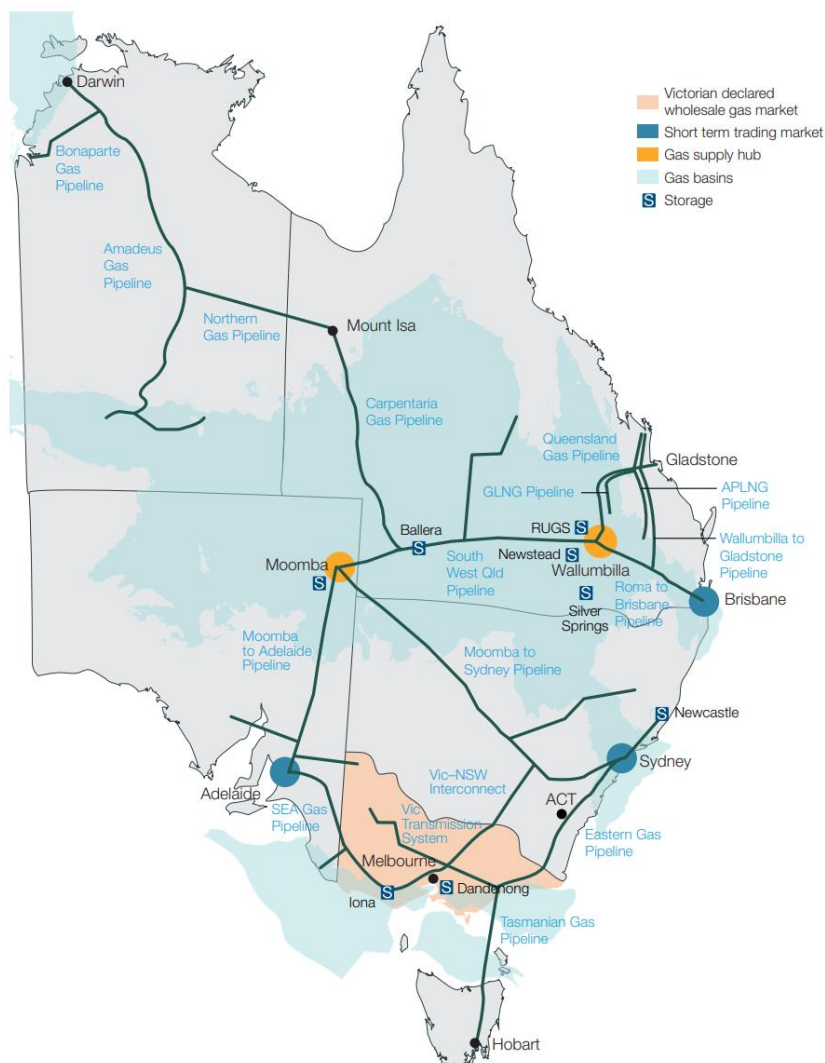
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Eastern gas basins, markets, major pipelines and storage



Source: AER; Gas Bulletin Board

Jemena owns and operates a diverse portfolio of energy assets across northern Australia and Australia's east coast of more than A\$11bn worth of major utility infrastructure, in particular it owns and operates some of Australia's most important gas transmission pipelines. It is a private company owned by State Grid Corporation of China and Singapore Power. Jemena has an ambition to achieve net zero emissions by 2050.

In 2020, Tamboran and Jemena agreed on a detailed commercial framework to form a Joint Venture for Jemena to build, own, and operate long term midstream gas infrastructure. Jemena plans to construct an initial pipeline directly connecting Tamboran's Core Beetaloo Basin resource to SE Australian Domestic Gas Market via Jemena's existing Northern Gas Pipeline and north to the Darwin LNG complex.

The ACCC forecast potential for a domestic gas supply shortfall of 75mmcf/d to emerge as early as 2024, in addition to 250mmcf/d of East Coast LNG that will remain under-utilised unless speculative resources are developed. Revised Australian Energy Market Operator (AEMO) data has indicated the East Coast gas market shortfall could be as early as the winter of 2023.

Gas commercialisation

Gas commercialisation options



Source: Tamboran

Valuation: >250% upside to our risked NAV

Asset	Gross		Net	NPV	Unrisked		Geological Commercial		Risked		
	b c f e	I n t e r e s t			b c f e	A \$ / m c f e	A \$ m	A \$ / s h	C o S	C o S	A \$ m
Net cash (end Q3 '21)					\$49	\$0.06				\$49	\$0.06
Nov '21 equity raise					\$35	\$0.05				\$35	\$0.05
Capitalised G&A	@ 2x				-\$16	-\$0.02				-\$16	-\$0.02
Options proceeds					\$5	\$0.01				\$5	\$0.01
EP 136 - 1tcf	1037	100%	1037	0.54	\$565	\$0.74	50%	75%	\$212	\$0.28	
EP 136 - incremental 1.75tcf	1750	100%	1750	0.42	\$727	\$0.95	50%	50%	\$182	\$0.24	
EP 161	2750	25%	688	0.46	\$319	\$0.42	75%	75%	\$179	\$0.23	
Total NAV	5537.62		3475.12		\$1,683	\$2.20			\$646	\$0.84	

Source: H&P estimates

Our risked NAV is unchanged at A\$0.84/sh based on our long-term Brent forecast of US\$70/bbl (implied L.T. Asian LNG price of US\$12.6/mcf at 13% of Brent). On an unrisked basis, we have a NAV of A\$2.20/sh or 10x upside for the development of 3.5tcf net to Tamboran.

NAV A\$/sh based on potential volume discovered & NPV of resource

	NPV	Net recoverable resource (tcf)				
		0.5	1.0	2.5	10.0	31.0
\$0.05	\$0.05	0.13	0.16	0.26	0.75	2.12
\$0.25	\$0.25	0.26	0.42	0.91	3.36	10.22
\$/mcf	\$0.40	0.36	0.62	1.40	5.32	16.29
\$0.50	\$0.50	0.42	0.75	1.73	6.63	20.34
\$1.00	\$1.00	0.75	1.40	3.36	13.16	40.59

Source: H&P estimates

Waterfall Chart of Risked NAV breakdown by item (A\$/sh)



Source: Company reports, H&P estimates

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