

Tamboran Resources Corporation (ASX: TBN)

Third quarter activities report for period ended 31 March 2024

Highlights

- In February 2024, Tamboran announced 30-day initial production (IP30) flow rates from the Shenandoah South 1H (SS-1H) well in EP 117. The well flowed at 3.2 million cubic feet per day (MMcf/d) over the 1,644-foot (501 metre) stimulated length within the Mid Velkerri B Shale, normalized to 6.4 MMcf/d over 3,281-feet (1,000 metres).
- The SS-1H well was flow tested over IP60 and IP90 periods, delivering 3.0 and 2.9 MMcf/d respectively, normalized for 6.0 MMcf/d and 5.8 MMcf/d over 3,281 feet (1,000 metres) respectively. The flow rates over the 90-day period exceeded Tamboran's pre-drill expectation and provide the Company with confidence to progress drilling activities during 2024 for the proposed ~40 MMcf/d Shenandoah South Pilot Project (the Pilot Project).
- In March 2024, Tamboran increased its interest in the proposed Pilot Project up to 47.5% following the decision by Falcon Oil & Gas (Australia) Limited to limit its participation to 5.0% in the second Shenandoah South well pad (SS2) and the two wells in the 2024 drilling program.
- In April 2024, Tamboran announced a binding, long-term take-or-pay Gas Sales Agreement (GSA) to supply the Northern Territory Government (NTG) with 40 TJ per day (~19 TJ per day net to Tamboran) for an initial term of nine years from the proposed Shenandoah South Pilot Project.
- Tamboran progressed Front End Engineering and Design (FEED) activities for the proposed compression and dehydration facility as part of the Pilot Project. The Pilot Project is targeting a sanctioning decision in mid-2024, subject to funding and key stakeholder approvals.
- Tamboran completed Concept Select studies with Wood Group for the proposed 6.9 MTPA NTLNG development at Middle Arm in Darwin. Tamboran expects to commence pre-FEED studies in mid-2024 following completion of a competitive process with potential Engineering Service Contractors.
- As at 31 March 2024, the Company had a cash balance of A\$38.9 million.

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

"We view the third quarter of FY24 as a major de-risking point for the Beetaloo Basin and the 1-million-acre development within the Beetaloo West region. Results from the successfully drilled SS-1H well in EP 117 have demonstrated the deliverability of the highly productive Mid Velkerri B Shale within the deepest

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regions of the basin, which are expected to achieve superior economics than the shallower regions of the basin.

“Tamboran and the Northern Territory Government announced a key binding long-term, take-or pay GSA that will supply the Northern Territory local market for up to 15 and a half years from the Beetaloo Basin.

“The binding agreement is expected to support the funding to underpin a Final Investment Decision (FID) on the proposed Pilot Project at Shenandoah South, which is planned in mid-2024, subject to funding and key stakeholder approvals. We expect first volumes from the Pilot Project will deliver much needed gas into the local Northern Territory gas market by H1 2026.

“On our LNG project, we have completed Concept Select studies with Wood Group with key decisions made regarding size, liquefaction technology, plant layout and schedule that will set the scope for pre-FEED studies. We expect to conclude discussions with a preferred Engineering Services Contractor in the next few months ahead of commencement of pre-FEED in mid-2024.”

EP 76, 98 and 117

Tamboran 38.75 per cent working interest and operator

During the quarter, Tamboran announced IP30, IP60 and IP90 flow rates from the testing of the SS-1H well in Beetaloo Basin exploration permit, EP 117.

After a successful 10-stage stimulation program in December 2023, testing was carried out following the installation of production tubing and a three-week soaking period to allow for water used in the stimulation process to be absorbed by the shale. The soaking aims to increase the relative permeability to gas of the formation and enhance future production performance.

During the initial draw down period from 25 January to 8 February 2024 (~13.3 days), the choke was opened from 16/64” to 40/64” over staged intervals resulting in gas rates from 12.9 to 3.0 MMcf/d, with an average of 3.5 MMcf/d and 46.2 MMcf cumulative production over that period. Flowing wellhead pressures were drawn down from 4,611 psi to 792 psi.

During the subsequent continuous flowing period from 8 to 24 February 2024 (~16.7 days), the choke was opened to 43/64” at the beginning of the period, resulting in gas rates from 3.3 to 2.9 MMcf/d, with an average of 3.0 MMcf/d and 50.3 MMcf cumulative production over that period. Flowing wellhead pressures were drawn down from 792 to 578 psi.

During the following continuous flowing period from 25 February to 25 March (30 days), the choke was left unaltered at 43/64”, resulting in gas rates ranging from 2.9 to 2.76 MMcf/d, with an average of 2.83 MMcf/d over the period. Flowing wellhead pressures were drawn down from 578 to 530 psi.



During the period from 26 March to 24 April 2024 (30 days), the choke was maintained at 43/64", resulting in gas rates fluctuating from 2.76 to 2.64 MMcf/d, with an average of 2.7 MMcf/d over the 30-day period and day 90 exit rate of 2.68 MMcf/d. Flowing wellhead pressures were drawn down from 529 to 518 psi.

The well will now be cased and suspended as a potential future production well.

Approximately A\$12.0 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

Limited activity was undertaken on EP 161 during the quarter.

The Northern Territory Government has accepted the permit variation by Santos, which includes swapping two core hole wells for the stimulation of two vertical wells, which are planned to be drilled in 2025.

The operator continues to plan for the acquisition of a 200 – 240-kilometre (~125 – 150-mile) 2D seismic survey in two areas over northern EP 161, which are planned for the second half of 2024.

During the quarter, there was minimal spend by Tamboran 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

Tamboran signs binding GSA with the NTG to supply 40 TJ per day for ~15 years

In April 2024, Tamboran and the Beetaloo Joint Venture (BJV) have signed a binding long-term GSA to supply the NTG with 40 TJ per day (~19 TJ per day net to Tamboran) from the proposed Shenandoah South Pilot Project for an initial term of nine years (131.4 PJ Total, ~62.4 PJ net to Tamboran), starting in H1 2026. The NTG has an option to extend the GSA for a further six-and-a-half years through to mid-2041.

Gas will be delivered to the NTG at the APA-owned Amadeus Gas Pipeline (AGP) on a take-or-pay basis at a market-competitive gas price, escalating at 100% of the Consumer Price Index (CPI). The NTG's extension option is at a slightly discounted price.



The binding supply commitment is conditional on the BJV entering into a binding Gas Transportation Agreement with APA on the proposed Sturt Plateau Pipeline, a binding Gas Processing Agreement for the proposed Sturt Plateau Compression Facility, reaching FID, and receiving key regulatory and stakeholder approvals.

Tamboran will be targeting FID on the proposed Pilot Project in mid-2024, with first production planned by H1 2026.

Tamboran increases interest in the Shenandoah South Pilot Project to a minimum of 47.5%

In March 2024, Falcon Oil & Gas (Australia) Limited (Falcon) made the decision to limit its participation to 5.0% in the Beetaloo Joint Ventures' second Shenandoah South well pad (SS2) and the two wells in the 2024 drilling program.

The two wells in the 2024 drilling program will create two Drilling Spacing Units (DSUs) totaling 51,200 gross acres around the new SS2 well pad, where Tamboran and Daly Waters Energy, LP (DWE) as 50/50% owners of Tamboran (B2) Pty Limited have agreed to pick up the non-consent, increasing interest to 95.0%.

Tamboran and DWE will carry Falcon for up to A\$3.75 million gross (A\$1.875 million net) for the first well post 30 June 2024.

The 51,200 gross acre area has the potential to accommodate 23 well pads (138 wells based on six wells per pad, 3,000-metre lateral sections and 500 metre well spacings) and it is expected to support the wells required to deliver gas to the proposed Shenandoah South Pilot Project.

Proposed NTLNG development Concept Select

During the quarter, Tamboran completed Concept Select Engineering studies with Wood Group for the Company's proposed NTLNG development at Middle Arm, Darwin. The engineering work has defined and selected the key LNG plant specifications including liquefaction technology, compressor driver configuration, LNG capacity and draft facility layout on Tamboran's 170-hectare (440-acre) site in the Middle Arm Sustainable Development Precinct near Darwin.

Tamboran is currently in the process of selecting an EPC to undertake the pre-FEED stage, which is anticipated to commence in H2 2024 and expected to be complete in H1 2025.

During the quarter, Tamboran was granted an exclusivity extension until the end of 2024 by the Northern Territory Government over the Middle Arm site.



Tamboran increase Beetaloo Basin 2C gas resources to 2.1 Tcf

In February 2024, Tamboran booked its first estimate of contingent gas over the Shenandoah South region across EP 98 and 117 in the Beetaloo Basin following a successful IP30 flow test of the SS-1H well.

The EP 76/98/117 unrisks net 1C contingent gas resources increase by 33 billion cubic feet (Bcf) to 284 Bcf and unrisks net 2C contingent gas resources increase by 152 Bcf to 1.2 trillion cubic feet (Tcf).

The resource upgrade has been evaluated and certified by leading independent third-party resource certifier Netherland, Sewell & Associates, Inc. (NSAI), with an effective date of 31 January 2024.

The 2C resources support the sanctioning of the proposed ~40 million cubic feet per day (MMcf/d) Shenandoah South Pilot Project, which is expected to be sanctioned in mid-2024 and deliver first gas into the Northern Territory in Q1 2026, subject to securing financing and key stakeholder approvals.

Related Party Payments

Payments of A\$1.2 million were made to related parties and their associates during the quarter, as disclosed in Section 6.1 of the accompanying Appendix 5B relating to directors' fees and Managing Director remuneration.

Capital Structure

At the end of the quarter, Tamboran had total cash on hand of A\$38.9 million and no debt. The current capital structure, as at the date of this report, is as follows:

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

18,151,222 Options fully vested (unlisted)

36,350,000 Options unvested and subject to milestones (unlisted)

No change to the capital structure from the previous quarter.

Planned Activities for June 2024 Quarter

During the June 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:

- Progression of upstream planning for sanctioning of proposed Pilot Project in EP 98/117, including securing key approvals and drilling schedule.



- Targeting 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, subject to funding and key stakeholder approvals.
- Commencement pad construction and drilling activities of the Shenandoah South 2H (SS-2H) and 3H (SS-3H) wells in EP 98.

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%*, ¹
EP 117	Beetaloo Basin, Northern Territory	38.75% ¹

*Denotes operator.

¹Tamboran to hold up to 47.5% subject the completion of the SS-2H and SS-3H wells on the Shenandoah South pad 2 following creation of two drilling spacing units (DSUs) over 51,200 acres.

ASX Announcements

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

26	February 2024	SS-1H IP30 Flow Test Results
26	February 2024	Tamboran increase Beetaloo Basin 2C gas resources to 2.1 TCF
26	February 2024	SS-1H IP30 flow test and activities presentation
05	March 2024	ATO Class Ruling received in relation to the Scheme
25	March 2024	Tamboran increases Pilot Project interest to a minimum of 47.5%
26	March 2024	SS-1H delivered IP60 flow test result

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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About Tamboran Resources Corporation

Tamboran Resources Corporation, (“Tamboran” or the “Company”), through its subsidiaries, is the largest acreage holder and operator with approximately 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 a significant natural gas resource within the basin.

Tamboran’s key assets include a 38.75% working interest and operatorship in EPs 98, 117 and 76, a 100% working interest and operatorship in EP 136 and a 25% non-operated working interest in EP 161, which are all located in the Beetaloo Basin.

Tamboran will focus on the proposed Shenandoah South Pilot Project, where Tamboran has a minimum of 47.5% working interest and is targeting first production in H1 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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Figure 1: Tamboran's Beetaloo Basin asset location map.

