

PROSPECTUS

For the Offer of up to 165 million Shares at a price of \$0.40 per Share to raise up to \$66 million (before costs and expenses).

The Offer comprises:

- an invitation to bid for Shares made to Institutional Investors in Australia and qualifying investors in certain overseas jurisdictions (**Institutional Offer**);
- an invitation to bid for Shares made to certain Institutional Investors selected by the Company in Australia and qualifying investors in certain overseas jurisdictions (**Priority Offer**);
- an offer to Australian resident investors, who have received a firm allocation from the Broker (**Broker Firm Offer**); and
- a general offer, which is open to members of the general public who have a registered address in Australia (**General Offer**).

The Offer is scheduled to close at 5:00pm (Sydney time) on Friday, 18 June 2021 (unless extended or withdrawn).

Corporate Advisor



Lead Manager



Australian Legal Advisor



Important Notice. The Shares offered under this Prospectus should be considered as speculative. This is a replacement prospectus and is an important document and which should be read in its entirety. If you have any questions about the securities being offered under this Prospectus or any other matters, you should consult your stockbroker, accountant or other professional adviser.

For personal use only



IMPORTANT NOTICES

Offer

The offer contained in this Prospectus is an invitation for you to apply for fully paid ordinary shares (**Shares**) in Tamboran Resources Limited ACN 135 299 062 (**Tamboran** or the **Company**) that will be issued by the Company (**Offer**). This Prospectus is issued by the Company. See section 7 for further information on the Offer, including the details of the securities that will be issued under this Prospectus.

Lodgement and Listing

This is a replacement Prospectus dated 4 June 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**). It replaces the prospectus dated 21 May 2021 and lodged with ASIC on that date (**Original Prospectus**). This replacement prospectus is referred to as the Prospectus.

The Company has applied to the ASX within seven days after the Original Prospectus date for admission of the Company to the official list of ASX (**Official List**) and for quotation of the Shares on the ASX (**Listing**).

None of ASIC, ASX or their respective officers takes any responsibility for the content of this Prospectus or for the merits of the Offer.

The Company, Boardroom Pty Limited (**Share Registry**) and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement or allotment confirmation notice, even if such persons received confirmation of allocation through a Broker.

Expiry Date

This Prospectus expires on the date that is 13 months after the date of the Original Prospectus (**Expiry Date**). No Shares will be issued or transferred based on this Prospectus after the Expiry Date.

Note to Applicants

The information contained in this Prospectus is not investment or financial product advice and has been prepared as general information only. It does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the business, financial condition and financial performance of the Company. You should carefully consider these risks in light of your investment objectives, financial

situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Shares. Some of the key risk factors that should be considered by prospective investors are set out in section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Disclaimer

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on investment in the Shares made pursuant to this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Directors, the Lead Manager or any other person in connection with the Offer. You should rely only on information in this Prospectus when deciding whether to invest in Shares.

Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for, or acquire, Shares offered under this Prospectus (**Applications**) in the seven day period after lodgement of the Original Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days (i.e. up to a total of 14 days).

The purpose of the Exposure Period is to enable the Original Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Original Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

No cooling off rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.



Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available in electronic form to persons who are Australian residents on the Company's offer website www.tamboran.com/offer. Application Forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus will be available in electronic form at www.tamboran.com/offer. The Offer constituted by this Prospectus in electronic form at www.tamboran.com/offer is available only to persons who are Australian residents accessing the website within Australia. This Prospectus is not available to persons in jurisdictions other than the Permitted Jurisdictions in which it may not be lawful to make such an invitation or offer. If you access the electronic version of this Prospectus, you should ensure that you download and read this Prospectus in its entirety.

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia by calling the Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (Sydney time), Monday to Friday.

Applications for Shares may only be made during the Offer Period on the Application Form attached to or accompanying this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

Refer to section 7 for further information about making an Application.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Forward-looking statements

This Prospectus contains forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place.

No person who has made any forward-looking statements in this Prospectus (including the Company) has any intention to update or revise forward looking statements, or to publish prospective financial information in the future,

regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management of the Company. Any forward-looking statements are subject to various risks that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, sections 1.5 and 5, and other information in this Prospectus. The Company, the Directors, the Company's management and the Lead Manager cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Financial information presentation

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is set out in section 4.1.

All references to FY 19 and FY 20 appearing in this Prospectus are to the financial years ended 30 June 2019 and 30 June 2020 respectively, unless otherwise indicated. All references to HY 20 and HY 21 appearing in this Prospectus are to the half years ended 31 December 2019 and 31 December 2020, respectively, unless otherwise indicated.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (as adopted by the Australian Accounting Standards Board) (AAS), which comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The Financial Information in this Prospectus should be read in conjunction with, and it is qualified by reference to, the information contained in sections 1.5 and 4. The pro forma historical financial information included in this Prospectus does not purport to be in compliance with Article 11 of Regulation S-X promulgated by the US Securities and Exchange Commission.

Investors should note that certain financial data included in this Prospectus is not recognised under the AAS and is classified as 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC, and is also non-GAAP measures within the meaning of Regulation G under the US Securities Exchange Act of 1934.

For personal use only



The Company believes that this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS/non-GAAP financial measures do not have standardised meanings under the AAS and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be interpreted as an alternative to other financial measures determined in accordance with the AAS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Prospectus.

Forecast financial information

Exploration is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. On this basis, and after consulting ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts of the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.

Market and industry data based primarily on management estimates

This Prospectus (and in particular section 2) contains data relating to the industries, segments, sectors and channels in which the Company operates (**Industry Data**).

Such information includes, but is not limited to, statements and data relating to: product segment and category sizes (by number of units and net sales), estimated sector growth (by revenue), channel segmentation and the Company's estimated revenue share and its industry position in specified geographic areas. Unless otherwise stated, this information has been prepared by the Company using both publicly available data and internally generated data (including industry research and interviews with industry participants). The Company's internally generated data is based on estimates and assumptions that both the Directors and the Company's management believe to be reasonable, as at the Prospectus Date.

The Company's estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in section 5.

Investors should note that industry and sector data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual industry or market conditions.

In addition to the Industry Data, this Prospectus uses third-party data, estimates and projections. There is no assurance that any of the third-party data, estimates or projections contained in this Prospectus will be achieved. The Company has not independently verified such information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in section 5.

International offering restrictions

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. This Prospectus may only be distributed in the United States to Institutional Investors by the Company and only if this Prospectus is accompanied by the US Offering Circular. The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State of the United States, and may not be offered or sold, in the United States, except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws. The Offer is not being extended to any investor outside Australia, other than to certain Institutional Investors as part of the Institutional Offer and the Priority Offer.

See section 9.10 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

Privacy

By completing an Application Form, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on its behalf, and their agents and service providers may collect, hold, disclose and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration, and for other purposes related to your investment listed below.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

For personal use only



- the Share Registry for ongoing administration of the Share register;
- the Lead Manager to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for analysing the Company's shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry as follows:

Telephone: (outside Australia) +61 2 9290 9600
(toll free within Australia) 1300 737 760

Address: Boardroom Pty Limited
Level 12, 225 George St
Sydney NSW 2000

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Intellectual Property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with us.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or accurately represent the technical aspects of the products. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred in this Prospectus, is incorporated in this Prospectus by reference.

Lead Manager and Underwriter

MST Financial Services Pty Limited has acted as the Lead Manager and Underwriter to the Offer (**Lead Manager**) and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by the Lead Manager or by any of its affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate**), or any of its officers, directors, employees, partners, advisers or agents. To the maximum extent permitted by law, the Lead Manager, its affiliates and Related Bodies Corporate, and any of its officers, directors, employees, partners, advisers or agents expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Replacement Prospectus

This Prospectus differs from the Original Prospectus by:

- removing certain references to clean and potential production;
- amending section 3.3 to provide further detail on the Company's vision for net zero emissions;
- amending section 3.7(c) to include the best estimate of contingent reserves for EP 161;
- including risks in section 5.2(c) for growth and net zero strategy and section 5.2(l) for policy developments;
- updating sections 1.7, 7.6 and 7.7 for Baupost's intended subscription and escrow;
- updating sections 1.8, 7.3 and 7.15 for the Underwritten Amount; and
- updating the Timetable.

Defined terms and abbreviations

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the Glossary in section 10. Unless otherwise stated or implied, references to times in this Prospectus are to (Sydney time).

Unless otherwise stated or implied, references to dates or years are calendar year references.

Questions

If you have any questions in relation to the Offer, contact the Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter, or you are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest in Shares.

This Prospectus is important and should be read in its entirety.

For personal use only



CONTENTS

IMPORTANT NOTICES	Inside front cover
LETTER FROM THE CHAIRMAN	6
IMPORTANT DATES	8
1 INVESTMENT OVERVIEW	10
1.1 Introduction	10
1.2 Key Features of Tamboran	11
1.3 Key Strengths and Investment Highlights	15
1.4 Key Financial Information	16
1.5 Key Risks	18
1.6 Directors and Senior Management	25
1.7 Significant interests of key people and related party transactions	25
1.8 Overview of the Offer	33
2 INDUSTRY OVERVIEW	39
2.1 The Australian upstream gas industry	39
2.2 Australia's resource base	39
2.3 Market opportunity	40
2.4 Industry challenges	43
2.5 Regulatory framework	44
3 COMPANY OVERVIEW	45
3.1 Company history and overview	45
3.2 Strategy and components of business model	45
3.3 Sustainability Committee and Sustainability Plan	46
3.4 The Beetaloo Sub-basin and Greater McArthur Basin, Northern Territory	47
3.5 Location of the Tamboran Assets	49
3.6 Field Activity Work Plan	49
3.7 EP 161	50
3.8 EP 136	52
3.9 EP 143	54
3.10 EP(A) 197	54
3.11 Overriding Royalty Interests	54
3.12 Significant scale and quality of prospective resource	56
3.13 Commercialisation	56
3.14 Board and management expertise	57
3.15 Funding	57
3.16 Capital management policies	57
3.17 Permit tenure and expenditure	57
4 FINANCIAL INFORMATION	58
4.1 Overview	58
4.2 Historical Statement of Financial Performance	60
4.3 Historical Statements of Cash Flows	60
4.4 Historical and Pro Forma Historical Financial Information	61
4.5 Dividend Policy	63
5 RISK FACTORS	64
5.1 Introduction	64
5.2 Risks specific to the Company and the industry	64
5.3 Specific risks in relation to the Sweetpea Assets	70
5.4 General investment risks	70

For personal use only



6	KEY INDIVIDUALS, INTERESTS AND BENEFITS	73
6.1	Board of Directors	73
6.2	Executive management	75
6.3	Directors' and management's disclosure	76
6.4	Directors' interests, benefits and remuneration	76
6.5	Executive remuneration	82
6.6	Related party agreements	84
6.7	Corporate governance	84
6.8	The Board of Directors	86
6.9	Corporate governance policies	88
7	DETAILS OF THE OFFER	90
7.1	The Offer	90
7.2	Structure of the Offer	90
7.3	Is the Offer underwritten?	90
7.4	Purpose of the Offer	91
7.5	Corporate structure	92
7.6	Shareholding structure	92
7.7	Control implications of the Offer	95
7.8	Summary terms and conditions of the Offer	96
7.9	General Offer	100
7.10	Institutional Offer	100
7.11	Broker Firm Offer	101
7.12	Priority Offer	102
7.13	Allocation policy	102
7.14	Acknowledgements	103
7.15	Lead Manager	103
7.16	Restrictions on distributions	104
7.17	Discretion regarding Offer	104
7.18	ASX listing, registers and holding statements and deferred settlement	105
7.19	Rights attaching to Shares	105
7.20	Summary of material provisions of the Constitution	106
7.21	Summary of terms of Options	109
7.22	Summary of terms of Redeemable Preference Shares	110
7.23	Details of the Equity Incentive Plan rules	111
7.24	International offer restrictions	113
7.25	ASIC exemptions and ASX waivers	113
7.26	Tax implications of investing in Tamboran	113
7.27	Further information	113
8	INVESTIGATING ACCOUNTANT'S REPORT	114
9	ADDITIONAL INFORMATION	118
9.1	Registration	118
9.2	Conversion of Redeemable Preference Shares	118
9.3	Company tax status and financial year	118
9.4	Corporate structure	118
9.5	Material contracts	120
9.6	Escrow arrangements	128
9.7	Litigation and claims	129
9.8	Ownership restrictions	129
9.9	Taxation considerations	130
9.10	Selling restrictions	133
9.11	Consents to be named and statement and disclaimers of responsibility	135
9.12	Costs of the Offer	136
9.13	Investor considerations	136
9.14	Governing law	136
9.15	Statement of Directors	136
10	GLOSSARY	137
ANNEXURE A – TECHNICAL EXPERT'S REPORTS		144
ANNEXURE B – SOLICITOR'S REPORT		189
ANNEXURE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES		250
CORPORATE DIRECTORY		253



LETTER FROM THE CHAIRMAN

21 May 2021

Dear Investor,

On behalf of the Board of Directors, I am pleased to offer you the opportunity to become a shareholder in Tamboran Resources Limited (**Tamboran** or the **Company**).

Founded in 2009, Tamboran is a public 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 has four key strategic objectives:

1. Lead the commercialisation of the substantial prospective gas resources in the Beetaloo Sub-basin

Tamboran's key focus is to de-risk the substantial resources identified within its highly prospective acreage in the Beetaloo Sub-basin. Tamboran's assets include EP 136, EP 143, EP 161 and EP(A) 197 (**Tamboran Assets**). Netherland, Sewell & Associates, Inc., an independent reserves and resource certifier, has given a best estimate that the net prospective resources in EP 161 and EP 136 total approximately 31 Tcf, comprising:

- approximately 12 Tcf net un-risked prospective resource (25% non-operating interest) in EP 161; and
- approximately 19 Tcf net un-risked prospective resource (100% working interest) in EP 136.

For more technical information on the Tamboran Assets, see section 3 and the Technical Expert's Reports in Annexure A.

Subject to a successful seismic, drilling and testing program, Tamboran is well positioned to commercialise these resources. We are targeting to provide affordable gas to local Northern Territory markets and supply gas to the east coast of Australia, to meet forecast domestic gas shortfalls. A commercial framework has been agreed with Jemena, which provides for the construction of a pipeline connecting the Beetaloo Sub-basin directly to the South East Australian domestic gas market via Jemena's existing northern gas pipeline or north to the Darwin LNG complex. We believe that this arrangement will help facilitate the delivery of reliable, affordable gas to domestic markets.

There is support from both the Northern Territory and Australian Federal Governments for the development of the Beetaloo Sub-basin. In December 2020, the Federal Government announced \$50 million in incentives for the industry to accelerate gas exploration and production in the Beetaloo Sub-basin.

2. Develop low CO₂ unconventional natural gas resources and pursue its vision to seek to become a net zero emissions producer

Production tests of wells that have been drilled within and on trend with the Tamboran Assets in the Beetaloo Sub-basin indicate that the gas in the basin generally has a lower CO₂ content than the industry average for gas fields currently in production or under development in the north-west of Australia¹. Tamboran is committed to minimising the carbon emissions related to the development of this resource further, by using advanced drilling technologies and exploring options to integrate renewable energy, carbon capture and sequestration and carbon offsets. The Company's vision is to seek to become a producer of gas with net zero emissions for its equity share of Scope 1 and Scope 2 emissions.²

1. Based on flow tests for each of the Tanumbirin, Amungee and Kyalla wells in the Beetaloo Sub-basin compared against other similar Australia gas fields which include Barossa, Gorgon, Browse, Ichthys, Prelude, Wheatstone, Bayu Undan, Janz and Scarborough.

2. Scope 1 emissions occur from sources controlled by the Company, for example emissions from fuel, flare and vent; Scope 2 emissions are indirect, mainly electricity consumption. Achievement of the Company's vision of becoming a net zero emissions producer of gas is presently uncertain and depends on the Company being able to economically manage its carbon emissions, which could for example be impacted by availability of future revenues to fund various carbon initiatives, market pricing of carbon offsets, technological developments affecting operations and costs of implementing sustainable practices. Refer to section 5.2(c).

For personal use only



3. Leverage the Company's expertise in unconventional gas development

The Company's Board and management team have a strong track record of commercialising unconventional resources in the United States and Australia. Members of Tamboran led the initial development of multiple prolific US oil and gas unconventional resource plays, including in Eagle Ford, Marcellus, Woodford, Fayetteville and Haynesville, as well as the successful development and monetisation of Australian gas assets. Tamboran will seek to utilise this extensive experience in the development of the unconventional gas resources in the Beetaloo Sub-basin.

4. Operate sustainably, safely and adhere to best practices throughout operations

Tamboran believes that operating in a sustainable manner is essential to delivering the Company's core strategy and objectives. Our core values, which underpin everything that we do and are central to our Code of Conduct, are leadership, sustainability, integrity, diversity and inclusion, courage and commitment. The Company has established a Sustainability Plan with six pillars:

- (1) **Health and Safety:** Putting the health and safety of our people, contractors and community first through effective systems, culture and secure operations.
- (2) **Climate Change:** Playing an effective role in the transition to a lower carbon economy through the production of low CO₂ natural gas resources.
- (3) **Environment:** Applying leading technologies and to promote efficiency and minimise environmental impacts.
- (4) **People:** Attracting, developing and retaining a diverse, inclusive and competent workforce.
- (5) **Community:** Partnering with local and host communities to share value through the creation of local jobs and business opportunities.
- (6) **Economic Sustainability:** Generating economic growth and value for our investors, employees, customers, and communities through sustainable production and distribution of affordable gas resources to multiple markets.

These pillars align with selected Sustainable Development Goals as defined by the United Nations.

The Directors believe that this strategy will enable Tamboran to achieve both its corporate vision and mission and will help create the maximum long-term value for all our stakeholders, including shareholders, host governments, partners, traditional landowners and local communities.

The Offer comprises the Institutional Offer, Priority Offer, Broker Firm Offer and General Offer. The Offer seeks to raise a minimum of \$60 million and a maximum of \$66 million at \$0.40 per Share. The Company intends to use the proceeds from the Offer as follows:

- drilling up to three wells;
- well testing;
- seismic acquisition and processing;
- geographical, geophysical and engineering activities;
- general working capital purposes; and
- the costs and expenses of the Offer.

Please see section 7.4 for further detail.

This Prospectus contains detailed information about the Offer, the industry in which Tamboran operates and its financial and operating performance.

As set out in section 5, there are potential risks associated with an investment in the Company which include, for example, exploration and market risks, permit risks and development risks. While the Board will endeavour to mitigate those risks to the extent practicable, many risk factors are outside the control of the Company.

It is important that you read this Prospectus in its entirety before deciding whether to invest in the Company and if you wish to invest in the Company, please complete the relevant Application Form.

On behalf of the Directors, I look forward to welcoming you as a shareholder in the Company.



Yours sincerely,

Richard Stoneburner
Non-Executive Chairman

For personal use only



IMPORTANT DATES

Lodgement of the Original Prospectus with ASIC	Friday, 21 May 2021
Lodgement of this Prospectus with ASIC	Friday, 4 June 2021
General Offer and Broker Firm Offer opens (Opening Date)	Monday, 7 June 2021
General Offer and Broker Firm Offer closes (Closing Date)	Friday, 18 June 2021
Settlement date of the Offer	Thursday, 24 June 2021
Expected date for issue and allotment of Shares under the Offer (Completion)	Friday, 25 June 2021
Expected dispatch of holding statements	Friday, 25 June 2021
Expected commencement of trading of Shares on ASX on a normal settlement basis	Wednesday, 30 June 2021

The dates above are indicative only and may change without notice.

The Company and the Lead Manager, reserve the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notification to any recipient of this Prospectus or any Applicants. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.



KEY OFFER STATISTICS

	Minimum subscription	Maximum subscription
Offer Price	\$0.40 per Share	\$0.40 per Share
Cash as at the date of the Original Prospectus	\$10,826,000	\$10,826,000
Gross proceeds under the Offer	\$60,000,000	\$66,000,000
Number of Shares held by the Existing Shareholders at the date of the Prospectus	263,261,446	263,261,446
Number of Redeemable Preference Shares (RPS) at the date of the Prospectus¹	237,088,597	237,088,597
Options on issue at the date of the Prospectus²	36,970,541	36,970,541
Total number of Shares available under the Offer	150,000,000	165,000,000
Number of Shares to be held by Existing Shareholders at Completion	527,455,329	527,455,329
Total number of Shares on issue at Completion³	650,350,043	665,350,043
Undiluted market capitalisation at the Offer Price⁴	\$260,140,170	\$266,140,170

Notes:

1. All RPS will convert to Shares on a one for one basis on or before the date of Completion of the Offer.
2. The Options currently on issue convert to Shares on a one for one basis. They comprise options which are subject to certain milestones prior to being exercised (**Milestone Options**) and the other options being fully vested and exercisable as at the date of this Prospectus. There are 16 million Milestone Options and approximately 21 million other Options on issue. Details and terms of the Options on issue are set out in sections 7.6(b) and 7.21.
3. The number of Shares on issue on Completion includes Shares that are subject to escrow as described in section 9.6.
4. Calculated as the total number of Shares on issue on Completion multiplied by the Offer Price.

Questions

If you have any questions in relation to the Offer, contact the Tamboran Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter, or you are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

For personal use only



1 INVESTMENT OVERVIEW

1.1 Introduction

Topic	Summary
Who is the Company?	<p>Tamboran Resources Limited is a public natural gas company that specialises in development of unconventional gas in the Northern Territory, Australia. It was incorporated in Victoria on 10 February 2009 and is headquartered in Sydney, Australia.</p> <p>Tamboran's key assets are a 25% working interest in EP 161 and a 100% working interest in EP 136 which are located in the Beetaloo Sub-basin in the Northern Territory, Australia.</p> <p>Tamboran is led by a highly experienced Board and management team with a successful track record in the unconventional gas industry.</p> <p>For further information, see sections 3.1 and 6</p>
What industry does the Company operate in?	<p>Tamboran operates in the unconventional gas industry with a focus on developing the unconventional prospective gas resources in the Northern Territory. The Company believes that there is a considerable opportunity for Tamboran to take a leadership role in developing gas resources that will supply the gas market in Australia.</p> <p>For further information, see sections 2 and 3.1</p>
What is the Offer?	<p>The Offer is an initial public offering of between 150 million Shares and 165 million Shares at an Offer Price of \$0.40 per Share. The Offer is expected to raise between \$60 million and \$66 million (before costs).</p> <p>For further information, see section 7.1</p>
Why is the Offer being conducted and what are the expected benefits of the Offer?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none">(a) enable the Company to continue the activities of gas exploration and development, focussing on the Tamboran Assets;(b) provide a liquid market for the Shares through a listing on ASX;(c) provide the Company with additional financial flexibility to pursue growth opportunities and improved access to capital markets; and(d) provide the Company with the benefits of an increased profile that arises from being a listed company. <p>The Company has sufficient working capital at the time of its admission to carry out these stated objectives.</p> <p>For further information, see section 7.4</p>

For personal use only



For personal use only

Topic	Summary									
What is the Company's current capital structure and what will it be on Completion?	Securities			Minimum subscription on Completion			Maximum subscription on Completion			
		On the Prospectus Date								
		Securities	% (undiluted)	Securities	% (undiluted)	% (diluted)	Securities	% (undiluted)	% (diluted)	
	Shares									
	Ordinary Shares	263,261,446	52.6%	650,350,043	100.0%	94.6%	665,350,043	100.0%	94.7%	
	RPS*	237,088,597	47.4%	-	-	-	-	-	-	
	Total Shares	500,350,043	100.0%	650,350,043	100.0%	94.6%	665,350,043	100.0%	94.7%	
	Other Securities									
	Options	36,970,541	-	36,970,541	-	5.4%	36,970,541	-	5.3%	
	Total	537,320,584	100.0%	687,320,584	100.0%	100.0%	702,320,584	100.0%	100.0%	
<p>All RPS will convert to Shares on a one for one basis on or before the date of Completion of the Offer. All Options convert to Shares on exercise on a one for one basis. Undiluted refers to the number of Shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.</p> <p>The Company's free float at the time of Listing will not be less than 20%.</p> <p>For further information, see section 7.6</p>										

1.2 Key Features of Tamboran

Topic	Summary
What are the Tamboran Assets and where are they located?	<p>Currently, Tamboran holds interests in three exploration permits and one application all of which are located in the Beetaloo Sub-basin in the Northern Territory in Australia. It is strategically focused on the development of its portfolio being EP 136, EP 143, EP 161 and EP(A) 197 (the Tamboran Assets).</p> <p>Tamboran was granted exploration permit EP 161 in 2012. In December 2012, Tamboran and Santos QNT entered into a joint venture agreement where Santos QNT became the operator of the permit and a farm-in agreement pursuant to which Santos QNT earned a 75% working interest in the permit.</p> <p>On 25 July 2020, Longview, Tamboran and Tamboran McArthur entered into the Share Exchange Agreement under which Tamboran, through its wholly owned subsidiary, Tamboran McArthur, to acquire 100% of the issued share capital of Sweetpea from Longview. That transaction was completed on 21 May 2021 after receiving approval from Existing Shareholders and Ministerial approval.</p> <p>Sweetpea is the registered holder of 100% working interests in Exploration Permits, EP 136 and EP 143, which are located in the Northern Territory, and has also applied for exploration permit application EP(A) 197.</p> <p>For further information, see sections 3.4 through 3.10</p>



For personal use only

Topic	Summary																								
What is the Beetaloo Sub-basin?	<p>The Beetaloo Sub-basin is an area of approximately 28,500 km² that is considered to be highly prospective for unconventional gas. The Beetaloo Sub-basin is a structural component of the Greater McArthur Basin in the Northern Territory, located about 500 kilometres south-east of Darwin, Northern Territory and is recognised as a close analogue to some of the most productive unconventional gas basins in North America.</p> <p>For further information, see section 3.4</p>																								
What is the Company's growth strategy?	<p>The Company's growth strategy comprises four key components:</p> <ul style="list-style-type: none"> • de-risk the substantial prospective resources identified in EP 161 and EP 136 through a comprehensive drilling and seismic program; • seek to commercialise the Tamboran Assets; • unlock the material exploration upside in the Tamboran Assets; and • apply 'world best' practices throughout operations. <p>For further information, see section 3.2</p>																								
What is the Company's work plan for the Tamboran Assets?	<p>The Company's work plan for field activity in relation to the Tamboran Assets is presented below:</p> <p>Base Case Work Plan for field activity 3 Year Period</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Unit</th> <th>FY21</th> <th>FY22</th> <th>FY23</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Horizontal Wells</td> <td>Number</td> <td>2</td> <td>3</td> <td>3</td> <td>8</td> </tr> <tr> <td>Well Tests</td> <td>Number</td> <td>2</td> <td>3</td> <td>3</td> <td>8</td> </tr> <tr> <td>2D Seismic</td> <td>Line km</td> <td>320km²</td> <td>NA</td> <td>NA</td> <td>320</td> </tr> </tbody> </table> <p>Subject to a successful outcome of the Tanumbirini #2H and 3#H well work plan with Santos QNT in 2021, the EP 161 JV may elect to drill two follow-up horizontal wells, Inacumba #1H and #2H in 2022, and flow tests. Tamboran intends to drill its Maverick #1H well in EP 136 during 2022 and subject to a successful outcome during the 2022 work plan, Tamboran intends to drill up to 3 wells in EP 136 during 2023. The proposed work program above relates to EP 136 and EP 161 and is subject to Tamboran's ability to successfully complete equity raisings, asset sales or farm out arrangements. It also includes a generic allowance for appraisal in the event of success and further exploration activities. It assumes permits are renewed on expiry.</p> <p>EP 161</p> <p>The Santos QNT and Tamboran joint venture (EP 161 JV) plans to drill two exploratory wells on EP 161 in 2021. The Tanumbirini #2H natural gas exploration well commenced drilling operations on 11 May 2021. Tanumbirini #2H is a horizontal well that will be directionally drilled to approximately 4800 metres total depth (TD) targeting the Mid-Velkerri B shale. Tamboran expects drilling to complete in July 2021. The rig will then drill Tanumbirini #3H to a similar TD, prior to hydraulically fracture-stimulating both wells. This will comprise 10-20 stages in the horizontal sections of each well, followed by completion and expected 180-day flow tests. Following drilling, flow-tests of Tanumbirini #2H and #3H are expected to occur. Current estimated net costs including contingency to Tamboran total approximately \$16.8 million in calendar year 2021. The EP 161 JV anticipates drilling two follow-up horizontal wells (Inacumba #1H and #2H), including flow-tests, in 2022. The joint venture will assess results from these wells to determine the optimal development path forward.</p>	Item	Unit	FY21	FY22	FY23	Total	Horizontal Wells	Number	2	3	3	8	Well Tests	Number	2	3	3	8	2D Seismic	Line km	320km ²	NA	NA	320
Item	Unit	FY21	FY22	FY23	Total																				
Horizontal Wells	Number	2	3	3	8																				
Well Tests	Number	2	3	3	8																				
2D Seismic	Line km	320km ²	NA	NA	320																				



For personal use only

Topic	Summary																																								
What is the Company's work plan for the Tamboran Assets? (continued)	<p>Independent reserves and resources certifier, Netherland, Sewell and Associates, Inc. (NSAI), has provided estimates for the un-risked prospective resources in EP 161. NSAI's best estimate for prospective resources net to Tamboran (25% participating interest) are approximately 12.3 Tcf, as follows (as of 31 January 2021):</p> <table border="1"> <thead> <tr> <th rowspan="2">Un-risked Net to the Company</th> <th colspan="2">Prospective (Bcf)</th> </tr> <tr> <th>Gas Resource</th> <th>Condensate</th> </tr> </thead> <tbody> <tr> <td>Velkerri C</td> <td>3,492</td> <td>26</td> </tr> <tr> <td>Velkerri B</td> <td>6,526</td> <td>34</td> </tr> <tr> <td>Velkerri A</td> <td>2,078</td> <td>11</td> </tr> <tr> <td>Lower Kyalla</td> <td>217</td> <td>5</td> </tr> <tr> <td></td> <td>12,313</td> <td>76</td> </tr> </tbody> </table> <p>The prospective resources shown above have been estimated using probabilistic methods and are dependent on an unconventional gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the un-risked estimate amounts is 90% for the low estimate, 50% for the best estimate and 10% for the high estimate.</p> <p>EP 136</p> <p>The Company's work plans include extensive 2-D seismic work principally on the northern part of EP 136 followed by an initial exploratory horizontal well and a flow-test in 2022. The Company is targeting to drill three additional wells in 2023 and, if successful, sanction the construction of an EP 136 pilot plant. Tamboran presently intends to work with Jemena on an infrastructure solution that provides a commercial pathway to supply the domestic gas market in Australia.</p> <p>Independent reserves and resources certifier, NSAI, has provided estimates for the un-risked prospective resources in EP 136. NSAI's best estimate for prospective resources net to Tamboran (100% participating interest) are approximately 19 Tcf, as follows (as of 31 January 2021):</p> <table border="1"> <thead> <tr> <th rowspan="2">Un-risked Gross</th> <th colspan="2">Prospective (Bcf)</th> </tr> <tr> <th>Gas Resource</th> <th>Condensate</th> </tr> </thead> <tbody> <tr> <td>Velkerri C</td> <td>6,050</td> <td>50</td> </tr> <tr> <td>Velkerri B</td> <td>9,698</td> <td>49</td> </tr> <tr> <td>Velkerri A</td> <td>3,037</td> <td>15</td> </tr> <tr> <td>Lower Kyalla</td> <td>232</td> <td>5</td> </tr> <tr> <td></td> <td>19,017</td> <td>119</td> </tr> </tbody> </table> <p>The prospective resources shown above have been estimated using probabilistic methods and are depending on an unconventional gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the un-risked estimate amounts is 90% for the low estimate, 50% for the best estimate and 10% for the high estimate.</p> <p>EP 143</p> <p>The Company's initial focus and capital spend regarding the Sweetpea Assets will be on EP 136. The Company's plans for EP 143 consist of maintenance of the permit for future assessment. The Company will assess prospectivity of EP 143 to determine future development opportunities.</p>	Un-risked Net to the Company	Prospective (Bcf)		Gas Resource	Condensate	Velkerri C	3,492	26	Velkerri B	6,526	34	Velkerri A	2,078	11	Lower Kyalla	217	5		12,313	76	Un-risked Gross	Prospective (Bcf)		Gas Resource	Condensate	Velkerri C	6,050	50	Velkerri B	9,698	49	Velkerri A	3,037	15	Lower Kyalla	232	5		19,017	119
	Un-risked Net to the Company		Prospective (Bcf)																																						
		Gas Resource	Condensate																																						
	Velkerri C	3,492	26																																						
	Velkerri B	6,526	34																																						
	Velkerri A	2,078	11																																						
	Lower Kyalla	217	5																																						
		12,313	76																																						
	Un-risked Gross	Prospective (Bcf)																																							
		Gas Resource	Condensate																																						
	Velkerri C	6,050	50																																						
	Velkerri B	9,698	49																																						
	Velkerri A	3,037	15																																						
	Lower Kyalla	232	5																																						
	19,017	119																																							



For personal use only

Topic	Summary
What is the Company's work plan for the Tamboran Assets? (continued)	<p>EP(A) 197</p> <p>As above, the Company's initial focus and capital spend regarding the Sweetpea Assets will be on EP 136. The Company's plans for EP(A) 197 consist of completing acquisition of the permit and maintenance of the permit for future assessment. Like EP 143, the Company will assess prospectivity of EP(A) 197 to determine future development opportunities.</p> <p>Commercialisation</p> <p>Following the intended drilling program in 2022, the Company's marketing strategy is to execute heads of agreements with third parties to supply gas for use in the Northern Territory. The Company's commercialisation goals from 2023 to 2025 will be focused on ramping up production through increased drilling that would provide for sustained commercial volumes into existing and planned pipeline infrastructure, such as the Jemena system.</p> <p>For further information, see sections 3.6 through 3.10 and the Technical Expert's Reports</p>
How does the Company generate revenue?	<p>As at the date of this Prospectus, the Company does not have any operating revenue and is unlikely to generate operating revenue until a Tamboran Asset is successfully developed and producing gas.</p> <p>For further information, see section 3.13</p>
What are the resources of the Company?	<p>Netherland, Sewell & Associates, Inc., an independent reserves and resource certifier, has given a best estimate that the net prospective resources in EP 161 and EP 136 total approximately 31 Tcf, comprising:</p> <ul style="list-style-type: none">• approximately 12 Tcf net un-risked prospective resource (25% non-operating interest) in EP 161; and• approximately 19 Tcf net un-risked prospective resource (100% working interest) in EP 136. <p>For further information, see sections 3.6, 3.7 and the Technical Expert's Reports</p>
Are there any royalties payable?	<p>Yes.</p> <p>Under the <i>Petroleum Act 1984</i> (NT), Tamboran is required to pay an overriding statutory royalty of 10% of the gross value, at the well-head, of all natural gas produced from the Tamboran Assets.</p> <p>In addition, the Sweetpea Assets are subject to overriding royalty interests (ORRI) and an Area of Mutual Interest (AMI) obligation, granted in favour of parties that give the holders certain contractual rights (such as to receive a share of the gross revenue) in respect of gas produced from the land within a permit. The aggregate ORRI total 7% of the gross revenue and the AMI provides for grant of additional ORRIs to that holder, where additional permits are acquired by Sweetpea within a specified land area overlying the Beetaloo Sub-basin, that is contiguous to EP 136, EP 143 and EP(A) 197. Tamboran as purchaser of Sweetpea is required to assume the AMI obligation.</p> <p>Portions of the 7% ORRI, may be reduced over time to an aggregate 3% ORRI, and the obligations with respect to the AMI eliminated through cash payments made by Tamboran totalling approximately US\$17 million. Payment dates and amounts vary as outlined in the agreements, but generally run from 2021 to 2025.</p> <p>Tamboran currently anticipates exercising its rights to reduce the ORRIs and eliminate the AMI. However, there is no guarantee that the Company will have sufficient funds to pay these obligations as they contractually arise or the Company may choose, or be forced by circumstance, to expend funds on other opportunities, which would result in these ORRIs and the AMI remaining in place resulting in less revenue/profits accruing to shareholders.</p> <p>For further information, see sections 3.11 and 5.3</p>



Topic	Summary
How does the Company expect to fund its operations?	<p>To date, the Company has funded its operations through the issue of equity securities (including the RPS), where it has undertaken various private placements raising a total of approximately A\$86 million (before costs) since inception to 31 January 2021.</p> <p>The Company believes that the Offer proceeds will be sufficient to fund its near-term capital commitments in relation to the Tamboran Assets. The Company may need to raise additional funding to meet its commitments to progress the work plan through to production (at which point it will generate income).</p> <p>The Company may consider use of additional funding initiatives, including the raising of equity or debt, where appropriate to meet its commitments to progress the work plan through to production. The Company may also raise equity or debt to further accelerate growth or fund a specific project, transaction or expansion (including the acquisition of other resource assets).</p> <p>For further information, see section 3.15</p>

1.3 Key Strengths and Investment Highlights

Topic	Summary
What are the key strengths and competitive advantages of the Company?	<ul style="list-style-type: none"> Tamboran is led by Non-Executive Chairman Richard Stoneburner and Managing Director Joel Riddle. Both Richard and Joel have had long and successful careers developing unconventional gas resource ventures. Richard and Joel are supported by Tamboran's highly experienced Board and management team. The Directors, as well as the management team, have significant resources and financial experience in addition to a deep knowledge of Tamboran through a long history of management and control. The Tamboran Assets are located in the core Beetaloo Sub-basin and are believed to be highly prospective. It is estimated that net prospective resources in EP 161 and EP 136 total approximately 31 Tcf which consist of a 25% non-operating interest in EP 161 with an estimated 12 Tcf net prospective resource and a 100% working interest in EP 136 with an estimated 19 Tcf net prospective resource. There is potential to work with Jemena on an infrastructure solution that provides a commercial pathway to supply the domestic gas market in Australia. Both the Northern Territory and Federal Governments are highly supportive of gas development in the Beetaloo Sub-basin. The Federal Government announced A\$50 million in incentives for the industry to accelerate gas exploration and production in the Beetaloo Sub-basin. Tamboran's vision is to seek to become a producer of gas with net zero emissions for its equity share of Scope 1 and Scope 2 emissions.³ <p>For further information, see sections 3.1, 3.12 to 3.14</p>

3. Scope 1 emissions occur from sources controlled by the Company, for example emissions from fuel, flare and vent; Scope 2 emissions are indirect, mainly electricity consumption; and Scope 3 emissions represent indirect emissions when our products are combusted by our customers to produce energy.

For personal use only



For personal use only

Topic	Summary
What is the Company's vision, mission and values?	<p>Vision The Company's vision is to play a role in the global energy transition by investing in the development of low CO₂, unconventional natural gas resources in the Beetaloo Sub-basin of the Northern Territory of Australia and seeks to become a net zero emissions producer for its equity share of Scope 1 and Scope 2 emissions.</p> <p>Mission The Company seeks to de-risk substantial prospective resources that can supply affordable gas to meet predicted Australian gas shortfalls, and longer-term, provide back-fill gas to Australian LNG projects to help satisfy the material demand for natural gas from Asia.</p> <p>Values The Company's core values are leadership, sustainability, integrity, diversity and inclusion, courage and commitment. These values underpin everything that we do and are central to our Code of Conduct.</p> <p>For further information, see section 3.2</p>
Does the Company have a sustainability plan?	<p>Yes. Sustainability is central to Tamboran's corporate strategy. Tamboran has developed a six-pillar sustainability plan to define its purpose, principles and values with relation to sustainability.</p> <p>For further information, see section 3.3</p>

1.4 Key Financial Information

Topic	Summary
On what basis has the Historical Financial Information been prepared?	<p>The Historical Financial Information has been prepared on a going concern basis in accordance with the recognition and measurement principles of the Australian Accounting Standards (AAS) as issued by the Australian Accounting Standards Board (AASB), which are consistent with the International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board.</p> <p>For further information, see section 4.1</p>



Topic	Summary
What is the Company's dividend policy?	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p> <p>For further information, see section 4.5</p>

1.5 Key Risks

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in section 5, and other general risks applicable to all investments in listed securities, may affect Tamboran's future operating and financial performance, financial position, its prospects and the value of the Shares in the future. The gas interests detailed in this Prospectus are at the exploration or appraisal stage. An investment in the Shares should be considered speculative. Investors may lose some or all of their investment.

The on-going effect of COVID-19 and any possible future outbreaks of this or other viruses may have a significant adverse effect on the industries and economies in which the Company operates and therefore on the Company's operations, such as the ability to raise capital, ability to implement planned activities and access to equipment.

Based on the information available, a non-exhaustive list summarising the key risk factors affecting the Company is set out below. Investors should refer to the more comprehensive list of risks set out in section 5. Where relevant, the risks below assume completion of the Offer has occurred. The occurrence of any one of the risks below could adversely impact the Company's operating or financial performance.

Risk	Summary
Exploration Risk	<p>Gas development is speculative and involves elements of significant risk with no guarantee of success. There is no assurance that expenditure on activities will result in gas discoveries that can be commercially or economically exploited.</p> <p>Key to Tamboran's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Exploration is subject to technical risks and uncertainty of outcome. Tamboran may not find any or may find insufficient hydrocarbon reserves and resources to commercialise, which would adversely impact the financial performance of Tamboran.</p> <p>There is the risk that drilling will result in equipment failure, dry holes or not result in the discovery of commercially exploitable hydrocarbons. Wells may not be productive, or they may not provide sufficient revenues to return a profit after accounting for associated costs. The cost of drilling, completing, equipping and operating wells is subject to uncertainties.</p> <p>For further information, see section 5.2(a)</p>
Company's business remains speculative	<p>While the Directors will, to the best of their knowledge, experience and ability (together with senior management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations, the ability of the Directors and management to do so may be affected by matters outside their control, given the nature of gas exploration and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.</p> <p>For further information, see section 5.2(b)</p>

For personal use only



For personal use only

Risk	Summary
Growth strategy and net zero emissions risk	<p>There is a risk that the Company may fail to execute its proposed growth strategy, which includes:</p> <ul style="list-style-type: none">• de-risking the prospective resources identified within its highly prospective acreage in the Beetaloo Sub-basin including the Tamboran Assets;• working with infrastructure partners such as Jemena to bring resources to market to meet anticipated domestic gas shortfalls and commercialising those resources; and• adopting sustainable practices including a vision of achieving net zero emissions. <p>Failure to achieve growth strategies could be caused by legal, regulatory and policy developments, failure to discover and commercially extract resources or other risks which are identified in section 5.</p> <p>In particular, achievement of the Company's vision of becoming a net zero emissions producer of gas will depend on the Company being able to economically manage its carbon emissions, which could for example be impacted by availability of future revenues to fund various carbon initiatives, market pricing of carbon offsets, technological developments affecting operations and costs of implementing sustainable practices. In the event of a failure to execute its growth strategy either in part or as a whole, the Company's business and growth prospects may be adversely impacted.</p> <p>For further information, see section 5.2(c)</p>
Operational Risk	<p>Gas exploration and development activities include numerous operational risks, including but not limited to, adverse weather conditions, environmental hazards, unforeseen increases in establishment costs, accidents (including, for example, fires, explosions, uncontrolled releases, spills and blowouts), equipment failure, industrial disputes, technical issues, supply chain failure, labour issues and other unexpected events. Drilling operations, in particular, carry inherent risk associated with, for example, unexpected geological conditions, mechanical failures or human error.</p> <p>The occurrence of an operational risk event could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its exploration programs.</p> <p>For further information, see section 5.2(d)</p>
Reserves and Resources Estimate Risk	<p>Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity process and development and operating costs. There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production test over the life of the field. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.</p> <p>For further information, see section 5.2(e)</p>



For personal use only

Risk	Summary
Land Access Risk	<p>Immediate access to the licences in which the Company has an interest, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons (including government authorities) or groups with an interest in the real property encompassed by the licences. Compensation may be required to be paid by the Company to stakeholders to allow the Company to carry out activities. The Company intends to commence mediation with certain land access holders in regards to land access arrangements for EP 136. Although the Company has budgeted compensation payments, there is no guarantee that additional amounts may not be required. Judicial or regulatory decisions and legislation could also unforeseeably restrict or delay land access.</p> <p>For further information, see section 5.2(f)</p>
Access to Infrastructure Risk	<p>Tamboran will require access to infrastructure to sell the reserves it produces. There is no guarantee that Tamboran will be able to gain access to appropriate infrastructure on commercially viable terms. Failure to obtain access to infrastructure would adversely impact Tamboran's financial performance.</p> <p>For further information, see section 5.2(g)</p>
Development Risk	<p>In the event that Tamboran is successful in locating commercial quantities of hydrocarbons through exploration, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact, then Tamboran's operational and financial performance may be negatively affected.</p> <p>For further information, see section 5.2(h)</p>
COVID-19 Impact Risk	<p>The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gas price and foreign exchange rates.</p> <p>While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.</p> <p>Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.</p> <p>For further information, see section 5.2(i)</p>



For personal use only

Risk	Summary
Permit Risk	<p>The Company is required to comply with a range of laws to retain its Permits and periodically renew them. Each Permit also has its own specific exploration and expenditure requirements that the Company must satisfy. Even if specific requirements are met, there is no certainty that an application for grant or renewal of a permit will be approved at all, or on satisfactory terms or within expected timeframes.</p> <p>The laws relating to permits are complex and subject to changes in interpretation. Non-compliance with them could lead to the revocation of the Company's Permits and the Company cannot guarantee current Permits will be renewed or future permits will be granted.</p> <p>For further information, see section 5.2(j)</p>
Gas Prices Risk	<p>The price at which Tamboran can sell its produced gas will have a material influence on the financial performance of the Company. It is impossible to predict future commodity prices with confidence and the factors which impact it include, but are not limited to, global political institutions, military conflicts, technological changes, output controls and global energy consumption which are all outside the control of Tamboran. A material and extended fall in realised gas prices for Tamboran may have an adverse impact of the Company's financial performance.</p> <p>For further information, see section 5.2(k)</p>
Policy Risk	<p>The Company's business is affected by government policy, which in turn may be influenced by international policies and laws. While the Company considers that Federal Government's current policy is supportive of the development of Australia's natural gas resources, there is no guarantee that this stance will not change in the future. In particular, there is a risk that the Federal Government could shift its domestic or international policy.</p> <p>International policy developments have the potential to have an indirect impact on the Company's operations, given that domestic policy makers might have regard to those developments in helping to formulate and in setting the direction of local policy. For example, the International Energy Agency recently released a report in relation to its recommendations for a pathway to achieve global net zero emissions by 2050 includes a key recommendation of the report, that no new oil and gas projects should be developed. It is unknown what impact the report might have, if any, on domestic policy development for natural gas. A shift in energy policy announced and adopted by the Northern Territory Government in relation to natural gas or the development of the Beetaloo Basin would pose a similar risk. The Northern Territory Government had previously imposed a moratorium on the operations in the Beetaloo Sub-basin, which ended in 2018 following a scientific inquiry and certain recommendations (which are described in detail in section 7 of the Solicitor's Report).</p> <p>For further information, see section 5.2(l)</p>



For personal use only

Risk	Summary
<p>Regulatory Risk</p>	<p>Tamboran must comply with relevant laws and regulations in each jurisdiction in which it operates as it applies to the environment, tenure, land access, landholders and native title holders. Non-compliance with these laws and regulations and any special licence conditions could result in suspension of operations, loss of permits or financial penalties. Non-compliance may impact Tamboran’s ability to commercialise or retain its assets, which may in turn impact its operational and financial performance.</p> <p>Changes to these requirements (including, for example, new requirements relating to climate change, environmental protection and energy policy) may restrict or affect Tamboran’s right or ability to conduct its exploration and development activities.</p> <p>The exploration of the Tamboran Assets are dependent upon the maintenance (including renewal) of the relevant permits. Maintenance of the permits is dependent on, among other things, meeting the permit conditions imposed by the relevant authorities including compliance with work program and expenditure requirements. No assurance can be given that such title and access rights are not subject to unregistered, undetected or other claims or interests which could be materially adverse to the Tamboran Assets. Further titles or access rights may be disputed, which could result in costly litigation or disruption of the Company’s operations.</p> <p>For further information, see section 5.2(m)</p>
<p>Native Title and Aboriginal Land Rights Risk</p>	<p>The Company’s activities in Australia are subject to the Native Title Act 1993 (Cth) and the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth). The former recognises the rights and interests of Indigenous Australians in land and waters according to their traditional laws and customs. The latter establishes freehold rights over certain lands for the benefit of Aboriginal traditional owners of those lands. Under either regime, the relevant Aboriginal persons land must be consulted about proposed activities on the land and formal agreement is for required for certain acts, including the grant of petroleum tenements.</p> <p>If a native title claim is registered or native title rights are determined over areas covered by the Company’s Tenement applications or Tenements, exploration and production activities can be significantly delayed and made more costly by the requirements to consult and reach agreement with Aboriginal traditional owners. The same is true for Aboriginal freehold, although the Aboriginal owners of those lands may also veto applications for exploration tenements.</p> <p>For further information, see section 5.2(t)</p>
<p>Aboriginal cultural heritage laws</p>	<p>Commonwealth and State legislation obliges the Company to identify and protect sites that are sacred or otherwise of significance according to Aboriginal custom and tradition. Such sites have been identified within areas covered by the tenements in which the Company has an interest.</p> <p>There is a risk that exploration activities may be delayed, and costs incurred by the Company, if it is required to secure various permits and approvals under the legislative regimes applicable to Aboriginal cultural heritage. Heritage surveys may also be required. Even where a mining tenements has been granted, areas within the tenement may be sterilised from exploration or production activity.</p> <p>For further information, see section 5.2(t)</p>



For personal use only

Risk	Summary
Environmental Risk	<p>Despite efforts to conduct activities in an environmentally responsible manner and in accordance with applicable laws, there is a risk that gas activities may cause harm to the environment which could impact production or delay future development timetables.</p> <p>The Company is also subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Changes to environmental laws may result in the cessation or reduction of the Company's activities, materially increase development or production costs or otherwise adversely impact the Company's operations, financial performance or prospects. Penalties for failure to adhere to requirements and, in the event of environmental damage, remediation costs can be substantive and may not, in its entirety, be insurable. Compliance with these laws requires significant expenditure and non-compliance may potentially result in fines or requests for improvement action from the regulator.</p> <p>In addition, if the Company were to be held responsible for environmental damage, in addition to remediation costs, it may suffer reputational damage, possible suspension or cessation of operations, revocation of permits or financial penalties.</p> <p>For further information, see section 5.2(w)</p>
Access to Funding For Operations Risks	<p>Tamboran has no operating revenue. As is typical for exploration companies that do not have cash generating businesses, Tamboran's ability to meet its on-going operating costs and capital expenditure requirements will ultimately involve expenditure that exceeds the estimated cash resources that Tamboran is expected to have.</p> <p>Exploration and development of hydrocarbon reserves and resources require significant capital and operational expenditure. With future growth, the Company may require funding for future commitments. Also refer to Section 4.1 for further information regarding the Tamboran's ability to continue as a going concern.</p> <p>There can be no assurance that the Company will be able to obtain funding as and when required on commercially acceptable terms, or at all. Failure to obtain funding on a timely basis and on reasonably acceptable terms may also cause the Company to miss out on new opportunities, delay or cancel projects, or to relinquish or forfeit rights in relation to the Company's assets, adversely impacting its operational and financial performance.</p> <p>For further information, see section 5.2(r)</p>
Reliance on Personnel	<p>The success of the Company is dependent on the continued efforts of its management team, who are responsible for formulating and implementing the Company's growth strategy, corporate development and overall business plan, and who have been instrumental in the growth and expansion of the business to date.</p> <p>The loss of key personnel could have a material adverse impact on the Company's operations because other (new) personnel may not have the experience and expertise to readily replace these individuals. Further, as the Company executes its exploration, development and operational programs, Tamboran will need to hire complementary personnel. Outside searches for new personnel may be prolonged, and the Company cannot provide assurance that the Company would be able to locate and hire qualified individuals. The impact of this risk factor could materially impact the Company's business, in particular if it is unable to recruit suitable replacements in a timely manner.</p> <p>For further information, see section 5.2(v)</p>



For personal use only

Risk	Summary
Community Opposition Risk	<p>Disapproval by local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such actions taken by disaffected members of the community may include the commencement of legal proceedings, media campaigns and protest.</p> <p>For further information, see section 5.2(s)</p>
Counterparty Exposure and Joint Ventures	<p>The financial performance of the Company is subject to its various counterparties or, in the case of EP 161, joint venture partner Santos QNT to perform its obligations under the relevant contracts and the EP 161 JV. If one of its counterparties or Santos QNT fails to perform their contractual obligations, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance.</p> <p>For further information, see section 5.2(aa)</p>
Climate Change Risk	<p>There has been increasing concern by the public and regulators globally on climate change issues. As a gas exploration company, Tamboran is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, Tamboran will find it difficult to commercialise any resources it discovers. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. Physical risks, depending on their severity, could delay or prevent Tamboran's ability to conduct exploration and development activities. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect Tamboran's operating and financial performance.</p> <p>For further information, see section 5.2(bb)</p>
General Risk Factors	<p>Once the Company becomes a publicly listed company on the ASX, it will be subject to the general market risk that is inherent in all securities traded on a stock exchange. This may result in fluctuations in the Share price that are not explained by the Company's fundamental operations and activities. There is no guarantee that the price of the Shares will increase following quotation on ASX or that an active trading market will develop in Shares.</p> <p>Some of the factors which may adversely impact the price of the Shares include:</p> <ul style="list-style-type: none">• general market conditions, including investor sentiment;• general economic conditions including interest rates, and exchange rates, changes to government fiscal, monetary or regulatory policies and settings;• changes in government or ASX regulation or policies;• actual or anticipated fluctuations in the Company's financial performance and those of other public companies in its sector;• changes in accounting principles;• inclusion in or removal from market indices; and• general operational and business risks. <p>For further information, see section 5.4</p>



1.6 Directors and Senior Management

Topic	Summary
Who are the Directors of the Company?	<ul style="list-style-type: none"> Mr Richard Stoneburner (Non-Executive Chairman) Mr Joel Riddle (Managing Director and CEO) Mr Fred Barrett (Non-Executive Director) Mr Daniel Chandra (Non-Executive Director) Ms Ann Diamant (Non-Executive Director) Mr Patrick Elliott (Non-Executive Director) Mr David Siegel (Non-Executive Director) <p>For further information, see section 6.1</p>
Who are the Company's key personnel?	<ul style="list-style-type: none"> Mr Joel Riddle – Managing Director and CEO Mr Eric Dyer – Chief Financial Officer Mr Faron Thibodeaux – Chief Operating Officer Ms Joanna Morbey – Company Secretary <p>For further information, see section 6.2</p>

1.7 Significant interests of key people and related party transactions

Who are the substantial Existing Shareholders and what will be their interest at the Completion?

On the Prospectus Date

Substantial Shareholder	Shares	% of all Shares	Redeemable Preference Shares ¹	Total Securities	Options	% (undiluted) of all securities	% (fully diluted) of all securities
Longview	142,700,907	54.2%	–	142,700,907	–	28.5%	26.6%
Baupost Group	5,000,000	1.9%	117,000,789	122,000,789	–	24.4%	22.7%
Lion Point	6,413,028	2.4%	58,339,598	64,752,626	–	12.9%	12.1%
Geotech Investments	33,408,637	12.7%	–	33,408,637	–	6.7%	6.2%
Venture Holdings	5,000,000	1.9%	24,167,920	29,167,920	–	5.8%	5.4%
Board and Management	32,625,458	12.4%	2,877,027	35,502,485	30,151,251	7.1%	12.2%
Other existing Shareholders	38,113,416	14.5%	34,703,263	72,816,679	6,819,290	14.6%	14.8%
Total	263,261,446	100.0%	237,088,597	500,350,043	36,970,541	100.0%	100.0%

Notes

- All RPS will convert to Shares on a one for one basis on or before the date of Completion of the Offer. All Options convert to Shares on exercise on a one for one basis.
- Undiluted refers to the number of Shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.



Who are the substantial Existing Shareholders and what will be their interest at Completion? (continued)

Minimum Subscription on Completion

Substantial Shareholder	Shares	Redeemable Preference Shares	Total Shares	Options	% (undiluted)	% (fully diluted)	% with associates (fully diluted)
Longview	142,700,907	-	142,700,907	-	21.9%	20.8%	21.2% ¹
Baupost Group	130,000,789 ²	-	130,000,789	-	19.9%	18.9%	18.9%
Lion Point	69,752,626 ³	-	69,752,626	-	10.7%	10.1%	10.1%
Venture Holdings	34,167,920 ⁴	-	34,167,920	-	5.3%	5.0%	5.0%
Geotech Investments	33,408,637	-	33,408,637	-	5.1%	4.9%	4.9%
Board and Management	40,107,771 ⁵	-	40,107,771	30,151,251	6.2%	10.2%	9.8% ³
Other existing Shareholders	72,816,679	-	72,816,679	6,819,290	11.2%	11.6%	11.6%
New Shareholders	127,394,714	-	127,394,714	-	19.7%	18.5%	18.5%
Total	650,350,043	-	650,350,043	36,970,541	100.0%	100.0%	100.0%

See notes below

For personal use only



Who are the substantial Existing Shareholders and what will be their interest at Completion? (continued)

Maximum Subscription on Completion

Substantial Shareholder	Shares	Redeemable Preference Shares	Total Shares	Options	% (undiluted)	% (fully diluted)	% with associates (fully diluted)
Longview	142,700,907	-	142,700,907	-	21.4%	20.3%	20.7% ¹
Baupost Group	130,000,789 ²	-	130,000,789	-	19.5%	18.5%	18.5%
Lion Point	69,752,626 ³	-	69,752,626	-	10.5%	9.9%	9.9%
Venture Holdings	34,167,920 ⁴	-	34,167,920	-	5.1%	4.9%	4.9%
Geotech Investments	33,408,637	-	33,408,637	-	5.0%	4.8%	4.8%
Board and Management	40,107,771 ⁵	-	40,107,771	30,151,251	6.0%	10.0%	9.6% ³
Other existing Shareholders	72,816,679	-	72,816,679	6,819,290	11.0%	11.3%	11.3%
New Shareholders	142,394,714	-	142,394,714	-	21.6%	20.3%	20.3%
Total	665,350,043	-	665,350,043	36,970,541	100.0%	100.0%	100.0%

Notes

1. Includes 2,776,522 Shares and 233,393 Options subscribed for by David Siegel, a Non-Executive Director, who also owns a majority interest in Longview whose holding is set out above.
2. Baupost intends to subscribe for 8 million Shares under the Offer.
3. Lion Point intends to subscribe for 5 million Shares under the Offer.
4. Venture intends to subscribe for 5 million Shares under the Offer.
5. David Siegel intends to subscribe for 2.7 million Shares under the Offer. The other Board members also intend to subscribe for \$531,505 in aggregate worth of Shares under the Offer amounting to 1,328,764 Shares.
6. Undiluted refers to the number of Shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.

For personal use only



What significant benefits and interests are payable to Directors and what will their interests be in the Company at Completion?

Director	Director fees per annum (including statutory entitlements)
Richard Stoneburner	\$220,000
Joel Riddle ¹	-
Fred Barrett	\$110,000
Daniel Chandra	\$110,000
Ann Diamant	\$110,000
Patrick Elliott	\$110,000
David Siegel	\$110,000

Notes

1. Mr Joel Riddle does not receive any fees in his capacity as a Director, for further information see section 6.5.
2. Certain Directors will receive additional fees for being a member of a Board committee of \$12,500 per annum. In addition, annual committee fees of \$25,000 are payable to the Chairman of each committee. For further information see section 6.4(b)(iii).

For personal use only



What significant benefits and interests are payable to Directors and what will their interests be in the Company at Completion? (continued)

The Directors and key executives will hold interests in Securities as follows.

On the Prospectus Date

Director or key executive ¹	Shares	RPS ²	Options ³	% (un-diluted) ⁴	% (fully diluted) ⁴
Richard Stoneburner, Non-Executive Chairman	1,317,145	156,250	483,393	0.3%	0.4%
Joel Riddle, Managing Director	3,810,111	-	19,767,500	0.8%	4.4%
Fred Barrett, Non-Executive Director	1,907,881	220,777	733,393	0.4%	0.5%
Daniel Chandra, Non-Executive Director	1,605,735	312,500	233,393	0.4%	0.4%
Ann Diamant, Non-Executive Director	276,522	-	233,393	0.0%	0.1%
Patrick Elliott, Non-Executive Director	21,256,470	1,562,500	233,393	4.6%	4.3%
David Siegel, Non-Executive Director ⁵	142,700,907	-	233,393	28.5%	26.6%
Eric Dyer, Chief Financial Officer	2,237,432	312,500	8,000,000	0.5%	2.0%
Ms Joanna Morbey, Company Secretary	214,163	312,500	233,393	0.1%	0.1%
Total	175,326,366	2,877,027	30,151,251	35.6%	38.8%

Notes

- Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
- All RPS will convert to Shares on a one for one basis on or before Completion of the Offer.
- All Options convert to Shares on exercise on a one for one basis.
- Undiluted refers to the number of shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.
- Inclusive of 142,700,907 Shares held by Longview, a company which is controlled by David Siegel.

For personal use only



What significant benefits and interests are payable to Directors and what will their interests be in the Company at Completion? (continued)

Minimum Subscription on Completion

Director or key executive¹	Shares²	Options³	% (un-diluted)⁴	% (fully diluted)⁴
Richard Stoneburner, Non-executive Chairman	2,116,102	483,393	0.3%	0.4%
Joel Riddle, Managing Director	3,810,111	19,767,500	0.6%	3.4%
Fred Barrett, Non-executive Director	2,189,715	733,393	0.3%	0.4%
Daniel Chandra, Non-executive Director	1,918,235	233,393	0.3%	0.3%
Ann Diamant, Non-executive Director	401,522	233,393	0.1%	0.1%
Patrick Elliott, Non-executive Director	23,318,970	233,393	3.5%	3.5%
David Siegel, Non-executive Director ⁵	145,477,429	233,393	22.4%	21.2%
Eric Dyer, Chief Financial Officer	2,549,932	8,000,000	0.4%	1.5%
Ms Joanna Morbey, Company Secretary	1,026,663	233,393	0.2%	0.2%
Total	182,808,679	30,151,251	28.1%	31.0%

See notes below.

For personal use only



What significant benefits and interests are payable to Directors and what will their interests be in the Company at Completion? (continued)

Maximum Subscription on Completion

Director or key executive ¹	Shares ²	Options ³	% (un-diluted) ⁴	% (fully diluted) ⁴
Richard Stoneburner, Non-executive Chairman	2,116,102	483,393	0.3%	0.4%
Joel Riddle, Managing Director	3,810,111	19,767,500	0.6%	3.4%
Fred Barrett, Non-executive Director	2,189,715	733,393	0.3%	0.4%
Daniel Chandra, Non-executive Director	1,918,235	233,393	0.3%	0.3%
Ann Diamant, Non-executive Director	401,522	233,393	0.1%	0.1%
Patrick Elliott, Non-executive Director	23,318,970	233,393	3.5%	3.5%
David Siegel, Non-executive Director ⁵	145,477,429	233,393	21.9%	20.7%
Eric Dyer, Chief Financial Officer	2,549,932	8,000,000	0.4%	1.5%
Ms Joanna Morbey, Company Secretary	1,026,663	233,393	0.2%	0.2%
Total	182,808,679	30,151,251	27.6%	30.5%

Notes

1. Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
2. David Siegel intends to subscribe for \$1.1 million worth of Shares under the offer, being 2.7 million Shares. The other Board members also intend to subscribe for \$531,505 in aggregate worth of Shares under the Offer amounting to 1,328,764 Shares. All RPS will convert to Shares on a one for one basis on or before Completion of the Offer.
3. All Options convert to Shares on exercise on a one for one basis.
4. Undiluted refers to the number of shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.
5. Inclusive of 142,700,907 Shares held by Longview, a company which is controlled by David Siegel.

In addition to the interests above, the Directors are parties to deeds of access, indemnity and insurance.

For further information, see section 6.4

For personal use only



Topic	Summary
Does the Company have any other classes of Shares on issue?	<p>Yes. In addition to the Shares and Options, the Company has Redeemable Preference Shares on issue at the date of this Prospectus. Between the Prospectus Date and Completion, the Company will convert all RPS to Shares on a one for one basis. All Options convert to Shares on exercise on a one for one basis.</p> <p>For further information, see sections 7.6 and 9.2</p>
Will any Shares be subject to restrictions on disposal following Completion?	<p>Yes. Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for periods of up to 24 months from listing on ASX. During this period the holders of the restricted securities will be restricted from dealing with the escrowed securities. As a result trading in the Shares may be less liquid during this period.</p> <p>As at the date of this Prospectus, the Company expects approximately 285,082,566 Shares comprising approximately 44% (based on the Minimum Subscription) or 41% (based on the Maximum Subscription) of Shares on completion of the Offer will be subject to mandatory escrow restrictions and 199,753,415 Shares comprising approximately 31% (based on the Minimum Subscription) or 30% (based on the Maximum Subscription) of Shares will be subject to voluntary escrow restrictions for 6 months.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Shares held in escrow prior to the Shares commencing trading on ASX.</p> <p>For further information, see Section 9.6</p>
Are there any other related party arrangement in place?	<p>Yes. On admission to the ASX, the Company will be party to the following related party agreements:</p> <ul style="list-style-type: none">• Deeds of Access, Insurance and Indemnity with each of the Directors;• Escrow Agreements with each related party that holds restricted securities; and• Executive Services Employment Agreement with Mr Joel Riddle. <p>For further information, see section 6.6</p>
What corporate governance policies does the Company have in place?	<p>A summary of the corporate governance policies adopted by the Company are set out in sections 6.7 and 6.9.</p>

For personal use only



1.8 Overview of the Offer

Topic	Summary
Who is the issuer of this Prospectus?	<p>Tamboran Resources Limited ACN 135 299 062, being a public company limited by shares registered in Victoria, Australia.</p> <p>For further information, see Important Notices</p>
What is the Offer?	<p>The Offer is an initial public offering of a minimum of 150 million Shares for issue at the Offer Price of \$0.40 per Share to raise minimum proceeds of \$60 million (before costs) (Minimum Subscription) and up to a maximum of 165 million Shares to raise maximum proceeds of \$66 million (before costs) (Maximum Subscription).</p> <p>If the Minimum Subscription is achieved, it is expected there will be a total of 650,350,043 Shares on issue at Completion of the Offer, of which the new Shares on the Minimum Subscription will represent approximately 22.8%.</p> <p>If the Maximum Subscription is achieved, it is expected there will be a total of 650,350,043 Shares on issue at Completion of the Offer, of which the new Shares on the Maximum Subscription will represent approximately 24.8%.</p> <p>The total cash expenses of the Offer are currently estimated to be \$4.4 million and \$4.7 million on the Minimum Subscription and the Maximum Subscription are achieved respectively. These amounts will be paid by the Company.</p> <p>For further information, see section 7.1</p>
What is the price payable for the Shares?	<p>Successful Applicants under the Offer will pay the Offer Price, being \$0.40 per Share.</p> <p>For further information, see section 7.1</p>
What is the purpose of the Offer?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none">(a) enable the Company to continue the activities of gas exploration and development, focussing on the Tamboran Assets;(b) provide a liquid market for the Shares through a listing on ASX;(c) provide the Company with additional financial flexibility to pursue growth opportunities and improved access to capital markets; and(d) provide the Company with the benefits of an increased profile that arises from being a listed company. <p>For further information, see section 7.4</p>



For personal use only

Topic	Summary					
What is the proposed use of funds raised under the Offer?	The Company intends to apply the funds raised from the Offer as follows:					
			Minimum Subscription		Maximum Subscription	
			\$000		\$000	
	Source of Funds					
	Existing cash reserves ¹		10,826		10,826	
	Gross proceeds from the Offer		60,000		66,000	
	Total Funds available		70,826		76,826	
			Minimum Subscription		Maximum Subscription	
			\$000		\$000	
			%		%	
	Use of Funds					
	EP161 Tanumbirini 2H & 3H Horizontal wells (25%) ²		13,600	19.2%	13,600	17.7%
	EP136 2D Seismic ²		3,500	4.9%	3,500	4.6%
EP136 Maverick #1H Horizontal well (100%) ²		39,400	55.7%	45,100	58.7%	
Royalty reduction payment and leasehold improvements		1,500	2.1%	1,500	2.0%	
General administration and working capital		8,226	11.6%	8,226	10.6%	
Costs of the Offer		4,600	6.5%	4,900	6.4%	
Total Funds Used		70,826	100.0%	76,826	100.0%	
Notes:						
1. Refer to the Financial Information set out in section 4 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.						
2. Refer to section 3 for further details with respect to the Company's proposed exploration and development programs at the Projects.						



For personal use only

Topic	Summary
What is the proposed use of funds raised under the Offer? (continued)	<p>The Company intends to commit the funds to a targeted exploration and appraisal program on the Tamboran Assets over the next two years. The Company will also pursue other opportunities to acquire exploration and production assets.</p> <p>Tamboran's present financial position and its financial position after the completion of the Offer are set out in section 4.4. The Board believes that the Company will have sufficient funds to carry out its objectives, planned exploration and drilling program and sufficient working capital as described in this Prospectus for at least two years.</p> <p>The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.</p> <p>For further information, see section 7.4</p>
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none">• the Broker Firm Offer, which is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate;• the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors in the Permitted Jurisdictions;• the Priority Offer, which consists of an invitation by the Company to bid for Shares made to certain Institutional Investors in the Permitted Jurisdictions; and• the General Offer, which is open to members of the general public who have a registered address in Australia. <p>For further information, see section 7.2</p>
What are the rights and liabilities attaching to the Shares?	<p>All Shares offered under the Offer will rank equally with all other existing Shares on issue. The rights attaching to Shares are described in section 7.19</p>
Is the Offer subject to any conditions?	<p>Yes, the Minimum Subscription condition under the Offer is \$60 million (before costs of the Offer). If the Minimum Subscription is not achieved, the Company will not proceed with the Offer and will repay all Application Monies received under the Offer without interest.</p>
Will the Shares be quoted on the ASX?	<p>The Company has now applied to ASX within seven days of the Original Prospectus date for admission to the official list of, and quotation of its Shares by, ASX under the code 'TBN'.</p> <p>Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>For further information, see section 7.8</p>



Topic	Summary
Will the Offer be underwritten?	<p>The Institutional Offer and Broker Firm Offer are fully underwritten up to approximately \$48.6 million. The Priority Offer and the General Offer are not underwritten. Refer to section 9.5(b) for a summary of Underwriting Agreement.</p> <p>For further information, see section 9.5(b)</p>
Who is the Lead Manager for the Offer and what are the fees payable to the Lead Manger?	<p>MST Financial Services Pty Ltd.</p> <p>In consideration for acting as Lead Manager and partially underwriting the Offer, the Lead Manager will receive approximately 5% on the total proceeds received by the Company under the Offer.</p> <p>Refer to section 9.5(b) for a summary of the Underwriting Agreement.</p> <p>For further information, see Important Notices and section 9.5(b)</p>
What interests does the Lead Manager have in the securities of the Company?	<p>As at the date of this Prospectus, the Lead Manager does not hold any interests in the securities of the Company.</p> <p>For further information, see section 6.4(a)</p>
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer, the Priority Offer, the General Offer and the Institutional Offer will be determined by the Lead Manager in agreement with the Company. The allocation of the Shares within the Priority Offer will be determined by the Company in consultation with the Lead Manager. For Broker Firm Offer applicants, the relevant Broker will decide how they allocate Shares amongst their eligible clients.</p> <p>The Lead Manager and the Company have absolute discretion regarding the allocation of Shares to applicants under the Offer and may reject an Application, or allocate a lesser number of Shares than applied for. The Lead Manager and Company also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.</p> <p>For further information, see section 7.8 and 7.13</p>
Is there any brokerage, commission or stamp duty payable by Applicants?	<p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.</p> <p>For further information, see section 7.8</p>
What are the tax implications of investing in the Shares?	<p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</p> <p>Summaries of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in section 9.9.</p> <p>For further information, see section 9.9</p>

For personal use only



Topic	Summary
When will I receive confirmation that my Application has been successful?	<p>It is expected that initial holding statements will be mailed to successful Applicants by post on or about Friday, 25 June 2021.</p> <p>Refunds (without interest) to applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.</p> <p>For further information, see section 7.8</p>
What is the minimum and maximum Application size under the Offer?	<p>The minimum Application size under the Offer is the aggregate number of Shares equivalent to \$2,000 and thereafter in multiples of Shares equivalent to \$500. There is no maximum value of Shares that may be applied for under the Offer.</p> <p>For further information, see section 7.9</p>
How can I apply?	<p>Broker Firm Offer Applicants</p> <p>Broker Firm Offer Applicants may apply for Shares by completing the Application Form included in or accompanying this Prospectus, and lodging it with the Broker who invited them to participate in the Offer.</p> <p>Investors who have received an allocation of Shares in the Broker Firm Offer must follow instructions provided by their Broker. Those Applicants must complete the Broker Firm Application Form at the back of this Prospectus. By making an Application, you declare that you were given a copy of this Prospectus, together with a Broker Firm Application Form. Your Broker will act as your agent in submitting your Application. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.</p> <p>Institutional Offer Applicants</p> <p>The Lead Manager separately advised Institutional Investors of the Application procedure under the Institutional Offer.</p> <p>To the extent permitted by law, an Application received under the Offer is irrevocable.</p> <p>Priority Offer Applicants</p> <p>The Company separately advised certain Institutional Investors selected by the Company of the Application procedure under the Priority Offer.</p> <p>To the extent permitted by law, an Application received under the Offer is irrevocable.</p> <p>General Offer</p> <p>If you wish to participate in the General Offer, you may apply for Shares using the Application Form attached to this Prospectus.</p> <p>For further information, see sections 7.8 to 7.12</p>

For personal use only



Topic	Summary
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants or bidders under Offer.</p> <p>If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded.</p> <p>No interest will be paid on any Application Monies refunded as a result of the Offer not proceeding.</p> <p>For further information, see Important Notices</p>
When can I sell my Shares on ASX?	<p>It is expected that the dispatch of the holding statements will occur on Friday, 25 June 2021 and trading of the Shares on ASX will commence on or about Wednesday, 30 June 2021.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p> <p>For further information, see section 7.18</p>
Where can I find out more information about this Prospectus or the Offer?	<p>If you have any questions in relation to the Offer, call the Offer Information Line on:</p> <ul style="list-style-type: none">• 1300 737 760 (toll free within Australia); or• +61 2 9290 9600 (outside Australia), <p>between 9:00am and 5:00pm (Sydney time), Monday to Friday.</p> <p>All enquiries in relation to the Broker Firm Offer should be directed to your broker.</p> <p>If you have any questions about whether to invest, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.</p> <p>For further information, see Important Notices and Important Dates</p>

For personal use only



2 INDUSTRY OVERVIEW

2.1 The Australian upstream gas industry

Australia's oil and gas industry holds a critical place in the development of the country's present-day economy. With the production of LNG, crude oil and condensate, Australia makes an important contribution to the global oil and gas supply.

Australia's domestic gas market consists of three distinct regions, separated on the basis of productive gas basins and pipelines that supply them.

- (1) **Eastern Gas Region:** An interconnected gas grid connects all of Australia's eastern and southern states and territories. The gas basins that supply this market approximately contain around one third of Australia's gas reserves.
- (2) **Western Gas Region:** The gas basins of the western gas market contain over one half of Australia's gas reserves. This market is heavily focused on exports but also supplies domestic consumption in Western Australia.
- (3) **Northern Gas Region:** The northern gas market is Australia's smallest producer. Its basins provide gas for export and also for domestic consumption in the Northern Territory.

Natural gas consumption is concentrated in populace areas of the country. The Australian Energy Market Commission makes the National Gas Rules which apply to three types of wholesale gas markets:

- gas supply hubs (located in each of Wallumbilla, Queensland and Moomba, South Australia);
- short term trading market hubs (located at Brisbane, Sydney and Adelaide); and
- the declared wholesale gas market (located in Victoria).

Beginning in the 2000s, the Australian oil and gas industry experienced an unprecedented wave of investment. Much of this investment took the form of multiple greenfield LNG project sanctions, with most starting production over the past few years. Australia recently overtook Qatar as the largest LNG exporter by volume. Australia's largest LNG export markets include Japan, China and South Korea. The growth in LNG exports has resulted in higher natural gas prices and concerns of domestic natural gas shortfalls, particularly on the east coast of Australia.

The Commonwealth Government established the Australian Domestic Gas Security Mechanism (**ADGSM**) in response to fears of possible shortfalls. The ADGSM allows the Minister for Resources to restrict LNG exports if the Minister has reasonable grounds to believe that there will not be a sufficient supply of natural gas for Australian consumers during the year unless exports are controlled and that exports of LNG would contribute to that lack of supply. At the date of this Prospectus, the ADGSM has not been activated.

2.2 Australia's resource base

Natural gas is Australia's third largest energy resource after coal and uranium. Reserves are classified according to their technical and commercial prospects of recovery which include proved (1P), probable (2P) and possible (3P) reserves, contingent resources (1C, 2C and 3C), and prospective resources (low, best, and high estimate).

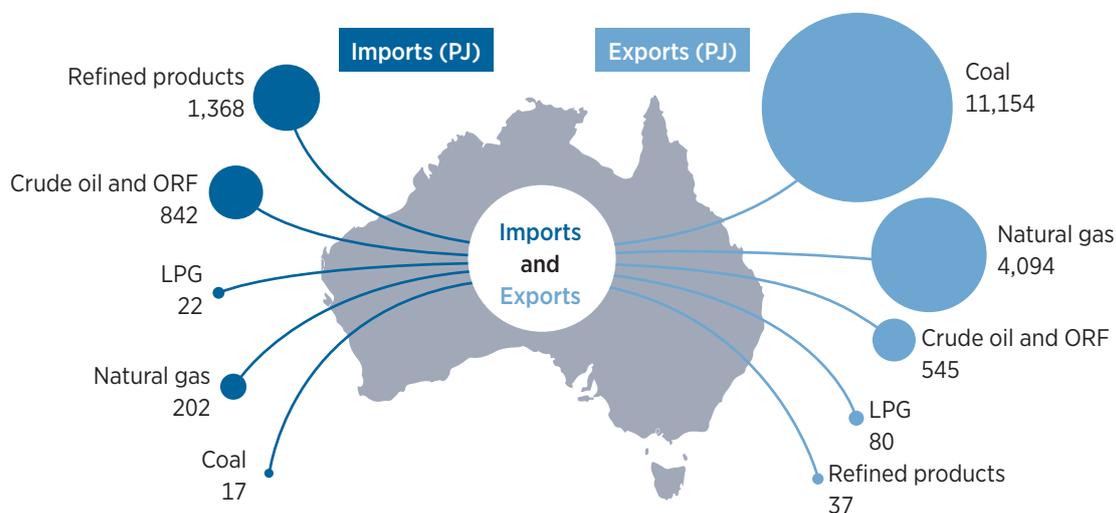
Energy Quest's September 2019 Report notes that proved and probable reserves across Australia total approximately 108 exajoules (**EJ**) or about 102 Tcf, of which 39 EJ (or approximately 37 Tcf) is connected to east coast markets. The report also notes that the east coast of Australia has a further 30 EJ (or approximately 28 Tcf) of sub-commercial proved and probable contingent gas resources.

For personal use only



2.3 Market opportunity

The following chart reflects imports and exports by commodity type.



Source: Department of Industry, Science, Energy and Resources (2020) *Australian Energy Statistics*, Table J.

LNG export

Growing global demand for energy, led mainly by Far East demand over the past decade, has driven a strong increase in gas demand and particularly LNG due to its suitability for long-distance transportation. Australia is advantaged geographically and has been able to position itself technically and commercially to meet this demand, emerging as a global leader in LNG.

Australia's location gives it a key advantage over many other oil and gas jurisdictions. Australia is perfectly situated to export oil and gas to Asian markets. Being close to high growth and high demand Asian markets such as Japan, Korea, and China enables lower transport costs and therefore confers a unique benefit to the Australian LNG producers.

Australia now has three clusters of LNG plants (i.e., Gladstone, Darwin and the Carnarvon basin), with supply coming from both conventional and unconventional sources, and it leads the way in terms of technologically advanced projects. Australia's LNG exports have increased dramatically since 2011, growing to 77.5 million tonnes in 2019 before declining to 76 million tonnes in 2020-21, reflecting the impacts of COVID-19 on demand.

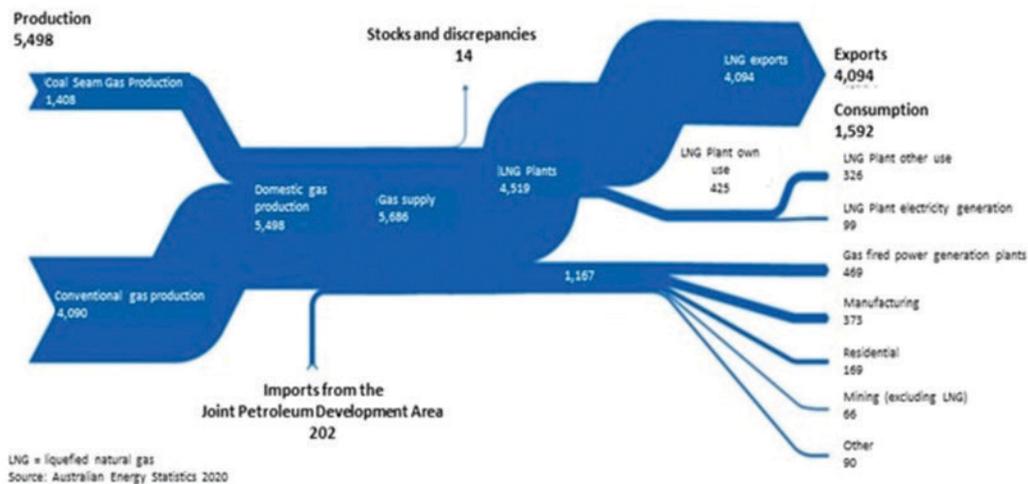
For personal use only



Domestic consumption

From 2018 to 2019 natural gas accounted for approximately 26% of Australia’s domestic energy consumption. During that same period, gas consumption increased by approximately 2%.

The chart below provides detail of domestic supply and demand as provided by the Department of Industry, Science, Energy and Resources.

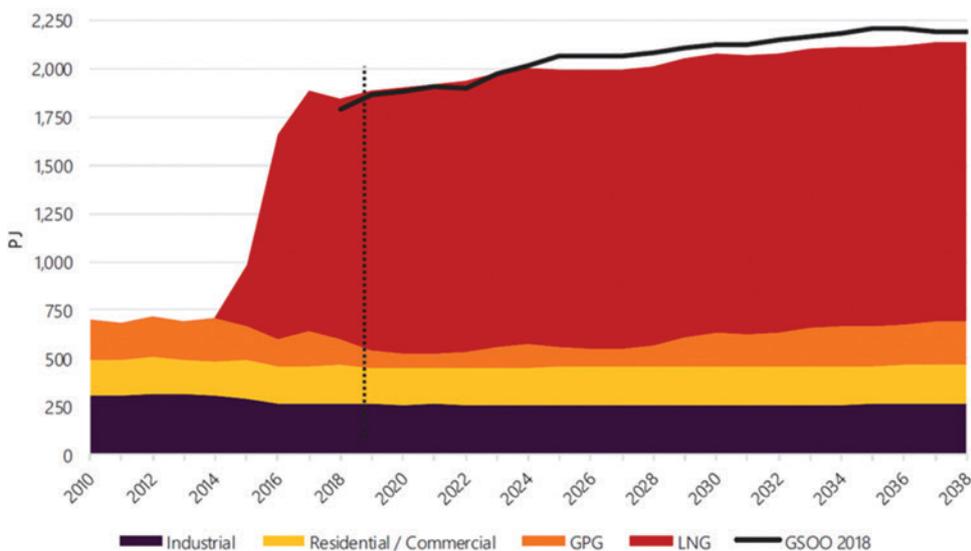


Source: Department of Industry, Science, Energy and Resources (2020) *Australian Energy Statistics*, Tables A and F and internal sources.

Gas is also an important energy source for manufacturing, accounting for 41% of manufacturing energy use in 2018 to 2019. The manufacturing and mining (including LNG) sectors each accounted for just under one-quarter of total gas consumption in 2018 to 2019.

Market opportunity

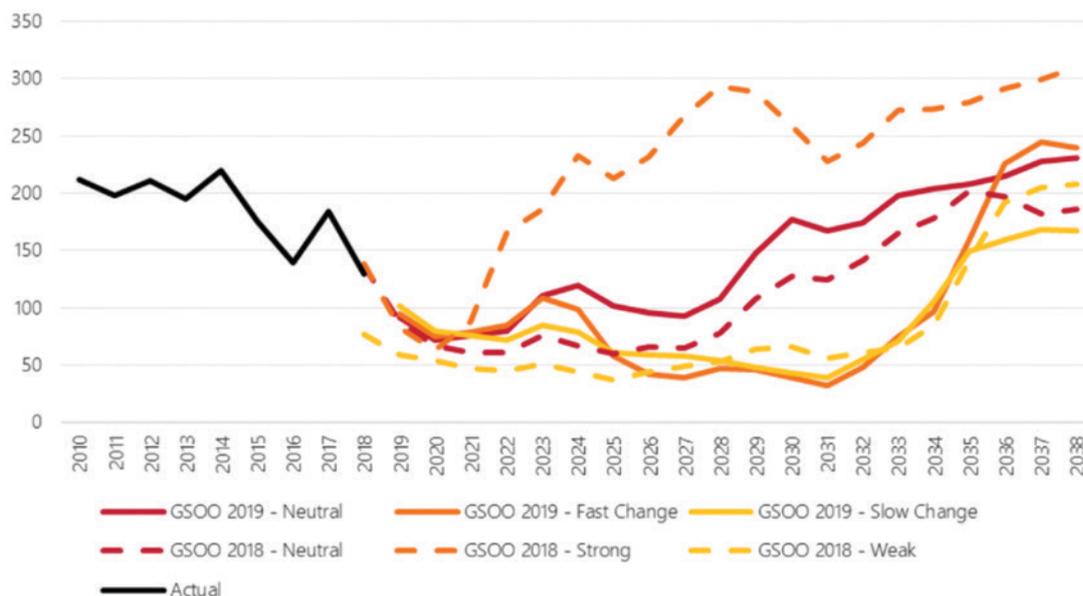
According to the Australian Energy Market Operator (AEMO), over the past ten years, Australia’s east coast gas demand has significantly increased due to the commissioning of certain LNG plants in Queensland.



For personal use only



However, Australia's domestic gas demand has remained flat, with the only material variation being the consumption of gas in National Electricity Market gas-fired generation which is heavily affected by both gas price and electricity conditions. After recent declines, gas-powered electricity generation is predicted to increase over coming years as depicted in the following chart from AEMO.



Despite the lack of domestic demand growth, natural gas prices have remained high in Australia relative to other OECD countries. This indicates a lack of supply to meet locational demand. This situation may be made worse by the foreseen potential for increases in gas-powered electricity generation (GPG). As a result, other sources of energy have begun to meet some of the domestic demand including renewables, primarily solar.

Reporting of gas prices is somewhat limited in Australia and commentators generally report the short term trading market prices as a proxy, noting that they may not be reflective of longer-term arrangements. The following chart from AEMO provides a historical assessment of east coast gas prices over the last decade applying this proxy.

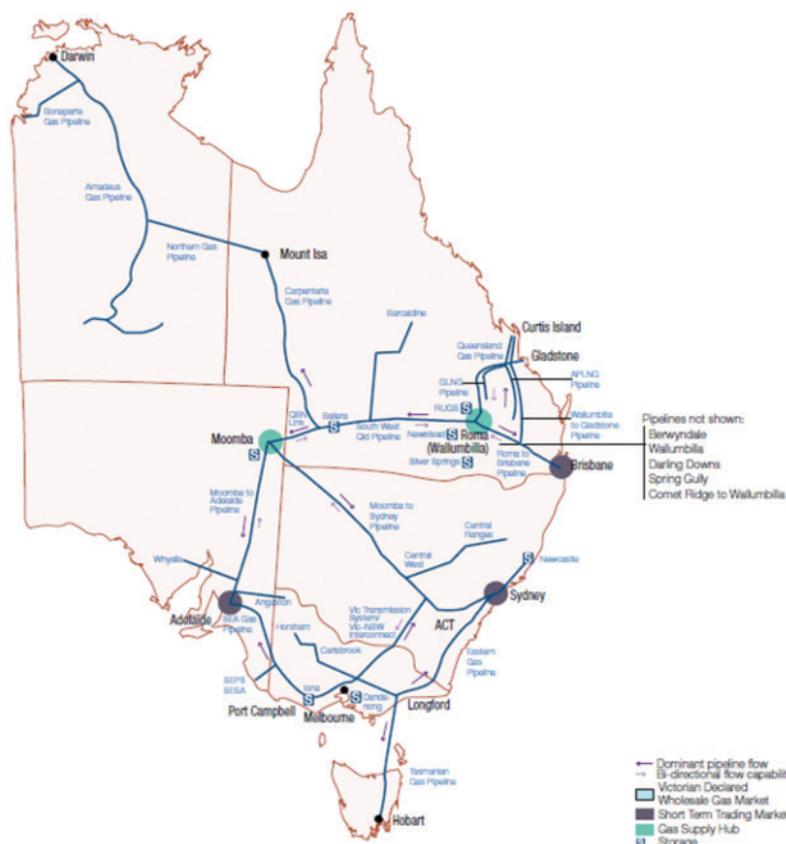


Source: AER, AEMO, Last updated: 19 Jul 2019 - 9:32 am

For personal use only



These market fundamentals indicate a shortage of identifiable natural gas available to fully utilise existing LNG capacity and to meet projected domestic energy needs. This situation is most acute in the eastern part of Australia where large populace areas exist, the Gladstone LNG facilities are located, and traditional sources of natural gas production are maturing.



In order to bring natural gas to these load centres, there are a number of major transmission pipelines. The map above provides the Company's understanding of the major pipeline systems available to deliver supply to this market demand.

Tamboran's assets in combination with an infrastructure solution to evacuate the gas from the Beetaloo Sub-basin positions the Company for gas deliveries to the LNG facilities in Darwin as well as to the domestic and export markets on the east coast of Australia.

2.4 Industry challenges

Evolving energy trends are reflecting an increased interest in expanding renewables as a challenge to an alternative source of energy including natural gas. General market expectations are that less efficient and environmentally unfriendly energy sources (such as coal) will be replaced with more sustainable and environmentally friendly energy sources.

While many of Australia's key success-enabling factors are still relevant today, it is foreseen that there will be challenges that could threaten Australia's ability to maintain its track record in attracting international oil and gas investment. Changing market and investment conditions raise some red flags for future investment dollars globally and Australia must maintain its relative attractiveness and competitiveness in the global context to respond to these challenges.

Australia's LNG export infrastructure is largely completed. The primary risk to the industry lies mainly with the ability to ensure sufficient levels of economic feedstock natural gas to ensure full capacity production.

For personal use only



Exploration and production costs in Australia are high. The cost of drilling an onshore exploration well is more than two and a half times that in the US. In relation to offshore drilling, costs have increased by a factor of nine in the North West Shelf over the past decade. Construction costs are also high, exemplified by significant cost overruns on several multi-billion-dollar projects in recent years.

2.5 Regulatory framework

Gas investment decisions, particularly for the mega-project scale developed in Australia, are often considered over multiple years and in some cases decades. Australia's success in the gas industry has been supported by a comparatively stable policy and regulatory environment which underpinned the significant long-term investments during 1999 to 2010. The stability of Australia's taxation arrangements was arguably also a key contributing factor in attracting this wave of investment.

Australia offers a unique combination of being a developed economy in the OECD with the ability to attract skilled labour and technology, alongside significant prospectivity. This dual attraction of stability and material resource is often a compelling factor for investment.

The Northern Territory owns all petroleum resources, both onshore and in coastal waters in that jurisdiction. The Department of Industry, Tourism and Trade (NT) administers and regulates petroleum tenure and activities in these areas.

This includes gas resource exploration and development and the construction and operation of oil and gas facilities and transmission pipelines.

Development of gas in the Northern Territory is governed by each of the following legislation and regulations including:

- (a) the *Petroleum Act 1984* (NT) – the principal legislation dealing with petroleum tenure, exploration and production activities onshore and inland waters of the NT;
- (b) the *Petroleum (Submerged Lands) Act 1981* (NT) – caters for tenure, exploration and production activities in the 3 nautical mile strip of NT coastal waters;
- (c) the *Petroleum (Environment) Regulations 2016* (NT) – ensures the environment is protected in an area of petroleum exploration or production;
- (d) the *Petroleum Regulations 2020* (NT) – which commenced 1 January 2021 and introduces a new land access regime; and
- (e) the NT Schedule of Onshore Petroleum Exploration and Production Requirements assists with regulation of onshore petroleum exploration and production activities.

Exploration tenements granted in the Northern Territory are also further subject to statutory requirements of certain other legislation including:

- (a) *Environment Protection and Biodiversity Conservation Act 1999* (Cth);
- (b) *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth);
- (c) *Native Title Act 1993* (Cth);
- (d) *Environmental Assessment Act 1982* (NT);
- (e) *Aboriginal Land Rights Act (Northern Territory) 1976* (NT); and
- (f) *Northern Territory Sacred Sites Act 1989* (NT).

Further information regarding the regulatory regime is set out in section 7 of the Solicitor's Report.

On 17 April 2018, the Northern Territory Government announced that it accepted all 135 of the recommendations set out in the 'The Scientific Inquiry into Hydraulic Fracturing in the Northern Territory'. The implementation of the recommendations is underway and will result in a more rigorous regulatory regime by placing additional obligations on oil and gas companies including the introduction of a stricter code of practice for decommissioning onshore shale gas wells, requiring tenement holders to provide a non-refundable levy prior to granting any further production approvals and introducing no go zones where a person cannot explore or drill for petroleum resources. The key recommendations are described in detail in section 7 of the Solicitor's Report.



3 COMPANY OVERVIEW

3.1 Company history and overview

Tamboran is a public natural gas company focused on supporting the net zero energy transition by developing low-CO₂, unconventional gas resources in the Northern Territory of Australia. Tamboran's key assets are a 25% working interest in EP 161 and a 100% working interest in EP 136 which are located in the Beetaloo Sub-basin in the Northern Territory, Australia.

Tamboran was founded in 2009 and is headquartered in Sydney, Australia. Previously, Tamboran held interests in exploration permits and applications in the Northern Territory, South Australia, Western Australia, Turkey, Myanmar, the United Kingdom, Northern Ireland and Botswana. During the period from 2014 to early 2016, Tamboran chose to focus on the Northern Territory and relinquished or divested its rights to explore in other jurisdictions.

The Company is focused on developing early-stage, unconventional gas resources within its portfolio (EP 136, EP 143, EP 161 and EP(A) 197) (the **Tamboran Assets**) which are located in the Beetaloo Sub-basin in the Northern Territory. The Board believes that there is a considerable opportunity for Tamboran to commercialise the prospective resources in its assets due to the current climate of the gas industry, in general, and the supply and demand fundamental assessment in Australia specifically.

3.2 Strategy and components of business model

The Company is pursuing a business strategy that the Board believes will enable it to achieve the Company's objectives of selling low CO₂ gas in the Australian domestic market.

The Company believes the Tamboran Assets are highly prospective and located in the core of the Beetaloo Sub-basin unconventional formations. Tamboran aims to be a leader in developing world-class upstream gas assets in the Beetaloo Sub-basin.

Vision

The Company's vision is to play a role in the global energy transition by investing in the development of low CO₂ unconventional natural gas resources in the Beetaloo Sub-basin of the Northern Territory of Australia and seeks to become a net zero emissions producer for its equity share of Scope 1 and Scope 2 emissions.

Mission

The Company seeks to de-risk substantial prospective resources that can supply affordable gas to meet predicted Australian gas shortfalls, and longer-term, provide back-fill gas to Australian LNG projects to help satisfy the material demand for natural gas from Asia.

Values

The Company's core values are leadership, sustainability, integrity, diversity and inclusion, courage, and commitment. These values underpin everything that we do and are central to our Code of Conduct.

For personal use only



3.3 Sustainability Committee and Sustainability Plan

At Tamboran, we recognise that operating sustainably is not only relevant to how we impact the environment and local communities but is also vital to generating long term value for all our stakeholders. Sustainability is central to our corporate strategy and we have developed a six-pillar sustainability plan to define ambitions, set action plans and track performance.

Tamboran's six sustainability pillars are:

- **Health and Safety:** Putting the health and safety of our people, contractors, and community first through effective systems, conduct and safe operations. This includes health and hygiene impacts from pandemic, epidemic and disease risks, fatigue, mental health, hazardous agents, physical hazards and biological hazards.
- **Climate Change:** Playing an effective role in the transition to a lower carbon economy through the production of low CO₂ natural gas resources. We are committed to integrating renewable energy, carbon capture and storage and carbon offsets into any development with the vision of producing net zero emissions from operations (Scope 1 and 2)⁴.
- **Environment:** Applying leading drilling technologies to promote efficiency and minimise environmental impacts. We are committed to meeting or exceeding environmental performance requirements outlined in permits and legislation.
- **People:** Attracting, developing and retaining a diverse, inclusive, and competent workforce.
- **Community:** Partnering with our local and host communities to share value through the creation of local jobs and business opportunities. We are committed to supporting indigenous stakeholders and respecting human rights throughout the value chain.
- **Economic Sustainability:** Generating economic growth and value for our investors, employees, customers and communities through sustainable production of affordable gas resources and distribution to multiple markets.

Tamboran will select appropriate sustainability practices, set measurable performance targets and report progress against those targets. Tamboran believes this strategy will enable it to achieve both the Company's corporate vision and its sustainability objectives. Further information can be found in the company's Sustainability Plan that is published on the corporate website at www.tamboran.com.

In order for Tamboran to achieve its vision of becoming a producer of gas with net zero emissions from operations for its equity share of Scope 1 and Scope 2 emissions, Tamboran has established a Sustainability Committee which is responsible for evaluating the Company's progress towards this mission. The Sustainability Committee will report to the Board on the steps the Company is taking each financial year which may include:

- measuring and reporting on the Company's Scope 1 and Scope 2 emissions;
- the required budgeting for additional expenditures for the Company to achieve its vision of becoming a producer of gas with net zero emissions;
- procuring the required Australian Carbon Credit Units (ACCUs) through the Australian Carbon Project Registry to offset or partially offset the Scope 1 and Scope 2 emissions generated in Tamboran's operations;
- investing, designing and implementing emissions reduction and avoidance projects, which may include revegetation, reforestation, savanna fire management or other projects;
- identifying available renewable energy technology to power the Company's operations through owned and operated solar systems or power purchase agreements from third-party renewable energy generation companies; and
- identifying any other opportunities available to the Company to integrate renewables, such as carbon and greenhouse gas reducing technologies to provide: (i) early identification of emissions detection systems; (ii) use of solar and renewables to provide local distributed electricity generation onsite; and (iii) use of carbon capture and sequestration (CCS) technology.

4. Scope 1 emissions occur from sources controlled by the Company, for example emissions from fuel, flare and vent; Scope 2 emissions are indirect, mainly electricity consumption; and Scope 3 emissions represent indirect emissions when our products are combusted by our customers to produce energy.

For personal use only



Tamboran intends to seek certification from an independent third party certifier such as Verra for their VCS Program or Climate Active for their Climate Active Carbon Neutral Standard. At the relevant time, the Company may consider including appropriate metrics which are aligned with the achievement of the Company's sustainability goals as part of performance-based remuneration.

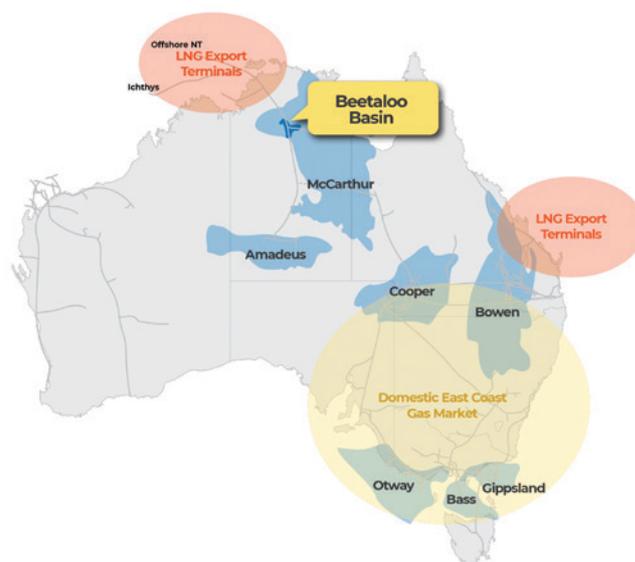
As set out in section 5.2(c), the Company may not achieve and there are potential risks associated with the Company's growth strategy and vision to become a net zero emissions producer for its equity share of Scope 1 and Scope 2 emissions

3.4 The Beetaloo Sub-basin and Greater McArthur Basin, Northern Territory

The Beetaloo Sub-basin is an area of approximately 28,500 km² which is a sub-basin of the Greater McArthur Basin region in Northern Territory. It is highly prospective for unconventional gas and is recognised as a close analogue to some of the most productive unconventional gas basins in North America. The Beetaloo Sub-basin is a structural component of the Greater McArthur Basin in the Northern Territory, located about 500 kilometres south-east of Darwin, Northern Territory.

(a) Location

The extent of the Beetaloo Sub-basin is set out in the figure below:

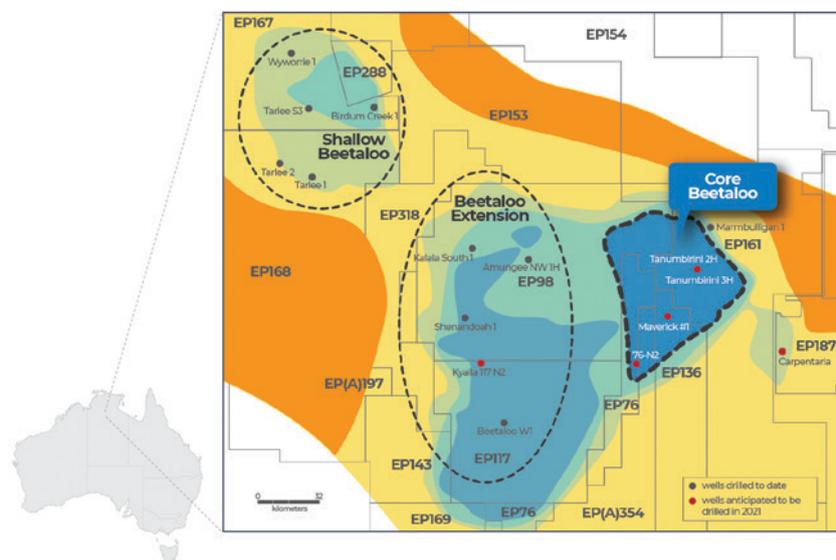


For personal use only



(b) Investment Rationale

Tamboran holds unconventional gas resources in the highly prospective Beetaloo Sub-basin within the Greater McArthur basin and is strategically positioned to commercialise these resources as a potential supplier to address Australian forecast domestic energy needs.



(c) Geology of the McArthur Basin, Great McArthur Basin and Beetaloo Sub-basin

The McArthur Basin contains a preserved thickness of up to 15 km of unmetamorphosed and relatively under-formed Paleoproterozoic to Mesoproterozoic sedimentary and minor volcanic rocks. The Paleo to Mesoproterozoic basement rocks of this regional structure are overlain by an unmetamorphosed succession of sedimentary and minor volcanic rocks that accumulated within a multiphase intracratonic basin.

Multiple structural sub-basins have been identified in the greater McArthur Basin and serve as local depocentres for sedimentary accumulation. Proterozoic environmental conditions in this region allowed for prolific deposition of organic-rich sequences of sediments. Burial temperatures in this source sink system, along with abundant sediment accumulation, have resulted in thick deposits of gas source rock that have remained within parameters consistent with thermogenic generation of gas.

The Beetaloo Sub-basin is one of the largest depocentres in the region. The primary targets are the Kyalla and Velkerri formations that are part of the Mesoproterozoic Roper Group. This stratigraphic rock sequence is comprised of alternating mudstone and sandstone units reaching basin-centre thicknesses greater than 3,000 m and averaging upward of 1,500 m along the margins of major depocentres.

Located in the southern part of the Greater McArthur Basin, the Beetaloo Sub-basin is structurally subdivided into three geographical areas and two major structural highs. The north-south trending, structurally complex Daly Waters Arch (west) and the structurally benign Arnold Arch (east) divide the area into three major depocentres, referenced here as the Sever Sub-Basin, the Core area, and the OT Downs Sub-Basin from west to east, respectively.

(d) Exploration History

The Beetaloo Sub-basin is one of the largest depocentres in the region and has garnered significant exploration interest over the past decade. Historical exploration in the basin was focused on conventional targets. These efforts found a wide distribution of gas shows and tests throughout the basin with most interest focused on the Beetaloo Sub-basin. More than 30 exploratory wells have been drilled in the Greater McArthur Basin, with a majority of these wells located in the Beetaloo Sub-basin. Close to half of these exploratory wells have been drilled over the past 10 years. While there has been no commercial gas production to date in the Beetaloo Sub-basin, significant exploration activity is underway. Nineteen wells are located within the Beetaloo Sub-basin outline as defined by the Northern Territory Geological Survey. Five wells are located within the western sub-basin and 14 are located within the eastern sub-basin.



3.7 EP 161

(a) Location

EP 161 is a polygonal shaped tract that spans north-south with varying widths having a total area of approximately 10,500 km². The amount of prospective fairway acreage in EP 161, estimated from fairway maps published in 2017 and 2020, ranges from 1,700km² to 2,700km² with a most likely area of 2,200km². The prospect has key technical attributes that are comparable to successful US unconventional basins and is presumed to have potential unconventional gas resources. At present, there are no recoverable reserve or resource estimates prepared.

(b) Status, Farm-In Agreement & Joint Venture

Tamboran was granted exploration permit EP 161 in 2012. On 11 December 2012, Tamboran entered into a farm-in agreement (**Farm-In Agreement**) and a joint operating agreement (being the **EP 161 JV**) with Santos QNT. The Farm-In Agreement provided Santos QNT with the right to earn up to a 75% interest in the Beetaloo/McArthur exploration permits, subject to the following conditions:

- Santos QNT spending \$41 million on exploration as its farm-in commitment for a 50% interest in the Beetaloo and McArthur licences; and
- Santos QNT spending a further \$30 million to complete the work programme specified (including drilling and testing of two wells) before the expiry of the term on 21 May 2018 for EP 161 for a further 25% interest.

Santos QNT has satisfied both these conditions and currently has a 75% operating interest in EP 161 with Tamboran owning the remaining 25% non-operating interest. Tamboran is required to contribute its proportionate share of joint venture expenditure in order to maintain its interest in EP 161.

EP 161 is currently in the exploration and appraisal phase. The EP 161 JV has drilled the successful Tanumbirini #1 discovery on EP 161 in the fourth quarter of 2019 and a “Declaration of Discovery” was accepted by Northern Territory Government in April 2020.

During the first quarter of 2020, a 130-day flow test conducted for EP 161 exceeded 1.2 million cubic feet per day (**MMCF/d**) and settled at 400 MCF/d with minimal decline. The flow test was ended prematurely due to the shelter-in-place orders because of COVID-19. After being shut in for over 160 days, the well was reopened in the last quarter of 2020 and initially flowed 10 MMCF/d and achieved an average flow rate of 2.3 MMCF/d during the first 90-hours of testing.

(c) Prospectivity and Contingent Resources

The Technical Expert, Netherland, Sewell and Associates, Inc., has provided a best estimate of the Company’s gross prospective and contingent gas and condensate resources relating to its 25% interest in the EP 161 unconventional gas prospects of approximately 12.3 Tcf and 29 Bcf respectively as follows (as of 31 January 2021):

Un-risked Net to the Company	Prospective (Bcf)		Contingent (Bcf)
	Gas Resource	Condensate	Gas Resource
Velkerri C	3,492	26	11
Velkerri B	6,526	34	18
Velkerri A	2,078	11	-
Lower Kyalla	217	5	-
TOTAL	12,313	76	29

The estimates of Tamboran’s gross prospective gas and condensate resources relating to its 25% interest in EP 161 as provided by the Technical Expert ranges from 7.1 Tcf to 24.8 Tcf, reflecting asymmetrical risk to the upside relative to the ‘best estimate’ provided.

The prospective resources shown in this report have been estimated using probabilistic methods and are depending on an unconventional gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the un-risked estimate amounts is 90% for the low estimate, 50% for the best estimate and 10% for the high estimate.

The estimates of contingent resources above are based on data from a vertical well for the Tanumbirini #1 discovery on EP 161. The horizontal wells to be drilled for each of Tanumbirini #2 and Tanumbirini #3 may provide different estimates of contingent resources given the horizontal wells will cover a larger scale and surface area of the Velkerri shale.

For personal use only



Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown in the Technical Expert's Reports are contingent upon (1) demonstration of the economic viability of project development, (2) successful completion of work commitments prior to expiration of the leases, (3) development of infrastructure, (4) a sales contract, and (5) commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in the Technical Expert's Reports may be reclassified as reserves; the Technical Expert's estimates have not been risked to account for the possibility that the contingencies are not successfully addressed.

The contingent resources shown in the Technical Expert's Reports have been estimated using probabilistic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is 90% for the low estimate, 50% for the best estimate, and 10% for the high estimate. The estimates of contingent resources have not been adjusted for development risk.

Please refer to the Technical Expert's Reports in Annexure A for further information

(d) Forward work program and commitments

The EP 161 JV currently intends to drill four exploratory wells on EP 161 during 2021 and 2022 for phase 1 and 2. The joint venture will assess the results from these wells to determine the optimal development path forward. The forward work plan and commitments for EP 161 are set out as follows:

Calendar Year	Work Program	Commitments
2021 – phase 1	Drill Tanumbirini #2H and #3H horizontal wells, followed by flow tests on each well	Estimated costs to Tamboran's 25% interest total \$16.8 million
2022 – phase 2	Drill Inacumba #1H and #2H horizontal wells, followed by flow tests on each well	Estimated costs to Tamboran's 25% interest total \$25.1 million

The Tanumbirini #2H natural gas exploration well commenced drilling operations on 11 May 2021. Tanumbirini #2H is a horizontal well that will be directionally drilled to approximately 4800 metres total depth targeting the Mid-Velkerri B shale. Tamboran expects drilling to complete in July 2021. The rig will then drill Tanumbirini #3H to a similar total depth, prior to hydraulically fracture-stimulating both wells. This will comprise 10-20 stages in the horizontal sections of each well, followed by completion and expected 180-day flow tests.

(e) Commercialisation

Following the drilling program in 2022, the joint venture will evaluate the status of the wells and well tests and, subject to the results, will initiate plans for commercialisation of the license's gas resources. The Company understands that target markets may include gas supply to Santos' LNG projects in the Northern Territory or east coast of Australia as well as the domestic market, likely on the east coast.

(f) Permit Status

EP 161 will remain in effect until 20 December 2025:

Area	Approximately 10,500 km ²
Commencement date	21 May 2012
Blocks	136 blocks
Expiry	20 December 2025

EP 161 is currently in the exploration and appraisal phase and subject to the success of the program, the Company expects that the EP 161 JV will seek to apply for a production permit.

For personal use only



3.8 EP 136

(a) Location

EP 136 lies adjacent to EP 161 in the core of the Beetaloo Sub-basin and is, based on seismic data and interpretation, on comparable interpreted geology as EP 161's successful Tanumbirini #1 discovery well drilled by the EP 161 JV. EP 136 is comprised of approximately 4,230 km² within a mostly rectangular shaped tract that spans north-south with the greatest extent approximately 165 km and as much as 25 km in width.

(b) Status

Having regard to assessments and independent studies, the Company believes that the Beetaloo Sub-basin "fairways" are where the Kyalla and Velkerri formations are interpreted to contain hydrocarbons. The Company believes the northern portion of EP 136 is within the Kyalla and Velkerri gas window. Regional mapping indicates that the Kyalla and Velkerri could be present over a small portion of the eastern part of EP 143. The boundaries of EP(A) 197 are outside of the interpreted hydrocarbon fairways.

(c) Prospectivity

The Technical Expert, Netherland, Sewell and Associates, Inc., has provided a best estimate of the Company's prospective gas and condensate resources relating to its 100% interest in the EP 136 unconventional gas prospect of approximately 19 Tcf as follows (as of 31 January 2021):

Un-risked Gross Reservoir	Prospective (Bcf)	
	Gas Resource	Condensate
Velkerri C	6,050	50
Velkerri B	9,698	49
Velkerri A	3,037	15
Lower Kyalla	232	5
TOTAL	19,017	119

The estimates of Tamboran's gross prospective gas and condensate resources relating to its 100% interest in EP 136 as provided by Netherland, Sewell and Associates, Inc. ranged from 11.2 Tcf to 37.8 Tcf, reflecting asymmetrical risk to the upside relative to the 'best estimate' provided.

The prospective resources shown in this report have been estimated using probabilistic methods and are depending on an unconventional gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimate amounts is 90% for the low estimate, 50% for the best estimate and 10% for the high estimate.

(d) Forward work program

The Company has a three year program that anticipates completion of an extensive 2D seismic survey and the drilling and evaluation of up to nine wells. The appraisal program is subject to acceleration depending on drilling success, rig availability, available capital and other similar drivers and renewal of EP 136.

The work program as currently contemplated for EP 136 is tabled below:

Calendar Year	Work Program	Estimated costs
2021 – phase 1	Extensive 250 km 2D Seismic Survey and site preparation	Approximately \$8 million
2022 – phase 1	One horizontal well, followed by a flow test (plus long-lead items for the following year)	Approximately \$60 million
2023 – phase 2	Up to three horizontal wells, followed by flow tests on each well	Up to \$130 million

For personal use only



(e) Commercialisation

Subject to a successful drilling campaign and the confirmation of commercial flow rates, Tamboran has a multi-pronged commercialisation strategy targeting a range of potential gas markets. This strategy includes the following:

The Company plans to sell gas produced from the 2022/23 horizontal well tests to local Northern Territory markets, transported largely through existing pipelines. The gas would be sold initially on a spot basis and, once consistent delivery has been established, under long term contract with Northern Territory gas users.

Tamboran will aim to formalise the commercial infrastructure arrangement that has been agreed with Jemena. This provides for the construction of a pipeline connecting the Beetaloo Sub-basin directly to the South East Australian domestic gas market, via Jemena's existing northern gas pipeline, and north to the Darwin LNG complex. The Company believes this will assist in facilitating the delivery of reliable, affordable gas to the east coast of Australia, to meet material forecast domestic gas shortfalls.

Once prospective resources identified in EP 136 are proven up, the Company intends to secure long term domestic gas offtake agreements and then sanction a pilot development. A comprehensive drilling campaign is expected to take place through 2023 and 2024, capable of providing sustained production into the existing and planned Jemena system by 2025.

In the longer term, the Company intends to move to full field development and, in addition to supply to local markets, also provide gas to LNG plants located in Darwin and/or the east coast of Australia to meet increasing demand from South East Asia.

(f) Permit status

EP 136 was initially granted for a period of 5 years to Sweetpea Petroleum Pty Limited which was extended and will remain in effect until 27 August 2022:

Area	Approximately 4,230 km ²
Commencement date	28 August 2012
Blocks	51 blocks
Expiry	27 August 2022

The Company intends to apply for an extension to hold EP 136 on its expiry.

For personal use only



3.9 EP 143

(a) Location

EP 143 is an irregular block that is comprised of approximately 2,090 km² that extends approximately 45 km west to east and 55 km north to south.

(b) Status

Initial focus and capital spend regarding the Sweetpea Assets will be on EP 136. The Company's plans for EP 143 consist of maintenance of the permit for future assessment.

(c) Prospectivity

The Company will assess prospectivity of EP 143 to determine future development opportunities.

(d) Permit Status

EP 143 was granted for a period of 5 years and will remain in effect until 27 August 2022 as shown below:

Area	Approximately 2,090 km ²
Commencement date	28 August 2012
Blocks	26
Expiry	27 August 2022

3.10 EP(A) 197

(a) Location

EP(A) 197 adjoins a portion of the northern boundary of EP 143. The irregular rectangular block contains approximately 790 km².

(b) Status of EP(A) 197

The Company's initial focus and capital spend regarding the Sweetpea Assets will be on EP 136. The Company's plans for EP(A) 197 consist of completing acquisition of the license and maintenance of the permit for future assessment.

(c) Prospectivity

Like EP 143, the Company will assess prospectivity of the EP(A) 197 licence to determine future development opportunities.

3.11 Overriding Royalty Interests

Royalty under the Petroleum Act

Under section 84 of the *Petroleum Act 1984* (NT), Tamboran is required to pay an overriding statutory royalty of 10% of the gross value, at the well-head, of all petroleum produced from the Tamboran Assets.

The gross value of that petroleum is determined by agreement between the Minister and the licensee. If agreement cannot be reached, the gross value of that petroleum is determined by the Minister.

Section 84(6) of the Petroleum Act provides that the royalty payable in relation to a year is to be reduced by the annual fee paid in relation to that licence for the year. Section 85 of the Petroleum Act specifies a penalty rate of 0.33% per day on the amount of any late or unpaid royalties.



Third party overriding royalty interests

In addition, the Sweetpea Assets are subject to overriding royalty interests (**ORRI**) and an Area of Mutual Interest (**AMI**) obligation, granted in favour of parties that give the holders certain contractual rights (such as to receive a share of the gross revenue) in respect of gas produced from the land within a permit. The aggregate ORRI totals 7% of revenue and the AMI provides for grant of additional ORRIs where additional acreage is acquired by Sweetpea within a specified area contiguous to EP 136, EP 143 and EP(A) 197.

Portions of the 7% ORRI, may be reduced over time to an aggregate 3% ORRI, and the obligations with respect to the AMI eliminated through cash payments made by Tamboran totalling approximately US\$17 million. Payment dates and amounts vary as outlined in the agreements, but generally run from 2021 to 2025.

Bayless ORRIs

Sweetpea has granted an ORRI equal to an undivided 8% of 8/8ths of all petroleum produced from EP 136, EP 143 and EP(A) 197 (and the land over which each of those permits was originally granted) to Tom Dugan Family Limited Partnership, LLP, Territory Oil & Gas, LLC; and Malcolm John Gerrard (together the **Bayless Group**) (**Bayless ORRIs**).

Each of the Bayless ORRIs are coupled with the obligation relating to the AMI, to grant additional ORRIs where additional acreage is acquired by Sweetpea within the AMI. Tamboran as purchaser of Sweetpea is required to assume the AMI obligation. The Bayless ORRIs may be reduced progressively over the period from 2021 to 2025 in accordance with the terms of a separate termination agreement as follows:

- (a) from 4% to 2% by payment of US\$7 million to the Bayless Group by 1 July 2023; and
- (b) from 2% to 1% by payment of a further reduction payment of US\$7 million to the Bayless Group by 1 July 2025.

The obligation relating to the AMI may be reduced in accordance with the terms of a separate limited waiver agreement by payment of the following additional amounts to the Bayless Group US\$1.2 million due to the Bayless Group on or before 1 July 2021.

See section 8.2 of the Solicitor's Report for further details.

Petrohunter ORRIs

Sweetpea has also granted PetroHunter Energy Corporation (**Petrohunter**) an ORRI of 2% (**Petrohunter ORRI**) of the petroleum produced from the land over which the EP 136 and EP 143 were originally granted and EP(A) 197 was applied for. The Petrohunter ORRI contains an option for Sweetpea to reduce the royalty to 1% on payment of US\$1,000,000 to Petrohunter by 17 June 2023 and a further extinguish by agreement the remaining 1% for an amount equal to 3% of the consideration paid by Tamboran for Sweetpea.

See section 8.2 of the Solicitor's Report for further details.

SDT ORRIs

In addition, there is an undivided 1% ORRI in favour of Jeffrey J Rooney as trustee of the Siegel Dynasty Trust of all petroleum produced from the Sweetpea Assets and the land subject to the Sweetpea Assets. The beneficiaries of the Siegel Dynasty Trust are Emily Siegel and Robert Siegel, who are the children of David N. Siegel, who is a director of Longview.

The ORRI extends to all extensions or renewals of each Sweetpea Assets (as applicable) and to any production licences or subsequent rights to produce petroleum, from those lands, that are granted or issued to the Sweetpea, its successors or assignees.

See section 8.2 of the Solicitor's Report for further details.



3.12 Significant scale and quality of prospective resource

A key objective for the Company has been sought to consolidate its Beetaloo Sub-basin investment to secure additional acreage, operator rights and the necessary scale to attract infrastructure providers and strategic partners to expedite the development of the globally significant energy resource. Tamboran now has interests in two highly prospective licenses in the core of the Beetaloo Sub-basin.

The joint venture with Santos QNT drilled the successful Tanumbirini #1 discovery on EP 161 in the fourth quarter of 2019, which included vertical fracturing performed over the full Mid-Velkerri unconventional section (A/B/C). The well flowed a total of 129 days with an average production rate of approximately 400 mcf/d (with minimal decline) and a maximum production rate of approximately 1.6 MMCF/d. In April 2020, EP 161 Tanumbirini “Declaration of Discovery” was accepted by NT Government.

EP 136, part of the Sweetpea acquisition, lies directly adjacent to Tamboran’s EP 161 in the Beetaloo Sub-basin, is on trend with the comparable interpreted geology as Tamboran’s successful Tanumbirini #1 discovery on EP 161 and the Company believes it is in the core of the Middle Velkerri unconventional.

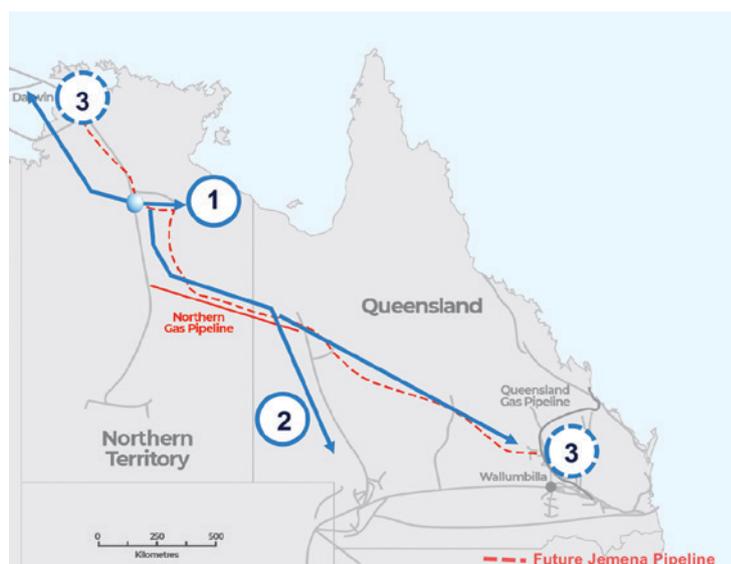
The Sweetpea acquisition increases Tamboran’s net un-risked prospective resource to 31 Tcf, as determined by the independent reservoir engineer Netherland, Sewell and Associates, Inc.

The indicated Tamboran Assets’ gas-in-place is substantial and full development of the resource, if successful, will provide significant production to meet natural gas demand.

3.13 Commercialisation

As at the date of this Prospectus, the Company does not have any operating revenue and is unlikely to generate operating revenue until a Tamboran Asset is successfully developed and producing gas. An early key focus of management is therefore to ensure a path to commercialisation.

In June 2020, a commercial framework was agreed with Jemena to build, own, and operate long term midstream gas infrastructure. The arrangement with Jemena provides for construction of an initial pipeline directly connecting the Beetaloo Sub-basin to the south-eastern Australian domestic gas market via Jemena’s existing Northern Gas Pipeline or north to the Darwin LNG complex. It is intended that, subject to a successful appraisal and development program, the arrangement with Jemena will facilitate the delivery of gas to domestic markets by 2024 to 2025.



For personal use only



As set out in the diagram above, stage one consists of gas sales from production testing of horizontal wells drilled in 2023 and 2024 to the Northern Territory gas market. Stage two focuses on the proposed joint venture with Jemena, targeting gas sales from a Beetaloo Sub-basin pilot development to other domestic markets by 2025. Stage 3 focuses on full field development of EP 161 and/or EP 136 targeting potential LNG backfill markets in Darwin or Gladstone in 2028 and beyond.

The significant Beetaloo Sub-basin resource held by the Company provides Tamboran with the opportunity to maximise the commercial opportunities inherent in the Jemena joint venture arrangement.

3.14 Board and management expertise

A key differentiator for Tamboran is the expertise of the Board and the Company's management team, which has a track record of commercialising unconventional resources in the United States. They led the initial development of multiple prolific US gas unconventional resource plays, including the Eagle Ford, Marcellus, Woodford, Fayetteville and Haynesville coupled with Australian domestic experience in the successful development and monetisation of Australian unconventional resources.

3.15 Funding

The Company has been funded to date through the issue of equity securities, where it has undertaken various private placements raising a total of approximately A\$86 million (before costs) since inception to 31 January 2021.

The Tamboran Assets do not presently produce income and there is no guarantee they will do so in the future. As and when further funds are required, either for the Tamboran Assets or for future acquisitions, the Company will consider raising additional capital from the issue of equity securities, debt finance, asset sales and farm-outs. The application of material debt to the Company's balance sheet will only be undertaken when the Board considers it appropriate and, depending on the type of debt and its covenants, will generally require the Company to have sustainable and maintainable revenue from any future production. There is no assurance that the market will provide additional funding on reasonable terms or at all, and any equity issue may be dilutive.

3.16 Capital management policies

Further development of the Tamboran Assets resource will require significant capital. Hence, the Directors do not in the near future intend to pay profits of the Company out in the form of dividends or other distributions but will instead reinvest those amounts into development of the business and to execute the Company's growth strategies. Accordingly, any investment in the Shares may not carry with it income returns in the form of dividends or other distributions and any returns will be limited to any capital growth arising from any increase in the price of the Shares.

3.17 Permit tenure and expenditure

Exploration permits are granted by the Northern Territory Government with some input by Aboriginal and other local stakeholders and also at the Federal level. Exploration permits are required in order to conduct exploration activities in the title area.



4 FINANCIAL INFORMATION

4.1 Overview

The financial information contained in this section 4 includes historical financial information for the Group for the financial years ended 30 June 2019 (FY19), 30 June 2020 (FY20), half year ended 31 December 2019 (HY20) and half year ended 31 December 2020 (HY21) (the **Historical Periods**). The financial information comprises:

- the historical consolidated statements of financial performance for the Historical Periods (**Historical Statement of Financial Performance**);
- the historical consolidated statements of cash flows for the Historical Periods (**Historical Statement of Cash Flows**); and
- the historical consolidated statement of financial position as at 31 December 2020 (**Historical Statement of Financial Position**);

(together, the **Historical Financial Information**); and

- the pro forma historical consolidated statement of financial position as at 31 December 2020 on the basis of between 150,000,000 Shares at an issue price of \$0.40 per Share to raise \$60,000,000 and 165,000,000 Shares at an issue price of \$0.40 per Share to raise \$66,000,000.

(the **Pro Forma Historical Statement of Financial Position** or **Pro Forma Historical Financial Information**).

The Historical Financial Information and Pro Forma Financial Historical Information are together referred to as the **“Financial Information”**.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flow and financial position of the Group. The Directors of the Company are responsible for the preparation and presentation of the Financial Information.

The Financial Information, as defined above, has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Independent Limited Assurance Report set out in section 8. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Financial Information has been prepared in connection with the Offer. The presentation currency for Tamboran is Australian dollars.

The Financial Information set out in this section 4 should be read in conjunction with:

- the Company Overview set out in section 3;
- the Risk Factors included in section 5;
- the Significant Accounting Policies set in Annexure C;
- the Subsequent Events set out in section 4.4(b);
- the Group’s proposed use of its cash resources (including the proceeds of the Offer), after listing as described in section 1.8;
- details of the Company’s dividend policy are also set out in section 4.5; and
- other information contained in this Prospectus.

For personal use only



(a) Basis of preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards (AAS) as issued by the Australian Accounting Standards Board (AASB), which are consistent with the International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

The Historical Financial Information of the Group for FY20 and FY19 is derived from its consolidated financial statements for the year ended 30 June 2020 and 30 June 2019. The consolidated financial statements were audited by Ernst & Young in accordance with Australia Auditing Standards. Ernst & Young issued an unqualified audit opinion including a material uncertainty related to going concern, on these consolidated financial statements for the year ended 30 June 2020 and 30 June 2019.

The Historical Financial Information of the Group for HY21 and HY20 has been derived from its unaudited interim consolidated financial statements for the half-year ended 31 December 2020, issued on 19 April 2021. You may obtain a copy of the Group's financial reports, including its financial statements for FY19, FY20 and HY21 (including HY20 comparatives), free of charge on the Company's website www.tamboran.com.

The consolidated interim financial statements were reviewed by Ernst & Young in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Ernst & Young issued an unqualified review conclusion, including a material uncertainty related to going concern, on the consolidated interim financial statements for the half year ended 31 December 2020.

(b) Basis of preparation Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information was prepared solely for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the AAS, other than that they include adjustments that have been prepared in a manner consistent with the AAS that reflects the impact of certain transactions as if they occurred on 31 December 2020.

Due to its nature, the Pro Forma Historical Financial Information does not represent Tamboran's actual or prospective financial position.

The pro forma statement of financial position has been derived from the Interim Historical Statement of Financial Position at 31 December 2020 and includes pro forma adjustments described in section 4.4(a), as if those events and transactions had occurred on 31 December 2020.

The Pro Forma Historical Financial Information exclude the financial effects of the Subsequent Events.

(c) Going Concern

The Financial Information has been prepared on a going concern basis, which assumes continuity of the Group's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group had a historical cash outflow from operations of \$4,985,000 for the six months ended 31 December 2020 and historical consolidated net liability position of \$42,427,000 as at 31 December 2020.

After 31 December 2020, the Company issued 31,206,884 Redeemable Preference Shares raising \$10 million in new capital.

The Directors believe that the current cash resources will not be sufficient to fund the Group's planned exploration budgets, support its current level of corporate overheads and working capital requirements without raising additional capital to continue as a going concern.

Upon completion of the Offer, the Group expects to raise a minimum of \$60 million and have a pro forma cash balance as at 31 December 2020 of \$66,413,000, as the Institutional Offer and Broker Firm Offer are fully underwritten. The Directors expect that these funds will be sufficient to allow for exploration and evaluation of the Group's Projects, provide the necessary working capital to meet its ongoing obligations and stated business objectives for at least 12 months from the date of the Offer.

In the event that the current exploration program exceeds the planned level, the Directors are confident that they can undertake cash management activities including deferral of exploration activities above minimum committed levels.



Should the planned fundraising not be successful, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Historical Statement of Financial Position. The Historical Statement of Financial Position does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

4.2 Historical Statement of Financial Performance

The table below sets out the historical consolidated statements of financial performance for FY19, FY 20, HY20 and HY21 for the Group. No adjustments have been made for corporate costs associated with the Company operating as a listed entity.

\$000's	Notes	FY 19	FY 20	HY 20	HY 21
Revenue		-	-	-	-
Cost of Sales		-	-	-	-
Gross Profit		-	-	-	-
Interest and other income		29	102	19	6
Administrative expenses		(54)	(120)	(57)	(35)
Consultancy, legal and professional costs		(1,323)	(9,867)	(2,092)	(2,142)
Depreciation and amortization		(12)	(140)	-	(215)
Director and executive fees		(1,542)	(1,769)	(611)	(1,558)
Net finance costs		(11,796)	(2,108)	(1,728)	(3,966)
Foreign exchange (losses) / gains		(23)	200	(22)	-
Other expenses		(337)	(307)	(157)	(63)
Share based payments expense		(304)	(495)	(486)	(20)
Loss before taxes		(15,362)	(14,504)	(5,134)	(7,993)
Income taxes		-	-	-	-
Loss after tax		(15,362)	(14,504)	(5,134)	(7,993)

4.3 Historical Statements of Cash Flows

The table below sets out the historical statement of cash flows for FY19, FY 20, HY20 and HY21 for the Group.

\$000's	FY 19	FY 20	HY 20	HY 21
Payment to suppliers and employees	(3,452)	(8,990)	(2,993)	(4,943)
Interest received	35	97	19	7
Payment of lease interest	-	(34)	-	(49)
Net cash used in operating activities	(3,417)	(8,927)	(2,974)	(4,985)
Acquisition of plant and equipment	-	-	(152)	(18)
Expenditure on mining exploration	(3,071)	(11,200)	(8,124)	(1,327)
Expenditure on lease fit out	-	(756)	-	-
Net cash used in investing activities	(3,071)	(11,956)	(8,276)	(1,345)
Proceeds from issue of redeemable preference shares	32,091	-	-	12,040
Cost of issue of redeemable preference shares	(840)	-	-	-
Proceeds from the exercise of warrants	-	60	-	336
Repayment of lease liability principle	-	(85)	-	(146)
Net cash inflow (outflow) from financing activities	31,251	(25)	-	12,230
Net increase (decrease) in cash held	24,763	(20,908)	(11,250)	5,900
Cash at the beginning of the period	1,739	26,502	26,502	5,594
Cash at end of the period	26,502	5,594	15,252	11,494



4.4 Historical and Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information was prepared solely for the purpose of inclusion in this Prospectus and does not represent Tamboran's actual or prospective financial position.

The table below sets out the Historical Statement of Financial Position of the Group as at 31 December 2020, the Pro Forma Adjustments that have been made to it (as detailed in section 4.4(a)) and the Pro Forma Historical Statement of Financial Position of the Group at 31 December 2020.

	Historical as at 31-12-20	Pro Forma Adjustments (a) 31-12-20 (MIN)	Unaudited Pro Forma Historical as at 31-12-20 (MIN)	Pro Forma Adjustments (a) 31-12-20 (MAX)	Unaudited Pro Forma Historical as at 31-12-20 (MAX)
\$000's					
Cash	11,494	54,919	66,413	60,556	72,050
Receivables	1,158	387	1,545	412	1,570
Total current assets	12,652	55,306	67,958	60,968	73,620
PP&E	697	-	697	-	697
Deferred exploration & evaluation expenditures	17,005	-	17,005	-	17,005
Right of use assets	2,398	-	2,398	-	2,398
Total non-current assets	20,100	-	20,100	-	20,100
Total assets	32,752	55,306	88,058	60,968	93,720
Payables	2,938	-	2,938	-	2,938
Employee costs and accruals	792	-	792	-	792
Lease liabilities	300	-	300	-	300
Total current liabilities	4,030	-	4,030	-	4,030
Employee costs and accruals	65	-	65	-	65
Lease liabilities	2,134	-	2,134	-	2,134
Other financial liability (Refer 4.4(a)(iii))	68,950	(68,950)	-	(68,950)	-
Total non-current liabilities	71,149	(68,950)	2,199	(68,950)	2,199
Total liabilities	75,179	(68,950)	6,229	(68,950)	6,229
Net assets	(42,427)	124,256	81,829	129,918	87,491
Share Capital	25,654	125,394	151,048	131,044	156,698
Reserves	4,202	-	4,202	-	4,202
Accumulated losses	(72,283)	(1,138)	(73,421)	(1,126)	(73,409)
Total equity	(42,427)	124,256	81,829	129,918	87,491



(a) Pro Forma Adjustments

The Pro Forma Historical Financial Information includes pro forma adjustments, which have been applied to the corresponding Historical Financial Information in a manner consistent with AAS. The pro forma adjustments have been made to adjust for the following transactions associated with the Offer:

- (i) the issue of 150,000,000 Shares for Minimum Subscription and 165,000,000 Shares on Maximum Subscription under the Offer at \$0.40 per Share;
- (ii) estimated costs of the Offer total \$4.6 million (excluding GST) (based on the Minimum Subscription), all payable in cash and \$4.9 million (excluding GST) (based on the Maximum Subscription), all of which will be paid in cash, consisting of:
 - (A) \$3,000,000 (based on the Minimum Subscription) or \$3,300,000 (based on the Maximum Subscription) paid to the MST Financial Services Pty Limited, representing 5% of the total capital raised; and
 - (B) \$1,619,000 (based on the Minimum Subscription) or \$1,649,000 (based on the Maximum Subscription) (both amounts excluding GST) for legal, accounting and other professional fees for services incurred directly relating to the Offer;
- (iii) in accounting for the total costs of the Offer, \$3,481,000 (based on the Minimum Subscription) and \$3,823,000 (based on the Maximum Subscription) has been recognised as a deduction to issued capital with \$1,138,000 (based on the Minimum Subscription) and \$1,126,000 (based on the Maximum Subscription) recognised in accumulated losses;
- (iv) \$387,000 being the estimated recoverable GST (based on the Minimum Subscription) or \$412,000 (based on the Maximum Subscription) charged on the invoices associated with the Offer costs, recognised as a GST receivable in 'Receivables'; and
- (v) conversion of the outstanding financial liability and associated embedded derivative of \$68,950,000 relating to the RPS into ordinary shares as at 31 December 2020 where each RPS will convert into ordinary shares upon successful completion of the Offer. Refer to section 7.21 for details of RPS.

(b) Subsequent Events

The Financial Information has been prepared based on conditions that existed at 31 December 2020. All Subsequent Events detailed in this section, arose after 31 December 2020 and are not indicative of events and circumstances that existed at 31 December 2020. As non-adjusting subsequent events, no adjustments have been made to the Historical and Pro Forma Historical Financial Information as at 31 December 2020 for the financial effects of the following Subsequent Events.

- (i) In January 2021, Tamboran issued 31,206,884 Redeemable Preference Shares at \$0.32 per RPS raising approximately \$10 million in new capital. In addition, and also in 2021, the Company issued 1,162,828 new RPS to settle obligations owed by the Company to third parties for services rendered (\$372,105) and 3,186,602 Shares to Non-Executive Directors for unpaid Board fees (\$1,019,713). The issue of the Shares to the Non-Executive Directors has been approved by shareholders.
- (ii) On 8 March 2021, Tamboran announced a series of changes to its Board of Directors that included the naming of Richard Stoneburner as Chairman, Pat Elliott stepping down from the Chairmanship but remaining a Non-Executive Director, and the additions of Ann Diamant and Dave Siegel as new Non-Executive Directors. Relating to these moves, Stuart Lake and David King retired as Non-Executive Directors of Tamboran. Refer section 6.1.
- (iii) On 14 May 2021, Tamboran's shareholders approved the Sweetpea acquisition resulting in the issuance of 142,700,907 Shares to Longview in exchange for the Sweetpea Assets.
- (iv) In April 2021, the Board approved recommendations from the Remuneration Committee to restructure the existing remuneration structure of a number of key executives and the Board. In addition, the existing Treasury Shares and other instruments associated with the Employee Share Scheme were cancelled.



4.5 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and financial performance and position of the Company.

At the date of issue of this Prospectus, the Directors do not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of the distributable earnings, operational results and financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Directors.

For personal use only



5 RISK FACTORS

5.1 Introduction

This section 5 describes some of the potential risks associated with the Group's business and the industry and markets in which the Group operates and risks associated with an investment in Shares. The Group is subject to a number of risks both specific to the Group's business activities and of a general nature, which may, either individually or in combination, adversely impact the Group's future operating and financial performance and the value of the Group's Shares. This section does not purport to list every risk faced by the Group now or in the future. Many of these risks, or the consequences of such risks, are outside the control of the Group, the Directors and management. If one or more of these risks eventuates, then the future operating and financial performance of the Group and the value of your investment in Shares may be adversely affected.

The selection of risks outlined in this section is based on an assessment of the probability of the risk occurring, the impact of the risk on the Company should the risk materialise and the Company's ability to mitigate the risk. This assessment is based on the knowledge of Directors and management as at the Prospectus Date. There is no guarantee or assurance that the importance of the risks will not change or other risks that may adversely impact the Company will not emerge.

There can be no guarantee that the Company will achieve its stated objectives, successfully implement its business strategy, or that the forecasted financial information or any forward looking statement contained in this Prospectus will be achieved or eventuate. You should note that past performance may not be a reliable indicator of future performance.

An investment in the Company is not risk free. Before applying for Shares, you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether the Shares are a suitable investment for you having regard to your investment objectives, financial circumstances and taxation position. Before deciding whether to apply for Shares, you should read this Prospectus in its entirety and seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional advisor.

5.2 Risks specific to the Company and the industry

(a) Exploration risk

Gas exploration and development is speculative and involves elements of significant risk with no guarantee of success. There is no assurance that expenditure on activities will result in gas discoveries that can be commercially or economically exploited.

Key to Tamboran's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Exploration is subject to technical risks and uncertainty of outcome. Tamboran may not find any or may find insufficient hydrocarbon reserves and resources to commercialise, which would adversely impact the financial performance of Tamboran.

There is the risk that drilling will result in dry holes or not result in the discovery of commercially exploitable hydrocarbons. Wells may not be productive, or they may not provide sufficient revenues to return a profit after accounting for associated costs. The cost of drilling, completing, equipping and operating wells is subject to uncertainties.

For personal use only



(b) Company's business remains speculative

While the Directors will, to the best of their knowledge, experience and ability (together with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations, the ability of the Directors and management to do so may be affected by matters outside their control. This fact reflects the inherent risks of the gas industry and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.

(c) Growth strategy and net zero emissions risk

There is a risk that the Company may fail to execute its proposed growth strategy, which includes:

- de-risking the prospective resources identified within its highly prospective acreage in the Beetaloo Sub-basin including the Tamboran Assets;
- working with infrastructure partners such as Jemena to bring resources to market to meet anticipated domestic gas shortfalls and commercialising those resources; and
- adopting sustainable practices including a vision of achieving net zero emissions.

Failure to achieve growth strategies could be impacted by legal, regulatory and policy developments, failure to discover and commercially extract resources or other risks which are identified in this section 5. In particular, achievement of the Company's vision of becoming a net zero emissions producer of gas will depend on the Company being able to economically manage its carbon emissions, which could for example be impacted by availability of future revenues to fund various carbon initiatives, market pricing of carbon offsets, technological developments affecting operations and costs of implementing sustainable practices. In the event of a failure to execute its growth strategy either in part or as a whole, the Company's business and growth prospects may be adversely impacted.

(d) Operational risk

Gas development activities include numerous operational risks, including but not limited to, adverse weather conditions, environmental hazards, and unforeseen increases in establishment costs, accidents (including, for example, fires, explosions, uncontrolled releases, spills and blowouts), equipment failure, industrial disputes, technical issues, supply chain failure, labour issues, deliberate destruction, adverse production results, uncertainty in resource and reserve estimation, uncertainty in deliverability estimation, IT system failure, cyber security breaches, political opposition and other unexpected events. Drilling operations, in particular, carry inherent risk associated with, for example, unexpected geological conditions, mechanical failures or human error.

The occurrence of an operational risk event could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its development and operational programs. This, in turn, may adversely impact the Company's financial performance.

(e) Reserves and resources estimates

Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity process and development and operating costs. There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production test over the life of the field. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.

(f) Land access risk

Immediate access to the licences in which the Company has an interest, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons (including government authorities) or groups with an interest in the real property encompassed by the licences. Compensation may be required to be paid by the Company to stakeholders to allow the Company to carry out activities. The Company intends to commence mediation with certain land access holders in regards to land access arrangements for EP 136. Although the Company has budgeted compensation payments, there is no guarantee that additional amounts may not be required. Judicial or regulatory decisions and legislation could also unforeseeably restrict or delay land access.



(g) Access to infrastructure risk

Tamboran will require access to infrastructure to sell the reserves it produces. There is no guarantee that Tamboran will be able to gain access to appropriate infrastructure on commercially viable terms. Failure to obtain access to infrastructure would adversely impact Tamboran's financial performance.

(h) Development risk

In the event that Tamboran is successful in locating commercial quantities of gas, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact, then Tamboran's operational and financial performance may be negatively affected.

(i) COVID-19 impact risk

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gas price and foreign exchange rates. There is also continued uncertainty as to the ongoing and future responses of governments and authorities globally, and a further Australian economic shut down is possible. Given the economic uncertainty that remains during the COVID-19 pandemic, the Group's financial performance may be adversely impacted.

COVID-19 also poses a health risk to the Company's personnel. While to date COVID-19 has not had any material impact on the Group's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

(j) Permit risk

The Company is required to comply with a range of laws to retain its Permits and periodically renew them. Each Permit also has its own specific requirements that the Company must satisfy. Even if specific requirements are met, there is no certainty that an application for grant or renewal of a permit will be approved at all, or on satisfactory terms or within expected timeframes.

The laws relating to permits are complex and subject to changes in interpretation. Non-compliance with them could lead to the revocation of the Company's Permits and the Company cannot guarantee current Permits will be renewed or future permits will be granted.

Refer to the Solicitor's Report in Annexure B for more information on permit risks.

(k) Price of gas currency volatility

The demand for, and price of gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major gas corporations, global economic and political developments and other factors all of which are beyond the control of the Company. As such, it is impossible to predict future commodity prices with confidence. International gas prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect gas price are unrest and political instability in countries that have increased concern over supply.

(l) Policy risk

The Company's business is affected by government policy, which in turn may be influenced by international policies and laws. While the Company considers that Federal Government's current policy is supportive of the development of Australia's natural gas resources, there is no guarantee that this stance will not change in the future. In particular, there is a risk that the Federal Government could shift its domestic or international policy.



International policy developments have the potential to have an indirect impact on the Company's operations, given that domestic policy makers might have regard to those developments in helping to formulate and in setting the direction of local policy. For example, the International Energy Agency recently released a report in relation to its recommendations for a pathway to achieve global net zero emissions by 2050 includes a key recommendation that no new oil and gas projects should be developed. It is unknown what impact the report might have, if any, on domestic policy development for natural gas. A shift in energy policy announced and adopted by the Northern Territory Government in relation to natural gas or the development of the Beetaloo Basin would pose a similar risk. The Northern Territory Government had previously imposed a moratorium on the operations in the Beetaloo Sub-basin, which ended in 2018 following a scientific inquiry and certain recommendations (which are described in detail in section 7 of the Solicitor's Report).

Shifts in government policy could have varying degrees of impact on the Company's operations and its profitability and could range from loss or reduction in industry incentives, preventing infrastructure development to moratoriums on future gas development in specific areas or across the Beetaloo Sub-basin.

(m) Regulatory risk

Tamboran must comply with relevant laws and regulations in each jurisdiction it operates as it applies to the environment, tenure, land access, landholders and native title holders. Non-compliance with these laws and regulations and any special licence conditions could result in suspension of operations, loss of permits or financial penalties. Non-compliance may impact Tamboran's ability to commercialise or retain its assets, which may in turn impact its operational and financial performance.

Changes to these requirements (including, for example, new requirements relating to climate change, environmental protection and energy policy, and the Northern Territory Government's commitment to implement the recommendations from the Final Report of The Scientific Inquiry into Hydraulic Fracturing) may restrict or affect Tamboran's right or ability to conduct its activities.

The exploration of the Tamboran Assets are dependent upon the maintenance (including renewal) of the relevant permits. Maintenance of the permits is dependent on, among other things, meeting the permit conditions imposed by the relevant authorities including compliance with work program and expenditure requirements. No assurance can be given that such title and access rights are not subject to unregistered, undetected or other claims or interests which could be materially adverse to the Tamboran Assets. Further titles or access rights may be disputed, which could result in costly litigation or disruption of the Company's operations.

(n) Competition risk

The Company competes with numerous other organisations in the search for, and the acquisition of, gas assets. The Company's competitors include gas companies that have substantially greater financial resources, staff and facilities than those of the Company and a longer operating history. The Company's ability to increase its reserves in the future will depend not only on its ability to explore and develop its current acreage and concession areas, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling.

There is also no guarantee that the Company will be able to compete effectively with future competitors, including from organisations specialising in alternative sources of energy. Future competition may adversely impact the Company's financial performance.

(o) Product risk

There is a risk that any gas resource identified may not be of sufficient quality to develop commercial mining operations, which could have an adverse impact on the Company. There are also risks that action gas products produced and sold will differ from the Company's expectations.

(p) Decommissioning risk

Decommissioning costs may be incurred at the end of the operating life of gas assets. The exact decommissioning costs are uncertain and can vary due to a number of factors, including changes to legal requirements, new restoration techniques or experience at other sites. The timing, extent and amount of expenditure is subject to change which requires significant estimates and assumptions to determine the provisions for decommissioning.



(q) Financial resources

The Company currently does not have any operating revenue and may not generate any revenue in the short to medium term. The Board believes that its existing cash resources, together with the proceeds from the Offer, will be sufficient to progress its business plans. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of work programs and development of its assets or force the Directors to pursue less attractive funding alternatives.

(r) Access to funding for operations risk

Tamboran has no operating revenue. As is typical for exploration companies that do not have cash generating businesses, Tamboran's ability to meet its on-going operating costs and capital expenditure requirements will ultimately involve expenditure that exceeds the estimated cash resources that Tamboran is expected to have.

Development of gas reserves and resources require significant capital and operational expenditure. With future growth, the Company may require funding for future commitments. There can be no assurance that the Company will be able to obtain funding as and when required on commercially acceptable terms, or at all. Failure to obtain funding on a timely basis and on reasonably acceptable terms may also cause the Company to miss out on new opportunities, delay or cancel projects, or to relinquish or forfeit rights in relation to the Company's assets, adversely impacting its operational and financial performance. Also refer to the going concern information as set out in section 4.1.

(s) Community opposition risk

Given community opposition to certain gas projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such action by community opposition may include undertaking legal proceedings, media campaigns and protests.

(t) Native title and heritage risk

The Company will be required to comply with the *Native Title Act 1993* (Cth) because native title has been judicially determined for land underlying the granted exploration tenements. Consultation and negotiations have occurred, leading to exploration agreements. Further agreements will be required for any production phase, but the exploration agreements anticipate production and provide the parameters for those negotiations and outcomes. The Company will also be required to comply with the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) (ALRA) for tenement applications over Aboriginal freehold. Compliance with the either legislative regime and their respective requirements for negotiation and agreement can significantly delay the grant of exploration and production tenements, and substantial compensation may be payable as part of any agreement reached. Applications for exploration tenements over Aboriginal freehold can also be vetoed under the ALRA. These legislative regimes may affect the existing or future activities of the Company and impact on its ability to develop projects and on its operational and financial performance.

In addition, the Company will also need to comply with the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT), the *Heritage Act 2011* (NT), the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth), and the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth). Sacred sites and heritage have been identified within areas covered by the tenements in which the Company has an interest, and other such sites may exist. Destruction, disturbance, or harming protected sites and artefacts may result in the Company incurring significant civil and/or criminal penalties, which may adversely impact the Company's activities.

(u) Reliance on gas development and production activity

Tamboran is an explorer and developer of hydrocarbons, with a focus on natural gas development in Australia. The level of activity in the gas industry may vary and is principally affected by the prevailing or predicted future gas prices, market demand and other factors. These other factors, including economic growth, the cost and availability of other energy sources (including renewable energy) and changes in energy technology and regulation, affect the industry. The future growth of the Company is dependent on the continued economic importance of gas, development and production industry in Australia and internationally (as it relates to LNG trade).

Any substantive and prolonged changes to the current economic importance of gas development and production industry in Australia would be likely to have an adverse effect on the business, financial condition and profits of the Company.

For personal use only



(v) Personnel

The success of the Company is dependent on the continued efforts of its management team, who are responsible for formulating and implementing the Company's growth strategy, corporate development and overall business strategy, and who have been instrumental in the growth and expansion of the business to date. To facilitate further growth, the Company will also rely on its ability to attract and retain skilled employees.

The loss of key personnel could have a material adverse impact on the Company's operations because other (new) personnel may not have the experience and expertise to readily replace these individuals. Further, as the Company executes its development and operational programs, Tamboran will need to hire complementary personnel. Outside searches for new personnel may be prolonged, and the Company cannot provide assurance that the Company would be able to locate and hire qualified individuals. The impact of this risk factor could materially impact the Company's business, in particular if it is unable to recruit suitable replacements in a timely manner.

(w) Environmental risk

Despite efforts to conduct activities in an environmentally responsible manner and in accordance with applicable laws, there is a risk that gas activities may cause harm to the environment which could impact production or delay future development timetables.

The Company is also subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Changes to environmental laws may result in the cessation or reduction of the Company's activities, materially increase development or production costs or otherwise adversely impact the Company's operations, financial performance or prospects. Penalties for failure to adhere to requirements and, in the event of environmental damage, remediation costs can be substantive and may not, in its entirety, be insurable. Compliance with these laws requires significant expenditure and non-compliance may potentially result in fines or requests for improvement action from the regulator.

In addition, if the Company were to be held responsible for environmental damage, in addition to remediation costs, it may suffer reputational damage, possible suspension or cessation of operations, revocation of permits or financial penalties.

(x) Unconventional drilling

Public debate exists regarding the potential sub surface and surface impact of unconventional drilling, including concern about the impacts of unconventional drilling water. In addition, there are many regulatory requirements to be adhered to. Unconventional drilling requires large volumes of water (the availability and regulation of which may change over time) and there are costs associated with water disposal that may be required should the Company produce water in its wells. As more impacts of unconventional drilling are fully understood, it may be subject to additional regulations or restrictions from local, state, or federal governmental authorities, resulting in increased compliance costs. Any modification to the current requirements may adversely impact the value of the Company's assets and future financial performance.

(y) Contract risk

Any failure by counterparties to perform their obligations may have a material adverse effect on the Company and there can be no assurance that it would be successful in enforcing any of its contractual rights through legal action.

In addition, any insolvency of a counterparty to any contracts may have a material adverse effect on the Company and there can be no assurance that it would be successful in enforcing any of its contractual rights through legal action or recovering all or any monies owned by that counterparty (including under any claim for damages).

(z) Health and safety risk

Gas operations, such as drilling, are inherently hazardous. In addition to the risk of injury or damage to persons or property, health and safety failures represent a substantial reputational and regulatory risk for the Company. Furthermore, if any Company personnel are injured while undertaking gas operations, the Company may be financially liable to the individual. This would adversely impact the Company's financial performance.



(aa) Counterparty exposure and joint ventures

The financial performance of the Company is subject to its various counterparties or joint venture partner (i.e. Santos QNT) to perform its obligations under the relevant contracts and the EP 161 JV. If one of its counterparties or Santos QNT fails to perform their contractual obligations, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance.

(bb) Climate change risk

There has been increasing concern by the public and regulators globally on climate change issues. As a gas development company, Tamboran is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, Tamboran will find it difficult to commercialise any resources it discovers.

In 2019, approximately 21% of Australia's total electricity generation was from renewable energy sources, including wind, solar and hydro. The share of renewables in total electricity generation in 2019 was the highest since levels recorded in the early 1970s. Solar and wind have been the primary drivers in more than doubling renewable generation expansion over the last decade. Continued expansion of renewable sources of electricity may reduce the expansion of GPG used in commercial, mining, residential and other consumer sectors.

Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. Physical risks, depending on their severity, could delay or prevent Tamboran's ability to conduct its activities.

The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect Tamboran's operating and financial performance.

5.3 Specific risks in relation to the Sweetpea Assets

Overriding Royalties and Area of Mutual Interest Obligation

The Sweetpea Assets are subject to overriding royalty interests (ORRI) and an Area of Mutual Interest (AMI) obligation, granted in favour of parties that give the holders certain contractual rights (such as to receive a share of revenue/profits) in respect of gas produced from the land within a permit. At acquisition, the aggregate ORRI totals 7% of revenue and the AMI provides for grant of additional ORRIs where additional acreage is acquired by Sweetpea or its shareholder within a specified area contiguous to EP 136, EP 143 and EP(A) 197. Portions of the 7% ORRI may be reduced over time to an aggregate 3% ORRI, and the obligations with respect to the AMI eliminated through cash payments made by Tamboran totalling approximately US\$17 million. Payment dates and amounts vary as outlined in the agreements, but generally run from 2021 to 2025. Tamboran currently anticipates exercising its rights to reduce the ORRIs and eliminate the AMI. However, there is no guarantee that the Company will have sufficient funds to pay these obligations as they contractually arise or the Company may choose, or be forced by circumstance, to expend funds on other opportunities, which would result in these ORRIs and the AMI remaining in place resulting in less revenue/profits accruing to shareholders.

5.4 General investment risks

(a) Force majeure events

Events may occur within or outside Australia that could impact upon the global, Australian and other local economies, the operations of the Company and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, pandemic, floods, extreme weather, water contamination, earthquakes, labour strikes, war, natural disasters, outbreaks of disease, quarantine restrictions or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business.

In most cases, these risks cannot be insured against and when they are insurable, there is no guarantee that insurance claims will be made in all circumstances or that available insurance proceeds will cover every aspect of loss or damage.

For personal use only



(b) Exposure to general economic and financial market conditions

Once the Company becomes a publicly listed company on the ASX, it will be subject to the general market risk that is inherent in all securities traded on a stock exchange. This may result in fluctuations in the Share price that are not explained by the Company's fundamental operations and activities. There is no guarantee that the price of the Shares will increase following quotation on ASX or that an active trading market will develop in Shares. There is also no guarantee that the shares offered under this Prospectus will be profitable or result in the return of capital.

Some of the factors which may adversely impact the price of the Shares include:

- general market conditions, including investor sentiment;
- general economic conditions including interest rates, and exchange rates, changes to government fiscal, monetary or regulatory policies and settings;
- changes in government or ASX regulation or policies;
- changes in interest rates;
- unemployment;
- consumer sentiment;
- the strength of the Australian equities markets;
- natural disasters;
- acts of terrorism;
- financial failures;
- actual or anticipated fluctuations in the Company's financial performance and those of other public companies in its sector;
- changes in accounting principles;
- inclusion in or removal from market indices; and
- general operational and business risks.

Deterioration in general economic conditions may adversely impact on the Company's business operations and the price of the Shares after Listing as well as the Company's ability to pay dividends and the consequent returns from an investment in Shares. As a result, the Company is unable to forecast the market price for Shares and they may trade on the ASX at a price that is below the Offer Price.

(c) Trading and liquidity in Shares

Prior to the Offer, there has been no public market in the Shares. The Shares will only be listed on the ASX and will not be listed for trading on any other securities exchange in Australia or elsewhere. There can be no guarantee that an active trading market for Shares will develop or that the market price of Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. Furthermore, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading a relatively small number of Shares. If illiquidity arises, there is a real risk that security holders will be unable to realise their investment in the Company.

As at the date of this Prospectus, the Company expects approximately 285,082,566 Shares comprising approximately 44% of Shares on Minimum Subscription and 43% on Maximum Subscription on completion of the Offer may be subject to mandatory escrow restrictions. In addition, each of Baupost and Lion Point are subject to voluntary escrow arrangements in relation to their Shares, details of which are set out in section 9.6. The absence of any sale of these Shares during the relevant escrow period may cause, or contribute to limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares. Furthermore and regardless of the number of Shares subject to escrow (and the duration of the applicable escrow period), there is no guarantee that there will be an ongoing liquid market for the Shares. If illiquidity arises, there is a risk that Shareholders will be unable to realise their investment in the Company.

Following the end of the relevant escrow period, a significant sale of Shares by Baupost or Lion Point, or the perception that such sales might occur, could adversely affect the market price for the Shares. Alternatively, the absence of any sale of Shares by Baupost or Lion Point Private in the period following the relevant escrow period may cause or contribute to a diminution in the liquidity of the market for the Shares.

(d) No dividend or other distribution in the near term

As disclosed in section 3.16, the Directors do not in the near future intend to pay profits of the Company out in the form of dividends or other distributions but will instead reinvest those amounts into development of the business and



to execute the Company's growth strategies. Accordingly, any investment in the Shares may not carry with it income returns in the form of dividends or other distributions and any returns will be limited to any capital growth arising from any increase in the price of the Shares.

(e) Exposure to changes in tax rules or their interpretation

Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australia's tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty. The precise scope of many of the new and proposed tax laws is not yet known. Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax and the Company's ability to claim research and development offsets) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law and practice that impact the Company, or the Company's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by the Company which is contrary to that of a revenue authority in Australia may give rise to additional tax payable. In order to minimise this risk, in areas of uncertainty, the Company obtains external expert advice on the application of the tax laws to its operations (as applicable); however, there is no certainty that the interpretations of tax revenue authorities will accord with that advice.

(f) Accounting standards

Australian Accounting Standards are set by the AASB and are outside the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect future measurement and recognition of key statement of comprehensive income, and statement of financial position items.

There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of comprehensive income, and statement of financial position items may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the future reporting of financial performance and position of the Company.

(g) Shareholder dilution

In the future, the Company may elect to issue Shares to raise further funding. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such fundraisings and Shareholders may experience a loss in value of their equity as a result of such issues of shares and fundraisings.

(h) Litigation

From time to time, the Company may be involved in litigation, for example where a contractual counterparty makes a claim for a loss due to a breach of contract by the Company. This litigation may include, but is not limited to, contractual claims and employee claims. If a claim is pursued against the Company, the litigation may adversely impact on the performance of the Company. Any claim, whether successful or not, may adversely impact on the Company's share price and/or financial performance.

(i) Climate change

There has been increasing concern by the public and regulators globally on climate change issues. As a gas exploration company, Tamboran is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, Tamboran will find it difficult to commercialise any resources it discovers. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. Physical risks, depending on their severity, could delay or prevent Tamboran's ability to conduct exploration and development activities. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect Tamboran's operating and financial performance.



6 KEY INDIVIDUALS, INTERESTS AND BENEFITS

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including sector and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board are set out in the table below.

Director	Experience and background
Mr Richard Stoneburner (Independent Non-executive Chairman)	<p>Mr Stoneburner joined the Board of Tamboran as a Non-Executive Director in September 2014. He has over 35 years' experience in petroleum geology. He is a former co-founder, President and Chief Operating Officer of Petrohawk Energy Corporation and President of North America Unconventional Production Division for BHP Billiton Petroleum. Prior to co-founding Petrohawk, Mr Stoneburner was Vice President, Exploration, for 3Tec Energy Corporation and worked for several E&P companies, including Hugoton Energy Corporation, W/E Energy Company, Stoneburner Exploration Inc and Texas Oil & Gas.</p> <p>Mr Stoneburner has a Bachelor of Science (Geological Sciences) from the University of Texas, a Master of Science (Geology) from Wichita State University and has most recently been a member of the American Association of Petroleum Geologist's Distinguished Lecturer Series. He is currently a director of a number of oil and gas exploration and production companies.</p>
Mr Joel Riddle (Managing Director)	<p>Mr Riddle joined Tamboran as Chief Executive Officer in 2013 and was appointed to Managing Director in 2018. He has more than 25 years' experience in the upstream oil and gas industry and was previously with Cobalt International Energy, where he worked closely with executive management in the initial evaluation and implementation of the exploration growth strategy in the Gulf of Mexico and West Africa, playing an instrumental role in Cobalt's \$1 billion initial public offering in 2009 and subsequent capital raising efforts in 2010 and 2011. Mr Riddle also served various technical and leadership roles at ExxonMobil, Unocal and Murphy Oil.</p> <p>Mr Riddle holds a Bachelor of Science (Mechanical Engineering) with Honours from the University of Florida and a Master of Business Administration from the University of Chicago.</p>

For personal use only



Director	Experience and background
Mr Fred Barrett (Independent Non-executive Director)	<p>Mr Barrett joined the Board of Tamboran as a Non-Executive Director in September 2014. He is an oil and gas professional and entrepreneur who recently retired from Bill Barrett Corporation, an exploration and production company he helped found in 2002 and which is listed on the New York Stock Exchange. Mr Barrett spent 12 years at Bill Barrett Corporation where he was instrumental in its growth into a 300+ employee organization and its successful float on the NYSE. He acted as President and as an executive director of Barrett Corporation through 2006, and CEO, Chairman of the Board and President from 2006 to 2013. Mr Barrett has extensive technical and geological expertise in unconventional resources and a deep commercial understanding of the unconventional gas industry.</p> <p>Mr Barrett has a Bachelor of Science (Geological Sciences) from Ft Lewis College, a Master of Science (Geological and Earth Sciences/Geosciences) from Kansas State University and an Advanced Management Degree from Harvard Business School. Mr Barrett has previously worked for The Williams Companies, Barrett Resources and Terred Oil.</p>
Mr Daniel Chandra (Non Independent Non-executive director)	<p>Mr Chandra joined the board of Tamboran in April 2019. Mr Chandra is currently a senior investment professional at Lion Point Capital, a value-focused investment fund based in New York City. He has over twenty years of investing experience across a range of industries and in equity, credit, and distressed debt. Mr Chandra previously worked as a senior analyst and portfolio manager at DW Partners and at DW's predecessor Brevan Howard.</p> <p>Mr Chandra received a Bachelor of Arts (Economics) from Stanford University and a Master of Business Administration from The Wharton School, University of Pennsylvania.</p>
Ms Ann Diamant (Independent Non-executive director)	<p>Ms Diamant joined Tamboran as a non-executive Director in February 2021. Ms Diamant has more than 35 years' experience in the oil and gas and investment banking industries. She joined ASX listed Oil Search Limited in 2003 and was responsible for developing and implementing Oil Search Limited's highly regarded investor relations strategy. From 2010 to 2019, in addition to investor relations, she was also head of the corporate communications and media relations functions. Prior to her oil and gas company roles, Ms Diamant worked in investment banking, as an equities sell-side analyst, specialising in the energy sector and leading equities research teams.</p> <p>Ms Diamant has a Bachelor of Science (Colour Chemistry) with First Class Honours from the University of Leeds and a Master of Science (Management), Diploma of the Imperial College London from Imperial College, London. In 2015, Ms Diamant was appointed a Fellow of the Australian Investor Relations Association (AIRA). She served as a member of the AIRA Capital Markets Committee in 2018 to 2019 and the AIRA Best Practice Guidelines Revision Working Group in 2020.</p>



Director	Experience and background
Mr Patrick Elliott (Non-Independent Non-executive Director)	<p>Mr Elliott established Tamboran in 2009 and is a Non-Executive Director. He is formerly a co-founder and Director of ASX listed Eastern Star Gas Limited and SAPEX Limited, both successful gas exploration ventures in Australia. He is also Chairman of ASX listed Argonaut Resources NL and Cap-XX Limited. He is a Non-Executive Director of Kirrama Resources Limited and has previously been a Non-Executive Director of ASX listed Ioneer Limited. Previous experience includes Consolidated Gold Fields (Australia) Limited and Morgan Grenfell Australia Limited.</p> <p>Mr Elliott holds a Bachelor of Commerce (Accounting and Financial Systems) from the University of New South Wales and a Master of Business Administration (Mineral Economics) from Macquarie University.</p>
Mr David Siegel (Non Independent Non-executive director)	<p>Mr Siegel joined the Board of Tamboran as a Non-Executive Director in March 2021. Mr Siegel has 25 years' experience as a CEO and substantial experience in private equity and managing public companies. Mr Siegel is the chairman of and is a substantial holder in Longview and is therefore an associate of Longview.</p> <p>Mr Siegel is currently Senior Advisor to Apollo Global Management and Chairman of two Apollo portfolio companies, Sun Country Airlines and Volotea, S.A. He has previously served as CEO of the following companies: AWAS, Frontier Airlines, XOJET, Inc., Avis Budget Group, Inc., Continental Express Airlines, US Airways Group, Inc., Gategroup, A.G.</p> <p>Mr Siegel earned a Master of Business Administration (Honours) from Harvard Business School and Bachelor of Science (Applied Mathematics-Economics), magna cum laude, from Brown University.</p>

6.2 Executive management

Profiles of the key members of the Company's executive management team are set out in the table below.

Executive	Experience and background
Joel Riddle Managing Director and Chief Executive Officer	See section 6.1
Eric Dyer Chief Financial Officer	Mr Dyer has over 20 years of experience in finance in the energy, infrastructure and sustainability sectors. Mr Dyer served as Head of Energy at EAS Advisors for 10 years. Prior to EAS Advisors, he served in various investment banking and capital markets roles with firms like Atlantic-Pacific Capital, Execution LLC and IHS Markit. He served in Fixed Income Capital Markets of the Royal Bank of Canada.
Faron Thibodeaux Chief Operating Officer	Mr Thibodeaux has 39 years technical and operations experience in the energy industry. Mr Thibodeaux previously held the position of Vice President of Drilling, Completions and Engineering of Apache Corporation. He was formerly General Manager for Apache Australia and a board member of the Permian Basin Petroleum Association. Prior to working with Apache, Mr Thibodeaux worked for Chevron.
Joanna Morbey Company Secretary	Mrs Morbey is a member of the Institute of Chartered Accountants Australia and New Zealand has over 30 years' experience in accounting and company secretarial duties in the investment banking, property development and mineral exploration industries.



6.3 Directors' and management's disclosure

No Director or member of Tamboran's senior management team has been the subject of any legal or disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or member of the senior management team of Tamboran or which is relevant to an investor's decision as to whether to subscribe for Shares.

6.4 Directors' interests, benefits and remuneration

This section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer as well as the remuneration of Directors. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of the Company.

(a) Interests of advisers

The Company has engaged the following professional advisers in relation to the Offer:

- MST Financial Services Pty Ltd has acted as Lead Manager to the Offer and the fees payable to the Lead Manager pursuant to the Underwriting Agreement are described in section 9.5(b). As at the date of this Prospectus, the Lead Manager do not hold any interests in the securities of the Company;
- Squire Patton Boggs has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately \$405,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Squire Patton Boggs in accordance with its normal time-based charges;
- Ernst & Young has acted as the Investigating Accountant in connection with the Offer and has performed work in relation to the Independent Limited Assurance Report. The Company has paid, or agreed to pay, approximately \$200,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.
- Ernst & Young has also acted as tax adviser to the Company in connection with the Offer. The Company has paid, or agreed to pay, approximately \$50,000 (excluding disbursements and GST) for these services up until the Prospectus Date.
- Ward Keller has prepared the Special Purpose Tenement Report for inclusion in this Prospectus of the Native Title and Environment Report in Annexure B. The Company has paid, or agreed to pay, approximately \$50,000 (excluding disbursements and GST) for these services up until the Prospectus Date.
- JE Capital has acted as the Corporate Adviser in connection with the Offer and has performed work in relation to financing efforts. The Company has paid, or agreed to pay, approximately \$380,000 (excluding disbursements and GST) for these services up until the Prospectus Date; and



- Netherland, Sewell & Associates, Inc. has acted as the Technical Expert in connection with the Offer and has performed work in relation to the Technical Expert's Reports. The Company has paid, or agreed to pay, approximately \$167,000 (excluding disbursements and GST) for these services up until the Prospectus Date.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in section 7.4.

(b) Directors' interests and remuneration

(i) Managing Director and Chief Executive Officer

Mr Joel Riddle is employed as Managing Director and Chief Executive Officer. See section 6.5 for further details.

(ii) Directors' appointment letters

Each Non-Executive Director has entered into appointment letters with the Company, confirming the terms of the appointments, their roles and responsibilities and the Company expectations of them as Directors.

(iii) Non-Executive Directors remuneration

Under the Constitution, the Company in a general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of directors fees paid to the Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

The Company's Constitution provides that the remuneration of Non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. Initially, and until a different amount is determined by Shareholders, the maximum aggregate Non-executive Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is \$1,000,000 per annum. This amount excludes, among other things, amounts payable to any executive Director under any executive services agreement with the Group or any special remuneration which the Board may granted to the Directors for special exertions or additional services performed by a Director for or at the request of the Company. The remuneration of a Director (who is not the Chief Executive Officer or an Executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

The following annual base fees are payable to Directors:

Director fees per annum including statutory entitlements	\$
Chairman	220,000
Non-Executive Director	110,000

The following annual committee fees are payable to the Chairman of the following Committees (with effect from Completion):

Committee fees	Chairman fee (\$)
Audit and Risk Management Committee	25,000
Remuneration Committee	25,000
Nomination and Governance Committee	25,000
Sustainability Committee	25,000

Directors will receive additional fees for being a member of a Board committee of \$12,500 per annum.

All Directors' fees include superannuation payments required by law to be made. Non-Executive Directors do not receive performance based remuneration.

Mr Joel Riddle does not receive any fees in his capacity as a Director.

For personal use only



(iv) Deeds of Access, Insurance and Indemnity

The Company has entered into a deed of access, indemnity and insurance with each Director. Each deed contains the Director's right of access to certain books and records of the Company or Group Company for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or Group Company. This seven-year period can be extended where certain proceedings or investigations commence before the seven year period expires.

Pursuant to the Constitution, the Company must indemnify all Directors, executive officers and other officers, past and present, against all liabilities incurred as an officer of the Company or Group Company to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company indemnifies each Director against any liability that may arise from their position as an officer of the Company or Group Company, to the extent permitted by law. The deed provides that the Company must meet the full amount of any such liabilities, including legal costs that are reasonably incurred, charges and expenses.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or Group Company. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

In this summary, "Group Company" means the Company, a subsidiary of the Company, any companies which are 50% or more owned directly or indirectly by any other Group Company, or any partnership or unincorporated joint venture in which any Group Company or a related body corporate of the Company has an interest of 50% or more.

For personal use only



(v) **Directors' interests in Shares and other securities**

The Directors are not required by the Constitution to hold any Shares.

The Directors' interests in Shares and other securities in the Company as at the Prospectus Date and as at Completion are set out in the table below:

On the Prospectus Date					
Director or key executive ¹	Shares	RPS ²	Options ³	% (un-diluted) ⁴	% (fully diluted) ⁴
Richard Stoneburner, Non-Executive Chairman	1,317,145	156,250	483,393	0.3%	0.4%
Joel Riddle, Managing Director	3,810,111	-	19,767,500	0.8%	4.4%
Fred Barrett, Non-executive Director	1,907,881	220,777	733,393	0.4%	0.5%
Daniel Chandra, Non-executive Director	1,605,735	312,500	233,393	0.4%	0.4%
Ann Diamant, Non-executive Director	276,522	-	233,393	0.0%	0.1%
Patrick Elliott, Non-executive Director	21,256,470	1,562,500	233,393	4.6%	4.3%
David Siegel, Non-executive Director ⁵	142,700,907	-	233,393	28.5%	26.6%
Eric Dyer, Chief Financial Officer	2,237,432	312,500	8,000,000	0.5%	2.0%
Ms Joanna Morbey, Company Secretary	214,163	312,500	233,393	0.1%	0.1%
Total	175,326,366	2,877,027	30,151,251	35.6%	38.8%

Notes

1. Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
2. All RPS will convert to Shares on a one for one basis on or before Completion of the Offer.
3. All Options convert to Shares on exercise on a one for one basis.
4. Undiluted refers to the number of shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.
5. Inclusive of 142,700,907 Shares held by Longview, a company which is controlled by David Siegel.



For personal use only

Minimum Subscription on Completion				
Director or key executive ¹	Shares ²	Options ³	% (un-diluted) ⁴	% (fully diluted) ⁴
Richard Stoneburner, Non-Executive Chairman	2,116,102	483,393	0.3%	0.4%
Joel Riddle, Managing Director	3,810,111	19,767,500	0.6%	3.4%
Fred Barrett, Non-executive Director	2,189,715	733,393	0.3%	0.4%
Daniel Chandra, Non-executive Director	1,918,235	233,393	0.3%	0.3%
Ann Diamant, Non-executive Director	401,522	233,393	0.1%	0.1%
Patrick Elliott, Non-executive Director	23,318,970	233,393	3.5%	3.5%
David Siegel, Non-executive Director ⁵	145,477,429	233,393	22.4%	21.2%
Eric Dyer, Chief Financial Officer	2,549,932	8,000,000	0.4%	1.5%
Ms Joanna Morbey, Company Secretary	1,026,663	233,393	0.2%	0.2%
Total	182,808,679	30,151,251	28.1%	31.0%

See notes below.



For personal use only

Maximum Subscription on Completion				
Director or key executive ¹	Shares ²	Options ³	% (un-diluted) ⁴	% (fully diluted) ⁴
Richard Stoneburner , Non-Executive Chairman	2,116,102	483,393	0.3%	0.4%
Joel Riddle , Managing Director	3,810,111	19,767,500	0.6%	3.4%
Fred Barrett , Non-executive Director	2,189,715	733,393	0.3%	0.4%
Daniel Chandra , Non-executive Director	1,918,235	233,393	0.3%	0.3%
Ann Diamant , Non-executive Director	401,522	233,393	0.1%	0.1%
Patrick Elliott , Non-executive Director	23,318,970	233,393	3.5%	3.5%
David Siegel , Non-executive Director ⁵	145,477,429	233,393	21.9%	20.7%
Eric Dyer , Chief Financial Officer	2,549,932	8,000,000	0.4%	1.5%
Ms Joanna Morbey , Company Secretary	1,026,663	233,393	0.2%	0.2%
Total	182,808,679	30,151,251	27.6%	30.5%

Notes

- Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
- Share numbers include commitments from Directors and key executive to subscribe for Shares under the Offer. All RPS will convert to Shares on a one for one basis on or before Completion of the Offer.
- All Options convert to Shares on exercise on a one for one basis.
- Undiluted refers to the number of shares on issue and fully diluted refers to the number of Shares and Options on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested Options.
- Inclusive of 142,700,907 Shares held by Longview, a company which is controlled by David Siegel.

Between the Prospectus Date and Completion, the Company will convert all RPS to Shares on a one for one basis. All Options convert to Shares on exercise on a one for one basis. A summary of the terms of the Options including the Milestone Options are set out in section 7.21.

The Directors (and their associated entities) are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors (and their associated entities) may acquire under the Offer.

Final shareholdings held directly or indirectly by the Directors (and their associated entities) will be notified to ASX following Listing.

(vi) Other information about Directors' interests and benefits

Directors may also be reimbursed travel and other expenses incurred in attending to company affairs, including attending and returning from general meetings or meetings of the Board or committees of the Board. A Director who performs additional or special duties for the Company at the request of the Board may be paid such additional or special remuneration (as determined by the Board).

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.



6.5 Executive remuneration

The key management personnel of the Company are Mr Joel Riddle (Managing Director and Chief Executive Offer) and Mr Eric Dyer (Chief Financial Officer). Their employment arrangements are set out below.

(a) Managing Director and Chief Executive Officer

Term	Description
Employer	Tamboran Resources Limited
Fixed annual remuneration	\$625,000
Other benefits	<p>3,267,500 Options at \$0.32, fully vested, expiring on 20 May 2026.</p> <p>5,500,000 Options at \$0.2367, fully vested, expiring on 20 May 2026.</p> <p>11,000,000 Milestone Options at \$0.40, unvested, expiring on the Milestone Option Expiry Dates.</p> <p>In the event of a change of control, the Board may in its discretion determine that all or a portion of the Managing Director's Milestone Options are to vest immediately or at a future time.</p> <p>In the event that the Managing Director's employment is terminated and he is a bad leaver, the Board may determine that all or a portion of the unvested Milestone Options are to lapse immediately or at a future time. In the event the Managing Director is a good leaver, the Board may in its discretion determine that all or a portion of the Managing Director's Milestone Options are to vest immediately or at a future time.</p> <p>A summary of the terms of the Options including the Milestone Options are set out in section 7.21. All Options convert on a one to one basis.</p>
Notice period, termination and termination payments	Six months prior written notice for termination of employment. No other termination benefits applicable.
Non-solicitation/restrictions of future activities	<p>Must not within 12 months, 6 months, 3 months or 6 weeks (whichever is enforceable) after the termination of employment:</p> <ul style="list-style-type: none"> engage in or work for a Competing Business; without the Company's written consent, directly or indirectly interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between Tamboran and any of its clients, customers or suppliers and any prospective customers, suppliers identified by the Company; accept a request from a customer to provide services relating to a Competing Business; and induce, encourage or solicit any of the Tamboran's employees, contractors or agents where there is a business relationship at any time during the last 12 months of employment to leave employment or agency or to cease providing services to the Company.

Note: The above is indicative only based on the current proposed employment arrangement and may change.

For personal use only



(b) Chief Financial Officer

Term	Description
Employer	Tamboran Resources Limited
Fixed annual remuneration	\$500,000
Other benefits	<p>3,000,000 Options at \$0.32, fully vested, expiring on 20 May 2026.</p> <p>5,000,000 Milestone Options at \$0.40, unvested, expiring on the Milestone Option Expiry Dates.</p> <p>In the event of a change of control, the Board may in its discretion determine that all or a portion of the CFO's Milestone Options are to vest immediately or at a future time. All Options convert on a one to one basis.</p> <p>In the event that the CFO's employment is terminated and he is a bad leaver, the Board may determine that all or a portion of the unvested Milestone Options are to lapse immediately or at a future time. In the event the CFO is a good leaver, the Board may in its discretion determine that all or a portion of the CFO's Milestone Options are to vest immediately or at a future time.</p> <p>A summary of the terms of the Options including the Milestone Options are set out in section 7.21.</p>
Notice period, termination and termination payments	Three months prior written notice for termination of employment. No other termination benefits applicable.
Non-solicitation/ restrictions of future activities	<p>Must not within 12 months, 6 months, 3 months or 6 weeks (whichever is enforceable) after the termination of employment:</p> <ul style="list-style-type: none"> engage in or work for a Competing business; without the Company's written consent, directly or indirectly interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between Tamboran and any of its clients, customers or suppliers and any prospective customers, suppliers identified by the Company; accept a request from a customer to provide services relating to a competing business; and induce, encourage or solicit any of the Tamboran's employees, contractors or agents where there is a business relationship at any time during the last 12 months of employment to leave employment or agency or to cease providing services to the Company.

Note: The above are indicative only based on the current proposed employment arrangement and may change.

For personal use only



6.6 Related party agreements

(a) Director Protection Deeds

The Company has entered into officer protection deeds on standard terms with each of its current Directors. The deeds indemnify the Directors in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insure them against certain risks that they are exposed to as a Director.

Subject to the Corporations Act and applicable law, the Company will also pay the insurance premiums to insure each Director against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

(b) Escrow Agreements with each related party that holds restricted securities

The Company expects to enter into escrow agreements with each of the Directors that hold restricted securities. For further information on restricted securities please see section 9.6.

(c) Executive Services Employment Agreement with Mr Joel Riddle

Mr Joel Riddle entered into an employment agreement dated 25 April 2021 with the Company to govern his engagement as Managing Director of the Company. Details of Mr Riddle's remuneration pursuant to the agreement is in section 6.5(a).

6.7 Corporate governance

(a) Overview

This section 6.7 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget).

(b) Copies of the Company's key policies and practices and the charters for the Board and each of its committees will be available at [http://www.tamboran.com/.Corporate governance framework](http://www.tamboran.com/.Corporate%20governance%20framework)

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Principles and Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what (if any) alternative governance practices it adopted in lieu of the recommendation during that period. The Company intends to comply with all of the ASX Recommendations at the time of its Listing, except as set out below.



ASX Recommendation	Response
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Company considers that the composition of the Board is appropriate given the size and specialist nature of the Company's business. The Board considers that Tamboran is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive directors.</p>
<p>Recommendation 4.1 The board of a listed entity should:</p> <ul style="list-style-type: none">a) have an audit committee which:<ul style="list-style-type: none">(i) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and(ii) is chaired by an independent director, who is not the chair of the board	<p>The Audit and Risk Management Committee will comprise of Mr Patrick Elliott (Chair), Dave Siegel and Daniel Chandra. Each of these directors is a non-executive director who is not independent. The Company considers that the commercial, accounting and finance experience offered by these directors is valuable to the Audit and Risk Management Committee. The Company considers that, due to the size and scale of the Company's operations, partial compliance with the recommendation will not be detrimental to the Company.</p>
<p>Recommendation 7.1 The board of a listed entity should:</p> <ul style="list-style-type: none">a) have a committee or committees to oversee risk, each of which:<ul style="list-style-type: none">(i) has at least three members, a majority of whom are independent directors; and(ii) is chaired by an independent director	<p>Refer to the response above.</p>
<p>Recommendation 8.1 The board of a listed entity should:</p> <ul style="list-style-type: none">a) have a remuneration committee which:<ul style="list-style-type: none">(i) has at least three members, a majority of whom are independent directors; and(ii) is chaired by an independent director	<p>The Remuneration Committee will comprise of Dave Siegel (Chair), Ann Diamant and Fredrick Barrett. Ann Diamant and Fredrick Barrett are independent however the Chair Dave Siegel is not independent. The Company has appointed Dave Siegel as Chair given his background, skills and experience.</p>

For personal use only



6.8 The Board of Directors

The name and biographical details of the current members of the Board of Directors are contained in section 6.1.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director without constraint having regard to their other commitments.

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time and will disclose any change to the ASX, as required by the ASX Listing Rules. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that each of:

- Richard Stoneburner (Chair);
- Ann Diamant; and
- Fredrick Barrett,

are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Dave Siegel is currently considered by the Board not to be independent due to the size of his indirect holding of Tamboran Shares.

Joel Riddle is the Chief Executive Officer of Tamboran.

Daniel Chandra is not considered independent as he is a nominee Director representing Lion Point, a substantial shareholder.

Patrick Elliott is not considered independent as he was a substantial holder within the previous 12 months.

(a) Board Charter

The Board Charter adopted by the Board provides a framework for the effective operation of the Board and sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board.

The Board retains ultimate accountability to Shareholders in discharging its duties. The Board collectively, and each Director individually, has the right to seek independent professional advice subject to approval.

(b) Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities.

To assist in carrying out its responsibilities, the Board has established:

- Audit and Risk Management Committee;
- Nomination and Governance Committee;
- Remuneration Committee; and
- Sustainability Committee.

Other committees may be established by the Board as and when required.

Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.



(i) Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's financial reporting, internal control structure, risk management systems and internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Audit and Risk Management Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

Except to the extent specified in section 6.7(b), the Company will comply with the recommendations set by the ASX Corporate Governance Council in relation to the composition and operation of the Audit and Risk Management Committee. The Audit and Risk Management Committee will comprise of Mr Patrick Elliott (Chair), Dave Siegel and Daniel Chandra.

(ii) Nomination and Governance Committee

The role of the Nomination and Governance Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's nomination policies and practices.

This includes reviewing and making recommendations to the Board on policies related to the Directors and senior executives. The Nomination and Governance Committee is also responsible for overseeing the annual Corporate Governance Statement and Appendix 4G for disclosure in accordance with the ASX Listing Rule 4.10.3 and recommend it to the Board for approval. In addition, the Nomination and Governance Committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The Company will comply with the recommendations set by the Listing Rules and the ASX Corporate Governance Council in relation to the composition and operation of the Nomination and Governance Committee. The Nomination and Governance Committee will comprise of Fredrick Barrett (Chair), Ann Diamant and Daniel Chandra.

(iii) Remuneration Committee

The role of the Remuneration Committee is to assist the Board in fulfilling its responsibilities for overseeing the Company's remuneration policies and practices.

This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior executives. The Remuneration Committee is also responsible for administering short term and long-term incentive plans (including any equity plans. Independent advice will be sought where appropriate).

Except to the extent specified in section 6.7(b), the Company will comply with the recommendations set by the Listing Rules and the ASX Corporate Governance Council in relation to the composition and operation of the Remuneration Committee. The Remuneration Committee will comprise of Dave Siegel (Chair), Ann Diamant and Fredrick Barrett.

(iv) Sustainability Committee

The role of the Sustainability Committee is to assist the Board in fulfilling its responsibilities for the oversight of Tamboran's sustainability policies and reviewing and updating the Tamboran Sustainability Plan.

This includes overseeing, reviewing and monitoring and reviewing Tamboran's practices and governance in relation to:

- safety;
- occupational health;
- sustainability;
- environment;
- climate change; and
- human rights and security of communities, employees and operations.

The Sustainability Committee will oversee the annual production of a Sustainability Report. Independent advice will be sought where appropriate. The Sustainability Committee will comprise of Ann Diamant (Chair), Patrick Elliott and Fredrick Barrett.



6.9 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles.

Tamboran's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet Tamboran's needs.

(a) Continuous Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately advise ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company has adopted a Disclosure Policy to take effect from Listing, which reinforces the Company's commitment to its continuous disclosure obligations, and describes the processes in place that enable the Company to provide Shareholders with timely disclosure in accordance with those obligations. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX, and copies of the Company's announcements to ASX will be available on the Company's website.

(b) Shareholder Communication Policy

The Company aims to keep Shareholders informed of major developments affecting the Company. The Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company will communicate information regularly to Shareholders and other stakeholders through a range of forums and publications, including the Company's website, at the Company's Annual General Meeting and through the Company's Annual Report and ASX announcements.

(c) Securities Trading Policy

The Company has adopted a Securities Trading Policy that is intended to explain the types of conduct in relation to dealing in securities that are prohibited by law and establish procedures for the buying and selling of securities to ensure that public confidence is maintained in the reputation of the Company and the Company's Directors and employees, and in the trading of the Company's securities.

The Securities Trading Policy provides that Directors, employees and contractors must not deal in the Company's securities when they are aware of 'inside' information. Directors and certain restricted employees must not deal in the Company's securities during any of the following blackout periods:

- from the close of the ASX trading day on 30 November each year, until 10:00 am (Sydney time) on the ASX trading day following the day on which the Company's half yearly results are released to the ASX;
- from the close of the ASX trading day on 31 May each year, until 10:00 am (Sydney time) on the ASX trading day following the day on which the Company's full year results are released to the ASX;
- from the close of the ASX trading day two weeks prior to the date of the Company's AGM until 10:00 am (Sydney time) on the ASX trading day following the date of the Company's AGM; and
- any other period that the Board specifies from time to time.

Directors and restricted employees must receive prior approval for any proposed dealing in the Company's securities outside of the above blackout periods (including any proposed dealing by one of their connected persons).

(d) Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct that outlines how it expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

The Code of Conduct is designed to provide a benchmark for professional behaviour throughout the Company's business, support its business reputation and corporate image within the community and make the Company's Directors and employees aware of the consequences if they breach this policy.

The Board will consider ways to support social, economic and environmental aspects of the communities in which it operates.

The Board will give due consideration to the interests and concerns of all of its stakeholders.



(e) Diversity Policy

The Board has approved a Diversity Policy, which sets out the Company's commitment to an inclusive and diverse workforce. The Company will include in its corporate governance statement each year details of the measurable objectives set under the Diversity Policy of the year to which the corporate governance statement relates, and a summary of the Company's progress towards achieving those measurable objectives.

(f) Whistle-Blower Protection Policy

The Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. This policy has been adopted to provide a safe and confidential environment where concerns can be raised by whistle-blowers without fear of reprisal or detrimental treatment.

(g) Anti-Bribery and Corruption Policy

The Company is committed to complying with all laws of the jurisdictions in which it operates, including those relating to bribery and corruption. The Anti-Bribery and Corruption Policy set out the responsibilities of the Company's personnel, including in their dealings with, and through, third parties. It addresses protection of the Company's personnel in seeking to comply with this policy, dealing with false reports, investigations, consequences for breach, examples of improper conduct, contact with government officials, donations, in-kind gifts and corporate hospitality, political and charitable contributions and sponsorships, facilitation payments and secret commissions.

(h) Australian Indigenous and Local Community Policy

The Board is committed to developing and maintaining a positive relationship with local communities, Indigenous people and representative groups where appropriate. The Board strives for its presence to be a net benefit to the local communities and Indigenous people.

(i) Drug and Alcohol Policy

The Board is committed to maintaining a safe and healthy work environment for all workers and the public at large. The Board recognises that persons under the influence of drugs and alcohol present a risk to the safety of themselves and other workers.

(j) Health, Safety, Security and Environment Policy

The Board is committed to a high standard of health, safety, security and environmental performance for the Company's employees, contractors, service providers, visitors and effected communities involved in, or impacted by, the Company's operations and work activities. The Board's objective is to design, build and operate the company's assets with sustained integrity and efficiency, through successful realisation of occupational and process safety and environmental impact reduction elements.

(k) Anti-Slavery Policy (mentioned in the Code of Conduct report)

The Board recognises the provisions of the *Modern Slavery Act 2018* (Cth), and will adopt those reporting requirements when the Board deems it is necessary.



7 DETAILS OF THE OFFER

7.1 The Offer

This Prospectus relates to an initial public offering of a minimum of 150 million Shares for issue by the Company at the Offer Price of \$0.40 per Share to raise minimum proceeds of \$60 million (before costs) (**Minimum Subscription**) and up to a maximum of 165 million Shares at the Offer Price to raise maximum proceeds of \$66 million (before costs) (**Maximum Subscription**).

The total number of Shares expected to be on issue at Completion will be 650,350,043 and 665,350,043 on the Minimum Subscription and the Maximum Subscription respectively. All Shares will rank equally with each other.

If the Minimum Subscription is achieved, the 150 million Shares offered under this Prospectus will represent approximately 23% of the Shares on issue at Completion of the Offer.

If the Maximum Subscription is achieved, the 165 million Shares offered under this Prospectus will represent approximately 25% of the Shares on issue at Completion of the Offer.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.2 Structure of the Offer

The Offer comprises:

- (a) the **Institutional Offer**, which is open only to Institutional Investors in the Permitted Jurisdictions; and
- (b) the **Broker Firm Offer**, which is open only to Australian resident investors who have received an invitation from their Broker to participate; and
- (c) the **Priority Offer**, which is open to certain Institutional Investors in the Permitted Jurisdictions who have received a Priority Offer invitation from the Company; and
- (d) the **General Offer**, which is open to members of the general public who have a registered address in Australia.

Details of the allocation policy of the Offer is set out in section 7.13.

7.3 Is the Offer underwritten?

The Offer is partially underwritten by the Lead Manager pursuant to the Underwriting Agreement, under which the Lead Manager has been appointed to arrange and manage the Offer and act as bookrunner. The Institutional Offer and Broker Firm Offer are underwritten by the Lead Manager up to an amount of approximately \$48.6 million (**Underwritten Amount**). A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement, is set out in section 9.5(b).

For personal use only



7.4 Purpose of the Offer

The purpose of the Offer is to:

- (a) enable the Company to continue its activities, focussing on the Tamboran Assets;
- (b) provide a liquid market for the Shares through a listing on ASX;
- (c) provide the Company with additional financial flexibility to pursue growth opportunities and improved access to capital markets; and
- (d) provide the Company with the benefits of an increased profile that arises from being a listed company; and
- (e) pay the costs of the Offer.

The Offer is expected to raise a minimum of \$60 million (before costs) at Minimum Subscription and up to \$66 million (before costs) at Maximum Subscription. The proceeds of the Offer will be received by the Company and applied as set out in the table below.

Source of Funds (\$000)	Minimum Subscription	Maximum Subscription
Existing cash reserves	10,826	10,826
Gross proceeds from the Offer	60,000	66,000
Total Funds available	70,826	76,826

Use of Funds	Minimum Subscription		Maximum Subscription	
	\$000	%	\$000	%
EP161 Tanumbirini 2H & 3H Horizontal wells (25%)	13,600	19.2%	13,600	17.7%
EP136 2D Seismic	3,500	4.9%	3,500	4.6%
EP136 Maverick #1H Horizontal well (100%)	39,400	55.7%	45,100	58.7%
Royalty reduction payment and leasehold improvements	1,500	2.1%	1,500	2.0%
General administration and working capital	8,226	11.6%	8,226	10.6%
Costs of the Offer	4,600	6.5%	4,900	6.4%
Total Funds Used	70,826	100.0%	76,826	100.0%

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Company may consider use of additional funding initiatives, including the raising of equity or debt, where appropriate to meet its commitments to progress its work plan. The Company may also raise equity or debt to further accelerate growth or fund a specific project, transaction or expansion (including the acquisition or other resources assets).



7.5 Corporate structure

An overview of the corporate structure of Tamboran is set out in section 9.4.

7.6 Shareholding structure

(a) Shares and Redeemable Preference Shares

The details of the ownership of Shares and Redeemable Preference Shares as at the Prospectus Date, and on Completion of the Offer, are set out in the table below:

On the Prospectus Date

Substantial Shareholder	Shares	% of all Shares	Redeemable Preference Shares ¹	Total Securities	Options	% (undiluted) of all securities	% (fully diluted) of all securities
Longview	142,700,907	54.2%	-	142,700,907	-	28.5%	26.6%
Baupost Group	5,000,000	1.9%	117,000,789	122,000,789	-	24.4%	22.7%
Lion Point	6,413,028	2.4%	58,339,598	64,752,626	-	12.9%	12.1%
Geotech Investments	33,408,637	12.7%	-	33,408,637	-	6.7%	6.2%
Venture Holdings	5,000,000	1.9%	24,167,920	29,167,920	-	5.8%	5.4%
Board and Management	32,625,458	12.4%	2,877,027	35,502,485	30,151,251	7.1%	12.2%
Other existing Shareholders	38,113,416	14.5%	34,703,263	72,816,679	6,819,290	14.6%	14.8%
Total	263,261,446	100.0%	237,088,597	500,350,043	36,970,541	100.0%	100.0%

Notes

1. All RPS will convert to Shares on a one for one basis on or before the date of Completion of the Offer. All Options convert to Shares on exercise on a one for one basis.



Minimum Subscription on Completion

Substantial Shareholder	Shares	Redeemable Preference Shares	Total Securities	Options	% (undiluted)	% (fully diluted)	% with associates (fully diluted)
Longview	142,700,907	-	142,700,907	-	21.9%	20.8%	21.2% ¹
Baupost Group	130,000,789 ²	-	130,000,789	-	19.9%	18.9%	18.9%
Lion Point	69,752,626 ³	-	69,752,626	-	10.7%	10.1%	10.1%
Venture Holdings	34,167,920 ⁴	-	34,167,920	-	5.3%	5.0%	5.0%
Geotech Investments	33,408,637	-	33,408,637	-	5.1%	4.9%	4.9%
Board and Management	40,107,771 ⁵	-	40,107,771	30,151,251	6.2%	10.2%	9.8% ³
Other existing Shareholders	72,816,679	-	72,816,679	6,819,290	11.2%	11.6%	11.6%
New Shareholders	127,394,714	-	127,394,714	-	19.7%	18.5%	18.5%
Total	650,350,043	-	650,350,043	36,970,541	100.0%	100.0%	100.0%

See notes below.

Maximum Subscription on Completion

Substantial Shareholder	Shares	Redeemable Preference Shares	Total Securities	Options	% (undiluted)	% (fully diluted)	% with associates (fully diluted)
Longview	142,700,907	-	142,700,907	-	21.4%	20.3%	20.7% ¹
Baupost Group	130,000,789 ²	-	130,000,789	-	19.5%	18.5%	18.5%
Lion Point	69,752,626 ³	-	69,752,626	-	10.5%	9.9%	9.9%
Venture Holdings	34,167,920 ⁴	-	34,167,920	-	5.1%	4.9%	4.9%
Geotech Investments	33,408,637	-	33,408,637	-	5.0%	4.8%	4.8%
Board and Management	40,107,771 ⁵	-	40,107,771	30,151,251	6.0%	10.0%	9.7% ³
Other existing Shareholders	72,816,679	-	72,816,679	6,819,290	10.9%	11.3%	11.3%
New Shareholders	142,394,714	-	142,394,714	-	21.6%	20.3%	20.3%
Total	665,350,043	-	665,350,043	36,970,541	100.0%	100.0%	100.0%

For personal use only



Notes

1. Includes 2,776,522 Shares and 233,393 Options subscribed for by David Siegel, a Non-Executive Director, who also owns a majority interest in Longview whose holding is set out above.
2. Baupost who intends to subscribe for 8 million Shares under the Offer.
3. Lion Point intends to subscribe for 5 million Shares under the Offer.
4. Venture intends to subscribe for 5 million Shares under the Offer.
5. David Siegel intends to subscribe for \$1.1 million worth of Shares, being 2.7 million Shares under the Offer. The other Board members also intend to subscribe for \$531,505 in aggregate worth of Shares under the Offer amounting to 1,328,764 Shares.

In the opinion of the Company, the free float of Shares at the time of Listing on the Official List will be no less than 20% of the Shares on issue at that time.

(b) Options

The details of the ownership of Options as at the Prospectus Date, and on Completion of the Offer, are set out in the table below.

Optionholder(s)	Options held	
	(%)	Number
Directors		
Mr Richard Stoneburner	1.3%	483,393
Mr Joel Riddle	53.5%	19,767,500
Mr Fred Barrett	2.0%	733,393
Mr Daniel Chandra	0.6%	233,393
Ms Ann Diamant	0.6%	233,393
Mr Patrick Elliot	0.6%	233,393
Mr David Siegel	0.6%	233,393
Management and Others		
Mr Eric Dyer	21.6%	8,000,000
Ms Jo Morbey	0.6%	233,393
Other Optionholders	18.6%	6,819,290
Total	100.0%	36,970,541

Notes:

Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts. All Options convert to Shares on exercise on a one for one basis. See section 7.21 for details of the terms of issue for the Options including the Milestone Options.

For personal use only



7.7 Control implications of the Offer

The Directors do not expect any Shareholder to control (as defined in section 50AA of the Corporations Act) the Company on Completion. Refer to the table in section 7.6 for expected shareholdings on Completion of the Offer.

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in voting shares if, because of that acquisition, a person's voting power in the Company:

- (a) increases from under 20% to over 20% or;
- (b) increases from a starting point that is over 20% and below 90%.

Subject to the below, no new Shares will be issued to an Applicant if the issue would contravene the takeover prohibition in Section 606 of the Corporations Act.

There are a number of exceptions to the prohibition in section 606 of the Corporations Act, including an acquisition that results from an issue, under a prospectus, of shares in a company in which the acquisition is made if the issue is to a promoter, no other prospectus has previously been issued or published by or on behalf of the Company and the prospectus disclosed the effect that the acquisition would have on the promoter's voting power in the company (section 611, item 12 of the Corporations Act).

David Siegel, a promoter, has agreed to commit to subscribe for 2.7 million Shares under the Priority Offer, at the Offer price.

David Siegel and his Associates (which includes Longview), as at the Prospectus Date have a relevant interest in 142,700,909 Shares in the Company, representing a voting interest of approximately 28.5% of the Shares currently on issue. As a result of this acquisition, the voting power of David Siegel and his Associates will decrease from 28.5% on the Prospectus Date to approximately 21.9% at Minimum Subscription and 21.4% at Maximum Subscription on an undiluted basis on Completion of the Offer.

The Baupost Group has agreed to commit to subscribe for 8 million Shares under the Priority Offer, at the Offer price.

The Baupost Group and its Associates as at the Prospectus Date have a relevant interest in 5,000,000 Shares in the Company, representing a voting interest of approximately 1.9% of the Shares currently on issue. As a result of this acquisition and the conversion of the RPS into Shares on Completion of the Offer, the voting power of the Baupost Group and its Associates will increase from 1.9% on the Prospectus Date to approximately 19.9% at Minimum Subscription and 19.5% at Maximum Subscription on an undiluted basis on Completion of the Offer.



7.8 Summary terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in sections 7.19 and 7.20 below.
What is the consideration payable for each security being offered?	Successful Applicants under the Offer will pay the Offer Price, being \$0.40 per Share.
What is the Offer period?	<p>The key dates, including details of the Offer period, are set out on page 8.</p> <p>No securities will be issued on the basis of this Prospectus later than the expiry date of 13 months after the date of the Original Prospectus.</p> <p>The timetable is indicative only and may change. The Company and the Lead Manager may vary the times and dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any applicants).</p>
Who can apply?	<p>Institutional Offer</p> <p>The Institutional Offer consists of an invitation to certain Institutional Investors in the Permitted Jurisdictions to apply for Shares under this Prospectus and, for Institutional Investors in the United States, under the US Offering Circular, which includes this Prospectus.</p> <p>Priority Offer</p> <p>Under the Priority Offer, Institutional Investors in the Permitted Jurisdictions were invited to bid for an allocation of Shares under this Prospectus.</p> <p>Broker Firm Offer</p> <p>The Broker Firm Offer is open only to Australian resident investors who have received an invitation from their Broker to participate in the Offer under this Prospectus.</p> <p>General Offer</p> <p>You may apply under the General Offer if you have a registered address in Australia.</p>



Topic	Summary
How to apply?	<p>Institutional Offer The Lead Manager has separately advised the Institutional Investors of the application and payment procedures for the Institutional Offer.</p> <p>Priority Offer The Company has separately advised the Institutional Investors of the application and payment procedures for the Priority Offer.</p> <p>Broker Firm Offer You may apply under the Broker Firm Offer if you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer. You should contact your Broker for information about how to complete and lodge your Application Form and for payment instructions.</p> <p>General Offer You may apply under the General Offer if you have a registered address in Australia. An application for Shares can only be made on the Application Form contained in this Prospectus.</p> <p>See sections 7.9 to 7.12 for more information.</p>
What are the gross cash proceeds to be raised?	<p>\$60 million will be raised under the Offer based on the Offer Price at the Minimum Subscription and \$66 million will be raised at the Offer Price at the Maximum Subscription.</p>
Is the offer underwritten?	<p>Yes, the Institutional Offer and Broker Firm Offer are underwritten up to the Underwritten Amount. The Priority Offer and the General Offer are not underwritten. The Company has appointed the MST Financial Services Pty Limited as the Lead Manager to manage and partially underwrite the Offer pursuant to the terms of the Underwriting Agreement, details of which are provided in section 9.5(b).</p>
What is the minimum and maximum Application size under the Offer?	<p>Institutional Offer There is no minimum or maximum value of Shares that may be applied for under the Institutional Offer.</p> <p>Priority Offer There is no minimum or maximum value of Shares that may be applied for under the Priority Offer.</p> <p>Broker Firm Offer The minimum Application under the Broker Firm Offer is \$2,000 of Shares in aggregate and thereafter in multiples of \$500. There is no maximum Application size under the Broker Firm Offer.</p> <p>General Offer The minimum Application under the General Offer is \$2,000 of Shares in aggregate and thereafter in multiples of \$500. There is no maximum Application size under the General Offer. However, the Company and the Lead Manager reserves the right to reject an application or to allocate to an Applicant a lesser number of Shares than that applied for.</p>

For personal use only



For personal use only

Topic	Summary
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer, the Priority Offer, the General Offer and the Institutional Offer will be determined by the Lead Manager in agreement with the Company.</p> <p>The Company in agreement with the Lead Manager reserves the right to reject or scale back any Applications in its absolute discretion. Any amount applied for in excess of the number of Shares allocated to you will be refunded by your broker in full (without interest).</p> <p>No assurance can be given that any Applicant under the Offer will be allocated all or any Shares applied for. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.</p> <p>General Offer The Company and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the General Offer and may reject an Application or allocate fewer Shares than the number applied for.</p> <p>Broker Firm Offer For Broker Firm Offer Applicants, the relevant Broker will decide how they allocate Shares among their clients.</p> <p>Priority Offer Allocations under the Priority Offer will be determined by the Company after consultation with the Lead Manager.</p> <p>Institutional Offer The allocation of Shares among Applicants under the Institutional Offer will be determined by the Lead Manager in agreement with the Company.</p>
Will the securities be quoted on the ASX?	<p>The Company has applied to ASX within seven days of the Original Prospectus date for admission to the official list of, and quotation of its Shares by, ASX under the code 'TBN'.</p> <p>Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.</p>
When are the securities expected to commence trading?	<p>It is expected that trading of the Shares on ASX will commence on or about Wednesday, 30 June 2021, on a normal settlement basis.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Tamboran Offer Information Line, by a Broker or otherwise.</p>



Topic	Summary
Is the Offer conditional?	<p>Yes. The contracts formed on acceptance of application and confirmation of allocations of Shares will be conditional on:</p> <ul style="list-style-type: none">• the ASX agreeing to admit the Company to the Official List and quote the Shares;• the Company satisfying the Minimum Subscription condition under the Offer to raise \$60 million (before costs of the Offer); and• Completion in respect of the allotment of Shares in accordance with the Underwriting Agreement. <p>The Company will not issue any new Shares until these conditions are satisfied. If ASX does not grant permission for Official Quotation of Shares within three (3) months after the Prospectus Date or if the Minimum Subscription is not achieved within four (4) months after the Prospectus Date, or in each case such longer period as is permitted under the Corporations Act, the Company will not proceed with the Offer and will repay all Application Monies received under the Offer without interest.</p>
When will I receive confirmation of whether my Application has been successful?	<p>It is expected that initial holding statements will be mailed to successful Applicants on or about Friday, 25 June 2021.</p> <p>Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.</p>
Are there any escrow arrangements?	<p>Yes. Details are provided in section 9.6.</p>
Are there any taxation considerations?	<p>Yes. It is recommended that all potential investors consult their own independent tax advisers regarding the tax (including capital gain tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstance). Further details are provided in section 9.9.</p>
Are there any brokerage, commission or stamp duty considerations?	<p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.</p> <p>See section 9.5(b) for details of various fees payable by the Company to the Lead Manager and by the Lead Manager to certain Brokers.</p>
What should you do with any enquiries?	<p>All enquiries in relation to this Prospectus should be directed to the Tamboran Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (Sydney time), Monday to Friday (excluding public holidays).</p> <p>If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.</p>



7.9 General Offer

(a) Who can apply?

The General Offer is open to all Applicants with a registered address in Australia.

(b) How to apply?

The Application Form marked “General Offer” attached to or accompanying this Prospectus must be completed in accordance with the instructions on the Application Form and received by the Share Registry by 5:00pm on the Closing Date.

Applicants should read this Prospectus carefully and in its entirety before deciding whether to apply under the General Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

By making an Application, you declare that you were given access to this Prospectus, together with the Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility to ensure that this occurs.

(c) Is there a minimum or maximum Application size?

Applications under the General Offer must be for a minimum size of \$2,000.

(d) How to pay?

Payment by BPAY®

Applicants under the General Offer may pay their Application Monies by BPAY® in accordance with the instructions on the General Offer Application Form.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) provided to you or generated by the online General Offer Application Form. Application Monies paid by BPAY® must be received by the Share Registry by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility that this occurs.

If paying by cheque(s) or bank draft(s):

Complete the General Offer Application Form attached to or accompanying this Prospectus. Once your General Offer Application Form is completed, please send your General Offer Application Form and cheque or bank draft for the Application Monies to the Registry at the address set out below:

Mailing Address

Tamboran Resources Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

7.10 Institutional Offer

(a) Invitation to bid

The Institutional Offer consists of an invitation to certain Institutional Investors in the Permitted Jurisdictions to apply for Shares under this Prospectus and, for Institutional Investors in the United States, under the US Offering Circular, which includes this Prospectus.

The Lead Manager has separately advised the Institutional Investors of the application and payment procedures for the Institutional Offer.



(b) Institutional Offer allocation policy

The allocation of Shares among applicants in the Institutional Offer was determined by the Lead Manager in agreement with the Company. The Lead Manager and the Company had absolute discretion regarding the basis of allocation of Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had bid.

The allocation policy is influenced by, but not constrained by, the following factors:

- (i) the price and number of Shares bid for by particular bidders;
- (ii) Tamboran's desire for an informed and active trading market following listing on the ASX;
- (iii) Tamboran's desire to establish a wide spread of institutional Shareholders;
- (iv) the overall level of demand under the Broker Firm Offer and Institutional Offer;
- (v) the timeliness of the bid by particular bidders; and
- (vi) any other factors that Tamboran and the Lead Manager consider appropriate.

7.11 Broker Firm Offer

(a) Who can apply?

The Broker Firm Offer is open only to Australian resident investors who have received an invitation from their Broker to participate in the Offer under this Prospectus.

If you have received an invitation to participate from your Broker, you will be treated as eligible to become a Broker Firm Offer Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer.

If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Application Form and for payment instructions. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form. Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form or download a copy at www.tamboran.com/offer. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your invitation to participate. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company and the Lead Manager reserve the right to reject or scale back any Applications in the Broker Firm Offer in their absolute discretion. Any amount applied for in excess of the amount allocated to you, will be refunded by your broker in full (without interest).

The Company and the Lead Manager may determine a person to be eligible to participate in the Broker Firm Offer and may amend or waive the Broker Firm Offer application procedures or requirements, in their discretion in compliance with applicable laws.

The Company and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens on the Opening Date and is expected to close at 5.00pm (Sydney time) on the Closing Date.

The Company and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications. The Offer may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.



(b) How to pay

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

(c) Acceptance of applications

An Application in the Broker Firm Offer is an offer by the Applicant to apply for the amount of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

The Lead Manager, in agreement with the Company, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

(d) Application Monies

The Company reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of Shares to be allocated will be determined by the applicant's Broker.

(e) Minimum and maximum Application size

The minimum Application size under the Offer is the aggregate number of Shares equivalent to \$2,000 and thereafter in multiples of Shares equivalent to \$500. There is no maximum value of Shares that may be applied for under the Offer.

7.12 Priority Offer

Under the Priority Offer, Institutional Investors in the Permitted Jurisdictions were invited to bid for an allocation of Shares under this Prospectus. The Company separately advised the Institutional Investors of the Application procedures for the Priority Offer.

Applicants under the Priority Offer will receive a guaranteed allocation of Shares in the amount notified on their invitation.

7.13 Allocation policy

The basis of allocation of Shares between the Institutional Offer, Priority Offer, General Offer and the Broker Firm Offer will be determined by the Lead Manager in agreement with the Company.

The Company reserves the right in its absolute discretion not to issue any Shares to Applicants under the Offer and may reject any Application or allocate a lesser number of Shares than those applied for at its absolute discretion.

For personal use only



7.14 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company, the Share Registry or a Broker receives an Application Form (including electronically), it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer and the Priority Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant under this Prospectus will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and other applicable state securities laws;
- it is a resident or domiciled in Australia or, if outside Australia, is an Institutional Investor;
- it is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person, excluding Applicants who are Institutional Investors; and
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States.

7.15 Lead Manager

The Offer is partially underwritten up to the Underwritten Amount of approximately \$48.6 million. The Company has appointed MST Financial Services Pty Limited as Lead Manager to the Offer pursuant to the Underwriting Agreement. The Lead Manager agrees, subject to certain conditions and termination events, to arrange and manage the Offer.

A summary of the material terms of the Underwriting Agreement is provided in section 9.5(b).

For personal use only



7.16 Restrictions on distributions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Please see sections 7.14 and 9.10 for more information.

This Prospectus may not be released or distributed in the U.S., and may only be distributed to persons outside the U.S. to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the U.S. The Shares and underlying Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the U.S. and may not be offered or sold, directly or indirectly, in the U.S. except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. State securities laws.

Each applicant in the Broker Firm Offer and each person to whom the Institutional Offer and Priority Offer are made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- if outside Australia, it is a person to whom the Offer can be lawfully made and Shares lawfully allocated and issued or transferred to without the requirement of any person to prepare, or file with any regulatory authority, a prospectus or other document under the laws applicable to that person or the jurisdiction it is in;
- it understands and agrees that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities law of any state of the U.S. and may not be offered or sold, directly or indirectly, in the U.S., except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. State securities laws, and it agrees not to engage in hedging transactions with regard to such securities except in compliance with the U.S. Securities Act;
- it is not in the United States or is an Institutional Investor;
- it has not sent, and will not send, the Prospectus or any other material relating to the Offer to any person in the U.S.; and
- it will not offer or sell the Shares in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under applicable securities laws and in compliance with all other applicable laws in the jurisdiction in which Shares are offered and sold.

Any offer, sale or resale of the Shares in the U.S. by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if made prior to 40 days after the date on which the Offer Price is determined and the Shares are allocated under the Offer or if such Shares were purchased by a dealer under the Offer.

Each applicant under the Institutional Offer and Priority Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

Each applicant under the Broker Firm Offer will be required to make, or will be deemed to have made, certain representations, warranties and covenants set out in the application form attached to or accompanying this Prospectus.

7.17 Discretion regarding Offer

The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Lead Manager and the Company also reserve the right to, subject to the Corporations Act, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for.



7.18 ASX listing, registers and holding statements and deferred settlement

(a) Application for ASX listing and quotation of Shares

The Company has applied to ASX within seven days of the Original Prospectus date, for admission to the Official List and quotation of the Shares on ASX under the code 'TBN'.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.

Upon Listing, the Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time.

(b) CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide de-tails of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Security holder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Share-holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

(c) Selling Shares on-market

It is expected that trading on ASX will commence on or about Wednesday, 30 June 2021. It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding statement from the Offer Information Line or confirmed your firm allocation through a Broker.

7.19 Rights attaching to Shares

A shareholding in the Company is held subject to its Constitution. Shares to be issued under this Prospectus will rank equally with the existing Shares on issue. The Constitution may be inspected free of charge at the registered office of the Company during ordinary business hours by prior appointment. The below sets out a summary of the principal rights of Shareholders under the Constitution.



7.20 Summary of material provisions of the Constitution

(a) Introduction

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and all other applicable laws and regulations.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, investors should seek their own independent legal advice.

The summary assumes that the Company is admitted to the Official List of the ASX.

(b) Meeting of members

A Director may call a general meeting and Shareholders may request or call and arrange to hold a general meeting in accordance with the Corporations Act. Directors are also required to call an annual general meeting in accordance with the Corporations Act.

Each Shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. At least 28 days' notice of a meeting must be given to shareholders.

A general meeting may be held at two or more venues simultaneously, or wholly virtually, using any technology that gives members as a whole a reasonable opportunity to participate.

(c) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, attorney or representative has (a) on a show of hands, one vote and (b) on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held (with adjusted voting rights for partially paid shares). The Chairman does not have a casting vote.

(d) Dividends

Subject to the Corporations Act, the Constitution and any special terms and conditions of issue, the Directors may, from time to time, pay, resolve to pay, or declare any interim, special or final dividend as, in their judgement, the financial position of the Company justifies.

The Directors may fix the amount, time and method of payment of the dividends. The payment, resolution to pay, or declaration of a dividend does not require any confirmation by a general meeting.

(e) Transfer of Shares

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares by:

- a Proper ASTC transfer (as that term is defined in the Corporations Regulations); or
- an instrument in writing in any usual form or in any other form that the Directors approve, as permitted by the Corporations Act and ASX Listing Rules.

The Directors may, in circumstances permitted under the ASX Listing Rules or ASX Settlement Operating Rules, decline to register a transfer of Shares or apply a holding lock to prevent a transfer of Shares.

If the Directors decline to register a transfer or apply a holding lock, the Company must give the party lodging the transfer written notice of the refusal or holding lock and the reason for refusal or holding lock.

(f) Issue of further Shares

Subject to the Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act, the Directors may issue shares, grant or otherwise dispose of options over unissued shares to any person and they may do so at such times and on the conditions they think fit. The shares may be issued with preferred, deferred or special rights, or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors see fit.

For personal use only



(g) Preference shares

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

(h) Winding up

If the Company is wound up, then subject to the Constitution and to the rights or restrictions attached to a class of shares, any surplus assets must be divided among the Company's members in proportion to the shares held by them (irrespective of the amounts paid or credited as paid on the shares), less any amounts which remain unpaid on these shares at the time of distribution.

If the Company is wound up, the liquidator may (with the sanction of a special resolution of the Shareholders) divide among the Shareholders the whole or any part of the Company's assets and determine how the division is to be carried out between Shareholders or different classes of Shareholders.

Any such division must be in accordance with the legal rights of the Shareholders. Where a division is not done in accordance with the legal rights of the Shareholders, a Shareholder may dissent and may exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Corporations Act.

(i) Sale of non-marketable parcels

Provided that the procedures set out in the Constitution are followed, the Company may sell the shares of a shareholder who holds less than a marketable parcel of those shares. A marketable parcel of shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

(j) Share buy-backs

The Company may buy back shares in itself in accordance with the provisions of the Corporations Act and, where applicable, the ASX Listing Rules.

(k) Variation of class rights

Subject to the Corporations Act and the terms of issue of a class of shares, wherever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be varied with:

- the written consent of the holders of at least 75% of the issued shares in the particular class; or
- the sanction of a special resolution passed at a separate meeting of the holders of shares in that class.

(l) Reduction of share capital

Subject to the Constitution, Corporations Act and the ASX Listing Rules, the Company may reduce its share capital in any way permissible by the Corporations Act.

(m) Proportional takeover provisions

The Constitution contains provisions requiring shareholder approval before any proportional takeover bid can proceed. The provision will cease to have effect three years from the date of adoption of the Constitution unless it is renewed by special resolution of shareholders in a general meeting.

(n) Dividend reinvestment plan

The Constitution contains a provision allowing Directors, on the terms and conditions they think fit, to implement a dividend reinvestment plan (under which any Shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for Shares in the Company).

(o) Directors – appointment and removal

Under the Constitution, the minimum number of Directors is 3 and the maximum is 7 or such lower number as the Directors determine, provided the proposed lower number has been authorised by general meeting of the Company's members if required under the Corporations Act.

Directors are elected or re-elected by resolution at a general meeting of Shareholders. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who (other than the managing director) will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting.

No Director (other than the managing director) may hold office without re-election after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (whichever is later).



(p) Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter.

In the case of an equality of votes on a resolution, the chair of the meeting has a casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

(q) Variation of the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of members present and voting at a general meeting of the Company. The Company must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

(r) Directors' and officers' indemnity

The Company, to the extent permitted by law, may indemnify each person who is a current or former Director, executive officer, officer or auditor of the Company, and such other officers or former officers of the Company or its Related Bodies Corporate as the Directors in each case determine, against any losses or liability incurred by that person as an officer or auditor of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for reasonable legal costs on a full indemnity basis.

The Company, to the extent permitted by law, may enter into and pay premiums on a contract insuring any person who is a current or former Director, executive officer, officer or auditor of the Company, and such other officers or former officers of the Company or its Related Bodies Corporate as the Directors in each case determine, against any liability incurred by the person as an officer or auditor of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for legal costs.

(s) ASX Listing Rules

If the Company is admitted to the Official List of the ASX, if the ASX Listing Rules prohibit an act being done, that act must not be done despite anything in the Constitution.

Nothing in the Constitution prevents an act being done that is required by the ASX Listing Rules. Furthermore, if the ASX Listing Rules that the Constitution contain a provision or not to contain a provision, the Constitution is deemed to contain or not to contain a provision as the case may be. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, then the Constitution is deemed not to contain that provision to the extent of any inconsistency.



7.21 Summary of terms of Options

As at the date of this Prospectus, the Company has on issue 20,970,541 Options and 16,000,000 Milestone Options.

(a) Options issued under the Equity Incentive Scheme

The Company has adopted the EIP in order to assist in the motivation and retention of selected Company employees and directors. A summary of the terms of the EIP are set out in section 7.23. Below is a summary of the terms and conditions of issue of the Options issued under the EIP.

Total number of Options issued under the EIP	Vesting Condition	Exercise price and expiry date
10,734,584 Options	Fully vested	\$0.32 per Option expiring on 20 May 2026
7,416,667 Options	Fully vested	\$0.2367 expiring on 20 May 2026
16,000,000 Milestone Options	(1) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$1.00 per Share (2) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$1.50 per Share (3) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$2.00 per Share (4) 25% of Milestone Options vest if the 90-day VWAP is greater than or equal to \$2.50 per Share	\$0.40 per Milestone Option expiring on 20 May 2026 or, if the Milestone Options vest, the date that is 5 years after the date they vest as determined by the Board

Each Option entitles the holder (**Optionholder**) to subscribe for one Share upon exercise of the Option and is exercisable at any time on or prior to 20 May 2026. Shares issued on exercise of the Options will rank equally with the then shares of the Company. The Options are not transferable.

The Options may be exercised by notice in writing to the Company and payment of the relevant exercise price for each Option being exercised. The Company will not apply to ASX for quotation of the Options however it will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders.

If the Company makes a bonus issue of Shares or other securities to Existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue.

If the Company makes an issue of Shares pro rata to Existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the ASX Listing Rules.

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

For personal use only



(b) Options not issued under the EIP

The Company has issued 2,819,920 Options to consultants which are fully vested and exercisable at \$0.32, expiring on 30 November 2021.

Each Option entitles the holder (**Optionholder**) to subscribe for one Share upon exercise of the Option and is exercisable at any time on or prior to 30 November 2021. Shares issued on exercise of the Options will rank equally with the then shares of the Company. The Options are not transferable.

The Options may be exercised by notice in writing to the Company and payment of the relevant exercise price for each Option being exercised. The Company will not apply to ASX for quotation of the Options however it will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders.

If the Company makes a bonus issue of Shares or other securities to Existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue.

If the Company makes an issue of Shares pro rata to Existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the ASX Listing Rules.

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

7.22 Summary of terms of Redeemable Preference Shares

Below is a summary of the material terms and conditions of the issue of the Redeemable Preference Shares (**RPS**) at the Prospectus date which will convert to Shares on Completion of the Offer. Following Completion, the Company will have no RPS on issue.

(a) Conversion of RPS to Shares

A RPS holder may convert all or any of the RPS to Shares, at any time, to the extent that it would not cause:

- the Company to breach Chapter 6 of the Corporations Act; or
- the RPS holder to breach the *Foreign Acquisition and Takeovers Act 1975* (Cth).

(b) Conversion on a qualified IPO

In the event of a qualified initial public offering, the Company may elect to convert all of the RPS and the RPS holder must convert all RPS it holds into Shares.

(c) Dividends

The RPS holder is entitled to receive the same dividend per share when, as and if declared with respect to any Shares.

(d) Redemption

Unless otherwise prohibited by law, the RPS must be redeemed by the Company no later than 30 days following receipt of written notice from the RPS holder requesting redemption of some or all of the RPS, which the holder may deliver at any time on or after December 2025 at a price equal to the greater of:

- the subscription amount paid per RPS *plus* the aggregate amount of accrued but unpaid dividends on such RPS; and
- the fair market value of a Share as at the date of the Company's receipt of the redemption request *plus* the aggregate amount of accrued but unpaid Dividends on the RPS (if any).

(e) Winding-up

On a winding-up of the Company, the RPS holders have a right to payment of any amount paid or agreed to be considered as paid on the RPS and payment of such amount will rank for payment in priority to the Shares.



7.23 Details of the Equity Incentive Plan rules

The Company has established an Equity Incentive Plan (EIP) to assist in the attraction, motivation and retention of management and employees of the Company. The Equity Incentive Plan is a long term incentive plan, under which Options (including Milestone Options) or performance rights to subscribe for or be transferred Shares (**Plan Awards**) may be offered to eligible employees. The Company may offer additional incentive schemes to the management and employees over time.

As at the date of this Prospectus, the Company has granted 18,151,251 Options and 16,000,000 Milestone Options under the EIP. The Board does not presently intend to issue any further Options but may in its discretion issue new Options to new management over time under the EIP on certain terms and has reserved an additional amount of up to 32,000,000 Options for this purpose. For further information, refer to section 7.21.

Term	Description
Administration	The plan is administered by the Board.
Eligibility	Eligible employees include directors or officers, employees, contractors, consultants or any other person declared by the Board to be eligible at their discretion.
Aggregate share limit	<p>The maximum number of Shares issuable under the Plan will be five percent (5%) of the total issued share capital from time to time.</p> <p>The LTI provides the Company will flexibility to grant the following types of awards:</p> <ul style="list-style-type: none"> • options to subscribe for Shares (Options); and • rights to receive Shares or cash, based on specified performance factors (Performance Rights), (together, Awards).
Shares	Shares issuable under the Plan may be newly issued Shares or already issued Shares acquired and held by an employee benefit trust established by the Company.
Conditions	<p>The Board will determine the terms and conditions of each Award, including:</p> <ul style="list-style-type: none"> • the type of Award; • the period or periods during which Awards may vest; • if the Award is an Option, the exercise price of the Option, or if it is a Performance Right, the purchase price (if any) payable for the Shares under the Award; • any dealing restrictions; and • any vesting conditions, including service and/or performance conditions. <p>The terms and conditions of each Award will be set out in an invitation letter.</p>
Exercise price or purchase price	Participants in the EIP will not pay any consideration for the grant of the Plans Awards unless the Directors otherwise determine.
Vesting and exercise	Plan Awards will only vest where the vesting conditions (if any) and any other relevant conditions advised to the participant by the Directors have been satisfied. The Directors may determine such conditions (including vesting conditions) at their discretion. Unless otherwise specified in an invitation, the Directors have the discretion to settle Plan Awards with a cash equivalent payment.
Lapsing and forfeiture	An unvested Plan Award will lapse in a number of circumstances including where performance conditions (if any) are not satisfied within the relevant time period or the participant deals with the Plan Award in breach of the rules of the EIP.

For personal use only



Term	Description
Dealing restrictions	Plan Awards will not be listed and may not be transferred, assigned or otherwise dealt with except as required by law and in accordance with the Company's security trading policy (or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participants' trustee in bankruptcy).
Cessation or change of employment	<p>Where Plan Awards have vested prior to the termination of a participant's employment or engagement with the Company (or its subsidiaries) the participant's awards will not lapse because of that cessation of employment.</p> <p>If a participant's employment or engagement with the Company (or its subsidiaries) terminates before the Plan Awards have vested, the Plan Awards that have not vested will not lapse unless the participant's invitation provides otherwise or the Directors in their absolute discretion determine otherwise. The Directors may exercise their discretion where a participant is a 'bad leaver', for example, if the employment of the participant is terminated due to poor performance or the participant has acted fraudulently or dishonestly. Conversely the Board may in its discretion determine that all or a portion of the Awards of a participant who has ceased employment are vested Awards and that any vesting conditions are satisfied, for example where the participant is a 'good leaver'.</p>
Change of control	<p>Where there is a change of control event (for example, a takeover bid, scheme of arrangement or any other transaction or event that in the Board's opinion is likely to result in a change of control for the Company), the Board may determine, subject to the Listing Rules, with respect to each Award, that:</p> <ul style="list-style-type: none">• all or a specified number of a participant's unvested Awards vest;• in the case of an Option, to reduce the exercise period and bring forward the expiry date; or• the participant may upon vesting or exercise of the Awards be provided with shares of an acquiring company.
Award adjustments	If there are certain variations of the share capital of the Company including a capitalisation or rights issue, subdivision, consolidation or reduction in share capital, the Directors may make such adjustments as they consider appropriate under the EIP, in accordance with the provisions of the ASX Listing Rules.
Amendments	The Board may at any time by resolution, subject to applicable law, amend all or any of the provisions of the Plan or the terms of conditions of any Award.
Participation and ranking	Participants who are holding a Plan Award issued pursuant to the EIP have no rights to dividends and no rights to vote at meetings of the Company until that Plan Award is vested and, where required, exercised, and the participant is the holder of a Share. Shares issued upon vesting and, where required, exercise, of the Plan Awards will upon allotment rank equally in all respects with other Shares. The Company will apply for quotation of ASX of the Shares issued under the EIP.
Listing Rules	No Plan Awards or Share may be offered under the EIP if to do so would contravene the Corporations Act, the ASX Listing Rules or instruments of relief issued by ASIC from time to time.



7.24 International offer restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares offered under this Prospectus may not be offered or sold, in any country outside Australia except to the extent discussed in section 9.10.

7.25 ASIC exemptions and ASX waivers

Tamboran has not sought any exemptions, modifications or relief from ASIC in relation to the Offer. Tamboran has also not sought any waivers or relief from ASX in relation to the Offer.

7.26 Tax implications of investing in Tamboran

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in Tamboran.

A general overview of the Australian taxation implications of investing in Tamboran are set out in section 9.9. That information is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

7.27 Further information

The Prospectus and information about the Offer is available in electronic form to Australian residents on the Company's offer website www.tamboran.com/offer.

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, a hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia by calling the Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (Sydney time), Monday to Friday.

For personal use only



8 INVESTIGATING ACCOUNTANT'S REPORT



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

21 May 2021

The Board of Directors
Tamboran Resources Limited
Suite 502, 110 -112 The Corso
Manly NSW 2095

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Tamboran Resources Limited (“Tamboran” or the “Company”) to report on the historical financial information and pro forma historical financial information of Tamboran for inclusion in a prospectus to be dated on or about 21 May 2021 (“Prospectus”), in respect of the offer of up to 165 million fully paid ordinary shares in the Company at a price of \$0.40 per share to raise a maximum of \$66 million (before costs and expenses) (the “Offer”), and the listing of Tamboran on the Australian Securities Exchange.

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information of Tamboran:

- ▶ the historical consolidated statements of profit and loss for the years ended 30 June 2020 and 30 June 2019 and half-years ended 31 December 2020 and 31 December 2019 as set out in section 4.2 of the Prospectus;
- ▶ the historical consolidated statement of financial position as at 31 December 2020 as set out in section 4.4 of the Prospectus; and
- ▶ the historical consolidated statements of cash flows for the years ended 30 June 2020 and 30 June 2019 and the half-years ended 31 December 2020 and 31 December 2019 as set out in section 4.3 of the Prospectus.

(Hereafter the “Historical Financial Information”).

The Historical Financial Information for the years ended 30 June 2020 and 30 June 2019 has been derived from the consolidated financial statements of Tamboran for the years ended 30 June 2020 and 30 June 2019, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion with an emphasis of matter paragraph regarding a material uncertainty on going concern on these consolidated financial statements. The Historical Financial Information for the half-years ended 31 December 2020 and 31 December 2019 has been derived from the unaudited interim consolidated financial statements of Tamboran for the half-year ended 31 December 2020, which was reviewed by Ernst & Young and on which an

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation



**Building a better
working world**

unqualified limited assurance conclusion with an emphasis of matter paragraph regarding a material uncertainty on going concern was issued.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS"), which are consistent with International Financial Reporting Standards.

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of Tamboran:

- ▶ the pro forma historical consolidated statements of financial position as at 31 December 2020
 - on the basis of 150,000,000 Shares at an issue price of \$0.40 per Share to raise \$60,000,000 (minimum subscription); and
 - on the basis of 165,000,000 Shares at an issue price of \$0.40 per Share to raise \$66,000,000 (maximum subscription)as set out in section 4.4 of the Prospectus.

(Hereafter the "Pro Forma Historical Financial Information").

(the Historical Financial Information and Pro Forma Historical Financial Information is collectively referred to as the "Financial Information").

The Pro Forma Historical Financial Information has been derived from the historical consolidated statement of financial position as at 31 December 2020 of Tamboran, and adjusted for the effects of pro forma adjustments described in section 4.4(a) of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 31 December 2020.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

3. Directors' Responsibility

The directors of Tamboran are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.



4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- ▶ the historical consolidated statements of profit and loss for the years ended 30 June 2020 and 30 June 2019 and half-years ended 31 December 2020 and 31 December 2019 as set out in section 4.2 of the Prospectus;
- ▶ the historical consolidated statement of financial position as at 31 December 2020 as set out in section 4.4 of the Prospectus; and
- ▶ the historical consolidated statements of cash flows for the years ended 30 June 2020 and 30 June 2019 and the half-years ended 31 December 2020 and 31 December 2019 as set out in section 4.3 of the Prospectus.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.1(a) of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- ▶ the pro forma historical consolidated statement of financial position as at 31 December 2020 on the basis of 150,000,000 Shares at an issue price of \$0.40 per Share to raise \$60,000,000 (minimum subscription); and
- ▶ the pro forma historical consolidated statement of financial position as at 31 December 2020 on the basis of 165,000,000 Shares at an issue price of \$0.40 per Share to raise \$66,000,000 (maximum subscription) as set out in section 4.4 of the Prospectus.



**Building a better
working world**

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.1(b) of the Prospectus.

Material Uncertainty Related to Going Concern – Historical Financial Information

We draw attention to Section 4.1(c) of the Prospectus which describes the principal conditions that raise doubt about the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

For personal use only



9 ADDITIONAL INFORMATION

9.1 Registration

The Company (which is the parent company of the Group) was registered in Victoria on 9 February 2009.

9.2 Conversion of Redeemable Preference Shares

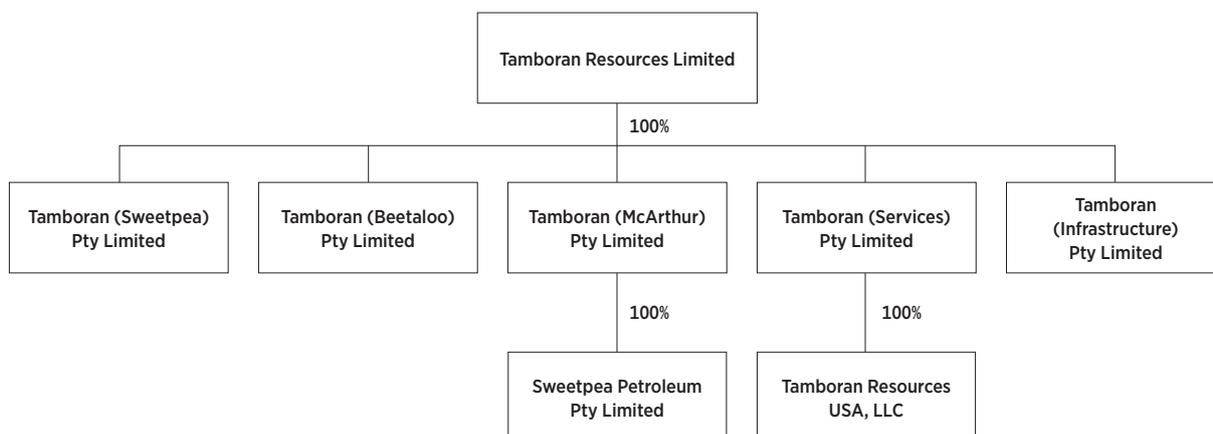
All of the Redeemable Preference Shares are expected to be converted into Shares on Completion of the Offer. The conversion ratio of the Redeemable Preference Shares is one Redeemable Preference Share to one Share. The Redeemable Preference Shares will convert into 237,088,597 Shares on Completion of the IPO.

9.3 Company tax status and financial year

For Australian income tax purposes, the Company currently is the head company of a tax consolidated group. The Company will be subject to tax on any taxable profits at the prevailing Australian corporate tax rate (currently 30.0% for businesses with an aggregate turnover of more than \$50,000,000). The Company's financial year for Australian income taxation purposes ends on 30 June of each year.

9.4 Corporate structure

The following diagram shows the entities in the corporate structure of the Group following completion of the Sweetpea acquisition:



On 25 July 2020, Longview, Tamboran, and Tamboran McArthur entered into the Share Exchange Agreement under which Tamboran, through its wholly owned subsidiary, Tamboran McArthur, would acquire 100% of the issued share capital of Sweetpea from Longview. Sweetpea is the registered holder of EP 136 and EP 143 in the Northern Territory, and has also applied for exploration permit application EP(A) 197. The Sweetpea acquisition was completed on 21 May 2021.

For personal use only



A summary of the activities of the Group is as follows:

Name	Place and date of incorporation	Summary of activities at the Prospectus Date
Tamboran Resources Limited ACN 135 299 062	Victoria, Australia 9 February 2009	Parent entity with 100% control over Group. Preparer of consolidated Group statements and contracting entity
Tamboran (Sweetpea) Pty Limited ACN 646 105 240	Victoria, Australia 23 November 2020	Wholly owned subsidiary of the Company. Currently dormant.
Tamboran (Beetaloo) Pty Limited ACN 163 215 021	Victoria, Australia 9 April 2013	Wholly owned subsidiary of the Company. Currently dormant
Tamboran (McArthur) Pty Limited ACN 168 862 075	Victoria, Australia 1 April 2014	Wholly owned subsidiary of the Company, Holds the investment in Sweetpea Petroleum Pty Limited
Sweetpea Petroleum Pty Limited ACN 074 750 879	Northern Territory, Australia 5 July 1996	Wholly owned subsidiary of the Company and owner of tenement EP136, EP143 and EP(A)197.
Tamboran (Services) Pty Limited ACN 163 215 487	Victoria, Australia 9 April 2013	Wholly owned subsidiary of the Company. Currently dormant
Tamboran Resources USA, LLC	Delaware	Wholly owned subsidiary of the Company. Contracting entity in the USA
Tamboran (Infrastructure) Pty Limited ACN 163 215 156	Victoria, Australia 9 April 2013	Wholly owned subsidiary of the Company. Currently dormant



9.5 Material contracts

The Directors consider that certain agreements, in addition to other agreements otherwise disclosed in this Prospectus, are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Shares. The summaries set out in this section 9.5 are not intended to be exhaustive.

(a) Joint Operating Agreement between Tamboran and Santos QNT dated 11 December 2012 (JOA).

Term	Description
Introduction	<p>Santos QNT and Tamboran entered into a joint operating agreement in respect of exploration permits EP 161, EP 162, EP 189 and EP(A) 299 on 11 December 2012 (as amended from time to time). As at the date of this Prospectus, EP 161 is the only active exploration permit under the JOA. During 2020, the parties made the decision to release and relinquish EP 162, EP 189 and EP(A) 299 back to the Northern Territory Government. The only asset that the JOA currently maintains is EP 161.</p> <p>The parties' participating interests under the JOA are as follows:</p> <ul style="list-style-type: none"> • Santos QNT – 75%; • Tamboran – 25%.
Purpose	To establish the respective rights and obligations of the parties concerning operations and activities under the permits, including the joint exploration, appraisal, development, production of hydrocarbons and the determination of entitlements to hydrocarbons and decommissioning.
Term	<p>The JOA remains in force and binding on the parties whilst EP 161 remains in force in the names of two or more parties and for so long after that time until:</p> <ul style="list-style-type: none"> • all materials, equipment and personal property acquired for or used in connection with joint operations or exclusive operations have been disposed of or removed; and • final settlement (including settlement of any financial audit carried out) has been made.
Operator	<p>Santos QNT is appointed as the Operator. In general the Operator has exclusive charge of joint operations. The Operator may resign as Operator on 120 days prior notice. The Operator may be removed:</p> <ul style="list-style-type: none"> • if an insolvency event occurs; • subject to dispute resolution, by the unanimous decision of the Non-Operators if the Operator has committed a material breach of the JOA or the permits and has either failed to commence to cure that breach within 30 days of receipt of a notice from the Non-Operators or failed to diligently pursue the cure to completion; or • where the aggregate participating interests of the Operator and any Affiliate of Operator is less than 20%, by the affirmative vote of all Non-Operators holding collectively an interest of greater than 66%.

For personal use only



Term	Description
Decision Making	<p>Decisions relating to joint operations under the JOA are made by an Operating Committee.</p> <p>Except in relation to the approval of the work program and budget, all approvals and other actions of the Operating Committee are decided by the affirmative vote of two or more non-affiliated parties then having collectively at least 66% of the participating interests. The work program and budget is approved by the affirmative vote of one or more parties then having collectively at least 50% of the participating interests.</p> <p>The following decisions of the Operating Committee require the unanimous vote of the parties entitled to vote:</p> <ul style="list-style-type: none">• an application for variation to any condition attaching to the permits; and• an application for surrender of any permit or any permit area, either in whole or in part.
Exclusive operations	<p>A party may have the right to propose to conduct exclusive operations on certain terms in respect of which fewer than all parties participate, consisting of for example: drilling and/or testing of exploration wells and appraisal wells; completion of exploration wells and appraisal wells not then completed; deepening, sidetracking, plugging back and/or recompletion of exploration wells and appraisal wells; development of and production from a commercial discovery.</p> <p>Where a proposal is made by a party for an exclusive operation the other parties may exercise their rights to participate, and if all parties exercise that right, such operations will be conducted as joint operations.</p> <p>A party that does not exercise its rights to participate in time may subsequently back-in, however, significant penalties may apply.</p>
Limitation on Liability of Operator	<p>Except as a joint venture party to the extent of its participating interest share, the Operator or any other indemnitee will not be liable for any damage, loss, cost, expense or liability resulting from the Operator performing (or failing to perform) the duties and functions of the Operator except where such liability arises out of the Operator's fraud, gross negligence or wilful misconduct. The joint venturers indemnify Santos and any other indemnitee in respect of any such liability except where such liability arises out of the Operator's fraud, gross negligence or wilful misconduct.</p> <p>Under no circumstances will the Operator (except as a party to the extent of its participating interest) or any other Indemnitee bear any consequential loss or environmental loss.</p>

For personal use only



Term	Description
Withdrawal	<p>Any party not in default may withdraw from the JOA. A party may not withdraw until the minimum work obligations in respect of EP 161 for the then current title year have been completed or if its participating interest is subject to any Encumbrance other than a Cross Security or royalty, unless the other parties are willing to accept the assignment subject to such other Encumbrances.</p> <p>A withdrawing party shall remain liable for its share of:</p> <ul style="list-style-type: none"> costs of joint operations and costs of exclusive operations in which such withdrawing party has agreed to participate and which has been approved by the Operating Committee; any minimum work obligations for the current period or phase of EP 161, or for any subsequent period or phase approved for a renewal of EP 161; expenditures related to an emergency occurring before the effective date of the withdrawal, regardless of when expenditures incurred; all other obligations and liabilities of the parties or consenting parties, as applicable, concerning acts or omissions under the JOA before the effective date of such party's withdrawal; and the obligations and liabilities for which a withdrawing party remains liable shall specifically include its share of any costs of plugging and abandoning wells or portions of wells in which it participated. <p>A withdrawing party must transfer its participating interest free of cost to each non-withdrawing party in the proportion of each of their participating interests. Further, a withdrawing party must provide security satisfactory to the other parties to satisfy any obligations or liabilities for which the withdrawing party remains liable, but which become due after its withdrawal.</p>
Transfer Restrictions	<p>A party may not transfer the whole or any part of its participating interest except as permitted by the JOA or with the consent of all the other parties (which consent may only be withheld if a party considers on reasonable grounds that a proposed transferee does not have adequate financial capability to perform its obligations under the JOA). A party may assign to an affiliate without consent.</p> <p>No party may assign the whole or any part of its participating interest if as a result the participating interest of the assignor or assignee would be less than 5%. There are no pre-emptive rights or change in control restrictions under the JOA.</p>
Governing Law	Northern Territory, Australia

(b) Underwriting Agreement

The Institutional Offer and Broker Firm Offer are fully underwritten in respect of the Underwritten Amount by the Lead Manager pursuant to an underwriting agreement dated 21 May 2021 between the Company and the Lead Manager (**Underwriting Agreement**). The Priority Offer and the General Offer are not underwritten.

(i) Fees, costs and expenses

On the settlement of the Offer, which is expected to occur on Thursday, 24 June 2021 (**Settlement Date**), the Company must pay the Lead Manager:

- an underwriting fee of 3.00% of the proceeds from the Institutional Offer and Broker Firm Offer;
- a management fee of 2.00% of the proceeds from the Institutional Offer and Broker Firm Offer;
- a management fee of 3.00% of the proceeds from the Priority Offer and the General Offer; and
- a selling fee of 2.00% of the proceeds from the Priority Offer and the General Offer.

For personal use only



The Lead Manager is solely responsible for any fees agreed to be paid by the Lead Manager to Brokers or sub-underwriters to the Offer. The Company must pay or reimburse the Lead Manager for any reasonable out of pocket expenses (including GST) that the Lead Manager reasonably incurs in respect of the Offer.

(ii) Termination events

At any time from execution of the Underwriting Agreement until Completion of the Offer or at any other time as specified below, the Lead Manager may terminate the Underwriting Agreement (without any cost or liability to the Lead Manager) by notice to the Company, if any of the following events occur:

- **(Offer Documents)** the Lead Manager forms the view (acting reasonably) that a statement contained in the Offer documents (including the Prospectus) is or becomes misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Offer documents (having regard to section 710, 711 and 716 of the Corporations Act) or if the issue of the Offer documents becomes misleading or deceptive or likely to mislead or deceive;
- **(section 730 notice)** a person gives a notice to the Company under section 730 of the Corporations Act;
- **(future matters)** there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the Lead Manager for any material statement or estimate in the Offer documents, which relate to a future matter or any material statement or estimate in the Offer documents that relate to a future matter is, in the reasonable opinion of the Lead Manager, unlikely to be met in the projected timeframe;
- **(encumbrance)** other than as disclosed in the Prospectus or as required by applicable laws, the Company or any other Group Company creates or agrees to create an encumbrance over the whole or a substantial part of its business or property;
- **(Index fall)** the S&P/ASX 300 Index published by ASX falls to a level that is more than 10% below its level as at 4:00pm on the business day immediately preceding the date of this document and closes at or below that level for 2 consecutive trading days during the period from the lodgement date to the Settlement Date;
- **(oil price)** the Brent crude oil price closes:
 - o on any 3 consecutive trading days during the period from the lodgement date the Settlement Date; or
 - o on the Settlement Date,at a level that is 20% or more below its level as at 4.00pm on the business day immediately preceding the date of this document;
- **(Acquisition)** any party to the Share Exchange Agreement, terminates or rescinds the Share Exchange Agreement; a condition to completion in the Share Exchange Agreement becomes incapable of being satisfied and is not waived by the parties to that Agreement; the Share Exchange Agreement does or will not complete in accordance with its terms; or there is a material breach of a representation or warranty or other obligation under the Share Exchange Agreement, which breach has or is likely to have in the reasonable opinion of the Lead Manager a material adverse effect on the Company or the Group;
- **(offer of refund to investors)** any circumstance arises after lodgement of the Prospectus that results in the Company either repaying money received from persons who have applied for Offer Shares or offering persons who have applied for Offer Shares an opportunity to withdraw their application for Offer Shares and be repaid their application money;
- **(withdrawal of Prospectus)** the Company withdraws the Prospectus or terminates the Offer, or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- **(no Certificate)** the Company does not provide a certificate in the manner required by the provisions of the Underwriting Agreement;
- **(insolvency)** a Group Company is or becomes Insolvent, or an act occurs or an omission is made which may result in a Group Company becoming insolvent;



- **(regulatory action)** any of the following occurs in relation to the Offer:
 - o ASIC issues proceedings in relation to the Company;
 - o ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer document;
 - o ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer document under the ASIC Act;
 - o ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or any Offer document; or
 - o any other government agency commences any investigation or hearing in relation to the Offer, or any Offer document;
- **(stop order)** ASIC makes an interim order (other than an interim order that does not become public and is dismissed or withdrawn by ASIC within 2 business days) or final stop order in relation to the Prospectus under section 739 of the Corporations Act or holds a hearing (other than a hearing which does not become public and is dismissed or withdrawn by ASIC within 2 business days) under section 739 of the Corporations Act in relation to the Prospectus or makes an application under section 1324 or 1324B of the Corporations Act;
- **(withdrawal of consent):**
 - o any person whose consent to the issue of the Prospectus or any supplementary Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary Prospectus withdraws such consent;
 - o any person gives a notice under section 733(3) of the Corporations Act; or
 - o any person (other than the Lead Manager) who has previously consented to the inclusion of their name or any statement in the Prospectus or any supplementary Prospectus withdraws that consent;
- **(supplementary Prospectus)** the Company:
 - o lodges a supplementary Prospectus without the consent of the Lead Manager or fails to lodge a supplementary Prospectus in a form acceptable to the Lead Manager, in circumstances required under the provisions of Underwriting Agreement; or
 - o in the Lead Manager's reasonable opinion, becomes required to lodge a supplementary Prospectus because of a circumstance set out in section 719(1) of the Corporations Act;
- **(change in Directors and senior management)** any of the directors named in the Offer documents ceases to be a Director of the Company, without the written consent of the Lead Manager;
- **(disclosures in due diligence report)** the due diligence committee report or any information supplied by or on behalf of the Company to the Lead Manager in relation to the Group or the Offer as part of the due diligence process or becomes misleading or deceptive in a material respect, or information material to the Company or the business has not been disclosed as part of the due diligence process;
- **(material contracts)** if any of the material obligations of the relevant parties under any of the material contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the Lead Manager) or if all or any part of any of the material contracts:
 - o is terminated, withdrawn, rescinded, avoided or repudiated other than in a manner that would not reasonably be expected to have a material adverse change;
 - o is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal;
- **(ASX approvals and ASIC modifications)** any of the ASX approvals or ASIC modifications obtained in satisfaction of the conditions precedent are withdrawn, revoked, qualified, amended or withheld without the prior written approval of the Lead Manager (or ASX or ASIC (as the case may be) indicate to the Company or the Lead Manager that such approval is likely to be withdrawn, revoked, qualified, amended or withheld);



- **(quotation approval):**
 - o approval for official quotation is refused or not granted, other than subject to standard conditions customarily imposed, or any other conditions accepted in writing by the Lead Manager by the quotation approval date or if approval is granted, such approval is subsequently withdrawn, qualified (other than subject to standard conditions customarily imposed) or withheld before Completion; or
 - o if ASX indicates to the Company that approval is likely to be withdrawn, qualified (other than by customary pre-quotation listing conditions or other conditions acceptable to the Company and the Lead Manager acting reasonably) or withheld;
- **(unauthorised changes)** the Company or a Group Company:
 - o disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than as contemplated in the Prospectus;
 - o ceases or threatens to cease to carry on business;
 - o alters its capital structure, other than as contemplated in the Prospectus; or
 - o amends its constitution or any other constituent document of the relevant company;
- **(action against Directors and senior management)**
 - o a Director or any member of the senior management of the Group is charged with a criminal offence relating to any financial or corporate matter;
 - o any government agency commences any public action against a Group Company, any of the Directors or any member of the senior management of the Group, or announces that it intends to take any such action; or
 - o any Director or any member of the senior management of the Group is disqualified under the Corporations Act from managing a corporation;
- **(fraud)** a Director or a senior member of management of the Company engages in any fraudulent conduct or activity;
- **(unable to proceed)** the Company is or will be prevented from conducting or completing the Offer (including issuing the Shares) by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things;
- **(timetable)** an event specified in the timetable is delayed for more than 2 business days without the prior written approval of the Lead Manager (other than any delay agreed in writing between the Company and the Lead Manager or which may be made in accordance with the provisions of the Underwriting Agreement; and
- **(Restriction Agreements)** a restriction agreement is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with.

(iii) Termination events subject to materiality

The Lead Manager may at any time prior to the end of the date of Settlement immediately terminate if any one or more of the following termination events occur or has occurred at any time before the end of the date of Settlement (or such other time as specified in such event) if: (i) in the reasonable opinion of the Lead Manager the termination event has had or is likely to have, individually or in aggregate with a separate termination event, a material adverse effect on the financial condition, financial position or financial prospects of the Company or the Group, or on the willingness of investors to subscribe for Shares, or the success, marketing or outcome of the Offer or the ability of the Lead Manager to settle the Offer; or (ii) such event has given rise to or is likely to give rise to a contravention by the Lead Manager of, or the Lead Manager being involved in a contravention of, or incurring a liability under, the Corporations Act or any other applicable law as a result of the termination event:

- **(adverse change in financial markets)** any of the following occurs
 - o any adverse change or disruption to the political conditions or financial markets of Australia, New Zealand, the United Kingdom, the United States of America, Japan, the People's Republic of China, Hong Kong, Singapore, South Korea, any member state of the European Union, or the international financial markets;
 - o a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, the United Kingdom, Hong Kong, Japan, the People's Republic of China, Hong Kong, Singapore, South Korea, any member state of the European Union is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - o trading in securities generally has been suspended or limited for at least one trading day by any of the ASX, the Hong Kong Stock Exchange, the London Stock Exchange or the New York Stock Exchange;



- **(material contracts)** if any of the obligations of the relevant parties under any of the material contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the Lead Manager) or if all or any part of any of the material contracts:
 - o is altered, amended or varied without the consent of the Lead Manager (acting reasonably);
 - o ceases to have effect, otherwise than in accordance with its terms; or
 - o is breached, or there is a failure by a party to comply;
- **(new circumstance)** there occurs a new circumstance that has arisen since the Prospectus was lodged that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged;
- **(change in laws)** any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid applications or materially affects the financial position of the Company or has a material adverse effect on the success of the offer:
 - o the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - o the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or
 - o the adoption by ASX or their respective delegates of any regulations or policy;
- **(hostilities)** any of the following occurs:
 - o there is an outbreak of hostilities (whether or not a war or a national emergency has been declared) not presenting existing, or a major escalation in existing hostilities occurs;
 - o a national emergency is declared (other than one already existing as at the date of this agreement);
 - o a terrorist act is perpetrated; or
 - o there is a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing as at the date of this agreement, or a major escalation in an existing pandemic occurs,

involving any one or more of Australia, Canada, a member of the European Union, Japan, Hong Kong, India, New Zealand, North Korea, Russia, Singapore, South Korea, the People's Republic of China, the United Kingdom or the United States of America, any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world;
- **(legal proceedings)** any legal proceedings are commenced against the Company;
- **(compliance with regulatory requirements)** a contravention by the Company or any entity in the Group of the Corporations Act, the ASX Listing Rules, its constitution or any other applicable law or regulation;
- **(public statements):**
 - o the Company or an entity in the Group issues a public statement concerning the Offer without consulting with the Lead Manager and otherwise complying with the provisions of the Underwriting Agreement; or
 - o a statement in any of the public information (being certain public and other media statements in connection with the Company and the Offer) is or becomes misleading or deceptive or likely to mislead or deceive;
- **(breach)** the Company breaches any of its undertakings or obligations under this document;
- **(representations and warranties)** any representation or warranty contained in this document on the part of the Company is breached or becomes false, misleading or incorrect;
- **(certificate incorrect)** a statement in any certificate is false, misleading, inaccurate or untrue or incorrect; or
- **(adverse change)** any adverse change occurs in the assets, liabilities, share capital, Share structure, financial position or performance, profits, losses or prospects of the Company, the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Group) from those disclosed in the Prospectus, including:
 - o any adverse change in the reported earnings or future prospects of the Group; or
 - o any adverse change in the nature of the business conducted by the Group; or
 - o the insolvency or voluntary winding up of the Company or an entity in the Group or the appointment of any receiver, receiver and manager, liquidator or other external administrator; or
 - o any adverse change to the rights and benefits attaching to shares; or
 - o any event that is likely to cause a material adverse change.



(iv) Representations, warranties and undertakings

The Underwriting Agreement contains certain customary representations, warranties and undertakings (as well as common conditions precedent) provided by the Company to the Lead Manager.

The representations and warranties relate to matters such as powers and capacities to enter into and perform obligations under the Underwriting Agreement, conduct of the Company (including in respect of its compliance with applicable laws and the Listing Rules, business and status, due diligence and disclosure), certain documents issued by the Company in connection with the Offer (which includes this Prospectus and the associated offering documents), the information provided to the Lead Manager, insolvency, conduct of the Offer, and litigation.

The Company's undertakings include that it will not, from the date of the Underwriting Agreement up until 120 days after the date of Settlement, without the prior written consent of the Lead Manager (acting reasonably and without delay), issue or agree to issue any securities of the Company or permit any group member to do any of the foregoing, other than the issue of Shares under the Offer or as otherwise disclosed in this Prospectus. The Company also undertakes from the date of the Underwriting Agreement until 120 days after the date of Settlement to carry on its business in the ordinary course and not without the consent of the Lead Manager (acting reasonably) dispose of the whole or any material part of its business or property.

(v) Indemnity

The Company agrees to keep the Lead Manager and certain of the Lead Manager's affiliated parties indemnified from losses suffered in connection with the Offer, subject to customary exclusions including fraud, wilful misconduct and gross negligence of the Lead Manager and certain of the Lead Manager's affiliated parties.

(c) Memorandum of Understanding between Jemena Limited and the Company (MoU)

Pursuant to the MoU, the Company and Jemena Limited (**Jemena**) are proposing to form a new company known as the Jemena Tamboran Joint Venture (**JTJV**). The JTJV provides a formal framework and infrastructure solution to bring the Company's gas resource to market.

Both the Company and Jemena are incentivised to be first movers, and are actively pursuing opportunities to accelerate the development of the Beetaloo Basin. The partnership is seeking to bring the Company's gas to market – by leveraging Jemena's Northern Gas Pipeline (**NGP**) and relationships in the Northern Territory, and encouraging third-party access - as early as possible, and for the lowest cost.

The first stage of the pipeline solution involves the construction of a new gas pipeline from the Beetaloo Basin to the NGP, plus new compression on the NGP to double its capacity to 200TJ/d; this gas can be consumed in Mt Isa or transported further to the east coast market. Subsequent stages include expanding and extending this pipeline network to transport up to 1,000TJ/d to the Wallumbilla Gas Hub and Queensland LNG export facilities, and a separate pipeline to Darwin. In the near-term, capacity on the NGP is expected to be the limiting factor in the evacuation of gas from the Beetaloo Basin; the JTJV affords the Company the typical rights of an anchor shipper on the route. The JTJV provides the Company the opportunity, but not obligation, to contribute equity towards the infrastructure.

(d) Overriding Royalty Interests

Refer to section 3.11 for the material terms of royalty agreements in relation to Overriding Royalty Interests.

(e) Sweetpea Acquisition

On 25 July 2020, Longview, Tamboran and Tamboran McArthur entered into a Share Exchange Agreement under which Tamboran, through its wholly owned subsidiary, Tamboran McArthur, agreed to acquire 100% of the issued share capital of Sweetpea from Longview (**Sweetpea Acquisition**).

Sweetpea is the registered holder of EP 136 and EP 143 in the Northern Territory, and has also applied for exploration permit application EP(A) 197. Completion of the Sweetpea Acquisition occurred on 21 May 2021.

As consideration for the acquisition of Sweetpea, Tamboran issued a total of 142,700,907 fully paid ordinary shares of the Company to Longview on Completion.

Longview has a contractual right to nominate one board seat and one observer seat on Tamboran's Board of Directors. David Siegel was nominated by Longview and appointed to the Board on 3 March 2021.



9.6 Escrow arrangements

(a) Mandatory escrow

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for periods of up to 24 months from listing on ASX. During this period the holders of the restricted securities will be restricted from dealing with the escrowed securities without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

As at the date of this Prospectus, the Company expects approximately 285,082,566 Shares comprising approximately 44% (based on the Minimum Subscription) or 43% (based on the Maximum Subscription) of Shares on completion of the Offer may be subject to mandatory escrow restrictions.

It is intended that each of the affected persons will enter into restriction agreements in respect of their Restricted Securities in the form required under ASX Listing Rules, which prevents them from disposing of the Restricted Securities during the 24 month escrow period. The restrictions on the holder of Restricted Securities include prohibitions on selling, assigning, transferring or otherwise disposing of any interest in the Restricted Securities (or agreeing to do any of those things), granting, or agreeing to grant, a security interest over the Restricted Securities, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Restricted Securities.

An entity may allow removal of certain restrictions in respect of the Restricted Securities to accept a takeover bid or enable Restricted Securities to be transferred or cancelled as part of a scheme of arrangement under Part 5.1 of the Corporations Act in accordance with the ASX Listing Rules.

(b) Voluntary escrow

As at the date of this Prospectus, Baupost and Lion Point intend to enter into voluntary escrow arrangements in relation to the Shares indicated in that table below and held on Completion, under which they will be restricted from dealing with those Shares from Completion until 6 months after the quotation of the Shares on ASX.

	Shares voluntarily escrowed on Completion	Percentage of Shares on Completion at Minimum Subscription	Percentage of Shares on Completion at Maximum Subscription
Lion Point Master, LP	69,752,626	10.7%	10.5%
BP-PE3 LLC	130,000,789	19.9%	19.5%
Total	199,753,415	30.6%	30%

The restriction on “dealing” is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of, or agreeing or offering to sell, assign, transfer or otherwise dispose of; entering into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise dispose of; creating, agreeing to, or offering to, create, or permit to be created any security interest in or over; or doing or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of. There are limited circumstances in which the escrow may be released, or escrowed securities otherwise dealt with, early including:

- (i) to allow the escrowed Shareholder to accept an offer under a takeover bid in relation to its escrowed Shares if holders of at least half of the Shares the subject of the transaction that are not subject to similar escrow arrangements have accepted the takeover bid (or will have accepted the takeover bid if the escrowed Shareholder accepts the takeover bid) and the takeover bid is unconditional or all its conditions have been satisfied or waived (subject to a requirement to return the escrowed Shares to escrow if the Offer does not proceed);

For personal use only



- (ii) to allow the escrowed Shareholder to tender escrowed Shares into a bid acceptance facility established in connection with a takeover bid, provided that holders of not less than half of the Shares to which the takeover relates that are not subject to similar escrow arrangements have either accepted the takeover or tendered (and not withdrawn) their Shares into the bid acceptance facility (or will have done so if the escrowed Shareholder tenders any of the escrowed Shares into a bid acceptance facility) (subject to a requirement to return the escrowed Shares to escrow if the Offer does not proceed);
- (iii) to allow escrowed Shareholders to participate in an equal share buyback, equal capital return or other similar pro rata reorganisation, a merger being implemented by way of a scheme of arrangement or an acquisition of all Shares, in accordance with applicable law;
- (iv) the grant of a security interest over any or all of their escrowed Shares to a bona fide third party financial institution as security for a loan, hedge or other financial accommodation, provided that the security interest does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the relevant escrowed Shareholder has in any of its escrowed Shares and no escrowed Shares may be transferred to the financial institution in connection with the security interest (with the documentation for such a security interest making clear that the escrowed Shares remain in escrow and subject to the voluntary escrow arrangements for the term of those arrangements);
- (v) a transfer (in one or more transactions) of any or all escrowed Shares to a company wholly-owned by the escrowed Shareholder, a trust in relation to which the escrowed Shareholder is a beneficiary or an affiliate of the escrowed Shareholder, provided the transferee agrees to be bound by the voluntary escrow arrangements for the term of those arrangements, or in the case of certain limited reorganisations involving the escrowed Shareholder; or
- (vi) to the extent required by applicable law (including an order of a court of competent jurisdiction).

9.7 Litigation and claims

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business, operating and financial performance.

As far as the Directors are aware, however, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or Governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

9.8 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This section 9.8 contains a general description of these laws.

(a) Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.



(b) Foreign Acquisitions and Takeovers Act 1975 (Cth) and Federal Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisition of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**), where the acquisition meets a threshold value (which varies by investor type and industry). Where a foreign person holds a Substantial Interest in Tamboran or foreign persons hold an Aggregate Substantial Interest in Tamboran, Tamboran will be a “foreign person” for the purposes of FATA.

In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A “direct interest” is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

9.9 Taxation considerations

(a) Introduction

The following tax comments are based on Australian tax legislation including the *Income Tax Assessment Act 1936*, *Income Tax Assessment Act 1997*, *New Tax System (Goods and Services Tax) Act 1999*, *Stamp Duty Act 1978* (NT), applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force as at the date of this Prospectus.

Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each Shareholder or relied upon as tax advice. During the period of ownership of the Shares by Shareholders, the taxation laws of Australia, or their interpretation, may change. The precise implications of ownership or disposal will depend upon each Shareholder’s specific circumstances. Shareholders should seek their own professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

The following information include a general summary of the Australian income tax implications for Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate Shareholders, as well as for non-resident Shareholders. These comments do not apply to Shareholders that hold Shares on revenue account or as trading stock, Shareholders who are exempt from Australian income tax or Shareholders subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997*.

(b) Dividends paid on Shares

Dividends may be paid to the Shareholders by the Company where the relevant legal and accounting requirements are met. The Company may “attach” franking credits to such dividends where specific requirements are satisfied. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax at the corporate level. It is possible for a dividend to be fully franked, partly franked or unfranked. The concept of a dividend for Australian tax purposes is broad and can include payments made in respect of certain transactions including off-market share buy-backs. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Directors.

Any dividends paid by the Company on a Share will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

For personal use only



Such Shareholders should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Shareholder's taxable income, such Shareholders should be entitled to a tax refund equal to the excess. This is subject to satisfying the 'qualified person' rules outlined below.

To the extent that the dividend is unfranked, the Shareholder will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

Australian resident corporate Shareholders

Shareholders which are companies are also required to include both the dividend and the associated franking credit in their assessable income, subject to satisfaction of the 'qualified person' rules below. They are then allowed a tax offset up to the amount of the franking credit on the dividend.

An Australian resident corporate Shareholder should further be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate Shareholder to pass on the benefit of the franking credits to its own shareholder(s) on the subsequent payment of franked dividends.

Excess franking credits received cannot give rise to a refund for a company but can be converted into carry forward tax losses.

Australian resident trusts and partnerships

Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend and any attached franking credit in determining the net income of the trust or partnership, subject to satisfaction of the 'qualified person' rules below. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the trust or partnership.

Non-resident Shareholders

For Shareholders who are not Australian residents, the franked amount of dividends paid are exempt from Australian income and withholding taxes. Any unfranked amount received may be subject to withholding tax. Any unfranked dividend received by a non-resident Shareholder are usually subject to withholding tax. Withholding tax is deducted before the dividend is paid at a rate of 30%, unless you are a resident of a country with which Australia has entered into a taxation agreement that varies the amount of withholding tax that can be levied on dividends. In these cases, the reduced withholding tax rate is typically 15%.

It is recommended that non-resident Shareholders consider the tax implications of receiving dividends under their respective domestic taxation regimes.

Shares held at risk or qualified person rules

The benefit of franking credits can be denied where a Shareholder is not a 'qualified person', in which case the Shareholder should not need to include the amount of the franking credits in their assessable income but also should not be entitled to a tax offset.

As the 'qualified person' rules are complex, it is recommended that Shareholders seek their own professional advice on the tax consequences arising in these circumstances. The below are provided by way of general comments only

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, a Shareholder is required to hold Shares 'at risk' for more than 45 days continuously (which is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend). Shares are held 'at risk' to the extent no material 'positions' are adopted in relation to the Shares which have the effect of diminishing the economic exposure associated with holding the Shares (for example, certain derivatives or agreements to sell the shares). This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000. Special rules also apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the Shareholder has made, or is under an obligation to make, a related payment in relation to the dividend. Broadly, a Shareholder would be considered to have made a related payment if the taxpayer has done, or is under an obligation to do, anything which has the effect of passing the benefit of a dividend or distribution to other persons. The related payment rule requires the Shareholder to have held the Shares at risk for the continuous 45 day period as above but within the period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend.

For personal use only



Dividend washing rules

Dividend washing rules may apply in certain circumstances, meaning that no tax offset is available for a dividend received on Shares. These rules broadly apply where Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing substantially similar parcel of Shares cum-dividend on a special market.

(c) Disposal of Shares

Australian resident Shareholders

Most Australian resident Shareholders will be subject to Australian capital gains tax (CGT) on the disposal of their Shares. However some Shareholders may hold their Shares on revenue account, as trading stock or be subject to the Taxation of Financial Arrangements regime. These Shareholders should seek their own professional advice in respect of the tax consequences of a disposal of Shares.

A Shareholder will derive a capital gain on the disposal of a particular Share where the capital proceeds received on disposal exceed the CGT cost base of the Share. The CGT cost base of the Share is broadly the amount paid to acquire the Share plus, among other things, any transaction/incidental costs (the cost base of the Share may be different if a CGT roll-over applied to the acquisition of the Share).

A CGT discount may be available on the capital gain for individual Shareholders, trustee Shareholders and Shareholders that are complying superannuation entities provided the particular Shares are held for at least 12 months prior to sale. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33 $\frac{1}{3}$ %. In relation to trusts, the CGT discount rules are complex, but this discount may flow through to presently entitled beneficiaries of the trust. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A Shareholder will incur a capital loss on the disposal of their particular Shares to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the Shares.

If a Shareholder derives a net capital gain within a certain income year, this amount is included in a Shareholder's assessable income. If a Shareholder incurs a net capital loss within a certain income year, this amount can be carried forward and is available to be applied against capital gains derived in subsequent years, subject in some cases to the Shareholder satisfying certain rules relating to the recoupment of carried forward losses.

Non-resident Shareholders

The disposal of a Share by a Shareholder who is a non-resident of Australia will usually be subject to CGT. However, any capital gain initially arising should be disregarded unless the Share constitutes taxable Australian property. A Share will usually constitute taxable Australian property if:

- the Shareholder holds an interest of at least 10% in the Company at the time of the disposal, or has held such an interest throughout the 12 month period in the 24 months preceding the disposal; and
- the Company is land rich for Australian income tax purposes.

A Share will also generally constitute taxable Australian property if it is used by a Shareholder in carrying on a business in Australia through a permanent establishment.

In the event that a Shareholder who is a non-resident realises a capital gain from the disposal of a Share that constitutes taxable Australian property, the Shareholder will ordinarily be required to lodge an Australian income tax return including the capital gain. In these circumstances, the Shareholder should generally not be entitled to claim the benefit of the CGT discount to reduce the amount of the capital gain included, but may be able to offset the capital gain with any available capital losses, subject to certain loss recoupment tests being satisfied. The amount of the capital gain, after application of any available capital losses, should be subject to Australian income tax at the Shareholder's marginal tax rate.

A capital loss should initially be realised by a Shareholder who is a non-resident to the extent that the reduced cost base of a Share exceeds the capital proceeds from its disposal. However, as with capital gains, a capital loss should be disregarded by the Shareholder unless the Share being disposed of constitutes taxable Australian property.

Capital losses which are not disregarded may only be offset against capital gains from the disposal of taxable Australian property in the same income year or future income years, subject to certain loss recoupment tests being satisfied.



(d) Tax file numbers

A Shareholder is not required to quote their tax file number (TFN) to the Company. However, if TFN or exemption details are not provided, Australian tax may be required to be deducted by the Company from any dividends paid at the maximum marginal tax rate plus the Medicare levy.

A Shareholder that holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

Non-resident Shareholders should generally be exempt from the TFN withholding rules.

(e) Stamp duty

No stamp duty should be payable by Shareholders on the acquisition of Shares.

Shareholders should seek their own advice as to the impact of stamp duty in respect of their Shares based on their own particular circumstances.

(f) Goods and services tax (GST)

The acquisition, redemption or disposal of the Shares by an Australian resident (that is registered for GST) should be an input taxed financial supply, and therefore is not subject to GST.

No GST should be payable in respect of dividends paid to Shareholders.

An Australian resident Shareholder that is registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses they incur that relate to the acquisition, redemption or disposal of the Shares (e.g. brokerage or professional advisory fees).

Shareholders should seek their own advice on the impact of GST in respect of their Shares based on their own particular circumstances.

9.10 Selling restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offer of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those in the following section. Any failure to comply with such restrictions could constitute a violation of applicable securities laws. In particular, this Prospectus may only be distributed in the United States to Institutional Investors by the Company and only if this Prospectus is accompanied by the U.S. Offering Circular.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

For personal use only



Luxembourg

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in Luxembourg or elsewhere in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in Luxembourg except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in Luxembourg is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (FMC Act)*. The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within one of these categories, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

South Africa

This Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa. This Prospectus has not been registered with nor approved by the South African Companies and Intellectual Property Commission.

Any offer of Shares in South Africa will be made by way of a private placement to, and capable of acceptance only by, investors who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act.

An entity or person resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

For personal use only



The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Shares will only be offered and sold in the United States under the US Offering Circular to:

- “accredited investors” (as defined in Rule 501 under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

9.11 Consents to be named and statement and disclaimers of responsibility

Each of the parties listed below in this section 9.11 (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements or reports in this Prospectus that are specified below in the form and context in which the statements or reports appear:

- MST Financial Services Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager to the Offer in the form and context in which it is named;
- JE Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Corporate Advisor to the Offer in the form and context in which it is named;
- Squire Patton Boggs has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation and stamp duty matters) to the Company in relation to the Offer in the form and context in which it is named and to the inclusion of its Solicitor’s Report as set out in Annexure B in the form and context in which it appears in this Prospectus;



- Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor of the Company, tax adviser and provider of financial and tax due diligence services to the Company in relation to the offer and Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Investigating Accountant's Report on the Financial Information set out in section 4 in the form and context in which it appears in this Prospectus;
- Netherland, Sewell & Associates, Inc. has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Technical Expert in the form and context in which it is so named and to the inclusion in this Prospectus of the Technical Expert's Reports in Annexure A in the form and context in which it is included;
- Ward Keller has prepared the Special Purpose Tenement Report and has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is so named and to the inclusion in this Prospectus of the Special Purpose Tenement Report in Annexure B in the form and context in which it is included; and
- Boardroom Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Share Registry of the Company in the form and context in which it is named. Boardroom Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company.

9.12 Costs of the Offer

The costs of the Offer are expected to be between approximately \$4.3 million (including GST) for Minimum Subscription and approximately \$4.6 million (including GST) for Maximum Subscription. This estimation includes ASX and ASIC fees, legal fees, share registry fees, printing costs and other miscellaneous expenses. These costs have been, or will be, borne by the Company from the proceeds of the Offer.

9.13 Investor considerations

Before participating in this Offer, you should consider whether the Shares are a suitable investment for you. There are both general risks and specific risks with participating in the Offer as outlined in section 5. If you are in doubt as to the course you should follow, seek advice from a professional advisor.

9.14 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under the Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.15 Statement of Directors

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.



10 GLOSSARY

Term	Meaning
\$, AUD, dollars or cents	Australian currency excluding GST unless otherwise stated
AASB	Australian Accounting Standards Board
ADGSM	Australian Domestic Gas Security Mechanism
AEMO	Australian Energy Market Operator
Aggregate Substantial Interest	Has the definition given in section 9.8(b)
AMI	Area of Mutual Interest, as defined in section 3.11
Applicant	A person who submits an Application
Application	An application made to subscribe for Shares offered under this Prospectus
Application Form	The relevant application form attached to or accompanying this Prospectus and any replacement prospectus (including the electronic form provided by an online application facility)
Application Monies	The amount of money accompanying an Application Form submitted by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or, where the context requires, the Australian Securities Exchange, which it operates
ASX Listing Rules	The listing rules of the ASX that govern the admission, quotation and removal of securities from the ASX official list
ASX Recommendations	The fourth edition ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
ASX Settlement Operating Rules	The settlement rules of ASX as amended, varied or waived from time to time
Audit and Risk Management Committee	The committee described in section 6.8(b)
Australian Accounting Standards or AAS	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group interpretations

For personal use only



Term	Meaning
Bayless Group	Tom Dugan Family Limited Partnership, LLP, Territory Oil & Gas, LLC; and Malcolm John Gerrard
Bayless ORRs	Has the meaning given in section 3.11
Bcf	Billion cubic feet
Board or Board of Directors	The board of directors of the Company
Broker	Any ASX participating organisation appointed by the Lead Manager and the Company to act as a broker to the Offer
Broker Firm Application Form	The form required to be submitted by an Applicant
Broker Firm Offer	The offer of Shares under this Prospectus to Australian resident clients of Brokers and who have received a firm allocation from their Broker provided that such clients are not in the United States, as detailed in section 7.9
Broker Firm Offer Applicant	A person who submits an Application under the Broker Firm Offer
Business	The business carried on by the Group
CGT	Australian capital gains tax
Chairman	The chairman of the Board
CHESS	ASX's Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
Closing Date	The date on which the General Offer and the Broker Firm Offer are expected to close, being 5:00pm on Friday, 18 June 2021. These dates may be varied without prior notice
Code of Conduct	The code which sets out the ethical framework expected by the Company's personnel as set out in section 6.9(d)
Company	Tamboran Resources Limited (ACN 135 299 062)
Completion	The completion of the Offer, being the date upon which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer
Constitution	The constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	Each of the directors of the Company from time to time
EIP or Equity Incentive Plan	The Equity Incentive Plan adopted by the Company, a summary of the terms of which is set out at section 7.23

For personal use only



Term	Meaning
Eligible US Fund Manager	A dealer or other professional fiduciary organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which they have and are exercising investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act
EJ	Exajoules
EP 161 JV	The joint venture agreement between Tamboran and Santos QNT as described in section 3.7(b)
Existing Shares	The Shares held by the Existing Shareholders
Existing Shareholders	Those persons holding Shares as at the Prospectus Date
Exposure Period	The seven day period after the date of the Original Prospectus during which no Applications may be processed and which may be extended by ASIC for up to an additional seven days (i.e. up to a total of 14 days)
Farm-In Agreement	Has the definition given in section 3.7(b)
FATA	Foreign Acquisitions and Takeovers Act 1975 (Cth)
Financial Information	Has the meaning given in section 4.1
FMC Act	Financial Markets Conduct Act 2013 (NZ).
FSMA	Financial Services and Markets Act 2000 (UK)
FY	Financial year
FY19	The financial year ended 30 June 2019
FY20	The financial year ended 30 June 2020
General Offer	The general offer which is open to members of the general public who have a registered address in Australia or New Zealand.
GPG	Gas-powered electricity generation
Group	The Company and each of its subsidiaries
Group Company	Has the definition given in section 6.4(b)(iv)
GST	Goods and services tax
HIN	Holder Identification Number
Historical Financial Information	Has the meaning given in section 4.1



Term	Meaning
Industry Data	Data relating to the industries, segments, sectors and channels in which the Company operates
Institutional Investor	<p>Investors who are:</p> <ul style="list-style-type: none">• in Australia, wholesale clients under section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act;• in Hong Kong, “professional investors” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;• in Luxembourg, “qualified investors” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);• in New Zealand, persons who (i) are an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the “FMC Act”), (ii) meet the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) are large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) are a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) are an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);• in Singapore, “institutional investors” or “accredited investors” (as such terms are defined in the Securities and Futures Act of Singapore);• in South Africa, persons who are included in the categories of persons pertaining to “offers that are not offers to the public” as contained in section 96(1) of the South African Companies Act and, as such, not persons in respect of which the prospectus requirements of the South African Companies Act apply;• in the United Kingdom, “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation; and within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;• in the United States, (i) “accredited investors”, as defined in Rule 501(a) under the US Securities Act or (ii) eligible US Fund Managers; or• institutional investors in certain other jurisdictions, as agreed by the Company and the Lead Manager to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which the Company is willing in its discretion to comply).
Institutional Offer	The invitation to Institutional Investors under this Prospectus to acquire Shares, as described in section 7.9
Investigating Accountant	Ernst & Young
Investigating Accountant’s Report	The report contained in section 8 prepared by Ernst & Young



Term	Meaning
Jemena	Jemena Limited (ACN 052 167 405)
JOA or Joint Operating Agreement	Joint Operating Agreement between Tamboran and Santos QNT dated 11 December 2012, as amended from time to time
Km	Kilometres
Lead Manager	MST Financial Services Pty Limited (ACN 617 475 180)
Listing	Admission of the Company to the Official List of the ASX
LNG	Liquefied natural gas
Longview	Longview Petroleum LLC
Milestone Option Expiry Dates	The date on which the Milestone Options expire, being 20 May 2026 or, if the Milestone Options vest, the date that is 5 years after the date they vest as determined by the Board
Milestone Options	The options as described in section 7.21(b).
MMCF/d	Million cubic feet per day
New Shareholders	Persons acquiring Shares under the Offer (excluding any Existing Shareholders who acquire Shares under the Offer)
Nomination and Remuneration and Committee	The committee described in section 6.8(b)
NPAT	Net profit after tax
NSAI or Netherland, Sewell & Associates, Inc.	The independent reserves and resources certifier who prepared the Technical Expert's Reports.
OECD	Organisation for Economic Cooperation and Development
Offer	The offer contained in this Prospectus to subscriber for Shares comprising the Institutional Offer, Broker Firm Offer, Priority Offer and the General Offer
Offer Information Line	1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (Sydney time), Monday to Friday
Offer Period	The period during which the General Offer and the Broker Firm Offer is open, being from the Opening Date and ending on the Closing Date
Offer Price	\$0.40 per Share
Official List	The official list of the ASX
Opening Date	The date on which the General Offer and the Broker Firm Offer opens, being from 9.00am (Sydney time) on Monday, 7 June 2021.



Term	Meaning
Options	The options over Shares granted by the Company, as described in section 7.20
Optionholder	A registered holder of Options from time to time.
Original Prospectus	The prospectus dated 21 May 2021 issued by the Company in relation to the Offer, which is replaced by this Prospectus
ORRI	Overriding royalty interests, as defined in section 3.11
Permitted Jurisdictions	Australia, New Zealand, Singapore, Luxembourg, Hong Kong, South Africa, the United Kingdom and the United States.
Petrohunter	PetroHunter Energy Corporation, a company organised under the laws of Maryland, c/o Jeffrey L. Hill, 12605 E. Euclid Drive, Suite 212, Centennial, Colorado 80111-6437, United States of America.
Petrohunter ORRIs	Has the meaning given in section 3.11
Petroleum Act	<i>Petroleum Act 1984</i> (NT)
Priority Offer	The offer for Shares made to certain Institutional Investors selected by the Company in Australia and qualifying investors in certain overseas jurisdictions
Proper ASTC transfer	Has the meaning given in the Corporations Regulations 2001 (Cth) regulation 1.0.12
Prospectus	This document dated [•] (including the electronic form of this Prospectus) which replaces the Original Prospectus and any supplementary or replacement prospectus in relation to this document
Prospectus Date	The date on which this Prospectus was lodged with ASIC, being [•] May 2021
RPS or Redeemable Preference Shares	Redeemable preference shares
Related Bodies Corporate	Any of the Lead Manager's affiliates or related bodies corporate as defined in the Corporations Act
Restricted Securities	Has the meaning given to that term in the ASX Listing Rules
Santos QNT	Santos QNT Pty Ltd (ACN 083 077 196)
Scope 1, Scope 2 and Scope 3	Scope 1 emissions occur from sources controlled by the Company, for example emissions from fuel, flare and vent; Scope 2 emissions are indirect, mainly electricity consumption; and Scope 3 emissions represent indirect emissions when our products are combusted by customers to produce energy
Settlement	The settlement in respect of the Shares the subject of the Offer
Settlement Date	The date on which the Offer is settled, being Thursday, 24 June 2021
Share	A fully paid ordinary share in the capital of the Company



Term	Meaning
Share Exchange Agreement	The agreement dated 25 July 2020 between Longview, Tamboran, and Tamboran McArthur described in section 9.5(e)
Shareholder	A holder of a Share in the Company
Share Registry	Boardroom Pty Limited (ACN 003 209 836)
Successful Applicant	An Applicant who is issued or transferred Shares under the Offer
Sweetpea Assets	EP 136, EP 143 and EP(A) 197
Tamboran Assets	EP 161 and the Sweetpea Assets
Tamboran McArthur	Tamboran McArthur Pty Limited
Technical Expert	Netherland, Sewell & Associates, Inc.
Technical Expert's Reports	The Technical Expert's Reports prepared by Netherland, Sewell & Associates, Inc.
Tcf	Trillion cubic feet
Underwritten Amount	The total underwritten by the Lead Manager in respect of the Institutional Offer and Broker Firm Offer pursuant to the Underwriting Agreement being up to an amount of approximately \$48.6 million
Underwriting Agreement	The agreement between the Company and the Lead Manager dated on or about the date of the Original Prospectus described in section 9.5(b)
U.S. Offering Circular	The offering circular that must accompany any distribution of the Prospectus in the United States to Institutional Investors.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VWAP	Has the meaning given in the ASX Listing Rules.



ANNEXURE A – TECHNICAL EXPERT’S REPORTS

**ESTIMATES
of
UNRISKED CONTINGENT AND PROSPECTIVE
RESOURCES
for
SHALE GAS DISCOVERIES AND PROSPECTS
in
EXPLORATION PERMIT 161
in the
BEETALOO SUB-BASIN, NORTHERN TERRITORY,
AUSTRALIA
as of
MAY 13, 2021**

Prepared for
TAMBORAN RESOURCES LIMITED

NSAI
NETHERLAND, SEWELL
& ASSOCIATES, INC.
WORLDWIDE PETROLEUM
CONSULTANTS
ENGINEERING • GEOLOGY
GEOPHYSICS • PETROPHYSICS

For personal use only



May 13, 2021

The Board of Directors
Tamboran Resources Limited
110-112 The Corso
Manly, NSW 2095
Australia

Dear Directors:

In accordance with your request, we have estimated the unrisksed contingent gas resources and the unrisksed prospective gas resources, as of May 13, 2021, to the Tamboran Resources Limited (Tamboran) interest in shale gas discoveries and prospects located in Exploration Permit (EP) 161, McArthur Basin, Northern Territory, Australia. Tamboran owns a 25 percent working interest and the operator, Santos QNT Pty Ltd (Santos), owns a 75 percent working interest in EP 161. We completed our evaluation on January 31, 2021, and there has been no additional work completed as of the date of this letter. It is our understanding that Tamboran is planning to file an initial public offering on the Australian Securities Exchange (ASX) and will include a copy of this report in the prospectus to be filed as part of the listing process; in our opinion the assumptions, data methods, and procedures used in the preparation of this report are appropriate for such purpose. The volumes included in this report are attributable to the Kyalla Shale and Middle Velkerri C, B, and A Shales of the Velkerri Formation. The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality, as reserves, contingent resources, or prospective resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk that are difficult to quantify; thus reserves, contingent resources, and prospective resources should not be aggregated without extensive consideration of these factors. Definitions are presented immediately following this letter.

CONTINGENT RESOURCES

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown in this report are contingent upon (1) demonstration of the economic viability of project development, (2) successful completion of work commitments prior to expiration of the leases, (3) development of infrastructure, (4) a sales contract, and (5) commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in this report may be reclassified as reserves; our estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. Because of the lack of commercial data given the early stage of development of this project, we did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined. It should be understood that no economic gas production has been established in the McArthur Basin to date. The project maturity subclass for these contingent resources is development unclarified.

We estimate the unrisksed gross (100 percent) contingent gas resources and the unrisksed company gross contingent gas resources to the Tamboran interest in these shale gas discoveries in EP 161, as of May 13, 2021, to be:

Area	Reservoir	Unrisksed Gross (100%) Contingent Gas Resources (BCF)			Unrisksed Company Gross Contingent Gas Resources (BCF)		
		Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)
Main	Velkerri C	18	46	107	4	11	27
Main	Velkerri B	28	71	158	7	18	40

Note: Associated contingent condensate resources are estimated to range between 1 and 7 barrels per million cubic feet (MMCF) of gas.

For personal use only



Gas volumes are after deductions for shrinkage due to condensate (pentanes plus) recovery and removal of inert gases. Gas volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases. We have not accounted for natural gas liquids volumes to be recovered; detailed gas analysis will be required to accurately estimate those volumes.

The contingent resources shown in this report have been estimated using probabilistic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate. The estimates of contingent resources included herein have not been adjusted for development risk.

PROSPECTIVE RESOURCES

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. The prospective resources included in this report should not be construed as reserves or contingent resources; they represent exploration opportunities and quantify the development potential in the event a petroleum discovery is made. It should be understood that potentially significant quantities of shale are known to be present in the project area; however, with limited gas content and storage capacity data and no horizontal test data, this area is considered an undiscovered shale gas opportunity and the gas volumes are classified as prospective resources rather than contingent resources. We did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined.

Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are therefore not shown. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources. Such risk is often significant. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

We estimate the unrisks gross (100 percent) prospective gas and condensate resources in these shale gas prospects in EP 161, as of May 13, 2021, to be:

Area	Reservoir	Unrisks Gross (100%)					
		Prospective Gas Resources (BCF)			Prospective Condensate Resources (MMBBL)		
		Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)
Main	Lower Kyalla	345	867	2,697	5	18	86
Main	Velkerri C	7,372	12,842	25,648	15	80	302
Main	Velkerri B	13,041	21,739	41,692	13	110	427
Main	Velkerri A	3,190	6,138	12,776	3	31	130
East	Velkerri C	667	1,127	2,171	10	24	69
East	Velkerri B	2,684	4,363	8,163	3	22	83
East	Velkerri A	1,126	2,172	4,815	1	11	49

Condensate volumes are expressed in millions of barrels (MMBBL); a barrel is equivalent to 42 United States gallons.

For personal use only



May 13, 2021
EP 161
Page 3 of 8

We estimate the company gross prospective gas and condensate resources to the Tamboran interest in these shale gas prospects in EP 161, as of May 13, 2021, to be:

		Unrisked Company Gross					
		Prospective Gas Resources (BCF)			Prospective Condensate Resources (MMBBL)		
Area	Reservoir	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)
Main	Lower Kyalla	86	217	674	1	5	22
Main	Velkerri C	1,843	3,210	6,412	4	20	75
Main	Velkerri B	3,260	5,435	10,423	3	28	107
Main	Velkerri A	798	1,535	3,194	1	8	33
East	Velkerri C	167	282	543	3	6	17
East	Velkerri B	671	1,091	2,041	1	6	21
East	Velkerri A	282	543	1,204	0	3	12

The prospective resources shown in this report have been estimated using probabilistic methods and are dependent on a shale gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate.

Unrisked prospective resources for shale gas prospects are estimated ranges of recoverable gas volumes assuming their discovery and development and are based on estimated ranges of in-place volumes. As requested, no geologic risk assessment was conducted for these prospects. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially recoverable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes and without regard to the chance of development. For shale gas prospects, principal geologic risk elements include quantity of shale, hydrocarbon content, storage capacity, and potential for commercial flow rates. Development risking of prospective resources for shale gas prospects should include consideration of whether the entire area addressed by the assessment can and will be developed; this component is generally unique to shale gas prospects because of the greater areal extent and the wide variability in thickness, rock properties, and production characteristics across that areal extent. For shale gas prospects, principal development risk elements are (1) reservoir quality across the evaluated acreage, (2) development and application of technology needed to commercially produce the acreage, and (3) a reasonable expectation of a commitment to develop the acreage. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation.

Regional data from exploration wells; the results of the Tanumbirini-1 well, spudded in June 2014 by Santos, the operator of the block; and publicly available gas composition data from the Kyalla-117H well spudded by Origin were used to estimate the lateral continuity and volume of shale for identifying potentially attractive target areas. Petrophysical estimates were based on our updated petrophysical shale model; however, there still exists a range of uncertainties regarding gas content, porosity, and producibility of the shale across these areas. The operator has developed an exploration plan for near-term exploration wells to determine the potential shale volume, gas content, and producibility of shale targeted for production. If exploration results are favorable, pilot projects will be required to determine if permeability and producibility are adequate to justify future commercial development.

It should be understood that the prospective resources discussed and shown herein are those highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of producible shale gas but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisks prospective resources shown in this report are the range of volumes that could reasonably be expected to be recovered in the event of the discovery and development of these prospects.

For personal use only



May 13, 2021
EP 161
Page 4 of 8

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

DISCUSSION

EP 161 is a polygonal shaped tract that spans north-south in the Beetaloo Sub-basin with varying widths having a total area of approximately 10,500 square kilometers (km²), as shown in Figure 1.

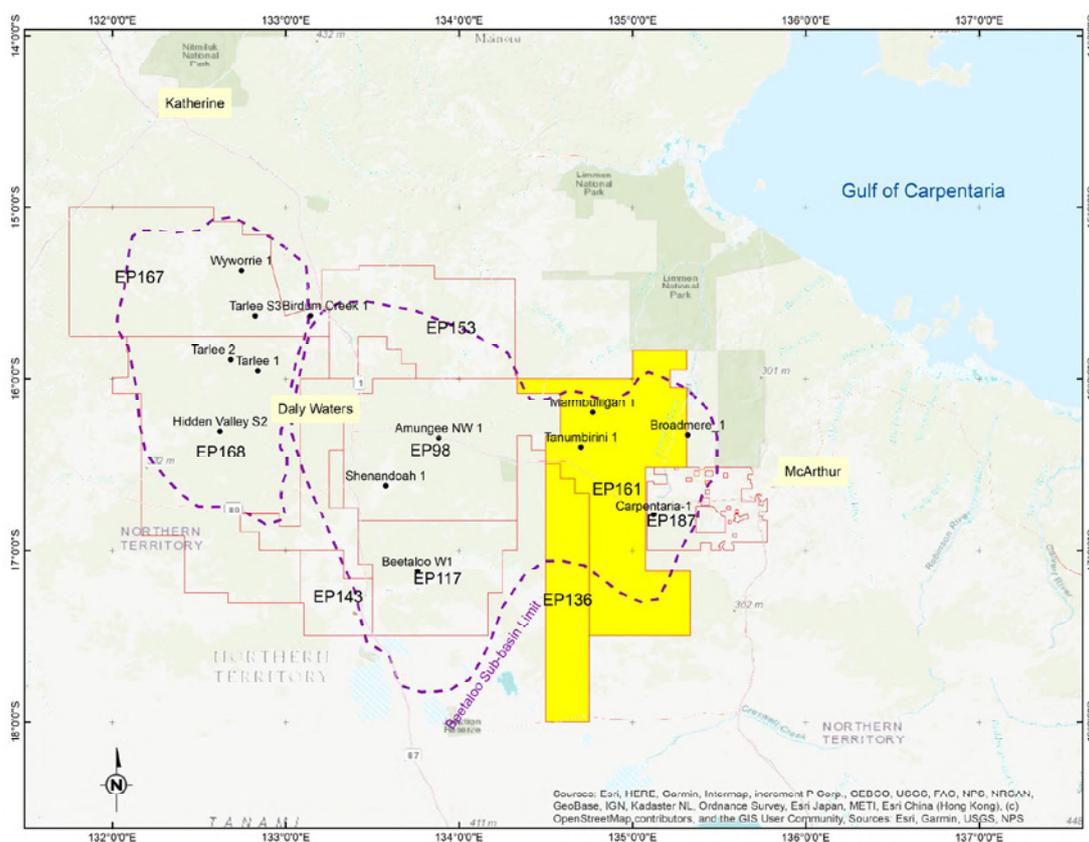


Figure 1 - Location Map

For personal use only



May 13, 2021
EP 161
Page 5 of 8

For personal use only

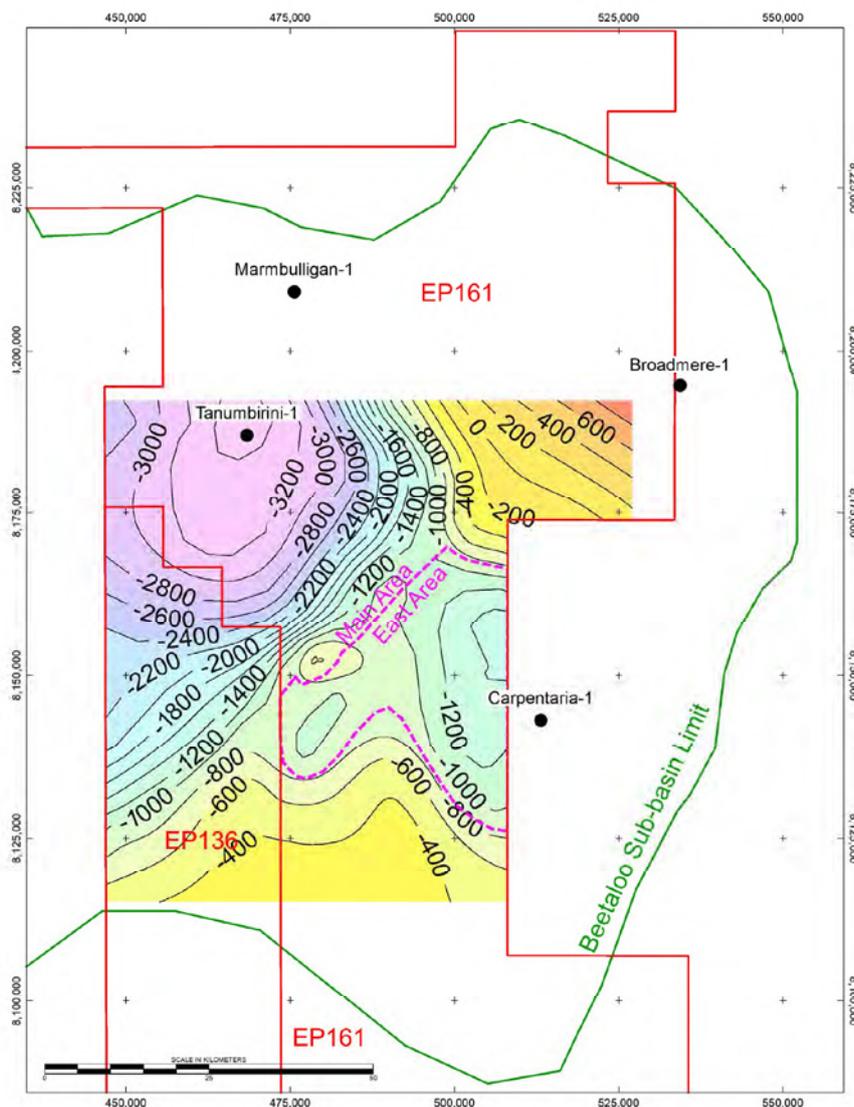


Figure 2 - Top Middle Velkerri B Depth Structure

The Amungee NW-1H well drilled by Origin Energy Ltd. (Origin) was the first horizontal well drilled in the basin and completed in the Velkerri B shale. The well was drilled and tested in 2016. The well flowed a total of 63 MMCF of gas over a 57-day period with an average flow rate of 1.10 MMCF per day. The Amungee NW-1H well discovery report provided petrophysical and well test data. In late 2020, Empire Energy Group Limited drilled the Carpentaria-1 well in the nearby EP 187, but no new data have been made public. Also in 2020, Origin drilled the Kyalla-117H well to the Kyalla formation, and some gas composition information was publicly disclosed. The Kyalla-117H is the



May 13, 2021
EP 161
Page 6 of 8

closest example of a horizontal productive shale test in the higher gas liquids window; therefore, this gas composition data have been used to define the limits of our range of parameters for estimating resources.

The Tanumbirini-1 vertical well is located near the Carpentaria Highway east of Daly Waters and west of McArthur. The Tanumbirini-1 well was drilled in the basin center position to a depth of 3,946 meters (m). It intersected the Middle Velkerri shale at 3,205 m depth with a thickness of 433 m. The Tanumbirini-1 well is a gas shale well that was fracture stimulated with four stages as shown below.

Fracture Treatment Stage	Target	Depth Stimulated (m)	Fluid Volume (Barrels)	Sand Placed (Ton)
1	Middle Velkerri A shale	3,585-3,591	17,554	37
2	Middle Velkerri A-B Interburden shale	3,504-3,507	10,359	150
3	Middle Velkerri B shale	3,448-3,451	10,029	158
4	Middle Velkerri C shale	3,250-3,253	9,419	151

The vertical fracturing test results recovered natural gas over two production tests with the first providing a maximum production rate of 1.6 MMCF per day and a sustained production rate with 26/64-inch choke of 400 thousand cubic feet (MCF) per day with nearly no decline over a 112-day period ending April 2, 2020. The second flow test provided a maximum production rate of 10.6 MMCF per day and a sustained production rate with 20/64- and 26/64-inch chokes of 601 MCF per day over a 20-day period. Produced natural gas from Tanumbirini-1 contained approximately 3 percent CO₂ and 1 percent nitrogen (N₂). Fluid recovery rate was negligible by the end of the first flow test with 42 percent (17,705 barrels) recovered of the total pumped fluid volume of 42,096 barrels.

The joint venture for EP 161 currently intends to drill four exploratory wells in EP 161 during 2021 and 2022 for phases 1 and 2. The joint venture will assess the results from these wells to determine the optimal development path forward.

The work program as currently planned for EP 161 is shown below:

Year	Work Program
2021 – Phase 1	Drill Tanumbirini-2H and Tanumbirini -3H horizontal wells, followed by flow tests on each well
2022 – Phase 2	Drill two horizontal wells, followed by flow tests on each well

GENERAL INFORMATION

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties.

The contingent and prospective resources shown in this report are estimates only and should not be construed as exact quantities. Estimates may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance.

For the purposes of this report, we used technical data including, but not limited to, well logs, geologic maps, laboratory analysis, seismic data, well test data, and property ownership interests. The contingent and prospective resources in this report have been estimated using probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE

For personal use only



May 13, 2021
EP 161
Page 7 of 8

Standards). We used standard engineering and geoscience methods, or a combination of methods, including volumetric analysis and analogy, that we considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2018 PRMS definitions and guidelines. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from Tamboran, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the properties or independently confirmed the actual degree or type of interest owned. The technical persons responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

QUALIFICATIONS

NSAI performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. We provide a complete range of geological, geophysical, petrophysical, and engineering services, and we have the technical expertise and ability to perform these services in any oil and gas producing area in the world. The staff is familiar with recognized industry reserves and resources definitions, specifically those promulgated by the U.S. Securities and Exchange Commission, The ASX, SPE, Society of Petroleum Evaluation Engineers, World Petroleum Council, and American Association of Petroleum Geologists.

The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards and the requirements listed in the ASX Rules. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis. We are not officers or proposed officers of any group, holding, or associated company of Tamboran. Furthermore, none of our staff or associates own shares or equity in Tamboran.

NSAI has prepared thousands of independent technical reports for clients including small privately owned oil and gas companies, major and independent oil and gas companies, national oil and gas companies, financial institutions, and investors. The firm has performed field characterization and reserves assessments for properties that range from exploration and early appraisal drilling areas to fully developed fields. The staff has extensive worldwide experience in the geology and petrophysics of complex structural and stratigraphic fields and unconventional reservoirs such as fractured basement, tight gas, and coal seam gas.

Our reservoir engineering experience includes reserves determination, reservoir simulation, material balance, production analysis, well test analysis, wellbore inflow/outflow modeling, probabilistic modeling, fluid analysis, and economic evaluation. We also have staff engineers who specialize in field operations, facilities planning and design, and drilling. NSAI uses its in-house proprietary economics software along with other industry-standard software to estimate future producing rates, future net revenue, and the net present value of such future net revenue in accordance with industry standards and other applicable regulatory provisions.

This evaluation has been led by Mr. Joseph M. Wolfe and Mr. John G. Hattner. Mr. Wolfe is a Vice President and a team leader in the firm's Dallas office at 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201. He has in excess of 12 years of experience in the petroleum industry with over 7 years at NSAI, is a Licensed Professional Engineer in the State of Texas (Texas Registration No. 116170), and is a member of the SPE.

Mr. Hattner is a Senior Vice President of NSAI and a team leader in the firm's Dallas office at 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201. He has over 40 years of experience in the petroleum industry, with over 29 years at NSAI. He is a Licensed Professional Geophysicist in the State of Texas (Texas Registration No. 559), a certified petroleum geologist and geophysicist with the American Association of Petroleum Geologists, and a member of the

For personal use only



May 13, 2021
EP 161
Page 8 of 8

Society of Exploration Geophysicists and SPE. Mr. Hattner has over 26 years of extensive experience in coal seam gas/coalbed methane evaluations, having evaluated numerous coal bed methane properties located in Australia, Botswana, Canada, China, Colombia, India, Indonesia, Israel, Mexico, Poland, South Africa, Switzerland, the United Kingdom, and the United States.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By:

C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By:
Joseph M. Wolfe, P.E. 116170
Vice President

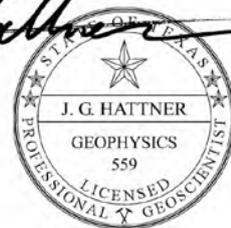
Date Signed: May 13, 2021

JGH:MMW



By:
John G. Hattner, P.G. 559
Senior Vice President

Date Signed: May 13, 2021



For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

This document contains information excerpted from definitions and guidelines prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the SPE, World Petroleum Council, American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers, Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts, and European Association of Geoscientists & Engineers.

Preamble

Petroleum resources are the quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resources assessments estimate quantities in known and yet-to-be-discovered accumulations. Resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating projects, and presenting results within a comprehensive classification framework.

This updated PRMS provides fundamental principles for the evaluation and classification of petroleum reserves and resources. If there is any conflict with prior SPE and PRMS guidance, approved training, or the Application Guidelines, the current PRMS shall prevail. It is understood that these definitions and guidelines allow flexibility for entities, governments, and regulatory agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein must be clearly identified. The terms "shall" or "must" indicate that a provision herein is mandatory for PRMS compliance, while "should" indicates a recommended practice and "may" indicates that a course of action is permissible. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

1.0 Basic Principles and Definitions

1.0.0.1 A classification system of petroleum resources is a fundamental element that provides a common language for communicating both the confidence of a project's resources maturation status and the range of potential outcomes to the various entities. The PRMS provides transparency by requiring the assessment of various criteria that allow for the classification and categorization of a project's resources. The evaluation elements consider the risk of geologic discovery and the technical uncertainties together with a determination of the chance of achieving the commercial maturation status of a petroleum project.

1.0.0.2 The technical estimation of petroleum resources quantities involves the assessment of quantities and values that have an inherent degree of uncertainty. These quantities are associated with exploration, appraisal, and development projects at various stages of design and implementation. The commercial aspects considered will relate the project's maturity status (e.g., technical, economical, regulatory, and legal) to the chance of project implementation.

1.0.0.3 The use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios. The application of PRMS must consider both technical and commercial factors that impact the project's feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

1.1.0.1 Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid state. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide, and sulfur. In rare cases, non-hydrocarbon content can be greater than 50%.

1.1.0.2 The term resources as used herein is intended to encompass all quantities of petroleum naturally occurring within the Earth's crust, both discovered and undiscovered (whether recoverable or unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered as conventional or unconventional resources.

1.1.0.3 Figure 1.1 graphically represents the PRMS resources classification system. The system classifies resources into discovered and undiscovered and defines the recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable Petroleum.

1.1.0.4 The horizontal axis reflects the range of uncertainty of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the chance of commerciality, P_c , which is the chance that a project will be committed for development and reach commercial producing status.

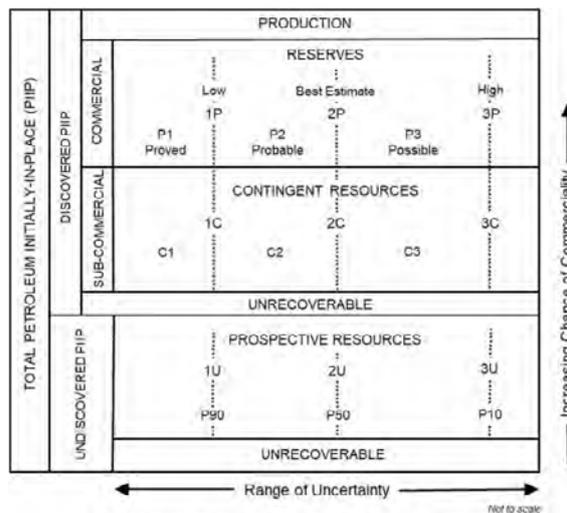


Figure 1.1—Resources classification framework

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

1.1.0.5 The following definitions apply to the major subdivisions within the resources classification:

- A. **Total Petroleum Initially-In-Place (PIIP)** is all quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, discovered and undiscovered, before production.
- B. **Discovered PIIP** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations before production.
- C. **Production** is the cumulative quantities of petroleum that have been recovered at a given date. While all recoverable resources are estimated, and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Section 3.2, Production Measurement).

1.1.0.6 Multiple development projects may be applied to each known or unknown accumulation, and each project will be forecast to recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into commercial, sub-commercial, and undiscovered, with the estimated recoverable quantities being classified as Reserves, Contingent Resources, or Prospective Resources respectively, as defined below.

- A. **1. Reserves** are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.
 - 2. Reserves are recommended as sales quantities as metered at the reference point. Where the entity also recognizes quantities consumed in operations (CiO) (see Section 3.2.2), as Reserves these quantities must be recorded separately. Non-hydrocarbon quantities are recognized as Reserves only when sold together with hydrocarbons or CiO associated with petroleum production. If the non-hydrocarbon is separated before sales, it is excluded from Reserves.
 - 3. Reserves are further categorized in accordance with the range of uncertainty and should be sub-classified based on project maturity and/or characterized by development and production status.
- B. **Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.
- C. **Undiscovered PIIP** is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.
- D. **Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity.
- E. **Unrecoverable Resources** are that portion of either discovered or undiscovered PIIP evaluated, as of a given date, to be unrecoverable by the currently defined project(s). A portion of these quantities may become recoverable in the future as commercial circumstances change, technology is developed, or additional data are acquired. The remaining portion may never be recovered because of physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

1.1.0.7 The sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as "remaining recoverable resources." Importantly, these quantities should not be aggregated without due consideration of the technical and commercial risk involved with their classification. When such terms are used, each classification component of the summation must be provided.

1.1.0.8 Other terms used in resource assessments include the following:

- A. **Estimated Ultimate Recovery (EUR)** is not a resources category or class, but a term that can be applied to an accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable plus those quantities already produced from the accumulation or group of accumulations. For clarity, EUR must reference the associated technical and commercial conditions for the resources; for example, proved EUR is Proved Reserves plus prior production.
- B. **Technically Recoverable Resources (TRR)** are those quantities of petroleum producible using currently available technology and industry practices, regardless of commercial considerations. TRR may be used for specific Projects or for groups of Projects, or, can be an undifferentiated estimate within an area (often basin-wide) of recovery potential.



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

1.2 Project-Based Resources Evaluations

1.2.0.1 The resources evaluation process consists of identifying a recovery project or projects associated with one or more petroleum accumulations, estimating the quantities of PIIP, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on maturity status or chance of commerciality.

1.2.0.2 The concept of a project-based classification system is further clarified by examining the elements contributing to an evaluation of net recoverable resources (see Figure 1.2).

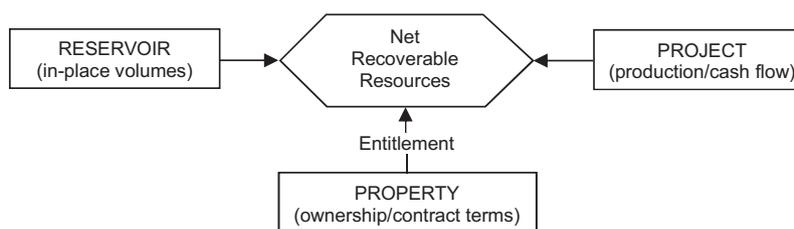


Figure 1.2—Resources evaluation

1.2.0.3 **The reservoir** (contains the petroleum accumulation): Key attributes include the types and quantities of PIIP and the fluid and rock properties that affect petroleum recovery.

1.2.0.4 **The project:** A project may constitute the development of a well, a single reservoir, or a small field; an incremental development in a producing field; or the integrated development of a field or several fields together with the associated processing facilities (e.g., compression). Within a project, a specific reservoir's development generates a unique production and cash-flow schedule at each level of certainty. The integration of these schedules taken to the project's earliest truncation caused by technical, economic, or the contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to total PIIP quantities defines the project's recovery efficiency. Each project should have an associated recoverable resources range (low, best, and high estimate).

1.2.0.5 **The property** (lease or license area): Each property may have unique associated contractual rights and obligations, including the fiscal terms. This information allows definition of each participating entity's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations that may be spatially unrelated to a potential single field designation.

1.2.0.6 An entity's net recoverable resources are the entitlement share of future production legally accruing under the terms of the development and production contract or license.

1.2.0.7 In the context of this relationship, the project is the primary element considered in the resources classification, and the net recoverable resources are the quantities derived from each project. A project represents a defined activity or set of activities to develop the petroleum accumulation(s) and the decisions taken to mature the resources to reserves. In general, it is recommended that an individual project has assigned to it a specific maturity level sub-class (See Section 2.1.3.5, Project Maturity Sub-Classes) at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for the project (See Section 2.2.1, Range of Uncertainty). For completeness, a developed field is also considered to be a project.

1.2.0.8 An accumulation or potential accumulation of petroleum is often subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resources classes simultaneously.

1.2.0.10 Not all technically feasible development projects will be commercial. The commercial viability of a development project within a field's development plan is dependent on a forecast of the conditions that will exist during the time period encompassed by the project (see Section 3.1, Assessment of Commerciality). Conditions include technical, economic (e.g., hurdle rates, commodity prices), operating and capital costs, marketing, sales route(s), and legal, environmental, social, and governmental factors forecast to exist and impact the project during the time period being evaluated. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions (e.g., inflation, market factors, and contingencies), exchange rates, transportation and processing infrastructure, fiscal terms, and taxes.

1.2.0.11 The resources being estimated are those quantities producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Section 3.2.1, Reference Point) and may permit forecasts of CiO quantities (see Section 3.2.2., Consumed in Operations). The cumulative production forecast from the effective date forward to cessation of production is the remaining recoverable resources quantity (see Section 3.1.1, Net Cash-Flow Evaluation).

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

1.2.0.12 The supporting data, analytical processes, and assumptions describing the technical and commercial basis used in an evaluation must be documented in sufficient detail to allow, as needed, a qualified reserves evaluator or qualified reserves auditor to clearly understand each project's basis for the estimation, categorization, and classification of recoverable resources quantities and, if appropriate, associated commercial assessment.

2.0 Classification and Categorization Guidelines

2.1 Resources Classification

2.1.0.1 The PRMS classification establishes criteria for the classification of the total PIIP. A determination of a discovery differentiates between discovered and undiscovered PIIP. The application of a project further differentiates the recoverable from unrecoverable resources. The project is then evaluated to determine its maturity status to allow the classification distinction between commercial and sub-commercial projects. PRMS requires the project's recoverable resources quantities to be classified as either Reserves, Contingent Resources, or Prospective Resources.

2.1.1 Determination of Discovery Status

2.1.1.1 A discovered petroleum accumulation is determined to exist when one or more exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially recoverable hydrocarbons and thus have established a known accumulation. In the absence of a flow test or sampling, the discovery determination requires confidence in the presence of hydrocarbons and evidence of producibility, which may be supported by suitable producing analogs (see Section 4.1.1, Analogs). In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place quantity demonstrated by the well(s) and for evaluating the potential for commercial recovery.

2.1.1.2 Where a discovery has identified potentially recoverable hydrocarbons, but it is not considered viable to apply a project with established technology or with technology under development, such quantities may be classified as Discovered Unrecoverable with no Contingent Resources. In future evaluations, as appropriate for petroleum resources management purposes, a portion of these unrecoverable quantities may become recoverable resources as either commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

2.1.2.1 Discovered recoverable quantities (Contingent Resources) may be considered commercially mature, and thus attain Reserves classification, if the entity claiming commerciality has demonstrated a firm intention to proceed with development. This means the entity has satisfied the internal decision criteria (typically rate of return at or above the weighted average cost-of-capital or the hurdle rate). Commerciality is achieved with the entity's commitment to the project and all of the following criteria:

- A. Evidence of a technically mature, feasible development plan.
- B. Evidence of financial appropriations either being in place or having a high likelihood of being secured to implement the project.
- C. Evidence to support a reasonable time-frame for development.
- D. A reasonable assessment that the development projects will have positive economics and meet defined investment and operating criteria. This assessment is performed on the estimated entitlement forecast quantities and associated cash flow on which the investment decision is made (see Section 3.1.1, Net Cash-Flow Evaluation).
- E. A reasonable expectation that there will be a market for forecast sales quantities of the production required to justify development. There should also be similar confidence that all produced streams (e.g., oil, gas, water, CO₂) can be sold, stored, re-injected, or otherwise appropriately disposed.
- F. Evidence that the necessary production and transportation facilities are available or can be made available.
- G. Evidence that legal, contractual, environmental, regulatory, and government approvals are in place or will be forthcoming, together with resolving any social and economic concerns.

2.1.2.2 The commerciality test for Reserves determination is applied to the best estimate (P50) forecast quantities, which upon qualifying all commercial and technical maturity criteria and constraints become the 2P Reserves. Stricter cases [e.g., low estimate (P90)] may be used for decision purposes or to investigate the range of commerciality (see Section 3.1.2, Economic Criteria). Typically, the low- and high-case project scenarios may be evaluated for sensitivities when considering project risk and upside opportunity.

2.1.2.3 To be included in the Reserves class, a project must be sufficiently defined to establish both its technical and commercial viability as noted in Section 2.1.2.1. There must be a reasonable expectation that all required internal and external approvals will be forthcoming and evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where justifiable; for example, development of economic projects that take longer than five years to be developed or are deferred to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

2.1.2.4 While PRMS guidelines require financial appropriations evidence, they do not require that project financing be confirmed before classifying projects as Reserves. However, this may be another external reporting requirement. In many cases, financing is conditional upon the same criteria as above. In general, if there is not a reasonable expectation that financing or other forms of commitment (e.g., farm-outs) can be arranged so that the development will be initiated within a reasonable time-frame, then the project should be classified as Contingent Resources. If financing is reasonably expected to be in place at the time of the final investment decision (FID), the project's resources may be classified as Reserves.

2.2 Resources Categorization

2.2.0.1 The horizontal axis in the resources classification in Figure 1.1 defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project or group of projects. These estimates include the uncertainty components as follows:

- A. The total petroleum remaining within the accumulation (in-place resources).
- B. The technical uncertainty in the portion of the total petroleum that can be recovered by applying a defined development project or projects (i.e., the technology applied).
- C. Known variations in the commercial terms that may impact the quantities recovered and sold (e.g., market availability; contractual changes, such as production rate tiers or product quality specifications) are part of project's scope and are included in the horizontal axis, while the chance of satisfying the commercial terms is reflected in the classification (vertical axis).

2.2.0.2 The uncertainty in a project's recoverable quantities is reflected by the 1P, 2P, 3P, Proved (P1), Probable (P2), Possible (P3), 1C, 2C, 3C, C1, C2, and C3; or 1U, 2U, and 3U resources categories. The commercial chance of success is associated with resources classes or sub-classes and not with the resources categories reflecting the range of recoverable quantities.

2.2.1 Range of Uncertainty

2.2.1.1 Uncertainty is inherent in a project's resources estimation and is communicated in PRMS by reporting a range of category outcomes. The range of uncertainty of the recoverable and/or potentially recoverable quantities may be represented by either deterministic scenarios or by a probability distribution (see Section 4.2, Resources Assessment Methods).

2.2.1.2 When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

- A. There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- B. There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- C. There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

2.2.1.3 In some projects, the range of uncertainty may be limited, and the three scenarios may result in resources estimates that are not significantly different. In these situations, a single value estimate may be appropriate to describe the expected result.

2.2.1.4 When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental method, quantities for each confidence segment are estimated discretely (see Section 2.2.2, Category Definitions and Guidelines).

2.2.1.5 Project resources are initially estimated using the above uncertainty range forecasts that incorporate the subsurface elements together with technical constraints related to wells and facilities. The technical forecasts then have additional commercial criteria applied (e.g., economics and license cutoffs are the most common) to estimate the entitlement quantities attributed and the resources classification status: Reserves, Contingent Resources, and Prospective Resources.

2.2.2 Category Definitions and Guidelines

2.2.2.1 Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental method, the deterministic scenario (cumulative) method, geostatistical methods, or probabilistic methods (see Section 4.2, Resources Assessment Methods). Also, combinations of these methods may be used.

2.2.2.2 Use of consistent terminology (Figures 1.1 and 2.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high forecasts are used to estimate the resulting 1P/2P/3P quantities, respectively. The associated incremental quantities are termed Proved (P1), Probable (P2) and Possible (P3). Reserves are a subset of, and must be viewed within the context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, the criteria can be equally applied to Contingent and Prospective Resources. Upon satisfying the commercial maturity criteria for discovery and/or development, the project quantities will then move to the appropriate resources sub-class. Table 3 provides criteria for the Reserves categories determination.

2.2.2.3 For Contingent Resources, the general cumulative terms low/best/high estimates are used to estimate the resulting 1C/2C/3C quantities, respectively. The terms C1, C2, and C3 are defined for incremental quantities of Contingent Resources.



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

2.2.2.4 For Prospective Resources, the general cumulative terms low/best/high estimates also apply and are used to estimate the resulting 1U/2U/3U quantities. No specific terms are defined for incremental quantities within Prospective Resources.

2.2.2.5 Quantities in different classes and sub-classes cannot be aggregated without considering the varying degrees of technical uncertainty and commercial likelihood involved with the classification(s) and without considering the degree of dependency between them (see Section 4.2.1, Aggregating Resources Classes).

2.2.2.6 Without new technical information, there should be no change in the distribution of technically recoverable resources and the categorization boundaries when conditions are satisfied to reclassify a project from Contingent Resources to Reserves.

2.2.2.7 All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Section 3.1, Assessment of Commerciality).

Table 1—Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	<p>Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status.</p> <p>To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame.</p> <p>A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.</p> <p>To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.</p>
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	<p>The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves.</p> <p>The project decision gate is the decision to initiate or continue economic production from the project.</p>
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	<p>At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget.</p> <p>The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.</p>

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Class/Sub-Class	Definition	Guidelines
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	<p>To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame). There must be no known contingencies that could preclude the development from proceeding (see Reserves class).</p> <p>The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.</p>
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	<p>Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist.</p> <p>Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by the economic status.</p>
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	<p>The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status.</p> <p>The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.</p>
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	<p>The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status.</p> <p>The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.</p>
Development Unclassified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	<p>The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development.</p> <p>This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.</p>

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Class/Sub-Class	Definition	Guidelines
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2—Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Status	Definition	Guidelines
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3—Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	<p>If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate.</p> <p>The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.</p> <p>In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves.</p> <p>Reserves in undeveloped locations may be classified as Proved provided that:</p> <ul style="list-style-type: none"> A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. <p>For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.</p>
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	<p>It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.</p> <p>Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria.</p> <p>Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.</p>

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	<p>The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate.</p> <p>Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project.</p> <p>Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.</p>
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	<p>The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects.</p> <p>In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area.</p> <p>Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources.</p> <p>In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.</p>

For personal use only



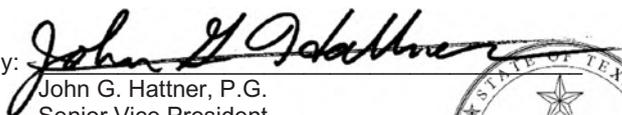
CERTIFICATE OF QUALIFICATION

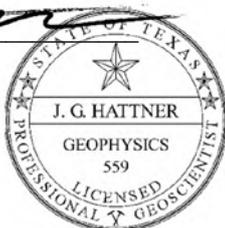
I, John G. Hattner, Licensed Professional Geophysicist, 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201, hereby certify:

I am an employee of Netherland, Sewell & Associates, Inc., which prepared a detailed analysis of certain shale gas prospects in Exploration Permit 161, McArthur Basin, Northern Territory. Australia for Tamboran Resources Limited. The effective date of this evaluation is May 13, 2021.

I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Tamboran Resources Limited or its affiliated companies.

I attended Saint Mary's College of California, and I graduated in 1989 with a Master of Business Administration Degree; I attended Florida State University, and I graduated in 1980 with a Master of Science Degree in Geological Oceanography; I attended the University of Miami, and I graduated in 1976 with a Bachelor of Science Degree in Geology; I am a Licensed Professional Geophysicist in the State of Texas, United States of America; and I have in excess of 29 years of experience in geological and geophysical studies and evaluations.

By: 
John G. Hattner, P.G.
Senior Vice President
Texas Registration No. 559



May 13, 2021
Dallas, Texas

For personal use only



CERTIFICATE OF QUALIFICATION

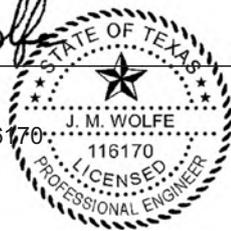
I, Joseph M. Wolfe, Licensed Professional Engineer, 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201, hereby certify:

I am an employee of Netherland, Sewell & Associates, Inc., which prepared a detailed analysis of certain shale gas prospects in Exploration Permit 161, McArthur Basin, Northern Territory. Australia for Tamboran Resources Limited. The effective date of this evaluation is May 13, 2021.

I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Tamboran Resources Limited or its affiliated companies.

I attended Northwestern State University and graduated in 1999 with a Bachelor of Science Degree in Mathematics; I attended Texas A&M University and graduated in 2009 with a Master of Engineering Degree in Petroleum Engineering; I am a Licensed Professional Engineer in the State of Texas, United States of America; and I have in excess of 12 years of experience in petroleum engineering studies and evaluations.

By: Joseph Wolfe
Joseph M. Wolfe, P.E.
Vice President
Texas License No. 116170



May 13, 2021
Dallas, Texas

For personal use only



For personal use only

ESTIMATES
of
UNRISKED GROSS (100 PERCENT)
PROSPECTIVE RESOURCES
for
SHALE GAS PROSPECTS
in
EXPLORATION PERMIT 136
in the
BEETALOO SUB-BASIN, NORTHERN TERRITORY,
AUSTRALIA
as of
MAY 13, 2021

Prepared for
TAMBORAN RESOURCES LIMITED

NSAI
NETHERLAND, SEWELL
& ASSOCIATES, INC.
WORLDWIDE PETROLEUM
CONSULTANTS
ENGINEERING • GEOLOGY
GEOPHYSICS • PETROPHYSICS



May 13, 2021

The Board of Directors
Tamboran Resources Limited
110-112 The Corso
Manly, NSW 2095
Australia

Dear Directors:

In accordance with your request, we have estimated the unrisks gross (100 percent) prospective gas resources, as of May 13, 2021, for shale gas prospects located in Exploration Permit (EP) 136, McArthur Basin, Northern Territory, Australia. Tamboran Resources Limited (Tamboran) owns a 100 percent interest in EP 136. We completed our evaluation on January 31, 2021, and there has been no additional work completed as of the date of this letter. It is our understanding that Tamboran is planning to file an initial public offering on the Australian Securities Exchange (ASX) and will include a copy of this report in the prospectus to be filed as part of the listing process. The volumes included in this report are attributable to the Kyalla Shale and Middle Velkerri C, B, and A Shales of the Velkerri Formation. The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE); definitions are presented immediately following this letter. A location map is provided as Figure 1.

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. The prospective resources included in this report should not be construed as reserves or contingent resources; they represent exploration opportunities and quantify the development potential in the event a petroleum discovery is made. It should be understood that potentially significant quantities of shale are known to be present in the project area; however, with limited gas content and storage capacity data and no horizontal test data, this area is considered an undiscovered shale gas opportunity and the gas volumes are classified as prospective resources rather than contingent resources. We did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined.

Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are therefore not shown. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risks prospective resources. Such risk is often significant. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

We estimate the unrisks gross (100 percent) prospective gas and condensate resources for these shale gas prospects in EP 136, as of May 13, 2021, to be:

Area	Reservoir	Unrisks Gross (100%) Prospective Gas Resources (BCF)			Unrisks Gross (100%) Prospective Condensate Resources (MMBBL)		
		Low	Best	High	Low	Best	High
		Estimate (1U)	Estimate (2U)	Estimate (3U)	Estimate (1U)	Estimate (2U)	Estimate (3U)
Main	Lower Kyalla	93	232	722	1	5	23
Main	Velkerri C	3,547	6,050	11,662	14	50	168
Main	Velkerri B	5,963	9,698	18,250	6	49	186
Main	Velkerri A	1,568	3,037	6,723	2	15	69

For personal use only



May 13, 2021
EP 136
Page 2 of 7

Gas volumes are after deductions for shrinkage due to condensate (pentanes plus) recovery and removal of inert gases. Gas volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases. Condensate volumes are expressed in millions of barrels (MMBBL); a barrel is equivalent to 42 United States gallons. We have not accounted for natural gas liquids volumes to be recovered; detailed gas analysis will be required to accurately estimate those volumes.

The prospective resources shown in this report have been estimated using probabilistic methods and are dependent on a shale gas discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate.

Unrisks prospective resources for shale gas prospects are estimated ranges of recoverable gas volumes assuming their discovery and development and are based on estimated ranges of in-place volumes. As requested, no geologic risk assessment was conducted for these prospects. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially recoverable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes and without regard to the chance of development. For shale gas prospects, principal geologic risk elements include quantity of shale, hydrocarbon content, storage capacity, and potential for commercial flow rates. Development risking of prospective resources for shale gas prospects should include consideration of whether the entire area addressed by the assessment can and will be developed; this component is generally unique to shale gas prospects because of the greater areal extent and the wide variability in thickness, rock properties, and production characteristics across that areal extent. For shale gas prospects, principal development risk elements are (1) reservoir quality across the evaluated acreage, (2) development and application of technology needed to commercially produce the acreage, and (3) a reasonable expectation of a commitment to develop the acreage. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation.

The Tanumbirini-1 vertical well was drilled in EP 161 in June 2014 by Santos Limited, the operator of the block, and was stimulated and tested in 2020. Regional data from exploration wells and publicly available gas composition data from the Kyalla-117H well spudded by Origin Energy Ltd. were used to estimate the lateral continuity and volume of shale for identifying potentially attractive target areas. Petrophysical estimates were based on our updated petrophysical shale model; however, there still exists a range of uncertainties regarding gas content, porosity, and producibility of the shale across these areas. The operator has developed an exploration plan for near-term exploration wells to determine the potential shale volume, gas content, and producibility of shale targeted for production. If exploration results are favorable, pilot projects will be required to determine if permeability and producibility are adequate to justify future commercial development.

It should be understood that the prospective resources discussed and shown herein are those highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of producible shale gas but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisks prospective resources shown in this report are the range of volumes that could reasonably be expected to be recovered in the event of the discovery and development of these prospects. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

For personal use only



DISCUSSION

EP 136 is located in the core of the Beetaloo Sub-basin and is comprised of approximately 4,200 square kilometers (km²) within a mostly rectangular-shaped tract that spans north-south with the greatest extent approximately 165 kilometers (km) and as much as 25 km in width, as shown in Figure 1.

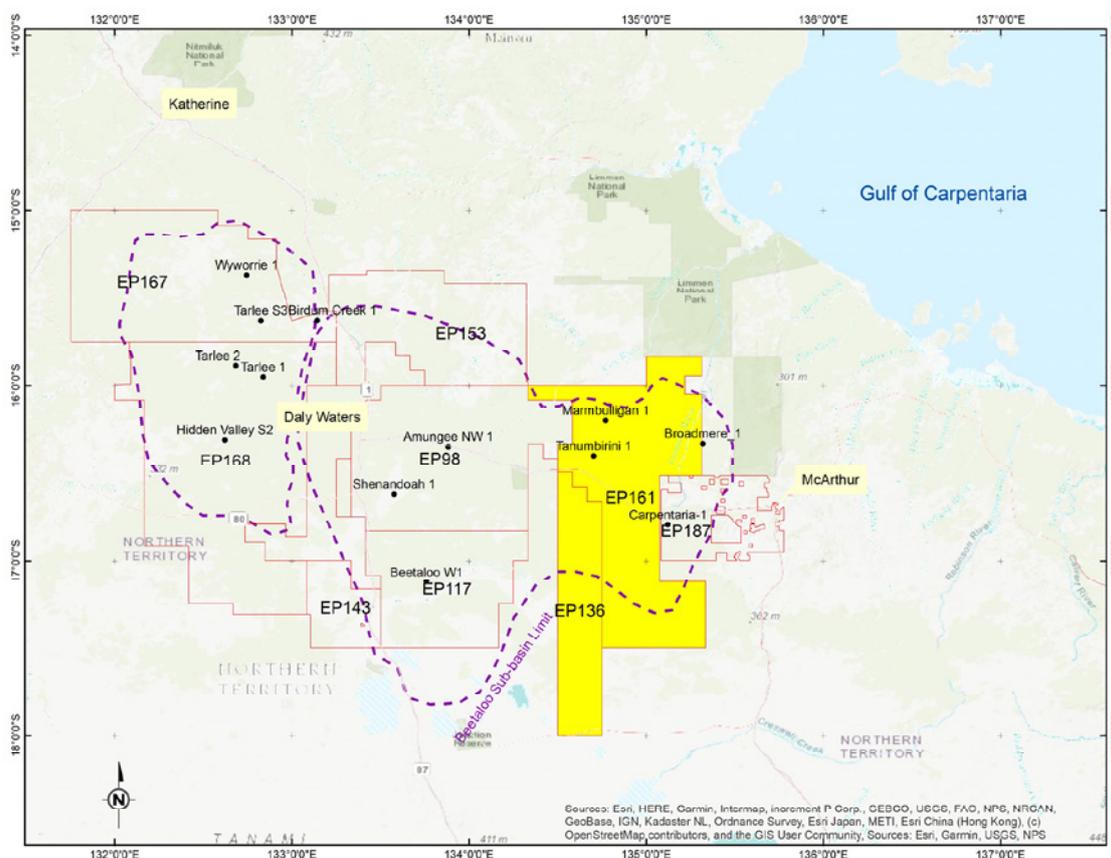


Figure 1 - Location Map

The Tanumbirini-1 vertical well is located in EP 161 near the Carpentaria Highway east of Daly Waters and west of McArthur. The Tanumbirini-1 well was drilled in the basin center position to a depth of 3,946 meters (m) measured depth (MD). It intersected the Middle Velkerri shale at 3,205 m MD with a thickness of 433 m.

For personal use only



May 13, 2021
EP 136
Page 4 of 7

For personal use only

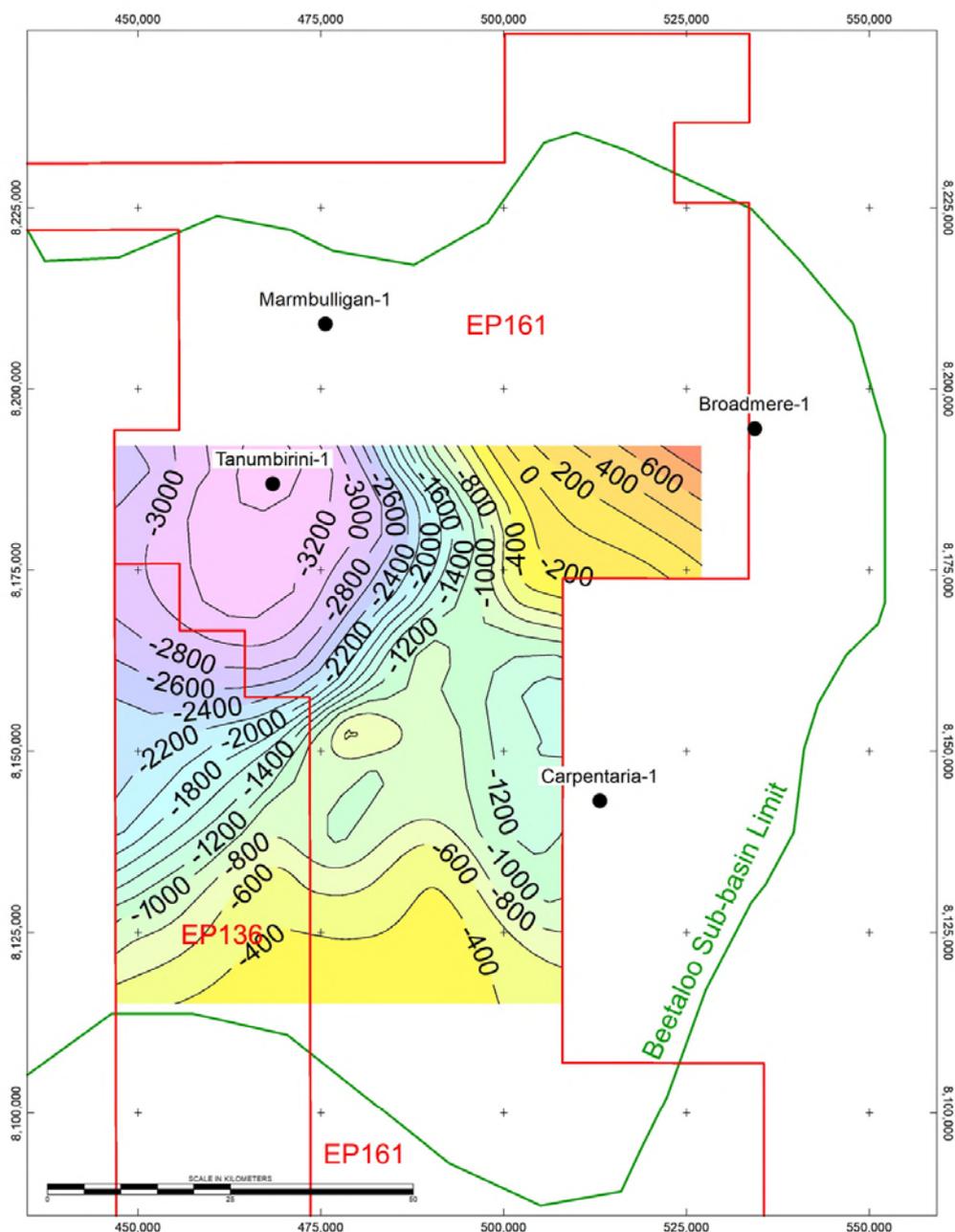


Figure 2 - Top Middle Velkerri B Depth Structure



May 13, 2021
EP 136
Page 5 of 7

The Tanumbirini-1 well is a gas shale well that was fracture stimulated with four stages as shown below.

Fracture Treatment Stage	Target	Depth Stimulated (m)	Fluid Volume (Barrels)	Sand Placed (Ton)
1	Middle Velkerri A shale	3,585-3,591	17,554	37
2	Middle Velkerri A-B Interburden shale	3,504-3,507	10,359	150
3	Middle Velkerri B shale	3,448-3,451	10,029	158
4	Middle Velkerri C shale	3,250-3,253	9,419	151

The vertical fracturing test results recovered natural gas over two production tests with the first providing a maximum production rate of 1.6 million cubic feet (MMCF) per day and a sustained production rate with 26/64-inch choke of 400 thousand cubic feet (MCF) per day with nearly no decline over a 112-day period ending April 2, 2020. The second flow test provided a maximum production rate of 10.6 MMCF per day and a sustained production rate with 20/64- and 26/64-inch chokes of 601 MCF per day over a 20-day period. Produced natural gas from Tanumbirini-1 contained approximately 3 percent CO₂ and 1 percent nitrogen (N₂). Fluid recovery rate was negligible by the end of the first flow test with 42 percent (17,705 barrels) recovered of the total pumped fluid volume of 42,096 barrels. Tamboran and Santos plan to drill 2 horizontal wells (Tanumbirini-2H and Tanumbirini-3H) with 90-day flow tests planned in EP 161.

Tamboran has an indicated work program for the next three years as listed below. The appraisal program is subject to acceleration depending on drilling success, rig availability, available capital and other similar drivers, and renewal of EP 136.

The work program as currently contemplated for EP 136 is shown below:

Year	Work Program
2021 – Phase 1	Extensive 250 km 2-D seismic survey and site preparation
2022 – Phase 1	One horizontal well, followed by a flow test
2023 – Phase 2	Three horizontal wells, followed by flow tests on each well

GENERAL INFORMATION

For the purposes of this report, we did not perform any field inspection of the prospects. We have not investigated possible environmental liability related to the prospects.

For the purposes of this report, we used technical data including, but not limited to, well logs, geologic maps, laboratory analysis, seismic data, well test data, and property ownership interests. The prospective resources in this report have been estimated using probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including volumetric analysis and analogy, that we considered to be appropriate and necessary to classify, categorize, and estimate volumes in

For personal use only



May 13, 2021
EP 136
Page 6 of 7

accordance with the 2018 PRMS definitions and guidelines. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from Tamboran, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the properties or independently confirmed the actual degree or type of interest owned. The technical persons responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

QUALIFICATIONS

NSAI performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. We provide a complete range of geological, geophysical, petrophysical, and engineering services, and we have the technical expertise and ability to perform these services in any oil and gas producing area in the world. The staff is familiar with recognized industry reserves and resources definitions, specifically those promulgated by the U.S. Securities and Exchange Commission, The ASX, SPE, Society of Petroleum Evaluation Engineers, World Petroleum Council, and American Association of Petroleum Geologists.

The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards and the requirements listed in the ASX Rules. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis. We are not officers or proposed officers of any group, holding, or associated company of Tamboran. Furthermore, none of our staff or associates own shares or equity in Tamboran.

NSAI has prepared thousands of independent technical reports for clients including small privately owned oil and gas companies, major and independent oil and gas companies, national oil and gas companies, financial institutions, and investors. The firm has performed field characterization and reserves assessments for properties that range from exploration and early appraisal drilling areas to fully developed fields. The staff has extensive worldwide experience in the geology and petrophysics of complex structural and stratigraphic fields and unconventional reservoirs such as fractured basement, tight gas, and coal seam gas.

Our reservoir engineering experience includes reserves determination, reservoir simulation, material balance, production analysis, well test analysis, wellbore inflow/outflow modeling, probabilistic modeling, fluid analysis, and economic evaluation. We also have staff engineers who specialize in field operations, facilities planning and design, and drilling. NSAI uses its in-house proprietary economics software along with other industry-standard software to estimate future producing rates, future net revenue, and the net present value of such future net revenue in accordance with industry standards and other applicable regulatory provisions.

This evaluation has been led by Mr. Joseph M. Wolfe and Mr. John G. Hattner. Mr. Wolfe is a Vice President and team leader in the firm's Dallas office at 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201. He has in excess of 12 years of experience in the petroleum industry with over 7 years at NSAI, is a registered Professional Engineer in the State of Texas (Texas Registration No. 116170), and is a member of the SPE.

Mr. Hattner is a Senior Vice President of NSAI and a team leader in the firm's Dallas office at 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201. He has over 40 years of experience in the petroleum industry, with over 29 years

For personal use only



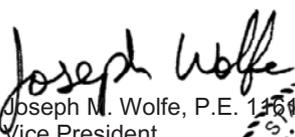
May 13, 2021
EP 136
Page 7 of 7

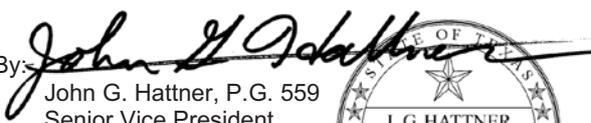
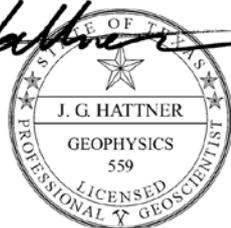
at NSAI. He is a registered Professional Geophysicist in the State of Texas (Texas Registration No. 559), a certified petroleum geologist and geophysicist with the American Association of Petroleum Geologists, and a member of the Society of Exploration Geophysicists and SPE. Mr. Hattner has over 26 years of extensive experience in coal seam gas/coalbed methane evaluations, having evaluated numerous coalbed methane properties located in Australia, Botswana, Canada, China, Colombia, India, Indonesia, Israel, Mexico, Poland, South Africa, Switzerland, the United Kingdom, and the United States.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: 
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By: 
Joseph M. Wolfe, P.E. 116170
Vice President
Date Signed: May 13, 2021
JGH:MMW


By: 
John G. Hattner, P.G. 559
Senior Vice President
Date Signed: May 13, 2021


For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

This document contains information excerpted from definitions and guidelines prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the SPE, World Petroleum Council, American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers, Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts, and European Association of Geoscientists & Engineers.

Preamble

Petroleum resources are the quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resources assessments estimate quantities in known and yet-to-be-discovered accumulations. Resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating projects, and presenting results within a comprehensive classification framework.

This updated PRMS provides fundamental principles for the evaluation and classification of petroleum reserves and resources. If there is any conflict with prior SPE and PRMS guidance, approved training, or the Application Guidelines, the current PRMS shall prevail. It is understood that these definitions and guidelines allow flexibility for entities, governments, and regulatory agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein must be clearly identified. The terms "shall" or "must" indicate that a provision herein is mandatory for PRMS compliance, while "should" indicates a recommended practice and "may" indicates that a course of action is permissible. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

1.0 Basic Principles and Definitions

1.0.0.1 A classification system of petroleum resources is a fundamental element that provides a common language for communicating both the confidence of a project's resources maturation status and the range of potential outcomes to the various entities. The PRMS provides transparency by requiring the assessment of various criteria that allow for the classification and categorization of a project's resources. The evaluation elements consider the risk of geologic discovery and the technical uncertainties together with a determination of the chance of achieving the commercial maturation status of a petroleum project.

1.0.0.2 The technical estimation of petroleum resources quantities involves the assessment of quantities and values that have an inherent degree of uncertainty. These quantities are associated with exploration, appraisal, and development projects at various stages of design and implementation. The commercial aspects considered will relate the project's maturity status (e.g., technical, economical, regulatory, and legal) to the chance of project implementation.

1.0.0.3 The use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios. The application of PRMS must consider both technical and commercial factors that impact the project's feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

1.1.0.1 Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid state. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide, and sulfur. In rare cases, non-hydrocarbon content can be greater than 50%.

1.1.0.2 The term resources as used herein is intended to encompass all quantities of petroleum naturally occurring within the Earth's crust, both discovered and undiscovered (whether recoverable or unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered as conventional or unconventional resources.

1.1.0.3 Figure 1.1 graphically represents the PRMS resources classification system. The system classifies resources into discovered and undiscovered and defines the recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable Petroleum.

1.1.0.4 The horizontal axis reflects the range of uncertainty of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the chance of commerciality, P_c , which is the chance that a project will be committed for development and reach commercial producing status.

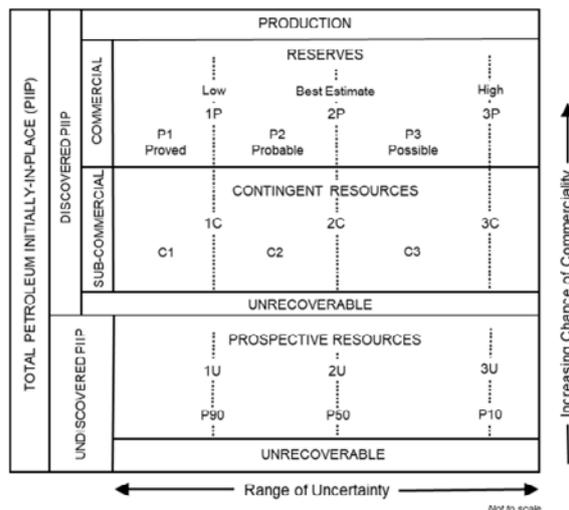


Figure 1.1—Resources classification framework

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

1.1.0.5 The following definitions apply to the major subdivisions within the resources classification:

- A. **Total Petroleum Initially-In-Place (PIIP)** is all quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, discovered and undiscovered, before production.
- B. **Discovered PIIP** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations before production.
- C. **Production** is the cumulative quantities of petroleum that have been recovered at a given date. While all recoverable resources are estimated, and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Section 3.2, Production Measurement).

1.1.0.6 Multiple development projects may be applied to each known or unknown accumulation, and each project will be forecast to recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into commercial, sub-commercial, and undiscovered, with the estimated recoverable quantities being classified as Reserves, Contingent Resources, or Prospective Resources respectively, as defined below.

- A. **1. Reserves** are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.
 - 2. Reserves are recommended as sales quantities as metered at the reference point. Where the entity also recognizes quantities consumed in operations (CiO) (see Section 3.2.2), as Reserves these quantities must be recorded separately. Non-hydrocarbon quantities are recognized as Reserves only when sold together with hydrocarbons or CiO associated with petroleum production. If the non-hydrocarbon is separated before sales, it is excluded from Reserves.
 - 3. Reserves are further categorized in accordance with the range of uncertainty and should be sub-classified based on project maturity and/or characterized by development and production status.
- B. **Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.
- C. **Undiscovered PIIP** is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.
- D. **Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity.
- E. **Unrecoverable Resources** are that portion of either discovered or undiscovered PIIP evaluated, as of a given date, to be unrecoverable by the currently defined project(s). A portion of these quantities may become recoverable in the future as commercial circumstances change, technology is developed, or additional data are acquired. The remaining portion may never be recovered because of physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

1.1.0.7 The sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as "remaining recoverable resources." Importantly, these quantities should not be aggregated without due consideration of the technical and commercial risk involved with their classification. When such terms are used, each classification component of the summation must be provided.

1.1.0.8 Other terms used in resource assessments include the following:

- A. **Estimated Ultimate Recovery (EUR)** is not a resources category or class, but a term that can be applied to an accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable plus those quantities already produced from the accumulation or group of accumulations. For clarity, EUR must reference the associated technical and commercial conditions for the resources; for example, proved EUR is Proved Reserves plus prior production.
- B. **Technically Recoverable Resources (TRR)** are those quantities of petroleum producible using currently available technology and industry practices, regardless of commercial considerations. TRR may be used for specific Projects or for groups of Projects, or, can be an undifferentiated estimate within an area (often basin-wide) of recovery potential.



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

1.2 Project-Based Resources Evaluations

1.2.0.1 The resources evaluation process consists of identifying a recovery project or projects associated with one or more petroleum accumulations, estimating the quantities of PIIP, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on maturity status or chance of commerciality.

1.2.0.2 The concept of a project-based classification system is further clarified by examining the elements contributing to an evaluation of net recoverable resources (see Figure 1.2).

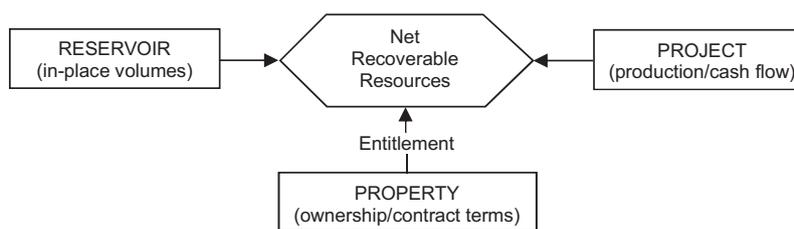


Figure 1.2—Resources evaluation

1.2.0.3 **The reservoir** (contains the petroleum accumulation): Key attributes include the types and quantities of PIIP and the fluid and rock properties that affect petroleum recovery.

1.2.0.4 **The project:** A project may constitute the development of a well, a single reservoir, or a small field; an incremental development in a producing field; or the integrated development of a field or several fields together with the associated processing facilities (e.g., compression). Within a project, a specific reservoir's development generates a unique production and cash-flow schedule at each level of certainty. The integration of these schedules taken to the project's earliest truncation caused by technical, economic, or the contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to total PIIP quantities defines the project's recovery efficiency. Each project should have an associated recoverable resources range (low, best, and high estimate).

1.2.0.5 **The property** (lease or license area): Each property may have unique associated contractual rights and obligations, including the fiscal terms. This information allows definition of each participating entity's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations that may be spatially unrelated to a potential single field designation.

1.2.0.6 An entity's net recoverable resources are the entitlement share of future production legally accruing under the terms of the development and production contract or license.

1.2.0.7 In the context of this relationship, the project is the primary element considered in the resources classification, and the net recoverable resources are the quantities derived from each project. A project represents a defined activity or set of activities to develop the petroleum accumulation(s) and the decisions taken to mature the resources to reserves. In general, it is recommended that an individual project has assigned to it a specific maturity level sub-class (See Section 2.1.3.5, Project Maturity Sub-Classes) at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for the project (See Section 2.2.1, Range of Uncertainty). For completeness, a developed field is also considered to be a project.

1.2.0.8 An accumulation or potential accumulation of petroleum is often subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resources classes simultaneously.

1.2.0.10 Not all technically feasible development projects will be commercial. The commercial viability of a development project within a field's development plan is dependent on a forecast of the conditions that will exist during the time period encompassed by the project (see Section 3.1, Assessment of Commerciality). Conditions include technical, economic (e.g., hurdle rates, commodity prices), operating and capital costs, marketing, sales route(s), and legal, environmental, social, and governmental factors forecast to exist and impact the project during the time period being evaluated. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions (e.g., inflation, market factors, and contingencies), exchange rates, transportation and processing infrastructure, fiscal terms, and taxes.

1.2.0.11 The resources being estimated are those quantities producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Section 3.2.1, Reference Point) and may permit forecasts of CiO quantities (see Section 3.2.2., Consumed in Operations). The cumulative production forecast from the effective date forward to cessation of production is the remaining recoverable resources quantity (see Section 3.1.1, Net Cash-Flow Evaluation).

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

1.2.0.12 The supporting data, analytical processes, and assumptions describing the technical and commercial basis used in an evaluation must be documented in sufficient detail to allow, as needed, a qualified reserves evaluator or qualified reserves auditor to clearly understand each project's basis for the estimation, categorization, and classification of recoverable resources quantities and, if appropriate, associated commercial assessment.

2.0 Classification and Categorization Guidelines

2.1 Resources Classification

2.1.0.1 The PRMS classification establishes criteria for the classification of the total PIIP. A determination of a discovery differentiates between discovered and undiscovered PIIP. The application of a project further differentiates the recoverable from unrecoverable resources. The project is then evaluated to determine its maturity status to allow the classification distinction between commercial and sub-commercial projects. PRMS requires the project's recoverable resources quantities to be classified as either Reserves, Contingent Resources, or Prospective Resources.

2.1.1 Determination of Discovery Status

2.1.1.1 A discovered petroleum accumulation is determined to exist when one or more exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially recoverable hydrocarbons and thus have established a known accumulation. In the absence of a flow test or sampling, the discovery determination requires confidence in the presence of hydrocarbons and evidence of producibility, which may be supported by suitable producing analogs (see Section 4.1.1, Analogs). In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place quantity demonstrated by the well(s) and for evaluating the potential for commercial recovery.

2.1.1.2 Where a discovery has identified potentially recoverable hydrocarbons, but it is not considered viable to apply a project with established technology or with technology under development, such quantities may be classified as Discovered Unrecoverable with no Contingent Resources. In future evaluations, as appropriate for petroleum resources management purposes, a portion of these unrecoverable quantities may become recoverable resources as either commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

2.1.2.1 Discovered recoverable quantities (Contingent Resources) may be considered commercially mature, and thus attain Reserves classification, if the entity claiming commerciality has demonstrated a firm intention to proceed with development. This means the entity has satisfied the internal decision criteria (typically rate of return at or above the weighted average cost-of-capital or the hurdle rate). Commerciality is achieved with the entity's commitment to the project and all of the following criteria:

- A. Evidence of a technically mature, feasible development plan.
- B. Evidence of financial appropriations either being in place or having a high likelihood of being secured to implement the project.
- C. Evidence to support a reasonable time-frame for development.
- D. A reasonable assessment that the development projects will have positive economics and meet defined investment and operating criteria. This assessment is performed on the estimated entitlement forecast quantities and associated cash flow on which the investment decision is made (see Section 3.1.1, Net Cash-Flow Evaluation).
- E. A reasonable expectation that there will be a market for forecast sales quantities of the production required to justify development. There should also be similar confidence that all produced streams (e.g., oil, gas, water, CO₂) can be sold, stored, re-injected, or otherwise appropriately disposed.
- F. Evidence that the necessary production and transportation facilities are available or can be made available.
- G. Evidence that legal, contractual, environmental, regulatory, and government approvals are in place or will be forthcoming, together with resolving any social and economic concerns.

2.1.2.2 The commerciality test for Reserves determination is applied to the best estimate (P50) forecast quantities, which upon qualifying all commercial and technical maturity criteria and constraints become the 2P Reserves. Stricter cases [e.g., low estimate (P90)] may be used for decision purposes or to investigate the range of commerciality (see Section 3.1.2, Economic Criteria). Typically, the low- and high-case project scenarios may be evaluated for sensitivities when considering project risk and upside opportunity.

2.1.2.3 To be included in the Reserves class, a project must be sufficiently defined to establish both its technical and commercial viability as noted in Section 2.1.2.1. There must be a reasonable expectation that all required internal and external approvals will be forthcoming and evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where justifiable; for example, development of economic projects that take longer than five years to be developed or are deferred to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

2.1.2.4 While PRMS guidelines require financial appropriations evidence, they do not require that project financing be confirmed before classifying projects as Reserves. However, this may be another external reporting requirement. In many cases, financing is conditional upon the same criteria as above. In general, if there is not a reasonable expectation that financing or other forms of commitment (e.g., farm-outs) can be arranged so that the development will be initiated within a reasonable time-frame, then the project should be classified as Contingent Resources. If financing is reasonably expected to be in place at the time of the final investment decision (FID), the project's resources may be classified as Reserves.

2.2 Resources Categorization

2.2.0.1 The horizontal axis in the resources classification in Figure 1.1 defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project or group of projects. These estimates include the uncertainty components as follows:

- A. The total petroleum remaining within the accumulation (in-place resources).
- B. The technical uncertainty in the portion of the total petroleum that can be recovered by applying a defined development project or projects (i.e., the technology applied).
- C. Known variations in the commercial terms that may impact the quantities recovered and sold (e.g., market availability; contractual changes, such as production rate tiers or product quality specifications) are part of project's scope and are included in the horizontal axis, while the chance of satisfying the commercial terms is reflected in the classification (vertical axis).

2.2.0.2 The uncertainty in a project's recoverable quantities is reflected by the 1P, 2P, 3P, Proved (P1), Probable (P2), Possible (P3), 1C, 2C, 3C, C1, C2, and C3; or 1U, 2U, and 3U resources categories. The commercial chance of success is associated with resources classes or sub-classes and not with the resources categories reflecting the range of recoverable quantities.

2.2.1 Range of Uncertainty

2.2.1.1 Uncertainty is inherent in a project's resources estimation and is communicated in PRMS by reporting a range of category outcomes. The range of uncertainty of the recoverable and/or potentially recoverable quantities may be represented by either deterministic scenarios or by a probability distribution (see Section 4.2, Resources Assessment Methods).

2.2.1.2 When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

- A. There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- B. There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- C. There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

2.2.1.3 In some projects, the range of uncertainty may be limited, and the three scenarios may result in resources estimates that are not significantly different. In these situations, a single value estimate may be appropriate to describe the expected result.

2.2.1.4 When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental method, quantities for each confidence segment are estimated discretely (see Section 2.2.2, Category Definitions and Guidelines).

2.2.1.5 Project resources are initially estimated using the above uncertainty range forecasts that incorporate the subsurface elements together with technical constraints related to wells and facilities. The technical forecasts then have additional commercial criteria applied (e.g., economics and license cutoffs are the most common) to estimate the entitlement quantities attributed and the resources classification status: Reserves, Contingent Resources, and Prospective Resources.

2.2.2 Category Definitions and Guidelines

2.2.2.1 Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental method, the deterministic scenario (cumulative) method, geostatistical methods, or probabilistic methods (see Section 4.2, Resources Assessment Methods). Also, combinations of these methods may be used.

2.2.2.2 Use of consistent terminology (Figures 1.1 and 2.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high forecasts are used to estimate the resulting 1P/2P/3P quantities, respectively. The associated incremental quantities are termed Proved (P1), Probable (P2) and Possible (P3). Reserves are a subset of, and must be viewed within the context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, the criteria can be equally applied to Contingent and Prospective Resources. Upon satisfying the commercial maturity criteria for discovery and/or development, the project quantities will then move to the appropriate resources sub-class. Table 3 provides criteria for the Reserves categories determination.

2.2.2.3 For Contingent Resources, the general cumulative terms low/best/high estimates are used to estimate the resulting 1C/2C/3C quantities, respectively. The terms C1, C2, and C3 are defined for incremental quantities of Contingent Resources.



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

2.2.2.4 For Prospective Resources, the general cumulative terms low/best/high estimates also apply and are used to estimate the resulting 1U/2U/3U quantities. No specific terms are defined for incremental quantities within Prospective Resources.

2.2.2.5 Quantities in different classes and sub-classes cannot be aggregated without considering the varying degrees of technical uncertainty and commercial likelihood involved with the classification(s) and without considering the degree of dependency between them (see Section 4.2.1, Aggregating Resources Classes).

2.2.2.6 Without new technical information, there should be no change in the distribution of technically recoverable resources and the categorization boundaries when conditions are satisfied to reclassify a project from Contingent Resources to Reserves.

2.2.2.7 All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Section 3.1, Assessment of Commerciality).

Table 1—Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	<p>Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status.</p> <p>To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame.</p> <p>A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.</p> <p>To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.</p>
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	<p>The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves.</p> <p>The project decision gate is the decision to initiate or continue economic production from the project.</p>
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	<p>At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget.</p> <p>The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.</p>

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Class/Sub-Class	Definition	Guidelines
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame). There must be no known contingencies that could preclude the development from proceeding (see Reserves class). The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by the economic status.
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status. The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status. The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.
Development Unclassified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development. This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Class/Sub-Class	Definition	Guidelines
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2—Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Status	Definition	Guidelines
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3—Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	<p>If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate.</p> <p>The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.</p> <p>In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves.</p> <p>Reserves in undeveloped locations may be classified as Proved provided that:</p> <ul style="list-style-type: none"> A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. <p>For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.</p>
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	<p>It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.</p> <p>Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria.</p> <p>Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.</p>

For personal use only



PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	<p>The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate.</p> <p>Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project.</p> <p>Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.</p>
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	<p>The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects.</p> <p>In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area.</p> <p>Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources.</p> <p>In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.</p>

For personal use only



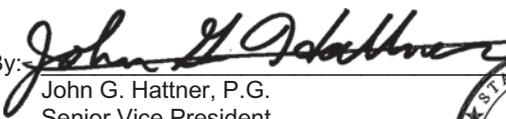
CERTIFICATE OF QUALIFICATION

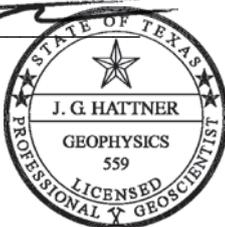
I, John G. Hattner, Licensed Professional Geophysicist, 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201, hereby certify:

I am an employee of Netherland, Sewell & Associates, Inc., which prepared a detailed analysis of certain shale gas prospects in Exploration Permit 136, McArthur Basin, Northern Territory. Australia for Tamboran Resources Limited. The effective date of this evaluation is May 13, 2021.

I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Tamboran Resources Limited or its affiliated companies.

I attended Saint Mary's College of California, and I graduated in 1989 with a Master of Business Administration Degree; I attended Florida State University, and I graduated in 1980 with a Master of Science Degree in Geological Oceanography; I attended the University of Miami, and I graduated in 1976 with a Bachelor of Science Degree in Geology; I am a Licensed Professional Geophysicist in the State of Texas, United States of America; and I have in excess of 29 years of experience in geological and geophysical studies and evaluations.

By: 
John G. Hattner, P.G.
Senior Vice President
Texas Registration No. 559



May 13, 2021
Dallas, Texas

For personal use only



CERTIFICATE OF QUALIFICATION

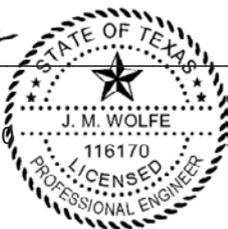
I, Joseph M. Wolfe, Licensed Professional Engineer, 2100 Ross Avenue, Suite 2200, Dallas, Texas 75201, hereby certify:

I am an employee of Netherland, Sewell & Associates, Inc., which prepared a detailed analysis of certain shale gas prospects in Exploration Permit 136, McArthur Basin, Northern Territory. Australia for Tamboran Resources Limited. The effective date of this evaluation is May 13, 2021.

I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Tamboran Resources Limited or its affiliated companies.

I attended Northwestern State University and graduated in 1999 with a Bachelor of Science Degree in Mathematics; I attended Texas A&M University and graduated in 2009 with a Master of Engineering Degree in Petroleum Engineering; I am a Licensed Professional Engineer in the State of Texas, United States of America; and I have in excess of 12 years of experience in petroleum engineering studies and evaluations.

By: *Joseph Wolfe*
Joseph M. Wolfe, P.E.
Vice President
Texas License No. 116170



May 13, 2021
Dallas, Texas

For personal use only



June 2, 2021

The Board of Directors
Tamboran Resources Limited
110-112 The Corso
Manly, NSW 2095
Australia

Dear Directors:

In accordance with your request, this letter is provided as an amendment to our two reports dated May 13, 2021, (together referred to herein as "the NSAI reports") which separately present our estimates of unrisksed contingent and prospective gas resources for shale gas discoveries and prospects located in Exploration Permit (EP) 161 (referred to herein as "the EP 161 report") and unrisksed prospective gas resources for shale gas prospects located in EP 136 (referred to herein as "the EP 136 report"). Both of these EPs are located in the McArthur Basin, Northern Territory, Australia. Tamboran Resources Limited (Tamboran) owns a 25 percent working interest and Santos Limited owns a 75 percent interest in EP 161. Tamboran owns a 100 percent working interest in EP 136. The volumes included in the NSAI reports are attributable to the Kyalla Shale and Middle Velkerri C, B, and A Shales of the Velkerri Formation. This letter provides additional discussion concerning the probability of geologic success (P_g), also referred to as geologic chance of discovery; chance of development (P_d); and development spacing used in the preparation of the estimates presented in the NSAI reports.

The estimates in the NSAI reports were prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality, as reserves, contingent resources, or prospective resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk that are difficult to quantify; thus reserves, contingent resources, and prospective resources should not be aggregated without extensive consideration of these factors.

CLASSIFICATION

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown in the EP 161 report are contingent upon (1) demonstration of the economic viability of project development, (2) successful completion of work commitments prior to expiration of the leases, (3) development of infrastructure, (4) a sales contract, and (5) commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in the EP 161 report may be reclassified as reserves; our estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. Because of the lack of commercial data given the early stage of development of this project, we did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined. It should be understood that no economic gas production has been established in the McArthur Basin to date. The project maturity subclass for these contingent resources is development unclarified.

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. The prospective resources shown in the NSAI reports should not be construed as reserves or contingent resources; they represent exploration opportunities and quantify the development potential in the event a petroleum discovery is made. It should be understood that potentially significant quantities of shale are known to be present in the project areas; however, with limited gas content and storage capacity data and no horizontal test data, these areas are considered undiscovered shale gas opportunities and the gas volumes are classified as prospective resources rather than

For personal use only



contingent resources. We did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined.

Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and have therefore not been shown. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources. Such risk is often significant. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

In this amendment letter, discussion of our estimation and risk assessment of the resources located in EP 161 and EP 136 is combined because of the contiguous nature and similar geologic setting of the two blocks. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation. The risk factors presented in this letter were estimated based on our experience and judgment, as well as discussion with Tamboran personnel.

GEOLOGIC CHANCE OF DISCOVERY _____

It should be understood that the prospective resources discussed and shown in the NSAI reports are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of producible shale gas but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisks prospective resources shown in the NSAI reports are the range of volumes that could reasonably be expected to be recovered in the event of the discovery and development of these prospects.

The Tanumbirini-1 vertical well was drilled in June 2014 by Santos Limited, the operator of EP 161, and was stimulated and tested in 2020. The vertical fracturing test results recovered natural gas over two production tests with the first providing a maximum production rate of 1.6 million cubic feet (MMCF) per day and a sustained production rate with 26/64-inch choke of 400 thousand cubic feet (MCF) per day with nearly no decline over a 112-day period ending April 2, 2020. The second flow test provided a maximum production rate of 10.6 MMCF per day and a sustained production rate with 20/64- and 26/64-inch chokes of 601 MCF per day over a 20-day period. Produced natural gas from Tanumbirini-1 contained approximately 3 percent carbon dioxide (CO₂) and 1 percent nitrogen (N₂). Fluid recovery rate was negligible by the end of the first flow test with 42 percent (17,705 barrels) recovered of the total pumped fluid volume of 42,096 barrels. The joint venture for EP 161 currently intends to drill 4 exploratory wells in EP 161 during 2021 and 2022 and will assess the results from these wells to determine the optimal development path forward.

Additional well and test data used in our analyses are derived from the other 3 existing wells in the McArthur Basin: the Amungee NW-1H, the Carpenteria-1, and the Kyalla-117H. The Amungee NW-1H well drilled by Origin Energy Ltd. (Origin) and completed in the Velkerri B shale was the first horizontal well drilled in the basin. The well was drilled and tested in 2016. The well flowed a total of 63 MMCF of gas over a 57-day period with an average flow rate of 1.10 MMCF per day. The Amungee NW-1H well discovery report provided petrophysical and well test data. In late 2020, Empire Energy Group Limited drilled the Carpenteria-1 well in the nearby EP 187, but no new data have been made public. Also in 2020, Origin drilled the Kyalla-117H well to the Kyalla formation, and some gas composition information was publicly disclosed. The Kyalla-117H is the closest example of a horizontal productive shale test in the higher gas liquids window; therefore, the gas composition data have been used to define the limits of our range of parameters for estimating resources. The paucity of well and test data affects the estimates of P_g. In order to improve Tamboran's P_g, Tamboran and other operators will need to drill additional wells to demonstrate continuity of shale properties as well as perform production tests from horizontal wells to demonstrate commercially moveable quantities of hydrocarbons.

Unrisks prospective resources for shale gas prospects are estimated ranges of recoverable gas volumes assuming their discovery and development and are based on estimated ranges of in-place volumes. The estimates for risked

For personal use only



resources are derived directly from the estimates for unrisks resources, incorporating a geologic risk assessment; such risks resources do not incorporate a development risk assessment. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially recoverable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes. For shale gas prospects, principal geologic risk elements include quantity of shale, hydrocarbon content, storage capacity, and potential for commercial flow rates. The table below shows the best estimate of P_g factors associated with these prospective resources estimates in EP 161 and EP 136.

Prospect	P_g (percent)
Lower Kyalla	40
Middle Velkerri C	60
Middle Velkerri B	80
Middle Velkerri A	40

CHANCE OF DEVELOPMENT

While there are several operators evaluating exploration and development opportunities in the McArthur Basin, the exploration of this play is still in early stages and is more than 500 kilometers (km) from existing oil and gas infrastructure with only limited pipeline capacity. The P_d is affected by this lack of infrastructure; the complexity of mobilizing drilling, completions, production, and operations equipment and crews; lack of pipelines for export; and lack of an identified regional market to establish a reasonable commodity price. In order to improve Tamboran's P_d , other operators will need to make commitments to proceed with development so that various third-party service companies will commit and proceed to build and operate local infrastructure. Additional well and horizontal production test data, as previously described, will be critical for operators to make these commitments.

Development risking of contingent and prospective resources for shale gas prospects should include consideration of whether the entire area addressed by the assessment can and will be developed; this component is generally unique to shale gas prospects because of the greater areal extent and the wide variability in thickness, rock properties, and production characteristics across that areal extent. For shale gas prospects, principal development risk elements are (1) reservoir quality across the evaluated acreage, (2) development and application of technology needed to commercially produce the acreage, and (3) a reasonable expectation of a commitment to develop the acreage. The best estimate P_d associated with these contingent and prospective resources estimates in EP 161 and EP 136 is 30 percent.

DEVELOPMENT SPACING

In the evaluation of EP 161, contingent resources are assessed based on 2-km by 0.5-km well-spacing units offsetting the existing Tanumbirini-1 well. The low estimate (1C) contingent resources are associated with 6 horizontal well locations, the best estimate (2C) contingent resources are associated with 10 horizontal well locations, and the high estimate (3C) contingent resources are associated with 14 horizontal well locations. The 2C resources and locations include the 1C resources and locations, and the 3C resources and locations include the 2C resources and locations. Half of these locations are associated with the Middle Velkerri B, and the other half are associated with the Middle Velkerri C.

In the EP 161 report, our estimates of 2C contingent resources for EP 161 as of May 13, 2021, include 71 billion cubic feet (BCF) in the Middle Velkerri B and 46 BCF in the Middle Velkerri C. The Middle Velkerri B contingent resources are associated with 5 well-spacing units as described above; this equates to an average expected per-well recovery of 14 BCF. The Middle Velkerri C contingent resources are also associated with 5 well-spacing units as described above; this equates to an average expected per-well recovery of 9 BCF. The Middle Velkerri C locations overlay the Middle Velkerri B locations; therefore, the land area associated with these resources is 5 square km.

For personal use only



In the evaluations of EP 161 and 136, prospective resources are also assessed based on a 2-km by 0.5-km well-spacing unit. The best estimate (2U) resources and locations include the low estimate (1U) resources and locations, and the high estimate (3U) resources and locations include the 2U resources and locations.

GENERAL INFORMATION

For the purposes of the NSAI reports and this amendment letter, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties.

The contingent and prospective resources and associated chances of success discussed in this amendment letter are estimates only and should not be construed as exact quantities. Estimates may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance.

For the purposes of the NSAI reports and this amendment letter, we used technical data including, but not limited to, well logs, geologic maps, laboratory analysis, seismic data, well test data, and property ownership interests. The contingent and prospective resources in the NSAI reports and referenced in this amendment letter have been estimated using probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including volumetric analysis and analogy, that we considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2018 PRMS definitions and guidelines. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from Tamboran, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the properties or independently confirmed the actual degree or type of interest owned. The technical persons responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By:

C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

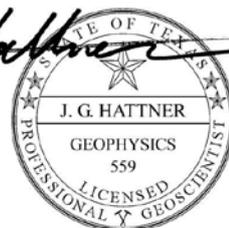
By:
Joseph M. Wolfe, P.E. 116170
Vice President



Date Signed: June 2, 2021

JMW:MMW

By:
John G. Hattner, P.G. 559
Senior Vice President



Date Signed: June 2, 2021

For personal use only



ANNEXURE B – SOLICITOR’S REPORT

SQUIRE
PATTON BOGGS

21 May 2021

The Directors
Tamboran Resources Limited
110-112 The Corso
MANLY NSW 2095

Squire Patton Boggs (AU)
Level 17, 88 Phillip Street
GPO Box 5412
Sydney NSW 2001

O +61 2 8248 7888
F +61 2 8248 7899
squirepattonboggs.com

Partner: Natalie Lonergan
T +61 2 8248 7896

natalie.lonergan@squirepb.com

Partner: Ashley Rose
T +61 2 8248 7879
ashley.rose@squirepb.com

Dear Sirs and Madam

Solicitor's Report on Petroleum Tenements

This Report is prepared for inclusion in a prospectus to be dated on or about 20 May 2021 to be issued by Tamboran Resources Ltd (**Company** or **Tamboran**) for the offer of up to 165 million shares at a price of \$0.40 per share to raise up to \$66 million (before costs) (**Offer**).

1 SCOPE

This Report relates to the following petroleum tenements onshore in the Northern Territory in which the Company or one of its subsidiaries holds an interest or will hold an interest following grant of that tenement or completion of the acquisition of Sweetpea Petroleum Pty Ltd (**Sweetpea**) by Tamboran's subsidiary, Tamboran (McArthur) Pty Limited (as applicable):

- (a) Exploration Permit (EP) 161 held by the Company (25% interest) and Santos QNT Pty Ltd (**Santos QNT**) (75% interest);
- (b) Exploration Permit (EP) 136 held by Sweetpea (100% interest); and
- (c) Exploration Permit (EP) 143 held by Sweetpea (100% interest),

in each case granted pursuant to the *Petroleum Act 1984* (NT) (**Petroleum Act**) (collectively, the **Exploration Permits**).

This Report also relates to the application for exploration permit (EPA) 197 made by Sweetpea (100% interest) under the Petroleum Act (**Application**). The Exploration Permits and Application are collectively referred to as the "**Tenements**" for the purposes of this Report and "**Tenement**" means any one of them.

This Report relates only to the Tenements and relies on (and is limited to) the results of the searches we conducted, as set out in section 2 below, and the documents provided to us by the Company or Sweetpea. The scope of this Report is limited to the matters set out in this section 1 and we have not considered any other matters.

45 Offices in 20 Countries. Squire Patton Boggs (AU) is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities. Please visit squirepattonboggs.com for more information.



2 PUBLIC DATABASE SEARCHES

Our investigations in respect of the preparation of this Report were limited to the searches set out below:

- (a) searches of the Exploration Permits on the Petroleum Register (**Public Register**) maintained by the Northern Territory Department of Industry, Tourism and Trade (**DITT**) in respect of EP 136 and EP 143 on 19 April 2021 and in respect of EP 161 on 30 March 2021;¹
- (b) request for an extract of the list of dealings maintained by the DITT in respect of the Application, which was provided by the DITT on 13 April 2021; and
- (c) searches of the Tenements on the STRIKE database maintained by the NT Department of Industry, Tourism and Trade (**STRIKE**) between 29 March 2021 and 30 March 2021 in relation to the Exploration Permits and on 6 April 2021 in respect of the Application in relation to the following matters:
 - (i) status and grant of the Exploration Permits;
 - (ii) overlapping tenements (including the titleholders, grant date and expiry date of such tenements);² and
 - (iii) adjacent petroleum tenements (including the titleholders, grant date and expiry date of such tenements).

On the basis of the searches, we consider that this Report provides an accurate statement as to the status of the Tenements. However, if any of the assumptions set out in this Report are not correct, this Report will need to be amended.

3 WARD KELLER REPORT – NATIVE TITLE, ABORIGINAL HERITAGE, ENVIRONMENTAL REGULATION AND LAND ACCESS

This Report is to be supplemented with a report prepared by Ward Keller covering the matters set out in section 1 of that report (relating to Aboriginal land claims and native title, Aboriginal cultural heritage and environmental management, and land access) as those matters relate to the Tenements (**Ward Keller Report**). A copy of the Ward Keller Report is annexed as Annexure A to this Report.

4 EXECUTIVE SUMMARY

We have identified a number of key issues that affect the Tenements. A summary of these key issues is set out below.

4.1 Exploration Permit expiry

The Exploration Permits are granted for a specified term and are due to expire as follows:

¹ The Public Register search in respect EPA 197 is not available as it is in application form. We have requested from the DITT and been provided with a list of dealings registered against EPA 197.

² The searches of the STRIKE database with respect to overlapping Extractive Mineral Licences under the Mineral Titles Act were undertaken on 21 April 2021.

For personal use only



- (a) EP 136 and EP 143 are due to expire on 27 August 2022; and
- (b) EP 161 is due to expire on 20 December 2025.

The process for renewing an Exploration Permit is described in section 7. If an Exploration Permit is not renewed, the relevant permit holder will no longer have rights to undertake exploration activities in the relevant Exploration Permit area and the Exploration Permit will cease being an asset of the Company or its subsidiary (as applicable).

4.2 Work program obligations regarding the Tenements

The Tenements have significant minimum work obligations that need to be completed in the near future. The minimum work obligations are as follows:

- (a) EP 136:
 - (i) 250km 2D Seismic Survey with an estimated expenditure of \$1.5 million to be completed by 27 August 2021; and
 - (ii) drilling and testing one exploration well with an estimated expenditure of \$17 million to be completed by 27 August 2022.
- (b) EP 143:
 - (i) Geological and geophysical studies with an estimated expenditure of \$200,000 to be completed by 27 August 2021; and
 - (ii) 200 km 2D Seismic Survey and an assessment of petroleum resource potential estimated expenditure of \$1.3 million to be completed by 27 August 2022.
- (c) EP 161:
 - (i) between 21 December 2018 and 20 December 2021 approximately \$47 million is required to be spent in completing the following work:
 - (A) drilling a vertical exploration well;
 - (B) drilling, fracturing and testing a horizontal well;
 - (C) geological and geophysical studies;
 - (D) acquiring and processing 10 kilometres of 2D seismic data; and
 - (E) conducting a diagnostic fracture injectivity test (DFIT), multi-stage fracture stimulation, and production test of Tanumbirini 1;
 - (ii) between 21 December 2021 and 20 December 2022 approximately \$8 million is required to be spent in completing the following work:
 - (A) geological and geophysical studies; and

For personal use only



- (B) acquiring, processing, and interpreting 200 kilometres of 2D seismic data.

The minimum work obligations for EPA 197 will be agreed between Sweetpea and the Northern Territory Government (**NT Government**) prior to grant of the Exploration Permit.

Failure to complete the minimum work obligations within the prescribed period will entitle the Minister to cancel the Tenement in relation to any or all of the blocks the subject of the Tenement or refuse a renewal of the Tenement.

The Company can apply to the Minister to request that minimum work obligations or the period for completing those obligations are varied in accordance with the process described in section 7. However, there is no certainty that any variation or extension of time would be granted.

We are instructed by Tamboran that it has completed the year 1 minimum work obligations for EP 161 (permit year ending 20 December 2021).

We are instructed by Sweetpea that it has undertaken the geological fieldwork and seismic reprocessing work required for the year 4 minimum work obligations for EP 143 (permit year ending 27 August 2021).

We are also instructed that Sweetpea has not completed the year 4 minimum work obligations for EP 136 (permit year ending 27 August 2021) but has lodged a further suspension and extension application for EP 136. Should this application be accepted, this application will enable Sweetpea to remain in compliance with its regulatory obligations, by extending the time to complete the minimum work program.

4.3 Overlapping tenements

We have undertaken searches of the STRIKE database to determine whether any of the Tenements overlap with:

- (a) mining tenements granted or applied for under the *Mineral Titles Act 2010* (NT) (**Mineral Titles Act**);
- (b) petroleum tenement granted or applied for under the Petroleum Act;
- (c) petroleum pipeline tenements granted or proposed under the Energy Pipelines Act 1981 (NT) (**Energy Pipelines Act**); and
- (d) geothermal tenements granted or applied for under the *Geothermal Energy Act 2009 (NT)* (**Geothermal Energy Act**).

Our search results are set out in Schedule 3 and further discussed in section 8.9 of this Report. Our searches indicate that:

- (e) for each of EP 136, EP 143 and EP 161, there are overlapping tenures granted or applied for (or both) under the Mineral Titles Act; and
- (f) for each of EP 143 and EP 161 there is an overlapping tenure granted under the Energy Pipelines Act.



However, we have not identified any overlap with applications or titles granted under the Petroleum Act.

In the event of overlapping tenures, the Northern Territory legislative regime does not prescribe a general order of precedence or priority of any particular form of tenure over another. Instead, the Mineral Titles Act contains a general obligation that the holder of a tenement must conduct authorised activities in relation to the title area in a way that interferes as little as possible with the rights of other occupiers of land in the vicinity of the title area. If there is any doubt as to whether an activity proposed to be carried out on the Tenements will interfere with the rights of another permit holder, an appropriate consultation process will need to take place with the relevant titleholder. This issue is described in detail at section 8.9.

4.4 **Adjacent petroleum tenements**

We have undertaken searches of the STRIKE database to determine whether any of the Tenements are adjacent to other petroleum tenements granted or applied for under the Petroleum Act.

Our searches indicate that there are existing petroleum exploration permit applications and titles adjacent to the area the subject of the Tenements.

The Petroleum Act provides that where a petroleum pool extends into an adjacent exploration permit or licence area held by another licensee, the Minister may require the relevant licensees to register a scheme for working and developing the petroleum pool as one unit. This issue is described in detail at section 8.10.

4.5 **Regulatory changes – implementation of recommendations from the Fracking Inquiry Report**

On 17 April 2018, the NT Government announced that it accepted all 135 of the recommendations set out in the '*The Scientific Inquiry into Hydraulic Fracturing in the Northern Territory*' (**Fracking Inquiry Report**).

The implementation of the recommendations is underway and will result in a more rigorous regulatory regime by placing additional obligations on oil and gas companies including the introduction of a stricter code of practice for decommissioning onshore shale gas wells, requiring tenement holders to provide a non-refundable levy prior to granting any further production approvals and introducing no go zones where a person cannot explore or drill for petroleum resources. The key recommendations are described in detail at section 8.8 of this Report.

4.6 **Reserved Blocks**

The Fracking Inquiry Report referred to in section 4.5 above determined that there are areas in the Northern Territory that should be declared Reserved Blocks pursuant to section 9 of the Petroleum Act. A Reserved Block (also called a 'no go zone') is an area where a person cannot explore or drill for petroleum resources. The process for the declaration of Reserved Blocks is a staged process that is described in further detail in section 9 of this Report.

Our searches of the STRIKE database show that there is one proposed Reserved Block located within the area covered by EP 143, being the 2km buffer around the Town of Newcastle Waters. We have been instructed by Sweetpea that negotiations



with the NT Government in relation to the relinquishment of this area have not yet commenced, although we have been advised by the DITT that a number of letters have been issued to titleholders.

4.7 Ministerial approval required before drilling a well or seismic survey

Ministerial approval is required before drilling a well or commencing a seismic survey for any of the Tenements. In our opinion, it would be unusual for such approval not to be granted. This issue is described in further detail at section 4.7.

4.8 Statutory royalty

Under the Petroleum Act, Tamboran is required to pay an overriding statutory royalty of 10% of the gross value at the well-head, of all petroleum produced from the licence areas. This issue is described in further detail at section 8.2.

4.9 Third party royalty interests

A number of third party royalty interests have been granted in respect of EP 136, EP 143 and EPA 197 as follows:

- (a) a 4% overriding royalty interest (**ORRI**) in favour of Tom Dugan Family Limited Partnership LLP, Territory Oil and Gas LLC and Malcom John Gerrard. This ORRI may be reduced further to 1% in accordance with the terms of a separate termination agreement. The terms of the ORRI also provide for an “Area of Mutual Interest” obligation to grant additional ORRIs where additional acreage is acquired by Sweetpea within a specified “Area of Mutual Interest”.³ The obligations with respect to the Area of Mutual Interest may be waived in accordance with the terms of a separate Limited Waiver Agreement (as discussed in section 8.2 below);
- (b) a 2% ORRI in favour of Petrohunter Energy Corporation, which may be reduced to 1% in accordance with its terms; and
- (c) a 1% ORRI in favour of the Siegel Dynasty Trust, which is non-reduceable.

These ORRIs and related documents are discussed in more detail in section 8.2 and set out in Schedule 5.

4.10 Encumbrances

EP 161

Based on our searches of the Public Register, we note two security agreements registered against the title of EP 161 as set out in Schedule 2.

We understand that the General Security Deed registered in respect of EP 161 was released pursuant to a deed of release of general security in favour of Tamboran, although the discharge of the General Security Deed has not been registered against EP 161 on its title document. Under section 96 of the Petroleum Act, this deed of

³ The “Area of Mutual Interest” obligation is discussed further in section 8.2 and Schedule 5.

For personal use only



release of general security will need to be approved by the Minister and registered against the title to deal with a legal or equitable interest in EP 161.

We note that Tamboran and Santos QNT entered into a deed of cross security on 11 December 2012 in relation to the Joint Operating Agreement between the parties.

EP 136, EP 143 and EPA 197

In addition, we note the Petrohunter ORRI (registered against EP 136, EP 143 and EPA 197) also provides for a lien granted over Sweetpea's interest in the Joint Venture Operating Agreement dated 16 September 2011 between the Sweetpea and Paltar Petroleum Limited (**Paltar**) (**JVOA**), which has been registered as a dealing against EP 136, EP 143 and EPA 197.

It is likely this lien would now apply to Sweetpea's 100% interest in EP 136, EP 143 and EPA 197 on the basis the JVOA has been terminated and Sweetpea has acquired all of Paltar's interest in EP 136, EP 143 and EPA 197. For more information, please see section 8.3 below.

Please refer to Schedule 2 and Schedule 5 for further information in relation to these documents.

5 DESCRIPTION OF THE TENEMENTS

Schedule 1 of this Report provides an overview of the nature and key terms of each of the Tenements based on our searches of the Public Register.

6 KEY LEGISLATION

The Petroleum Act applies to exploration tenements granted in respect of any land in the Northern Territory. Exploration tenements granted in the Northern Territory are also subject to statutory requirements of certain other Acts, including but not limited to:

- (a) *Environment Protection and Biodiversity Conservation Act 1999* (Cth);
- (b) *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth);
- (c) *Native Title Act 1993* (Cth);
- (d) *Environmental Assessment Act 1982* (NT);
- (e) *Aboriginal Land Rights Act (Northern Territory) 1976* (NT); and
- (f) *Northern Territory Sacred Sites Act 1989* (NT).

Describing the full details of the requirements set out in this legislation is beyond the scope of this Report.



7 BACKGROUND TO NORTHERN TERRITORY PETROLEUM REGULATORY REGIME

7.1 Regulatory regime

There are three types of titles that may be granted in relation to onshore petroleum exploration and production in the Northern Territory:

- (a) exploration permits (each of the Tenements is an exploration permit, or in the case of EPA 197, an application for an exploration permit);
- (b) production licences; and
- (c) retention licences.

7.2 Exploration permits

Exploration permits in the Northern Territory are issued pursuant to a competitive tender process whereby the Minister will issue a notice inviting applications for the grant of an exploration permit for any of the blocks specified in the notice.

The grant of an exploration permit confers on the holder the exclusive right to explore for petroleum and to carry on such operations and execute such works as are necessary for that purpose, in the exploration permit area. This includes the rights to carry out the technical works programme and other exploration for petroleum in the exploration permit area. Activities under an exploration permit are subject to any conditions imposed on the permit by the Minister.

The Petroleum Act requires an exploration permit holder to notify the Minister as soon as possible of a discovery of petroleum within a permit area and within 3 days provide the particulars of the discovery.

Following the discovery of petroleum, the exploration permit holder is entitled to apply for either:

- (a) a production licence in relation to the whole or part of its exploration permit if the discovery is an accumulation of petroleum that is commercially able to be immediately exploited; or
- (b) one or more retention leases in relation to the whole or part of the permit area where a discovery has been made and notified to the Minister, and the Minister is satisfied that the petroleum resources are potentially of a commercial quality and quantity.

7.3 Retention Licences

Where the Minister has received an application for a retention licence and is satisfied that the applicant has complied with the requirements of the Petroleum Act the Minister will decide whether to grant or refuse to grant the retention licence.

A retention licence grants the licensee the exclusive right to carry on in the licence area such geological, geophysical, and geochemical programmes and other operations and works, including appraisal drilling, as reasonably necessary to evaluate the potential of the petroleum believed to be present in the licence area.

For personal use only



The initial term of a retention licence is 5 years and may be renewed for subsequent periods, subject to the Minister's approval.

7.4 Production Licences

An exploration permit holder or retention licensee is entitled to apply for a production licence where a commercially exploitable petroleum discovery is made. An application for a production licence is required to include certain requirements including providing information regarding the permit area, a proposed technical works programme for the proposed licence area and evidence that the applicant has the appropriate technical and financial capability. Where the Minister receives an application for a production licence and is satisfied that the applicant has met certain requirements including complying with any conditions that applied to the exploration permit or retention lease, the Minister must grant the production licence subject to conditions. The Minister has the discretion to grant a production licence in circumstances where some of these requirements have not been met.

A production licence holder has exclusive rights to explore for petroleum and recover it from the licence area and to carry out such operations and execute such works in the licence area as are necessary for the exploration for and recovery of petroleum.

A production licence may be granted for an initial term of 21 or 25 years and renewed for a further period of 21 or 25 years.

7.5 Conditions of exploration tenements granted under the Petroleum Act

An exploration permit is granted subject to conditions that the exploration permit holder must comply with including meeting minimum work obligations and conducting all operations with reasonable diligence and in accordance with good oilfield practice and the approved technical work program.

We have reviewed the conditions set out in the Instrument of Grant for each of EP 136, EP 143 and EP 161. There are no unusual conditions however we note the following:

- (a) Condition 5 of each Instrument of Grant provides that *"the permittee shall indemnify and hold indemnified at all times the Territory and its servants and agents from claims, actions, suits and demands whether debt, damages, costs or otherwise arising out of a breach of the duties and obligations, whether express or implied, of the permittee at common law, or of the Claim or of any law in force in the Territory that is applicable and whether such breach shall be that of the permittee or any of its subcontractors, servants, employees or agents"*;
- (b) Condition 10 of each Instrument of Grant allows *"the Minister to require, at any time, the title holder to provide security in the form and for the amount that the Minister thinks fit for the purpose of securing the title holder's performance of its obligations under the relevant Exploration Permit"*; and
- (c) Each Instrument of Grant also provides that *"the title holder must not commence any seismic survey or drilling of a well unless the Minister is provided with the relevant details (including the geographic position of the well or area of the seismic survey) and the necessary approval has been obtained from the Minister"*.



Our review of the Public Register extract for each of the Exploration Permits indicates the following:

- (d) in relation to EP 161, a bank guarantee (folio 244) was lodged on 22 October 2019; and
- (e) in relation to EP 136 and EP 143, a bank guarantee (folio 93) was lodged on 28 August 2012.

There are no further details regarding the amount of security paid.

7.6 Variation, suspension or waiver of a condition of an exploration permit

An exploration permit holder may lodge an application for a variation, suspension or waiver of a condition of an exploration permit. Under the guidelines "Criteria for Assessment of Petroleum Exploration Permit Applications" issued by the Department of Primary Industry and Resources, an application to suspend, extend, waive or vary exploration permit conditions is required to be submitted within three months prior to expiry of the current work program year.

Generally, work programs cannot be reduced by a variation. All variations are subject to the discretion of the Minister and are considered on a case by case basis.

A permit holder may apply to the Minister to suspend and extend the period for completing the permit holder's work program commitments.

A suspension will defer the end date of a current permit year but will not change the end date of subsequent permit years. A suspension and extension will defer the end date of the current permit year and all subsequent permit years. Where a condition of an exploration permit is suspended the Minister may extend the term of the permit by a period not exceeding the period of the suspension.

The terms of each of the Exploration Permits have previously been extended via applications to the Minister for suspension and extension of the dates for completion of the minimum work program obligations.

7.7 Ministerial approval in relation to dealings and transfers

Any instrument by which a legal or equitable interest in or affecting an existing future exploration permit is or may be created, assigned, affected or dealt with, whether directly or indirectly must be approved by the Minister and an entry made in the Public Register in order to be effective.

7.8 Statutory annual fees

An exploration permit holder is required to pay an annual fee in relation to each exploration permit.

Our searches of the Public Register state that there are no outstanding annual fees payable in respect of the Exploration Permits.



8 Tenements

8.1 Background to the chain of title of the Tenements

Based on our searches of the Public Register and review of the documents provided to us by Tamboran and Sweetpea, we have summarised below a chain of events that have affected the ownership interest in each of Tenements, except for EPA 197:

(a) EP 136

- (i) EP 136 was granted to Sweetpea (100%) on 28 August 2012;
- (ii) Sweetpea transferred 50% of its interest in EP 136 to Paltar pursuant to the JVOA. A Transfer of title dated 5 October 2012 was subsequently registered on 6 December 2012, effecting the transfer of a 50% interest in EP 136 from Sweetpea to Paltar;
- (iii) Paltar transferred 50% of its interest in EP 136 to Sweetpea pursuant to the EP136 and EP143 Sale Agreement, dated 12 July 2019, between Paltar Petroleum Limited (in Liq) and Sweetpea, which was registered on 23 March 2020 (**Paltar SPA**). A transfer of title, dated 8 November 2019, between Paltar and Sweetpea was subsequently registered on 23 March 2020; and
- (iv) Sweetpea is currently recorded on the Public Register as the 100% titleholder of EP 136.

(b) EP 143

- (i) EP 143 was granted to Sweetpea (100%) on 28 August 2012;
- (ii) Sweetpea transferred 50% of its interest in EP 143 to Paltar pursuant to the JVOA. A transfer of title dated 5 October 2012 was subsequently registered on 6 December 2012 effecting the transfer of a 50% interest in EP 143 from Sweetpea to Paltar;
- (i) Paltar transferred 50% of its interest in EP 143 to Sweetpea pursuant to the Paltar SPA. A transfer of title, dated 8 November 2019, between Paltar and Sweetpea, was subsequently registered on 23 March 2020; and
- (ii) Sweetpea is currently recorded on the Public Register as the 100% titleholder of EP 143.

(c) EP 161

- (i) EP 161 was granted to Tamboran (100%) on 21 May 2012;
- (ii) Tamboran transferred 50% of its interest holding in EP 161 to Santos QNT pursuant to a Farmin Agreement dated 11 December 2012 and registered on 4 January 2013 (**Santos Farmin Agreement**). An instrument of transfer of title for the 50% interest dated 14 February 2013 between Tamboran and Santos QNT was lodged on 18 February 2013 and registered on 20 February 2013;

11

017-8463-6331/2/AUSTRALIA



- (iii) Tamboran transferred its remaining 50% interest holding in EP 161 to Tamboran (Beetaloo) Pty Ltd (**Tamboran Beetaloo**) pursuant to an Instrument of Transfer dated 30 November 2013 and registered on 20 May 2014;
- (iv) Tamboran (Beetaloo) transferred its 50% interest holding in EP 161 back to Tamboran pursuant to Deed of Assignment, dated 1 August 2016, between Tamboran (Beetaloo) and Tamboran, registered on 25 October 2016. An Instrument of Transfer was subsequently registered on 25 October 2016;
- (v) Tamboran transferred a further 25% of its 50% interest holding in EP 161 to Santos QNT pursuant to the Santos Farmin Agreement. A transfer of title, dated 8 September 2017, between Santos QNT and Tamboran was registered on 1 February 2018;
- (vi) on 4 July 2019, EP 161 was renewed for a subsequent period of 5 years commencing on 21 December 2018 (and subsequently suspended and extended until 20 December 2025); and
- (vii) EP 161 is currently held by Tamboran 25% and Santos QNT 75%.

8.2 Overriding royalty interests

Statutory Royalties

Under section 84 of the Petroleum Act, an overriding statutory royalty is payable to the Minister calculated as 10% of the gross value, at the well-head, of all petroleum produced from the licence areas. The gross value of that petroleum is determined by agreement between the Minister and the licensee. If agreement cannot be reached, the gross value of that petroleum is determined by the Minister. The royalty payable in relation to a licence for a year is reduced by the annual fee paid in relation to that licence for the year.

Section 84(6) of the Petroleum Act provides that the royalty payable in relation to a year is to be reduced by the annual fee paid in relation to that licence for the year. Section 85 of the Petroleum Act specifies a penalty rate of 0.33% per day on the amount of any late or unpaid royalties.

Third Party Royalties

Our searches of the Public Register revealed a number of royalty interests and related dealings registered on the Public Register in respect of EP 136, EP 143 and EPA 197. We have requested and been provided with copies of these documents by the Company.

A list and summary of these documents are set out in Schedule 5.

We note that Sweetpea has granted the following overriding royalty interests (**ORRIs**), which grant the holder certain contractual rights (including the right to receive a share of the gross revenue) in respect of petroleum produced from the Tenements as follows:



- (a) an ORRI equal to an undivided 4% of 8/8ths of all Petroleum produced from EP 136, EP 143 and EPA 197 (and the land over which each of those permits was originally granted) to:
- (i) Tom Dugan Family Limited Partnership, LLP;
 - (ii) Territory Oil & Gas, LLC; and
 - (iii) Malcolm John Gerrard,
- (collectively, the **Bayless Group**) (the ORRIs granted to the Bayless Group in respect of each EP 136, EP 143 and EPA 197 are collectively the **Bayless ORRIs**);
- (b) an ORRI equal to 2% of 8/8th of petroleum produced from:
- (i) the land over which EP 136 and EP 143 were originally granted; and
 - (ii) the area over which EPA 197 was applied for,
- to Petrohunter Energy Corporation (**Petrohunter ORRI**). The Petrohunter ORRI may be reduced to 1% in accordance with the terms of the Petrohunter ORRI and the other 1% extinguished in certain circumstances (see below); and
- (c) an ORRI equal to an undivided 1% of 8/8ths of all petroleum produced from EP 136, EP 143 and EPA 197 (and the land over which each of those permits was originally granted) to Jeffrey J Rooney as trustee for the Siegel Dynasty Trust (collectively, the **Siegel ORRIs**).

Each of the Bayless ORRIs are coupled with an obligation on Sweetpea to grant additional ORRIs where additional acreage is acquired by Sweetpea or its successors or assigns within the "Area of Mutual Interest", being the lands within 50km of the boundaries of the Original Permits (being EP 76, EP 98, EP 99 and EP 117), as shown on the map provided in Schedule 1 to the Bayless ORRI's (**Area of Mutual Interest** or **AMI**) (**AMI Obligation**).

We note that each of the Bayless ORRIs, Siegel ORRIs and Petrohunter ORRIs contains a provision that these ORRIs will be calculated in the same manner as the 10% royalty payable to the Northern Territory in section 84 of the Petroleum Act, subject to some exclusions and exceptions.

Bayless Documents

The Bayless Group and Sweetpea have entered into the following documents in relation to the Bayless ORRIs and AMI Obligation:

- (a) an agreement dated 23 July 2020 pursuant to which Sweetpea has been granted an option to require the Bayless Group to reduce their right, title and



interest in the Bayless ORRIs (as amended from time to time) (**Termination Agreement**);⁴ and

- (b) an agreement dated 23 July 2020, pursuant to which Sweetpea has been granted an option to purchase a limited waiver and release of the obligations of Sweetpea and a third party purchaser (and their successors and assigns, other than Longview Petroleum LLC) to comply with the AMI Obligation (**Limited Waiver**) (as amended from time to time) (**Limited Waiver Agreement**).⁵

Under the terms of the Termination Agreement, Sweetpea may further reduce the Bayless ORRIs from 4% to 1% in respect of each of EP 136, EP 143 and EPA 197 by payment of:

- (c) for the first additional 2%, US\$7 million due to the Bayless Group on 1 July 2023; and
- (d) for the second additional 1%, US\$7 million due to the Bayless Group on 1 July 2025.⁶

Under the terms of the Limited Waiver Agreement, Sweetpea may extinguish the AMI Obligation by making a final payment of US\$1.2 million to the Bayless Group on or before 1 July 2021.

Reduction of Petrohunter ORRI

The Petrohunter ORRI may be reduced from 2% to 1% by payment of US\$1,000,000 before 1 July 2023.

The other 1% may be repurchased by Sweetpea where Sweetpea (or its successor) sells or transfer to a third party all (or substantially all) of its interest in EP 136, EP 143 and EPA 197 in circumstances where such third party requires the other 1% portion of the ORRI be extinguished as a condition to completion of such transaction. The consideration payable to Petrohunter in these circumstances is calculated as 3% of the overall consideration paid to Sweetpea (or its "Affiliates" or successor) in such transaction.

8.3 Other Encumbrances

Under section 96 of the Petroleum Act, any instrument by which a legal or equitable interest in or affecting an existing future exploration permit or licence is or may be created, assigned, affected or dealt with, whether directly or indirectly must be approved by the Minister and an entry made in the Public Register in order to be effective.

⁴ The Termination Agreement has been amended pursuant to an amendment agreement dated 7 November 2020, a second amendment agreement dated 28 April 2021 and a third amendment agreement dated 19 May 2021. The amendments contemplated by the third amendment agreement come into effect on the next business day after completion of the acquisition of Sweetpea by Tamboran (McArthur) Pty Limited.

⁵ The Limited Waiver Agreement has been amended pursuant to an amendment agreement dated 7 November 2020.

⁶ The dates of 1 July 2023 and 1 July 2025 may be accelerated where Sweetpea or its shareholder sells 90% or more of its interest in EP 136, EP 143 or EPA 197 or the shares of Sweetpea.

For personal use only



Based on our searches of the Public Register, we note two security agreements registered against the title of EP 161:

General Security Agreement

Tamboran entered into a General Security Deed with Belbay Investments Pty Limited (**Belbay**) on 6 September 2012 (**GSD**) granting Belbay AIPAAP security interest over its properties. This GSD was registered against the title for EP 161.

This GSD was ultimately assigned to Geotech Investments Pty Limited (as trustee for Geotech Investments Trust) and released pursuant to a deed of release of general security in favour of (amongst others) Tamboran, discharging Tamboran from all obligations under the GSD.

We note that the discharge of the GSD has not been registered against EP 161 on its title document. As the GSD is an instrument creating an interest in an exploration permit, the discharge of the GSD will need to be approved and registered on the title, pursuant to section 96 to effectively deal with a legal or equitable interest in EP 161.

Deed of Cross Security

In addition to the GSD, we note that Tamboran and Santos QNT entered into a deed of cross security on 11 December 2012 in relation to the EP161 Joint Operating Agreement between the parties. This Deed of Cross Security has been registered against the title for EP 161.

Petrohunter ORRI

Clause 2 (d)(iv) of the Petrohunter ORRI (registered against each of EP 136, EP 143 and EPA 197) contains an express acknowledgement by the parties that the obligations in the Petrohunter ORRI are, "*to the extent permitted under the JVOA, to be secured by a second priority lien (expressly subordinate to the Cross- Charge) granted over Sweetpea's property interest in the JVOA in a form that is fully compliant with Section 13.2 of the JVOA*".

The JVOA is defined to mean the Joint Venture and Operating Agreement dated 16 September 2011 entered into between Sweetpea and Paltar.

Pursuant to the Paltar SPA, Sweetpea acquired all of Paltar's 50% "Participating Interest" under the JVOA, including its 50% interest in EP 136 and EP 143 and all other "Joint Venture Assets", subject to any "Permitted Encumbrances", which included "any dealings registered against the Permits". The JVOA was then terminated under clause 8.6 of the Paltar SPA.

Accordingly, it is likely that Sweetpea acquired Paltar's interest in EP 136 and EP 143 and all other "Joint Venture Assets" subject to the Petrohunter lien and that this lien remains over Sweetpea's 100% interests in EP 136, EP 143 and EPA 197. Please refer to Schedule 2 for further information in relation to these documents.

8.4 **Term and Renewals**

An exploration permit remains in force for a 5-year term commencing on the day on which it was granted or last renewed. An exploration permit may be renewed for a

For personal use only



maximum of two subsequent terms. The timeframe, process and criteria for applying for a renewal are set out in the Petroleum Act.

An application for renewal must, amongst other things, be in an approved form and manner and be accompanied by a report specifying the permittee's restoration and rehabilitation plan of the land with respect to the blocks that may be affected by the permittee's operations. The Minister will not accept an application for renewal of an exploration permit if an application is received after expiry of the permit.

Ordinarily, an application for renewal can only be made in relation to a reduced area. This is usually one-half of the original number of blocks (and where the original number of blocks is an odd number, adding one). A title holder seeking a renewal can apply for an exemption, for a period not exceeding 12 months, from the requirement to reduce the number of blocks in a renewal application. An exemption may provide for:

- (a) a deferral of the reduction in the permit area; or
- (b) a reduction in the permit area by a lesser number of blocks.

The Minister may refuse to renew the permit where an exploration permit holder has not complied with the Petroleum Act, any directions, or the conditions to which the exploration permit is subject, or the Minister is not satisfied that circumstances exist to justify the renewal of the permit.

8.5 Surrender of a permit

A permittee may apply to surrender all or part of a permit area, subject to the requirements of the Petroleum Act. These requirements include, amongst other things, that an application to surrender be accompanied by:

- (a) a restoration and rehabilitation report detailing the action taken by the exploration permit holder to restore and rehabilitate the land to be surrendered in the permit area, and the areas adjacent to the permit area that may be affected by the permittee's operations; and
- (b) a written undertaking by the exploration permit holder to complete the restoration and rehabilitation in the report within the time agreed with the Minister.

The Minister may require that further conditions be complied with before accepting a surrender, or where the Minister is satisfied that the circumstances justify the acceptance of a surrender, accept a partial surrender where the retained area is not one discrete area, or is less than the minimum allowable size.

8.6 Cancellation of a permit

The Minister has the power to cancel a permit in respect of all or any of the blocks to which a permit relates if the exploration permit holder:

- (a) has not complied with a condition of the permit or the Petroleum Act;
- (b) has not complied with a Ministerial direction;



- (c) has not paid an amount due under the Petroleum Act within 3 months of the due date; or
- (d) has been found guilty of an offence under the Petroleum Act.

Cancellation also prohibits the exploration permit holder from reapplying for any permit or licence relating to that area for 2 years after the date of cancellation.

8.7 Tenement-specific Conditions

We have conducted searches of the Public Register in relation to each of the Tenements.

Based on the results of these searches, we note that some of the Tenements contain significant minimum work obligations that need to be completed in the near future as follows:

- (a) EP 136 requires:
 - (i) 250km 2D Seismic Survey with an estimated expenditure of \$1.5 million to be completed by 27 August 2021; and
 - (ii) drilling and testing one exploration well with an estimated expenditure of \$17 million to be completed by 27 August 2022.
- (b) EP 143 requires:
 - (i) carrying out of geological and geophysical studies with an estimated expenditure of \$200,000 to be completed by 27 August 2021; and
 - (ii) 200 km 2D Seismic Survey and an assessment of petroleum resource potential estimated expenditure of \$1.3 million to be completed by 27 August 2022.
- (c) EP 161 requires:
 - (i) that between 21 December 2018 and 20 December 2021 approximately \$47 million is spent in completing the following work:
 - (A) drilling a vertical exploration well;
 - (B) drilling, fracturing and testing a horizontal well;
 - (C) geological and geophysical studies;
 - (D) acquiring and processing 10 kilometres of 2D seismic data; and
 - (E) conducting a diagnostic fracture injectivity test (**DFIT**), multi-stage fracture stimulation, and production test of Tanumbirini 1;
 - (ii) that between 21 December 2021 and 20 December 2022 approximately \$8 million is spent in completing the following work:
 - (A) geological and geophysical studies; and



- (B) acquiring, processing, and interpreting 200 kilometres of 2D seismic data.
- (d) The minimum work obligations for EPA 197 will be agreed between Sweetpea and the NT Government prior to grant of the Exploration Permit.

As it is a condition of each Tenement that the minimum work obligations are carried out, failure to comply may result in the Minister:

- (a) cancelling the permit in relation to any or all of the blocks the subject of the permit; or
- (b) refusing an application for renewal of the Tenement.

If these obligations are not able to be met by the required dates, the Company may be able to apply to the Minister to request that the work program be varied in accordance with the process described in section 7.6, however, a variation may not necessarily be granted.

8.8 Moratorium and legislation on hydraulic fracturing

A moratorium on fracking was in place in the Northern Territory from 14 September 2016 until 17 April 2018. On 27 March 2018, *'The Scientific Inquiry into Hydraulic Fracturing in the Northern Territory'* released its final report which recommends that the NT Government should accept and implement 135 recommendations which are aimed at implementing changes to regulation of the onshore petroleum industry to, among other matters, mitigate environmental risks to an acceptable level (**Fracking Inquiry Report**).

On 17 April 2018, the NT Government announced that it accepted all of the recommendations set out in the Fracking Inquiry Report and lifted the moratorium on unconventional shale gas developments in the Northern Territory.

A number of the recommendations, if and when implemented, may affect the Tenements. In particular, some key recommendations include but are not limited to:

- (a) Decommissioning wells – the *Petroleum (Environment) Regulations 2016* (NT) has been amended to implement a stricter code of practice (published on 12 June 2019) setting out the minimum requirements for the decommissioning of onshore shale gas wells in respect of cement integrity tests, the repair of defects prior to abandonment, and cement plugs to be placed to isolate critical formations;
- (b) Objections – pursuant to the *Petroleum Legislation Miscellaneous Amendments Bill 2019* (the **Bill**), the Petroleum Act has been amended to allow for any person to object to the proposed grant of an exploration permit under section 19. The Minister will be required to publish objections received on the department website and consider all objections in the process of deciding an application;
- (c) Compensation to landowners – under the *Petroleum Regulations 2020* (NT), prior to undertaking any onshore shale gas activity on a pastoral lease (including but not limited to any exploration or production activity), a land



access agreement must be negotiated and signed by the pastoral lessee and the gas company;

- (d) Accountable industry practice - with a target completion date of December 2021, the Petroleum Act will be amended to allow for the NT Government to develop and implement a financial assurance framework for the onshore shale gas industry prior to the grant of any further production approvals;
- (e) Non-refundable levy - with a target completion date of December 2021, the NT Government is developing appropriate monitoring and remediation activities for abandoned onshore shale gas wells, and to cost these accordingly. The NT Government will amend the legislation to impose a non-refundable levy on industry prior to the grant of any further production approvals;
- (f) Merits review – with a target completion date of December 2021, the Petroleum Act will be amended to allow for a broader range of third parties to have standing to seek merits review in relation to decisions under the Petroleum Act and Petroleum (Environment) Regulations 2016 (NT) prior to the granting of any further production approvals; and
- (g) Reserved Blocks / No go zones – under section 9 of the Petroleum Act, certain areas must be declared reserved blocks (areas where a person cannot explore or drill for petroleum resources), each with an appropriate buffer zone. The NT Government's Policy on Reserved Blocks, released in July 2019, is explained in detail at section 9 below.

8.9 Overlapping Tenements

Searches of the STRIKE database indicate that there are multiple overlapping tenements in respect of each of the Tenements. Schedule 3 of this Report sets out each of the overlapping tenements in detail.

Generally, the existence of overlapping tenure in respect of the different types of resources governed by the separate statutes is expected and not uncommon in the Northern Territory. The Northern Territory legislative regime does not prescribe a general order of precedence or priority of any particular form of tenure over another. Instead, there are general obligations in the Mineral Titles Act that the holder of a tenement must conduct authorised activities in relation to the title area in a way that interferes as little as possible with the rights of other occupiers of land in the vicinity of the title area. Furthermore, section 66 of the Energy Pipelines Act imposes restrictions on people undertaking certain works within the vicinity of a pipeline including crossing it with certain machinery or detonating explosives in the region.

Section 21C of the Petroleum Act provides that the Minister must not grant an exploration permit over an area that is already the subject of another exploration permit or a licence. Aside from the requirement that exploration permits and other petroleum permits cannot overlap, the Petroleum Act is silent on the question of overlapping tenements with respect to non-petroleum permits, other than that it provides for exclusivity of interest to the title holder.

Each of the Exploration Permits were issued under the Petroleum Act. If there is any doubt as to whether an activity proposed to be carried out on the Tenements will interfere with the rights of another permit holder, an appropriate consultation process will need to take place with the relevant titleholder.



8.10 Adjacent Tenements

Searches of the STRIKE database indicate that there are multiple adjacent tenements in respect of each of the Tenements. Schedule 4 of this Report sets out each of the adjacent tenements in detail.

If the Minister is satisfied that a petroleum pool extends beyond a licence area and it is desirable, for the purpose of securing economy and efficiency, that the petroleum pool should be worked as one unit, the Minister may, amongst other things, require the licensee and the licensee of each adjacent area to enter into a scheme for registration under section 96 of the Petroleum Act to work and develop the petroleum pool as one unit. Where a scheme is not furnished within the time specified or where the Minister does not approve the scheme furnished to him, the Minister must prepare a scheme and supply it to each permit holder and that scheme must be complied with. An agreement must be registered under section 96 of the Petroleum Act in order to have effect.

8.11 Access Authorities

A licensee or permit holder may apply for an access authority to conduct certain activities in an area outside the permit holder or licensee's permit area. An access authority authorises the holder to carry on in the access authority area exploration for petroleum or operations relating to the recovery of petroleum in or from the exploration permit, licence, lease or petroleum title in respect of which the application was made and any other operations specified in the access authority.

As at the date of our enquiries with the DITT on 1 April 2021, there were no access authorities granted under the Petroleum Act in relation to the areas underlying the Tenements.

We note that Sweetpea has applied for an Access Authority numbered AA9 over part of the area of EP 161. Access Authority AA9 had not been granted as at 1 April 2021 when we enquired with the DITT.

9 RESERVED BLOCKS / 'NO-GO ZONES'

A Reserved Block (also called a 'no go zone') is an area where a person cannot explore or drill for petroleum resources (**Reserved Block**). These areas can include towns, parks, reserves and areas of high ecological value.

Under section 9 of the Petroleum Act, the Minister can declare that a block (not being a block in relation to which an exploration permit or licence is in force) will not be the subject of a grant of an exploration permit or licence. If there is a declaration in force in relation to a block, the Minister cannot grant an exploration permit or licence over the block.

The Fracking Inquiry Report referred to in section 8.8 above determined that there are areas in the Northern Territory that should be declared Reserved Blocks pursuant to section 9 of the Petroleum Act. The recommendations of the Final Report handed down in March 2018 are now at the implementation stage. Importantly, the Final Report recommends that declarations of Reserved Blocks should be applied retrospectively and that any retrospective application will require negotiating with exploration permit holders that have identified reserved blocks on their tenure to relinquish those areas from their permit area.



As at 2 April 2019, NT Government has stated that the process for declaring Reserved Blocks under section 9 of the Petroleum Act will 'commence immediately'. NT Government finalised its policy on reserved blocks in July 2019 (**Reserved Block Policy**).

Reserved Block Policy

The declaration of Reserved Blocks will be a staged process and will involve the NT Government negotiating the relinquishment of petroleum tenure with petroleum companies where Reserved Blocks intersect with granted exploration permits.

Under the Reserved Block Policy there are 7 categories of land that can be declared as Reserved Blocks, as described in the table below.

#	Category	Description
1	Parks and Reserves	Areas classified as a park or reserve under Petroleum Act. For this category, buffer zones will be identified following an environmental assessment of the area, which must occur before the commencement of any petroleum activity.
2	Towns and residential areas	Areas that are: <ul style="list-style-type: none"> • within a 2km buffer of any gazetted town; • the Katherine or Alice Springs municipality; or • a community on Aboriginal land under the Aboriginal Land Rights Act (ALRA) that the Land Councils recommend becomes Reserved Block.
3	High conservation value	Sites of conservation significance (SOCS) identified by NT Government scientists. As at July 2019, there are 67 SOCS in the NT. Note that there may be other sites of high ecological value. NT Government plans to undertake a strategic regional environmental and baseline assessment in the Betaloo sub-basin to identify areas to protect similar biodiversity values to SOCS before any production activities are approved.
4	Indigenous Protected Areas (IPA)	Areas subject to an agreement between Traditional Owners and the Australian Government to promote biodiversity and cultural resources conservation. If the Australian Government dedicates an area as an IPA, it will become a proposed Reserved Block.
5	Areas of cultural significance	The Minister will declare an area a Reserved Block at the request of the relevant Land Council or native title group. Communities on ALRA land will be declared following discussions with the land council.

For personal use only



For personal use only

#	Category	Description
6	High tourism value	Areas determined on a case by case basis. A person may make a submission to the Minister that an area is of 'high tourism value' at any time.
7	No petroleum potential	Areas identified as 'not prospective' by the Department using geological data will be declared Reserved Blocks.

The Reserved Block Policy does not apply to "Exempted Areas", being areas covered by existing operation and production licences and retention licences which are over conventional resources that have been operating for decades and provide an energy source to Alice Springs.

The Reserved Blocks will be declared in 4 stages known as tranches, as described in the table below.

Tranche	Application
Tranche 1 – immediate declaration	Applies to the following categories: <ul style="list-style-type: none"> • 1 (Parks and Reserves); • 2 (Towns and residential areas); • 3 (High conservation value); and • 7 (No petroleum potential).
Tranche 2 - declare after notice to park board	Applies to jointly managed parks and reserves on or off ALRA land.
Tranche 3 - declare after negotiation	Applies to areas that overlap granted exploration permits.
Tranche 4 - Consult with relevant Land Council	Set to occur when the Land Councils advise the Minister for Resources that either: <ul style="list-style-type: none"> • they support the declaration of proposed Reserved Blocks on ALRA land; or • they have not consented to the grant of an exploration permit under the ALRA (s 42(1)). • the NT Government states that the areas to be granted in Tranche 4 comprise approximately 60% of the total area to be declared.



Application to the Tenements

Searches of STRIKE indicate that there is one proposed Reserved Block located within the area covered by EP 143. This reserved block is to form a 2km buffer around the Town of Newcastle Waters. According to the Reserved Block Policy, the NT Government is required to negotiate with the permit holder regarding the relinquishment of the 2km buffer around the Town of Newcastle Waters. After an agreement is reached and the area is relinquished, it is likely that the proposed area will be declared a Reserved Block, meaning that the permit holder cannot explore or drill for petroleum resources in that area.

As at the date of this Report, we have been instructed that negotiations with the NT Government in relation to the relinquishment of the 2km buffer around the Town of Newcastle Waters have not yet commenced, although we have been advised by the DITT that a number of letters have been issued to tenement holders more generally.

10 ASSUMPTIONS AND QUALIFICATIONS

This Report is based on, and subject to, the assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

10.1 Assumptions

- (a) We have assumed the results of the searches that we have made or caused to be made referred to in section 2 of this Report are accurate, complete and up-to-date.
- (b) We assume that the Exploration Permits have been validly granted or renewed by the relevant government authorities.
- (c) We assume that the registered holder of an Exploration Permit has valid legal title to the Tenement.
- (d) We have assumed compliance with the requirements necessary to maintain the Exploration Permits in good standing including compliance with the conditions of the Exploration Permits, the Petroleum Act and the relevant provisions of the applicable legislation under which the Exploration Permits are granted.
- (e) We assume that the agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them.
- (f) We have assumed that all instructions or information (including responses to requests for information) that we have received from the Company in relation to EP 161 or any of its officers, agents, or representatives is accurate, complete and up to date in all respects. In this regard, in relation to all information provided to us in respect of EP 136, EP 143 and EPA 197, we have relied on information provided to us by Sweetpea rather than the Company or any of its officers, agents or representatives and we assume the information provided by Sweetpea or any of its officers, agents, or representatives is accurate, complete and up to date in all respects.

For personal use only



10.2 Qualifications

- (a) We have relied on the accuracy of the registers and databases maintained by the governmental bodies referred to in section 2 of this Report and that these registers are complete and up-to-date.
- (b) We have relied upon information provided to us by third parties including government departments and have relied upon that information being accurate, complete and up to date as at the date of its receipt.
- (c) The information in this Report is accurate as at the date the relevant searches were obtained.
- (d) Where Ministerial consent is (or was) required, we express no opinion as to whether such consent will be (or was) granted, or the consequences of consent being refused.
- (e) Native title may exist in the areas covered by the Tenements. This is covered in the Ward Keller Report.
- (f) Aboriginal heritage sites or objects may exist in the areas covered by the Tenements regardless of whether or not those sites have been entered on a relevant register established by a relevant Government or regulatory authority, or is the subject of a declaration under the relevant Commonwealth legislation. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.
- (g) We have not undertaken any land tenure analysis.
- (h) We have not undertaken any overlapping Tenement analysis other than to the extent described at Schedule 3.
- (i) This Report does not cover any third party interests (including encumbrances) in relation to the Tenements that are not apparent from our searches and the information provided to us.
- (j) This Report relates solely to the laws of the Northern Territory and the Commonwealth of Australia, to the extent applicable to the Tenements. We do not express any opinion on, and have made no investigation of the laws of any other jurisdiction.
- (k) We have only reviewed agreements relating to the Tenements that have been provided to us by the Company or that are registered against the Tenements and that are accessible online on the registers described in section 2.
- (l) Where encumbrances or dealings have been registered against the Tenements but the underlying documents relating to those encumbrances or dealings cannot be obtained online from the registers described in section 2, we have not been able to review those underlying documents and provide no opinion with respect to such documents. Further, where the identity of an applicant applying for a petroleum Tenement is listed as "confidential" on the Public Register maintained by the NT Department of Industry, Tourism and



Trade, we have not been able to confirm if that application was lodged by or on behalf of the Company, other than by making enquiries with the Company.

- (m) This Report does not purport to cover all possible issues which may affect the Tenements.
- (n) We have not considered the impact of environmentally sensitive areas.

10.3 Exclusions

Further, as it is beyond the scope of this Report, we have not:

- (a) undertaken any searches, or reviewed any documents, in relation to any expired or surrendered tenements held by the Company or its related bodies corporate or Sweetpea;
- (b) undertaken any searches to identify the land underlying the Tenements;
- (c) confirmed the nature of any access arrangements or whether any access arrangements exist with respect to the land underlying the Tenements – these form part of the Ward Keller Report;
- (d) undertaken any searches of the register of contaminated sites maintained by the Northern Territory Environment Protection Authority – these form part of the Ward Keller Report;
- (e) undertaken any searches of deregistered or unregistered native title claims with the National Native Title Tribunal; or
- (f) reviewed any endorsements, encumbrances or any other documents noted on the Tenements other than those that have been provided to us by the Company or are accessible on the public register.

11 CONSENT

This Report is made solely for the benefit of the Company and its directors in connection with the issue of the Prospectus and must not be relied upon by any other person or used for any other purpose. To the maximum extent permitted by law, Squire Patton Boggs expressly disclaims any liability in respect of this Report to any person other than the Company.

Yours faithfully

Squire Patton Boggs

For personal use only

SCHEDULE 1 – Summary of Tenements

Permit	Type / Status	Blocks	Term	Basin	Registered holder	Grant date	Annual Rent	Current Expiry date	Estimated expenditure (current permit year)	Estimated expenditure (next permit year)
Northern Territory										
EP 136 <i>Granted under Petroleum Act</i>	Exploration permit Active	51 blocks	5 years	McArthur Basin	Sweetpea Petroleum Pty Ltd (100%)	28 August 2012	2020-2021: 6,826.00 (Received: 09/09/2020)	27 August 2022 The register indicates the original expiry date was 27 August 2017.	\$A1.5 million Work program for permit Year 4 includes a 250km 2D seismic survey (ending 27 August 2021).	\$A17 million Work program for permit Year 5 (ending 27 August 2022) including an obligation to drill and test an exploration well.
EP 143 <i>Granted under Petroleum Act</i>	Exploration permit Active	26 blocks	5 years	McArthur Basin	Sweetpea Petroleum Pty Ltd (100%)	28 August 2012	2020-2021: \$13,676.00 (Received: 09/09/2020)	27 August 2022	\$A200,000 Work program for permit Year 4 involves G&G studies (ending 27 August 2021)	\$A1.3 million Work program for permit Year 5 includes a 200km 2D seismic survey (ending 27 August 2022).
EP 161 <i>Granted under Petroleum Act</i>	Exploration permit Active	136 blocks	5 years	Beetaloo Sub-Basin; McArthur Basin;	Tamboran Resources Limited (25%)	21 May 2012. Renewed for a further 5 years commencing on 21	2020-2021: \$71,536.00 (Received: 11/05/2020)	20 December 2025 The register indicates the original expiry date was 20 May 2017. A renewal was	\$47 million Work program for permit year 1 includes drilling an exploration well	\$8 million Work program for permit year 2 (ending 20 December 2022) including geological and geophysical studies, and acquire process and



Permit	Type / Status	Blocks	Term	Basin	Registered holder	Grant date	Annual Rent	Current Expiry date	Estimated expenditure (current permit year)	Estimated expenditure (next permit year)
EPA 197 <i>Application for exploration permit under the Petroleum Act</i>	Exploration permit application	16 Blocks	N/A	Carpentaria Basin	Santos QNT Pty Ltd (75%) Sweetpea Petroleum Pty Ltd (100%)	December 2018. Application date:	N/A	registered on 5 July 2019.	(ending 20 December 2021).	interpret 200km of 2D seismic data.



SCHEDULE 2 – Registered Documents

No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
EP 136						
1.	Joint Venture and Operating Agreement dated 16 September 2011 between Sweetpea and Paltar	2012-10	16 Sep 2011	16 Apr 2012	Paltar and Sweetpea	The JVOA has been terminated in accordance with the terms of the Paltar SPA and the termination of dealing (dealing no 2020-1) (see item 5 below).
2.	Transfer of title	2012-68	5 Oct 2012	6 Dec 2012	Sweetpea and Paltar	Instrument of transfer of 50% interest in EP 136 from Sweetpea to Paltar.
3.	Paltar SPA	2019-28	12 Jul 2019	23 Mar 2020	Vendor: Paltar Petroleum Limited (in Liq) Purchaser: Sweetpea	The Purchaser purchases (amongst other things) the Vendor's 50% "Participating Interest" under the JVOA, including its 50% interest in the EP 136 and EP 143 and all other "Joint Venture Assets. This acquisition has completed and a transfer of title of 50% of EP 136 and EP 143 has been registered (see items 4 and 18 of this Schedule 2).
4.	Transfer of title	2019-30	8 Nov 2019	23 Mar 2020	Paltar and Sweetpea	Instrument of transfer of a 50% interest in EP 136 from Paltar to Sweetpea.
5.	Termination of dealing 2012-10 and 2012-11	2020-1	19 Mar 2020	22 Jul 2020	Paltar and Sweetpea	The JVOA is terminated upon completion of the Sale Agreement (under item 3).
6.	Petrohunter ORRI	2020-3	Please refer to item 28 of Schedule 5.			
7.	Share Exchange Agreement	2020-9	25 Jul 2020	N/A	Seller: Longview Petroleum LLC Buyer: Tamboran Buyer Subsidiary: Tamboran (McArthur) Pty Limited	The Buyer Subsidiary will acquire, and the Seller will exchange for the shares to be issued by the Buyer, all of the issued shares in the capital of Sweetpea.
8.	Siegel ORRI	2020-13	Please refer to item 1 of Schedule 5.			



No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
9.	Bayless ORRI	2020-16	Please refer to item 4 of Schedule 5.			
10.	Termination Agreement – Bayless Group ORRI	2020-19	Please refer to item 10 of Schedule 5.			
11.	Limited Waiver Agreement	2020-22	Please refer to item 22 of Schedule 5.			
12.	Amendment Agreement – Limited Waiver Agreement	2021-17	Please refer to item 25 of Schedule 5.			
13.	Amendment Agreement – Termination Agreement – Bayless Group ORRI	2021-20	Please refer to item 13 of Schedule 5.			
14.	Second Deed of Amendment and Restatement – Share Exchange Agreement	2021-23	26 Feb 2021	N/A	Seller: Longview Petroleum LLC Buyer: Tamboran Buyer Subsidiary: Tamboran (McArthur) Pty Limited	Deed of amendment and restatement relating to the Share Exchange Agreement (see item 7 above).
EP 143						
15.	JVOA	2012-11	16 Sep 2011	16 Apr 2012	Paltar and Sweetpea	The JVOA has been terminated in accordance with the terms of the Paltar SPA and the termination of dealing (dealing no 2020-2) (see item 19 of this Schedule 2).
16.	Transfer of title	2012-69	5 Oct 2012	6 Dec 2012	Sweetpea and Paltar	Instrument of transfer of a 50% interest in EP 143 from Sweetpea to Paltar.



No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
17.	Paltar SPA	2019-29	12 Jul 2019	23 Mar 2020	Refer to item 3 of this Schedule 2	
18.	Transfer of title	2019-31	8 Nov 2019	23 Mar 2020	Paltar and Sweetpea	Instrument of transfer of a 50% interest in EP 143 from Paltar to Sweetpea.
19.	Termination of dealing 2012-10 and 2012-11	2020-2	19 Mar 2020	22 Jul 2020	Paltar Petroleum Limited (in Liq) and Sweetpea	The JVOA is terminated upon completion of the Paltar SPA (under item 17).
20.	Petrohunter ORRI	2020-4	Please refer to item 29 of Schedule 5			
21.	Share Exchange Agreement	2020-10	25 Jul 2020	N/A	<p>Seller: Longview Petroleum LLC</p> <p>Buyer: Tamboran Resources Limited</p> <p>Buyer Subsidiary: Tamboran (McArthur) Pty Limited</p>	The Buyer Subsidiary will acquire, and the Seller will exchange for the shares to be issued by the Buyer, all of the issued shares in the capital of Sweetpea.
22.	Siegel ORRI	2020-14	Please refer to item 2 of Schedule 5.			
23.	Bayless ORRI	2020-17	Please refer to item 5 of Schedule 5.			
24.	Termination Agreement – Bayless Group ORRI	2020-20	Please refer to item 11 of Schedule 5.			
25.	Limited Waiver Agreement	2020-23	Please refer to item 23 of Schedule 5.			
26.	Amendment Agreement – Limited Waiver Agreement	2021-18	Please refer to item 26 of Schedule 5.			
27.	Amendment Agreement –	2020-21	Please refer to item 14 of Schedule 5.			



No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
	Termination Agreement – Bayless Group ORRI					
28.	Second Deed of Amendment and Restatement – Share Exchange Agreement	2021-24	26 Feb 2021	N/A	<p>Seller: Longview Petroleum LLC</p> <p>Buyer: Tamboran</p> <p>Buyer Subsidiary: Tamboran (McArthur) Pty Limited</p>	Deed of amendment and restatement relating to the Share Exchange Agreement.
EP 161						
29.	Santos Farmin Agreement	2012-70	11 Dec 2012	4 Jan 2013	Santos QNT Tamboran	Santos QNT is granted a right to acquire (amongst other things) up to a 75% interest in EP 161 in consideration for Santos QNT undertaking certain work at its costs and expense. After completion of this, any work under the Santos JOA is to be charged to the joint account of the Participants.
30.	Joint Operating Agreement (JOA)	2012-74	11 Dec 2012	4 Jan 2013	Santos QNT Tamboran	Santos has acquired and is currently the registered holder of 75% of EP 161 (see items 32 and 39 of this Schedule 2). The agreement sets out the respective rights and obligations of Santos QNT and Tamboran as registered holders of (amongst others) EP 161, in proportion to the “Participating Interest” with Santos QNT as Operator.
31.	Deed of Cross Security	2012-78	11 Dec 2012	4 Jan 2013	<p>Grantor Venturers:</p> <ul style="list-style-type: none"> Santos QNT Tamboran Resources Pty Ltd <p>Secured Party Venturer:</p> <ul style="list-style-type: none"> Santos QNT Tamboran Resources Pty Ltd <p>Operator: Santos QNT</p>	In order to comply with the requirements of Clause 9.5(k) of the JOA (see item 30 in this Schedule 2), each Grantor Venturer as beneficial owner grants a security interest and/or charges the Secured Property (as applicable) by way of fixed charge, in favour of each Secured Party Venture (other than itself in its capacity as Security Party Venturer) and the Operator jointly and severally.



No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
32.	Transfer of title	2013-09	14 Feb 2013	20 Feb 2013	Tamboran and Santos QNT	Transfer of 50% interest in EP 161 from Tamboran to Santos QNT.
33.	Transfer of title	2014-46	30 Nov 2013	20 May 2014	Tamboran and Tamboran Beetaloo	Transfer of all of Tamboran's right title and interest in EP 161 to Tamboran Beetaloo.
34.	Farm-in Agreement dated 26 September 2014, Option exercise date: 28 April 2015	2015-67	26 SEP 2014	8 SEP 2015	TOTAL GLNG Australia Santos QNT Pty Ltd	We understand Tamboran is not a party to this document and that based on our review of the Public Register and the Termination of Farm-in Agreement (dealing no 2018-19), it has been terminated. As such, we have not reviewed this document.
35.	Deed of Assignment	2016-112	1 Aug 2016	25 Oct 2016	Assignor: Tamboran Beetaloo Assignee: Tamboran Resources Limited	The Assignor agrees to assign to the Assignee the whole of the Assignor's rights, title and interest in (amongst others) EP 161.
36.	Transfer of title	2016-116	1 August 2016	25 Oct 2016	Tamboran Beetaloo and Tamboran Resources Limited	Transfer of all of Tamboran Beetaloo's right title and interest in EP 161 to Tamboran.
37.	General Security Deed	2016-119	6 Sep 2012	25 Oct 2016	Grantor: Tamboran Resources Pty Ltd Secured Party: Belbay Investments Pty Ltd	The Grantor grants to the Secured Party a security interest and/or a fixed charge over all of the undertaking and all present and after-acquired property, assets and rights of the Grantor.
38.	Deed of Assignment of a Security Interest	2016-123	30 Sep 2016	25 Oct 2016	-	We understand that the security interest the subject of this deed of assignment has been released pursuant to a Deed of Release of General Security executed as a deed poll by Geotech Investments Pty Limited atf the Geotech Investment Trust. As such we have not reviewed a copy of this Deed of Assignment of a Security Interest. The Deed of Release of General Security has not been registered against the title for EP 161. It will need to be approved by the Minister and registered under section 96 of the Petroleum Act to effectively deal with a legal or equitable interest in EP 161.
39.	Transfer of title	2017-31	8 Sep 2017	1 Feb 2018	Santos QNT Pty Ltd and Tamboran Resources Limited	Transfer of interest in EP 161 from Tamboran Resources (50%) and Santos QNT (50%) to Tamboran Resources (25%) and Santos QNT (75%).



No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
40.	Termination of Farm-in Agreement	2018-19	27 Oct 2015	19 Dec 2018	Tamboran Resources Pty Ltd Santos QNT: Santos QNT Pty Ltd	Confirmation that the farm-in agreement dated 29 September 2014 between Total GLNG Australia and Santos QNT Pty Ltd that is the subject of dealing 2015-67 (see item 34 in this Schedule 2) was terminated on 27 October 2015.
41.	Share Exchange Agreement	2020-12	25 Jul 2020	N/A	Seller: Longview Petroleum LLC Buyer: Tamboran Resources Limited Buyer Subsidiary: Tamboran (McArthur) Pty Limited	The Buyer Subsidiary will acquire, and the Seller will exchange for the shares to be issued by the Buyer, all of the issued shares in the capital of Sweetpea.
42.	Second Deed of Amendment and Restatement – Share Exchange Agreement	2021-25	26 Feb 2021	N/A	Seller: Longview Petroleum LLC Buyer: Tamboran Buyer Subsidiary: Tamboran (McArthur) Pty Limited	Deed of amendment and restatement relating to the Share Exchange Agreement (see item 41 above).
EP 197A						
43.	Joint Venture and Operating Agreement (JVOA)	2012-12	16 SEP 2011	16 Apr 2012	Sweetpea Paltar	The JVOA has been terminated in accordance with the terms of the Paltar SPA and the termination of dealing (dealing no 2020-1) (see item 5).
44.	Petrohunter ORRI	2020-5	Please refer to item 30 of Schedule 5.			
45.	Share Exchange Agreement	2020-11	25 Jul 2020	N/A	Seller: Longview Petroleum LLC Buyer: Tamboran Resources Limited	The Buyer Subsidiary will acquire, and the Seller will exchange for the shares to be issued by the Buyer, all of the issued shares in the capital of Sweetpea.



No	Dealing	Dealing No.	Date of Doc.	Date of Reg.	Parties	SPB Comments
46.	Siegel ORRI	2020-15			Buyer Subsidiary: Tamboran (McArthur) Pty Limited	
47.	Bayless ORRI	2020-18			Please refer to item 3 of Schedule 5.	
48.	Termination Agreement – Bayless Group ORRI	2020-21			Please refer to item 6 of Schedule 5.	
49.	Limited Waiver Agreement	2020-24			Please refer to item 12 of Schedule 5.	
50.	Amendment Agreement – Limited Waiver Agreement	2021-19			Please refer to item 24 of Schedule 5.	
51.	Amendment Agreement – Termination Agreement – Bayless Group ORRI	2021-22			Please refer to item 27 of Schedule 5.	
52.	Second Deed of Amendment and Restatement – Share Exchange Agreement	2021-26	26 Feb 2021	N/A	Seller: Longview Petroleum LLC Buyer: Tamboran Buyer Subsidiary: Tamboran (McArthur) Pty Limited	Deed of amendment and restatement relating to the Share Exchange Agreement (see item 45 above).



SCHEDULE 3 – Overlapping Tenements

The tables below identify overlaps that occur between resources tenures. The tables do not identify overlapping interests where the overlap occurs between interests held (wholly or partially) by one or more the Company or Sweetpea.

As the searches performed in order to populate this table are conducted manually using STRIKE, an online mapping tool maintained by the Northern Territory Department of Industry, Tourism and Trade, which relies on visual identification of overlapping titles, we cannot guarantee accuracy in all cases.

No.	Permit	Third party overlapping interest(s)	Overlapping interest holder(s)	Comment
Northern Territory				
1	EP 136	EL 32013	Pennant Resources Pty Ltd (100%)	Exploration Licences granted under the Mineral Titles Act on 7 May 2019; all with an expiry date of 6 May 2025
		EL 32014		
		EL 31981		
		EL 32002		
2	EP 143	EL 32159	Baudin Resources Pty Ltd	Exploration Licence granted under the Mineral Titles Act on 4 February 2020 with an expiry date of 3 February 2026.
		PL 4	APT Pipelines (NT) Pty Limited	Pipeline Licence granted under the Energy Pipelines Act on 24 July 2010 with an expiration date of 12 December 2032.
		EMEL 32588	Territory Sands Pty Ltd (100%)	Extractive Mineral Exploration Licences applied for under the Mineral Titles Act on 27 November 2020.
		EMEL 32589		
		EMEL 32590		
EMEL 32591				



No.	Permit	Third party overlapping interest(s)	Overlapping interest holder(s)	Comment
3	EP 161	EMEL 32592	Territory Sands Pty Ltd (100%)	Extractive Mineral Exploration Licences applied for under the Mineral Titles Act on 2 December 2020,
		EMEL 32604		
		EMEL 32605		
		EMEL 32607		
		EMEL 32608		
		EMEL 32609		
		EMEL 32655		
		EMEL 32661		
		PL 33	Power and Water Corporation	Pipeline exploration permit granted 30 July 2015
		EL 32010	Pennant Resources Pty Ltd (100%)	Exploration Licence granted under the Mineral Titles Act 7 May 2019; expiry date is 6 May 2025
		EL 32011		
		EL 32012		
		EL 32002		
		EL 32013		
EL 31981				
EL 32014				



No.	Permit	Third party overlapping interest(s)	Overlapping interest holder(s)	Comment
4	EP 197	Nii	Nii	Nii



SCHEDULE 4 – Adjacent Petroleum Tenements

The tables below identifies petroleum tenures that are adjacent to the Tenements. The tables do not identify adjacent tenures held (wholly or partially) by one or more of the Company or Sweetpea.

No.	Permit	Third party adjacent interest(s)	Adjacent interest holder(s)	Comment	
Northern Territory					
1	EP 136	EP 169	Pangaea (NT) Pty Ltd (82.5%)	Exploration permit granted 4 April 2013; Suspension and Extension with an Expiry / End date of 3 April 2021	
			EMG Northern Territory Holdings Pty Ltd (17.5%)		
			Origin Energy B2 Pty Ltd (70%) Falcon Oil & Gas Australia Limited (30%)		
2	EP 143	EP 354(A)	Santos QNT Pty Ltd (100%)	Exploration permit application	
			EP 168	Pangaea (NT) Pty Ltd (82.5%)	Exploration permit granted 10 January 2013, Suspension and Extension with an Expiry/End Date of 9 January 2022
				EMG Northern Territory Holdings Pty Ltd (17.5%)	
			EP 169	Pangaea (NT) Pty Ltd (82.5%)	Exploration permit granted 4 April 2013, Suspension and Extension with an Expiry/End Date of 3 April 2022
				EMG Northern Territory Holdings Pty Ltd (17.5%)	
EP 117 EP 210	Armour Energy Limited (100%)	Exploration permit application			
	Wiso Oil Pty Ltd (100%)				



No.	Permit	Third party adjacent interest(s)	Adjacent interest holder(s)	Comment
3		EP 318	Inpex Oil & Gas Australia Pty Ltd	
	EP 161	EP 76	Origin Energy B2 Pty Ltd (70%) Falcon Oil & Gas Australia Limited (30%)	Exploration permit granted 8 March 2001; Suspension and Extension with an Expiry / End date of 31 December 2022
		EP 98	Origin Energy B2 Pty Ltd (70%) Falcon Oil & Gas Australia Limited (30%)	Exploration permit granted 4 February 2004; Suspension and Extension with an Expiry / End date of 31 December 2022
		EP 153	Minerals Australia Pty Ltd (50%) Jacaranda Minerals Limited (50%)	Exploration permit granted 1 July 2013; Suspension and Extension with an Expiry / End date of 20 November 2022
		EP 169	Pangaea (NT) Pty Ltd (82.5%) EMG Northern Territory Holdings Pty Ltd (17.5%)	Exploration permit granted 4 April 2013; Suspension and Extension with an Expiry / End date of 3 April 2021
		EP 187	Imperial Oil & Gas Pty Ltd	Exploration permit granted 20 March 2015; Suspension and Extension with an Expiry / End date of 19 March 2022
		EP 190	Armour Energy Limited (100%)	Exploration permit granted 11 December 2012; Suspension and Extension with an Expiry / End date of 30 June 2021
		EP 191	Armour Energy Limited (100%)	Exploration permit granted 3 October 2013; Suspension and Extension with an Expiry / End date of 30 June 2021
		EP 188(A)	Imperial Oil & Gas Pty Ltd (100%)	Exploration permit application



No.	Permit	Third party adjacent interest(s)	Adjacent interest holder(s)	Comment
4		EP 319(A)		
		EP 196(A)	Armour Energy Limited (100%)	
		EP 320(A)	Imperial Oil & Gas Pty Ltd (100%)	
	EP 197	EP 168 Pangaea (NT) Pty Ltd (82.5%)	EMG Northern Territory Holdings Pty Ltd (17.5%)	Exploration permit granted 10 January 2013, Suspension and Extension with an Expiry/End Date of 9 January 2022
		EP 318	Inpex Oil & Gas Australia Pty Ltd	Exploration permit application



SCHEDULE 5 – ORRIs and related Dealings

No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
1.	<p>EP 136 (Dealing No: 2020-13)</p> <p>EP 143 (Dealing No: 2020-14)</p> <p>EPA 197 (Dealing No: 2020-15)</p>	<p>Grantor: Sweetpea</p> <p>Grantee: Jeffrey J Rooney ATF the Siegel Dynasty Trust</p>	<p>Dated: 19 Jun 2020</p> <p>Registered: 17 Nov 2020</p>	<p>Undivided 1% of 8/8th of all Petroleum produced from the Permit and the Permit Lands, applicable to all Petroleum produced and sold by the Grantor, from the sale of such Petroleum.</p>	<p>All of the Siegel ORRIs are on substantially identical terms. Under the terms of each document:</p> <ul style="list-style-type: none"> Term: Grantor grants the ORRI to Grantee for the duration of EP 136, EP 143 and EPA 197 (as applicable), including all its extensions and renewals and any production licenses or subsequent rights applied for by the Grantor (or its successors or assigns of the Permit) under the Petroleum Act. The Grantee may elect to take its share of Petroleum in kind and may require the Grantor to market such Petroleum on the Grantee's behalf subject to the Grantor receiving a reasonable marketing fee.
2.					
3.					
4.	<p>EP 136 (Dealing No: 2020-16)</p> <p>EP 143 (Dealing No: 2020-17)</p> <p>EPA 197 (Dealing No: 2020-13)</p>	<p>Grantor: Sweetpea</p> <p>Bayless Group:</p> <ul style="list-style-type: none"> Tom Dugan Family Limited Partnership, LLP Territory Oil & Gas, LLC Malcolm John Gerrard <p>Longview: Longview Petroleum LLC</p>	<p>Dated: 23 July 2020</p> <p>Registered: 17 Nov 2020</p>	<p>Originally an undivided 8% of 8/8th of all Petroleum produced from the Permit and Permit Lands, applicable to all Petroleum produced and sold and revenues received by Sweetpea, from the sale of such Petroleum in the following proportions:</p> <ul style="list-style-type: none"> Tom Dugan Family Limited Partnership, LLP: 44.80167% Territory Oil & Gas, LLC: 51.19833% 	<p>All of the Bayless ORRIs are on substantially identical terms. Under the terms of each document:</p> <ul style="list-style-type: none"> Term: The Bayless ORRI is granted for the duration of EP 136 EP 143 and EPA 197 (as applicable), including all its extensions and renewals and any production licenses or subsequent rights applied for by the Grantor (or its successors or assigns) of the Permit under the Petroleum Act. The Bayless Group may elect to take its share of Petroleum in kind and may require the Grantor to market such Petroleum on the Bayless Group's behalf subject to the Grantor receiving a reasonable marketing fee. Grantor grants the granted ORRI to the Bayless Group as successors to the Original Assignees in respect of EP 136, EP 143 and EPA 197 (as applicable) and Permit Lands (as defined in the documents) (Bayless
5.					
6.					



No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
				<ul style="list-style-type: none"> Malcolm John Gerrard: 4% <p>The parties have entered into separate amendment agreements dated 19 May 2021 to reduce each of the Bayless ORRIs from 8% to 4% (see items 7, 8 and 9 of this Schedule 5).</p>	<p>ORRI), and confirms it will grant further ORRIs in respect of future permits that may be granted in the Area of Mutual Interest (AMI) (AMI Obligation).</p> <ul style="list-style-type: none"> The AMI is defined to mean “the lands within 50km of the boundaries of the Original Permits, as shown on the map provided in Schedule 1 (excluding the area of the Original Permits)”. “Original Permits” is further defined to mean Petroleum Exploration Permits EP 76, EP 98, EP 99 and EP 117. We note that AMI includes the areas under EP 136, EP 143 and EP 197A. However, under clause 4.2(a)(ii), it is expressly acknowledged that no acquirer of the issued share capital of Sweetpea is obliged to grant any ORRI pursuant to the AMI Obligation in respect of “the land subject to any Petroleum Permits already owned by a Sweetpea Successor, or its Affiliates, at the time such party becomes a Sweetpea Successor, or any Derived Permit”. A transferee of all or part of the Permit (or any and all future petroleum permits in respect of the permit lands (applied for by the Grantor or its successors or assigns)) is required to execute a deed assuming the Bayless ORRIs in respect of the “relevant proportionate interest or relevant area” transferred and the Grantor’s other obligations under the Bayless ORRI (including the AMI Obligation). Additionally, under the Bayless ORRI, if Longview transfers more than 50% of the issued share capital of Sweetpea to a transferee, the transferee must execute a deed of assumption (in a form reasonably acceptable to Longview, transferee and the Bayless Group) assuming an obligation to comply with the AMI Obligation as it applies to Petroleum Permits acquired by it and its subsidiaries in the AMI.



No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
7.	Amendment Agreements to the Bayless ORRIs	<p>Grantor: Sweetpea</p> <p>Bayless Group:</p> <ul style="list-style-type: none"> Tom Dugan Family Limited Partnership, LLP Territory Oil & Gas, LLC Malcolm John Gerrard <p>Longview: Longview Petroleum LLC</p>	<p>Dated: 19 May 2021</p> <p>Registered: Unregistered</p>	Bayless ORRIs	The parties have entered into separate amendment agreements for each of EP 136, EP 143 and EPA 197 on substantially similar terms to reduce the Bayless ORRIs from 8% of 8/8th to an undivided 4% of 8/8th of all Petroleum produced from each of EP 136, EP 143 and EPA 197 and Permit Lands (as those terms are defined in the Bayless ORRIs).
8.	EP 136 (Unregistered dealing)				
9.	EP 143 (Unregistered dealing)				
10.	EPA 197 (Unregistered dealing)				
10.	Termination Agreement – Bayless Group ORRI	<ul style="list-style-type: none"> Tom Dugan Family Limited Partnership, LLP Territory Oil & Gas, LLC Malcolm John Gerrard 	<p>Dated: 23 July 2020</p> <p>Registered: 17 November 2020</p>	In relation to the Bayless ORRIs.	<p>Under the terms of the Termination Agreement (as amended⁷) the Royalty Holders grant Sweetpea an option to require the Royalty Holders to reduce their right, title and interest in the Bayless Group ORRIs on and subject to the terms and conditions of the Termination Agreement.</p> <p>Under the terms of the Termination Agreement, Sweetpea may:</p> <ul style="list-style-type: none"> reduce the Bayless ORRI in respect of each of EP 136, EP 143 and EPA 197 (Permits) from 8% to 4% by paying the "Initial Termination Price". We are instructed that the "Initial Terminate Price" has been paid to the Bayless Group and the parties have entered into an separate amendment agreements to reduce the Bayless ORRIs from 8% to 4% (see items 7, 8 and 9 of this Schedule 5);
11.	EP 136 (Dealing No: 2020-19)				
11.	EP 143 (Dealing No: 2020-20)				
12.	EPA 197 (Dealing No: 2020-21)				

⁷ The amendments contemplated by the Third Amendment Agreement to Bayless Group ORRI will automatically come into effect on the next business day after completion of the acquisition of Sweetpea by Tamboran (McArthur) Pty Limited.



No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
13.	Amendment – Termination Agreement – Bayless Group ORRI				<ul style="list-style-type: none"> further reduce the Bayless ORRIs from 4% to 1% in respect of each of the Permits with: <ul style="list-style-type: none"> “Additional Options Fee” due to the Bayless Group on or before 1 June 2020. We are instructed the Additional Options Fee has been paid to the Bayless Group; for the first additional 2%, US\$7 million due to the Bayless Group on 1 July 2023; and for the second additional 1%, US\$7 million due to the Bayless Group on 1 July 2025. <p>Subject to some limited exceptions (including the acquisition of Sweetpea by Tamborn (McArthur Pty Limited), the 1 July 2023 and 1 July 2025 dates above may be accelerated where (amongst other things) 90% or more of Sweetpea’s interest in any of the Permits or Sweetpea’s shares are transferred.</p> <p>First amendment agreement amending the Termination Agreement.</p>
14.	EP 136 (Dealing No: 2021-20) EP 143 (Dealing No: 2021-21)	Royalty Holders: <ul style="list-style-type: none"> Tom Dugan Family Limited Partnership, LLP Territory Oil & Gas, LLC Malcolm John Gerrard 	Dated: 7 November 2020 Registered: 7 April 2021	N/A	
15.	EPA 197 (Dealing No: 2020-22)	Tenure Holder: Sweetpea Petroleum Pty Ltd			
16.	Second Amendment – Termination Agreement				<p>Second amendment agreement amending the Termination Agreement.</p>



No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
17.	Agreement – Bayless Group ORRI EP 143 (Dealing No: N/A); EPA 197 (Dealing No: N/A);	Partnership, LLP • Territory Oil & Gas, LLC • Malcolm John Gerrard Tenure Holder: Sweetpea Petroleum Pty Ltd	Registered: Unregistered		
18.					
19.	Third Amendment Agreement – Termination Agreement – Bayless Group ORRI EP 136 (Unregistered dealing) EP 143 (Unregistered dealing); EPA 197 (Unregistered dealing);	Royalty Holders: • Tom Dugan Family Limited Partnership, LLP • Territory Oil & Gas, LLC • Malcolm John Gerrard Tenure Holder: Sweetpea Petroleum Pty Ltd	Dated: 18 May 2021 Registered: Unregistered	Bayless ORRIs	Third amendment agreement amending the Termination Agreement. The amendments contemplated by this document will automatically come into effect on the next business day after completion of the acquisition of Sweetpea by Tamboran (McArthur) Pty Limited.
20.					
21.					
22.	Limited Waiver Agreement EP 136 (Dealing No: 2020-22) EP 143 (Dealing No: 2020-23) EPA 197 (Dealing No: 2020-24)	Sweetpea: Sweetpea Petroleum Pty Ltd Longview: Longview Petroleum LLC Siegel: David N. Siegel Telles: Robert L. Telles	Dated: 23 July 2020 Registered: 17 November 2020	Option to purchase a limited waiver and release of the obligations of Sweetpea and the Purchaser (and their successors and assigns, other than Longview) to comply with the AMI Obligation (Limited Waiver)	Under the terms of the Limited Waiver Agreement (as amended from time to time), the Bayless Group grants to Sweetpea an option to purchase the limited Waiver, subject to the terms of the Limited Waiver Agreement. Sweetpea may reduce the AMI Obligation by payment of all of the Waiver Payments on or before the Waiver Payment Deadlines, being: <ul style="list-style-type: none">“Initial Waiver Payment” due to the Bayless Group on the earlier of 30 days from the date the Share Exchange Agreement is signed and 31 December 2020. We are instructed that the Initial Waiver Payment amount has been paid to the Bayless Group;
23.					
24.					



No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
		<p>Bayless Group:</p> <ul style="list-style-type: none"> Tom Dugan Family Limited Partnership, LLP Territory Oil & Gas, LLC <p>Malcolm John Gerrard</p>			<ul style="list-style-type: none"> "Second Waiver Payment" due to the Bayless Group on or before 1 June 2021. We are instructed that the Second Waiver Payment has been paid to the Bayless Group; and US\$1.2 million due to the Bayless Group on or before 1 July 2021.
25.	EP 136 (Dealing No: 2021-17)	Sweetpea	Dated: 7 Nov 2020	N/A	Amendment agreement extending the time for payment of the Second Waiver Payment.
26.	EP 143 (Dealing No: 2021-18)	Longview Petroleum LLC	Registered: 7 April 2021		
27.	EPA 197 (Dealing No: 2021-19)	David N. Siegel Robert L. Telles Tom Dugan Family Limited Partnership, LLP Territory Oil & Gas, LLC Malcolm John Gerrard			
28.	EP 136 (Dealing No: 2020-3)	Grantor: Sweetpea Petroleum Pty Ltd	Dated: 17 June 2019	2% of 8/8 th of all Petroleum produced from the land over which EP 136, EP 143 and EPA 197 were originally granted in the case of EP 136 and EP 143 and the area over which EP 197 was applied.	<p>Term: Grantor grants the ORRI to Grantee for the duration of EP 136 including all its extensions and renewals and Production Licenses or subsequent rights to produce petroleum, from the "Lands", that are granted or issued to the Grantor, Related Parties to the Grantor; joint venturers of the Grantor; other contracted parties of the Grantor; and each of their respective successors or assigns.</p> <p>The Grantee may elect to take its share of Petroleum in kind and may require the Grantor to market such Petroleum on</p>
29.	EP 143 (Dealing No: 2020-4)	Grantee: PetroHunter Energy Corporation	Registered: 22 July 2020		
30.	EPA 197 (Dealing No: 2020-5)				



No	Tenement	Parties	Date of Document / Registered	Relevant Overriding Royalty Interest (ORRI)	Background and material clauses
					<p>the Grantee's behalf subject to the Grantor receiving a reasonable marketing fee.</p> <p>Lien: The parties acknowledge that the obligations in the Petrohunter ORRI are, to the extent permitted under the JVOA, are to be secured by a second priority lien (expressly subordinate to the Cross- Charge) granted over Grantor's property interest in the JVOA in a form that is fully compliant with Section 13.2 of the JVOA.</p> <p>Repurchase options: At any time prior to the date four (4) years from the date of the Petrohunter ORRI, Sweetpea or its successor, in interest to all or substantially all of the Sweetpea's interest in EP 136 EP 143 and EPA 197 has the right to purchase that portion of the ORRI equal to 1% of 8/8ths from the Grantee for a purchase price of US\$1,000,000.00.</p> <p>The other 1% may be repurchased by Sweetpea where Sweetpea (or its successor) sells or transfer to a third party all (or substantially all) of its interest in the EP 136, EP 143 and EP 161 in circumstances where such third party requires the other 1% portion of the ORRI be extinguished as a condition to completion of such transaction. The consideration payable to Petrohunter in these circumstances is calculated as 3% of the overall consideration paid to Sweetpea (or its "Affiliates" or successor) in such transaction.</p>





Our ref: 20210980:KRS

21 May 2021

The Directors
Tamboran Resources Limited
110-112 The Corso
Manly NSW 2095

To the Directors

**SPECIAL PURPOSE TENEMENT REPORT
PETROLEUM EXPLORATION PERMITS 136, 143, 161
AND PETROLEUM PERMIT APPLICATION 197**

1. INTRODUCTION

This special purpose tenement report has been prepared by Ward Keller pursuant to the instructions of Squire Patton Boggs (**SPB**) acting on behalf of Tamboran Resources Limited (**Tamboran**) to be considered as an annexure to a tenement report being prepared by SPB for inclusion in an Initial Public Offering application for Tamboran.

Ward Keller has been instructed to provide this report on three tenements granted under the *Petroleum Act 1984* (NT); petroleum exploration permits (**EP**) 136, 143, and 161 (**granted tenements**), as well as the application for exploration permit (**EP(A)**)197, with regard to the following subjects:

- (a) Aboriginal land claims and native title;
- (b) Aboriginal heritage and environmental management; and
- (c) land access.

This report concludes that:

- (a) there are no existing or pending Aboriginal land claims over any of the land covered by the granted tenements, while EP(A)197 overlays Aboriginal land;
- (b) native title has been determined over the area covered by each of the granted tenements. A native title agreement has been reached with respect to areas covered by EP136 and EP143, and with respect to EP161;
- (c) Aboriginal sacred sites have been registered on land underlying EP143 and EP(A)197, and recorded on land underlying the granted tenements and EP(A)197. There are also restricted work areas on the granted tenements and EP(A)197 which are provided for in previously issued Authority Certificates issued by the Northern Territory Aboriginal Areas Protection Authority;

Partners

Kevin Stephens
Leon Loganathan
Ashley Heath
Michael Grove
Teresa Hall
Kaliopi Hourdas
Tessa Czislowski

Consultants

Carolyn Walter
Markus Spazzapan
Tony Whitelum
Charlie Martel

Special Counsel

Bradly Torgan

Conveyancing Manager

Theresa Cocks

Darwin

Level 7, NT House,
22 Mitchell Street
T 08 8911 0714

Palmerston

Suite 2
6 Woodlake Boulevard
T 08 8931 3388

Casuarina

Unit 3
293B Trower Road
T 08 8942 2333

Alice Springs

PO Box 3296
T 08 8952 4200

Katherine

3/38 Katherine Terrace
T 08 8911 0714

A legal practice conducted
by Ward Keller Pty Ltd
ACN 009 628 157
ABN 83 867 405 190

For personal use only



- (d) there are previously recorded archaeological sites on each of the granted tenements;
- (e) a Seismic Exploration Program Environmental Management Plan (**EMP**) has been approved for EP136; and a Civil Construction and Water Bore EMP for EP136 (**Civil Works EMP**) has been submitted to the Department of Environment, Parks and Water Security (**DEPWS**). Numerous EMP have been approved for EP161; and
- (f) land access agreements will be required with landowners before the holder of EP136 and EP143, Sweetpea Petroleum Pty Ltd (**Sweetpea**) may access the land, and negotiations are underway with the owners of two pastoral properties that underlay EP136. A land access agreement has been entered into with regard to EP161.
- (g) With regard to EP(A)197, the application has not progressed to required consultation with traditional owners because the Northern Land Council (**NLC**) requires additional information to consider a separate more detailed application for EP(A)197 complete. There are no provisions at law to amend this additional application at this point in time.

This report includes a schedule of searches and documents used to prepare this report.

2. ABORIGINAL LAND AND ABORIGINAL LAND CLAIMS

2.1 Legislative Background

- (a) The *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) (**ALRA**)
 - (i) ALRA provided a statutory mechanism in the Territory only for Aboriginal people to make claims to the Aboriginal Land Commissioner in respect of:
 - (A) unalienated Crown land; or
 - (B) alienated Crown land in which all estates or interests not held by the Crown are held by or on behalf of Aboriginal people; and
 - (C) if the requisite connection with the land could be established, be granted freehold title to that land.
 - (ii) Land successfully claimed is granted under inalienable freehold title. Communal title is formally vested in Aboriginal Land Trusts (**ALT**), statutory bodies under ALRA. An ALT holds title for the benefit of both traditional Aboriginal owners and other Aboriginal persons who have traditional rights, including rights of entry, occupation and use whether or not those rights are qualified under Aboriginal tradition. An ALT must, and can only, act as directed by the responsible land council.
 - (iii) Development, including the development of petroleum tenements, may generally only occur with the consent of the traditional owners.
 - (iv) ALRA contains a sunset date of 5 June 1997. Claims made after that date cannot be considered or determined by the Aboriginal Land Commissioner. In practice this means that no further claims have or can be made since that time.
 - (v) ALRA also provides for the legislative grant of land to ALT. Further grants can be made through amendments to ALRA.
- (b) For land that has already been granted as Aboriginal land, applications for petroleum exploration permits follow a different process than for petroleum exploration permits that do not involve Aboriginal land.



- (i) After a petroleum exploration permit application is lodged with the Minister, negotiations must take place with the relevant land council and traditional owners pursuant to ALRA for consent to the grant of the petroleum exploration permit. That negotiation cannot begin, however, until the Minister for Mining and Industry has, in accordance with the Petroleum Act, granted the proponent consent to negotiate.
- (ii) Once that consent has been granted by the Minister, the proponent must then submit a more detailed application to the relevant land council in conformance with ALRA before consultation with traditional owners can be undertaken. Agreement with the relevant land council and traditional owners is required before the grant of the exploration permit can be made.

2.2 Search Results

- (a) There are no current Aboriginal land claims pending for land underlying the granted tenements.
 - (i) An initial review of the Northern Territory's Spatial Territory Resource Information Kit for Exploration (**STRIKE**) web-mapping database indicates that EP136 and EP161 are subject to the Beetaloo Aboriginal Land Claim No 54 (**Land Claim No 54**), covering the portion of Beetaloo Station within EP136 and EP161.
 - (ii) However, a review of the *Aboriginal Land Commissioner Report for the year ended 30 June 2020 (ALC Report)* provides that Land Claim No 54 was withdrawn or otherwise disposed of without an inquiry pursuant to subsection 50(2C) of the ALRA. This was confirmed in email correspondence from the Office of Aboriginal Land Commissioner dated 14 April 2021.
 - (iii) An initial review of STRIKE also shows the Newcastle Water Area Land Claim No 74 (**Land Claim No 74**) traversing EP143, generally encompassing stock routes that run north-west/south-east through the tenement area.
 - (iv) However, a review of the ALC Report provides that Land Claim No 74 has also been withdrawn or otherwise disposed of without inquiry. The claim was granted in part through the *Aboriginal Land Rights (Northern Territory) Amendment Act 1989* (Cth), Schedule 1, No 2 of 1990. The remainder was either withdrawn on 27 September 1989 or disposed of pursuant to s 67A(6) of the ALRA, relating to stock routes. The portion of Land Claim No 74 granted is NT Portion 3624, property that is surrounded by, but not included within, EP143.
- (b) EP(A)197 is coterminous with Aboriginal land, namely the Murrarji Aboriginal Land Trust (NT Portion 3637).
 - (i) A grant of EP(A)197 first requires Ministerial consent to negotiate with the NLC and traditional owners, a separate, more detailed application to the NLC under ALRA, and consultation and agreement with the relevant traditional owners.
 - (ii) Ministerial consent has been granted to Sweetpea to negotiate with the NLC and the relevant traditional owners.
 - (iii) Sweetpea has submitted an application to NLC which Sweetpea maintains is in accordance with the requirements of ALRA. NLC has indicated it believes more information is required for the application to be considered complete, a belief with which Sweetpea does not agree. The parties are currently in discussion as to whether the application is in conformance with ALRA.



- (iv) Should the parties fail to reach agreement that the application is complete, EP(A)197 will ultimately expire by operation of law unless Sweetpea voluntarily withdraws EP(A)197. Upon expiry or withdrawal, Sweetpea will be able to have Ministerial consent re-issued, and lodge a new application with NLC.

3. NATIVE TITLE

3.1 Legislative Background

- (a) The *Native Title Act 1993* (Cth) (**NTA**) provides for the legal recognition of existing common law native title rights and interests in the land by the Federal Court of Australia. The Native Title Act was the direct legislative response to the High Court of Australia's decision in *Mabo v Queensland* (No. 2) (1992) 175 CLR 1, in which the continued existence of rights held by Aboriginal and Torres Strait Islanders to land and water in accordance with their traditional laws and customs were recognised in Australia. The High Court of Australia's subsequent decision in *Wik Peoples v Queensland* [1996] HCA 40 determined that the grant of non-exclusive pastoral leases did not fully extinguish native title rights and interests in the land. The Wik decision led to subsequent amendments of the NTA, the resulting legislation which substantially operates today.
- (b) The NTA recognises the rights and interests of Australia's Indigenous peoples in land and waters according to their traditional laws and customs. Where it has been judicially determined, native title rights and interests are recognised as being held by native title holders. These rights include the right:
 - (i) to access, remain on and use the areas subject to the determination;
 - (ii) to access and take for any purposes the resources of the areas subject to the determination; and
 - (iii) to protect places, areas, and things of traditional significance on the areas subject to the determination.
- (c) Aboriginal people who hold, or have claimed, native title rights over land must be consulted about proposed activities on the land, and formal agreement is required for certain acts that will affect native title rights and interests. Those acts are referred to as 'future acts' and can include the grant of mining and petroleum tenements.
- (d) From 2007, the seminal Northern Territory native title case is the Newcastle Waters decision, *King v Northern Territory of Australia* [2007] FCA 1498. In King and later cases including *Rrumburriya Borroloola Claim Group v Northern Territory* [2016] FCA 776 and *Fulton v Northern Territory of Australia* [2019] FCA 2156, the Federal Court determined the type of native title rights and interests held by certain Aboriginal groups over non-exclusive pastoral leases. These cases also provide important limitations on listed native title rights and interests: Those limitations include:
 - (i) To the extent, if at all, that the exercise of the native title rights and interests referred to above conflicts with the exercise of the rights and interests of pastoralists, identified pre-existing mining interests and other identified pre-existing interests, the rights and interests of such persons prevail over, but do not extinguish, the native title rights referred to above.
 - (ii) There are no native title rights and interests in:
 - (A) minerals (as defined in section 2 of the *Minerals (Acquisition) Act 1953* (NT));



- (B) petroleum (as interpreted in section 5 of the *Petroleum Act 1984* (NT));
- (C) prescribed substances (as defined in 5(1) of the *Atomic Energy Act 1953* (Cth)).
- (e) The native title rights and interests are subject to and exercisable in accordance with the valid laws of the Northern Territory of Australia and the Commonwealth of Australia.
- (f) Native title claims in the Territory are generally determined over pastoral properties through a consent determination process involving the land councils, native title claimants, pastoralists, and other third party respondents such as mining and petroleum interests. To the extent mineral and petroleum tenements cross pastoral property boundaries for which native title claims have been lodged or determinations reached, the owners of those tenements will be subject to each claim or determination which underlies that portion of the tenement.

3.2 Search Results

- (a) The entirety of each of the granted tenements is subject to multiple native title determinations that generally follow pastoral boundaries.
 - (i) EP136 is subject to the following judicially determined native title determinations, moving generally from north to south:
 - (A) *Fulton v Northern Territory* (Tanumbirini Station) [2013] FCA 1088
 - (B) *Raymond v Northern Territory* (Beetaloo Station) [2012] FCA 683
 - (C) *Raymond v Northern Territory* (Mungabroom Station) [2012] FCA 667
 - (D) *Cutta v Northern Territory* (Anthony Lagoon P/L #2) [2012] FCA 157
 - (E) *Albert v Northern Territory* (Eva Downs P/L) [2014] FCA 152
 - (F) *Foster v Northern Territory* (Helen Springs) [2020] FCA 1551
 - (ii) EP143 is subject to the following judicially determined native title determinations:
 - (iii) *King v Northern Territory* (Newcastle Waters/Murrarji) [2007] FCA 1498
 - (iv) *Raymond v Northern Territory* (Hayfield P/L) [2012] FCA 672
 - (v) EP161 is subject to the following judicially determined native title determinations, moving generally from north to south:
 - (A) *Tonson v Northern Territory* (Broadmere P/L) [2013] FCA 1087

For personal use only



- (B) *Fulton v Northern Territory*
(Tanumbirini Station) [2013] FCA 1088
- (C) *Raymond v Northern Territory*
(Beetaloo Station) [2012] FCA 683
- (D) *Raymond v Northern Territory*
(Mungabroom Station) [2012] FCA 667
- (E) *Miller v Northern Territory*
(Mallapunyah Springs P/L) [2015] FCA 1251
- (b) A native title agreement for EP136 and EP143 exists in the form of *Exploration Agreement for Exploration Permits Applications EP(A)136 and EP(A)143* dated 18 July 2012, entered into by Sweetpea, the Native Title Party (often referred to as the traditional owners or custodians), and the NLC (**EP136 and EP143 Exploration Agreement**).
- (i) Elements of the EP136 and EP143 Exploration Agreement include but are not limited to Native Title Party consent to the grant of EP136 and EP143, and assignment and confidentiality provisions.
- (ii) Further elements of the EP136 and EP143 Exploration Agreement provide for exploration payments, environmental protection and rehabilitation, and Aboriginal employment, training and business opportunities. It does not authorise production. Further agreement with the Native Title Party will be required, but the EP136 and EP143 Exploration Agreement sets out a process for negotiation of a production agreement and a baseline agreement as to royalties and compensation for production.
- (c) A native title agreement for EP161 exists in the form of a *Co-Operation and Exploration Agreement for Exploration Permit EP(A)161*, between Tamboran Resources Pty Ltd, the Native Title Parties and NLC dated 4 April 2012 (**EP 161 Exploration Agreement**).
- (i) Elements of the EP161 Exploration Agreement include but are not limited to Native Title Parties consent for the underlying petroleum exploration permit application, and assignment and confidentiality provisions.
- (ii) Further elements of the EP161 Exploration Agreement provide for exploration payments, environmental protection and rehabilitation, and Aboriginal employment, training and business opportunities. It does not authorise production. Further agreement with the Native Title Party will be required, but the EP161 Exploration Agreement sets out a process for negotiation of a production agreement and a baseline agreement as to royalties and compensation for production.
- (d) Access Authority 9
- (i) Sweetpea has applied for an access authority (**AA9**) in accordance with section 57A of the Petroleum Act. A grant of AA9 would allow Sweetpea to enter land outside of EP136 to construct, maintain and use infrastructure associated with exploration activities within EP136.
- (ii) AA9 is not required to undertake exploration activity within EP136; however, it is desirable in order to maximise the efficacy of those activities.
- (iii) Approval by the Minister of AA9 will require an ancillary Exploration Agreement (or similar) and an agreement in accord with section 31 of the NTA concerning the native title holders' consent to the future act – the grant of



AA9 – entered into between Sweetpea, the Native Title Party, and the Northern Land Council.

- (iv) The native title determinations identified in paragraph 3.2(a)(i) above for EP136 are the same for the area covered by AA9, although the native title holders with whom consultation must occur for AA9 may be different than the native title holders of the land within the area covered by EP136.
- (v) Sweetpea had begun the process leading to consultation with NLC the relevant native title holders.

4. SACRED SITES

4.1 Legislative Background

- (a) A sacred site under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) (**Sacred Sites Act**) carries the same meaning as the definition of sacred sites under the ALRA, which is:

“a site that is sacred to Aboriginals or is otherwise of significance according to the Aboriginal tradition, and includes any land that under the law of the Northern Territory, is declared to be sacred to Aboriginals or of significance according to Aboriginal tradition.”

- (b) Sacred sites in the Northern Territory are protected under the Sacred Sites Act. The Aboriginal Areas Protection Authority (**AAPA**), a statutory authority established under the Sacred Sites Act, is responsible for registering and overseeing the protection of Aboriginal sacred sites on land and sea across the whole of the Territory.
- (c) There are two types of sacred sites known to AAPA, “registered” sacred sites and “recorded” sacred sites. Registered sacred sites are sacred sites where Aboriginal custodians have applied to AAPA to protect, document and evaluate the sacred sites before entering them onto the Register of Sacred Sites. Recorded sacred sites are sites that have not been evaluated or entered on the Register, but AAPA does have a record of information indicating that they are significant and therefore regarded as ‘sacred sites’ within the meaning of the Sacred Sites Act. The site may not be registered by the Aboriginal custodians for many reasons, including that they do not wish certain information to be on a public register. A “recorded” sacred site means the boundaries of the sacred site cannot be or have not been conclusively determined.
- (d) Regardless of whether it is registered, recorded, or not, a sacred site is protected under the Sacred Sites Act and it is an offence to enter onto, remain on, carry out work, desecrate or use a sacred site. It is a defence to a prosecution for an offence against the Sacred Sites Act if it is proved that the defendant had no reasonable grounds to suspect the area was a sacred site or if the work or use of the area was carried out in accordance with the conditions of an Authority Certificate permitting the defendant to do so.

4.2 Search Results

- (a) A search of AAPA’s records and Register of Sacred Sites was undertaken in relation to the granted tenements. The Abstract of Records provided by the AAPA identifies that:
 - (i) there are registered sacred sites on the land the underlays EP143 and EP(A)197;

For personal use only



- (ii) there are recorded sacred sites on the land the underlays the granted tenements and EP(A)197, including a recorded sacred burial site on EP143; and
- (iii) there are restricted work areas on the granted tenements and EP(A)197 which are provided for in previously issued Authority Certificates.
- (b) An Authority Certificate is a certificate issued by the AAPA and is prima facie evidence that allows the holder to enter, remain, use or work on the land that is the subject of the Authority Certificate in accordance with certain conditions. AAPA will issue an Authority Certificate if satisfied the use or work of the land and does not create a substantive risk of damage or interference with sacred sites on or in the vicinity of the land. An Authority Certificate is not transferrable and does not cover activities which are not stated within it nor individuals or corporations who are not identified within it. The map provided by AAPA identifies a number of restricted works areas in relation to the Authority Certificate – these are not binding on third parties and are merely indications of the type of works which may damage the sacred sites within the area.
- (c) Sweetpea and the holders of EP161 are aware of their obligations under the Sacred Sites Act. They have secured Authority Certificates for current activity and will seek Authority Certificates for future work activity.
- (d) The EP136 and EP143 Exploration Agreement and the EP161 Exploration Agreement also contain independent provisions for the protection of sacred sites with which Sweetpea and the holders of EP161, respectively, will comply.

5. HERITAGE

5.1 Legislative Background

- (a) The *Heritage Act 2011* (NT) (**Heritage Act**) protects and conserves cultural heritage places within the Territory. The principal objective of the Heritage Act is to provide a system for the identification, assessment, recording, conservation and protection of places and objects of historic, social, and aesthetic or other scientific value. Types of heritage places protected under the Heritage Act includes geological structures, fossils, archaeological sites (both indigenous and non-indigenous), ruins, buildings, gardens, landscapes, coastlines, and plant and animal communities and ecosystems. Aboriginal or Macassan archaeological places (being a place that relates to the past human occupation of the Territory by Aboriginal or Macassan people and has been modified by the activities of those people) and Aboriginal or Macassan archaeological objects (being a relic that relate to the past human occupation of the Territory by Aboriginal or Macassan people and is in an Aboriginal or Macassan archaeological place or is stored in a place in accordance with Aboriginal tradition) are protected without the requirement for registration under the Heritage Act.
- (b) Under the Heritage Act, the Heritage Council is responsible for preparing heritage assessment criteria, advising the Minister in relation heritage recommendations and keeping a register of heritage places. The Register records the decisions and actions of the Minister in relation to the declaration of heritage places and objects.
- (c) All places and objects listed on the Register are considered to be protected under the Heritage Act making it an offence to undertake works on or interfere with such places and objects. However, the owner of a heritage place or object may apply to the Minister to destroy, desecrate, or alter the heritage place or object or carry out specified works. The Heritage Act may also permit an owner or occupier of a heritage place to undertake works provided that they have complied with a specific plans or approvals.
- (d) Furthermore, not all heritage listed places or objects are recorded on the databases



administered under the Heritage Act as they are instead protected under Commonwealth legislation and recorded on the Australian Heritage Database.

5.2 Search Results

- (a) Correspondence dated 31 March 2021 from Dianne Bensley, Senior Heritage Officer, Department of Territory Families, Housing and Communities to Mariko Hunt of SPB regarding the granted tenements provides:
- (i) there are previously recorded archaeological sites on each of the granted tenements;
 - (ii) EP143 appears to surround the declared heritage township of Newcastle Waters; and
 - (iii) there are no declared heritage places located within each of the granted tenements.
- (b) A review of STRIKE and Schedule 1 of the Aboriginal Land Rights (Northern Territory) Amendment Act identified in paragraph 2.2(a)(iv) above shows the Town of Newcastle Waters to be surrounded by, but not overlaid by, EP143.
- (c) This does not mean, however, that there are not more Aboriginal or Macassan archaeological places or objects within the stations. Additionally, it cannot be ruled out that a heritage site other than an Aboriginal or Macassan archaeological places or object might be identified, assessed, declared and included in the Register under the Heritage Act and Commonwealth legislation in the future.
- (d) A separate search for EP(A)197 has not been undertaken as of the date of this report.
- (e) The Commonwealth Department of Agriculture, Water and the Environment maintains the Commonwealth Heritage List, a list of Indigenous, historic and natural heritage places owned or controlled by the Australian Government. A search of the Commonwealth Heritage List public register for sites in the Northern Territory shows no listed places on any of the granted petroleum tenements or the area underlying EP(A)197.
- (f) Sweetpea and the holders of EP161 are aware of their obligations under the Heritage Act and will undertake their respective activities in a manner that avoids Aboriginal and other heritage places and objects to the extent practicable. Where such places and objects cannot be avoided, Sweetpea and the holders of EP161 will comply with the Heritage Act, including the securing of any required approvals.

6. ENVIRONMENTAL MANAGEMENT

6.1 Legislative Background

- (a) Under the Petroleum Act and *Petroleum (Environment) Regulations 2016* (NT), (**PE Regulations**) the holder of a petroleum interest must submit an EMP for approval by the Minister for the Environment before engaging in regulated activity, which is defined as an activity or stage of an activity carried out, or proposed to be carried out, in connection with a technical work program for a petroleum interest; and that has, or will have, an environmental impact or environmental risk. Specific activities are identified in the regulations as falling within the definition of regulated activity, including the establishment of seismic lines or drill pads, conducting seismic surveys, and drilling. In effect, an EMP is an activity specific plan that aims to ensure appropriate environmental management practices are implemented during the various stages of that activity.



- (b) An EMP is provided to the Northern Territory Environment Protection Authority (**NTEPA**) for consideration under the PE Regulations. It reviews the EMP based on criteria in the PE Regulations and makes a recommendation to the Minister. The Minister must consider the NTEPA's recommendation in making a decision whether to approve an EMP. A decision is supposed to be rendered no later than 90 days after the EMP is submitted for approval.
- (c) The Minister will consider an EMP and may approve it if satisfied that the objectives and approval criteria of the PE Regulations have been met. In particular, an EMP must demonstrate that all environmental impacts and risks associated with the activity for which the EMP has been prepared are reduced to a level that is as low as reasonably practical and acceptable.
- (d) At an exploration stage, the EMP approval process can serve as the referral process for environmental impact assessment that might otherwise occur under the *Environment Protection Act 2019* (NT) or the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). This may not always be the case, however, depending on the degree of potential adverse environmental impact and environmental risk.

6.2 Search results

- (a) DEPWS maintains a public register of approved EMP and EMP under assessment. The assessment process is coordinated by DEPWS.
- (b) The public register for approved EMP includes the following:
 - (i) Seismic Exploration Program EMP EP136 SWP1-04 Revision 4, dated 20 October 2020, for Sweetpea Petroleum Pty Ltd. The approval date is 2 November 2020; and
 - (ii) McArthur Basin Drilling Program - NT Exploration Permit (EP)161 Revision STO2-7, dated 1 February 2021. The interest holder is identified as Santos QNT Pty Ltd. The approval date is 21 February 2021.
 - (iii) The EMP identified in 6.2(b)(ii) above is the most recent of nine EMP listed on the public register of approved EMPs for EP161, beginning in July 2013.
- (c) The public register for EMP under assessment includes the following:
 - (i) Sweetpea, SWP2: Civil and Water Bore Drilling EP 136 Environment Management Plan, date submitted 17 March 2021.
- (d) The EP143 current year work plan as of the preparation of this report does not include any regulated activities for which an EMP is required.

7. LAND ACCESS

7.1 Legislative Background

- (a) Under the *Petroleum Regulations 2020* (NT) (**Petroleum Regulations**), which commenced 1 January 2021, the holder of a petroleum interest – including petroleum exploration permits – must not commence regulated operations on any particular area of land except in accordance with an approved access agreement. Regulated operations are defined to include any operation for which a petroleum exploration permit would be required, except for limited types of low impact preliminary exploration activities. The Petroleum Regulations further provided standard minimum protections that must be addressed in an access agreement, including compensation. The negotiations must occur in good faith; neither the Petroleum Act nor the Petroleum Regulations provided a landowner with veto power over access.



- (b) The Petroleum Regulations provide a 60-day window for negotiations. If the parties are unable to reach agreement after that time, the holder of the petroleum interest may seek the appointment of a mediator (referred to in the regulations as a convenor) by the Chief Executive Officer of the Department of Industry, Tourism and Trade from a Mediators Panel established under the regulations.
- (c) The Petroleum Regulations further provide a window of 30 days for mediation or other form of alternative dispute resolution once the process commences. The convenor is responsible for fixing the commencement.
- (d) If after the 30 day window has passed and mediation or other form of alternative dispute resolution has not resulted in an access agreement the holder of the petroleum interest has the option to continue the mediation or other form of alternative dispute resolution or apply to the Northern Territory Civil and Administrative Tribunal (**NTCAT**) for a determination of the access agreement provisions. The provisions determined by NTCAT will have the same effect as if those provisions were embodied in an access agreement that has been signed by each of the parties.
- (e) An access agreement reached between the parties will still not allow the holder of the petroleum interest access to the land until the access agreement is approved by the Minister. That approval, however, is not required for access agreements determined by NTCAT. Once approved or determined, an access agreement is to be entered into a register established and maintained by the Minister.

7.2 Search Results

- (a) EP136
- (i) A review of STRIKE provides that that land over which EP136 lies consists of portions of six pastoral properties; Tanumbirini Station, Beetaloo Station, Mungabroom Station, Anthony Lagoon Station, Eva Downs Station, and Helen Springs Station.
- (ii) Ward Keller has no knowledge of access agreements being approved by the Minister or determined by NTCAT for any of the land over which EP136 lies.
- (iii) Negotiations for access agreements commenced between Sweetpea and the pastoral leaseholders of Beetaloo Station in September 2020 and between Sweetpea and the pastoral leaseholder of Tanumbirini Station in December 2020.
- (iv) No agreement has been reached as of the date of this report and Sweetpea lodged applications for the appointment of a convenor with regard to Tanumbirini Station and Beetaloo Station, respectively, on 14 April 2021.
- (b) EP143
- (i) A review of STRIKE provides that that the vast majority of land over which EP143 lies consists of portions of three pastoral properties Newcastle Water Station, Murrnaji Station, and Hayfield Station. EP143 also overlays stock routes that are identified in the Northern Territory's Integrated Land Information System (**ILIS**) as vacant Crown land. An approved access agreement is not required where the regulated operations will be carried out over vacant Crown land.
- (ii) Ward Keller has no knowledge of access agreements being approved by the Minister or determined by NTCAT for any of the land over which EP143 lies.
- (c) EP161



- (i) A review of STRIKE provides that that the majority of land over which EP161 lies consists of portions of five pastoral properties; Broadmere Station, Tanumbirini Station, Beetaloo Station, Mallapunyah Springs Station, and Mungabroom Station. The southern approximate one-third of EP161 also overlays all or part of seventeen properties identified in ILIS as estates in fee simple.
- (ii) Ward Keller has no knowledge of access agreements being approved by the Minister or determined by NTCAT for any of the land over which EP161 lies.
- (iii) Santos QNT Pty Ltd, Santos Limited (collectively, **Santos entities**), and the prior owner of Tanumbirini Station entered into an access agreement for Tanumbirini Station, dated 19 June 2019. A variation to the access agreement was entered into between the Santos entities and the current owner of Tanumbirini Station, Rallen Australia Pty Ltd, with an effective date of 8 December 2020. The access agreement as varied is within its term of operation.
- (iv) Because the access agreement was entered into before commencement of the Petroleum Regulations, approval by the Minister is not required for the access agreement to take effect nor is registration required.
- (v) Under the Petroleum Regulations, however, a party to the access agreement may seek registration of the of the agreement during the twelve months following the commencement of the regulations as if the agreement had been approved by the Minister.

8. DISCLAIMER AND LIMITATIONS

- (a) This special purpose tenement report was prepared by Ward Keller in accordance with the usual care and thoroughness of the legal profession for the use of Squire Patton Boggs and third parties who have been authorised to rely on the report. Ward Keller accepts no responsibility for the use of this report for any purpose other than the purpose stated in the report or by any unauthorised third parties.
- (b) It is based on a generally accepted practice that the information provided by the government agencies and the information obtained for the database searches are accurate and up to date. Ward Keller assumes no responsibility for the inaccuracies in the information provided.

Yours faithfully
WARD KELLER

KEVIN STEPHENS
Partner

Direct Line (08) 8946 2921
Email kevinstephens@wardkeller.com.au

For personal use only

**Schedule of material reviewed for Search Results by section (exclusive of case law)**

2.2

Email from Thomas Dews, Associate to the Aboriginal Land Commissioner, to Bradly Torgan, Special Counsel – Ward Keller, 14 April 2021

Commonwealth of Australia, *Aboriginal Land Commissioner Report for the Year ending 30 June 2020*

Aboriginal Land Rights (Northern Territory) Amendment Act 1989 (Cth), Schedule 1, No 2 of 1990 (Newcastle Waters Locality)

Northern Territory Government, Spatial Territory Resource Information Kit for Exploration (STRIKE), NTP 3624 relative to EP136, map generated 12 April 2021

3.2

Email from Geospatial search requests, National Native Title Tribunal, to Marko Hunt, Associate – Squire Patton Boggs, with regard to EP136, EP143, and EP161, 30 March 2021

Sweetpea Petroleum Pty Ltd, *Exploration Agreement for Exploration Permits Applications EP(A)136 and EP(A)143*, 18 July 2012

Tamboran Resources Pty Ltd, *Co-Operation and Exploration Agreement for Exploration Permit EP(A)161*, 4 April 2012

Northern Territory Government (Energy Titles), Access Authority 9 Location Map, 9 September 2020

NT News, *Notice of Proposed Grant of Access Authority, Native Title Act 1993 (Cth) Section 29*, 23 September 2020

4.2

Northern Territory Aboriginal Areas Protections Authority, Abstract of Records – EP143, EP161 and EP136 – 20215368, 9 April 2021

Northern Territory Aboriginal Areas Protections Authority, Abstract of Records – EP(A)197 – 202106695, 10 May 2021

5.2

Email from Dianne Bensley, Senior Heritage Officer – Northern Territory Department of Territory Families, Housing and Communities, to Mariko Hunt, Associate – Squire Patton Boggs, 31 March 2021

6.2

Email from Alana Court, Environmental Team Leader – AECOM, to Bradly Torgan, Special Counsel – Ward Keller, 12 April 2021

Northern Territory Government, Approved Environment Management Plans, <https://depws.nt.gov.au/onshore-gas/environment-management-plan/approved-emps>, accessed 15 April 2021

Northern Territory Government, EMPs under assessment, <https://depws.nt.gov.au/onshore-gas/environment-management-plan/emps-under-assessment>, accessed 10 May 2021

7.2

Final - Ward Keller - Special Purpose Tenement Report - EP 136 143 161 (210519) - F2759948.doc

017-8463-6283/1/AUSTRALIA

For personal use only



Santos Ltd, *Pastoral Land Access and Compensation Agreement (Petroleum Activity)* – Tanumbirini Station, 19 June 2019

Santos Ltd, *Letter of Variation – Land Access and Compensation Agreement*, 9 November 2020

For personal use only



ANNEXURE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group's key accounting policies relevant to the Financial Information are set out below. In preparing the Financial Information, the accounting policies have been applied consistently throughout the periods presented.

The financial information has been prepared on a historical cost basis, except for the derivative component of redeemable preference shares which have been measured at fair value. The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

(i) Principles of consolidation. The Financial Information incorporates the assets and liabilities of all subsidiaries of Tamboran and the results of all subsidiaries for the period then ended. Tamboran and its subsidiaries together are referred to in the Financial Information as the "consolidated entity" or the "Group". Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

(ii) Current and non-current classification. Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

(iii) Fair Value Measurement. The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

(iv) Deferred exploration & evaluation expenditures. Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation assets in respect of the area of interest are tested for impairment and transferred to the cost of development. To date, no development decision has been made.

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met. Accumulated costs in respect of areas of interest are written off or a provision made in the Statement of Financial Performance when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount.

For personal use only



(v) Cash and cash equivalents. Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity of three months or less.

(vi) Trade and other payables. All payables are recognised initially at fair value net of directly attributable transaction costs. After initial measurement, payables are subsequently measured at amortised cost.

(vii) Leases. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period-of-time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases. When a lease is identified, the Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(viii) Joint operations. The Group (“farmor”) has recognised its joint venture arrangements with Santos QNT (or “farmees”) as a farm-out arrangement. The farmor uses the carrying amount of the interest before the farmout as the carrying amount for the portion of the interest retained, credits any cash consideration received against the carrying amount, with any excess included as a gain in profit or loss. The farmor does not record exploration expenditures on the exploration tenements and licences made by the farmee.

The joint operation is structured as an unincorporated vehicle. Accordingly, the financial statements include Tamboran’s share of assets, liabilities, and expenses, including its share of any assets held jointly, or liabilities or expenses incurred jointly.

(ix) Share-based payments. Equity-settled share-based compensation benefits are provided to directors, officers, employees and consultants. Equity-settled transactions are awards of shares, or options over shares that are provided to such recipients in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using the Black-Scholes pricing model. The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

(x) Redeemable preference shares. The redeemable preference shares are financial instruments consisting of a debt instrument with a derivative liability conversion option. The equity conversion feature is accounted for as a derivative liability in the Company’s consolidated financial statements.

At initial recognition, the Company estimates the fair value of the derivative feature. The derivative is subsequently remeasured at fair value at each balance sheet date.

Transaction costs related to the issue of the preference shares are capitalised and amortised over the period of the financial instrument.

(xi) Treasury Shares. Treasury Shares relate to ordinary shares with an attaching limited recourse loan (ordinarily with a loan value for the full issue price of the share) issued in connection with awards made to directors, officers, employees and consultants under the Company’s Incentive Plan. Whilst the loan attaching to the Treasury Shares remains unpaid, the holder has limited rights over the ordinary shares. Once the limited recourse loan is repaid, shares are formally issued to the holder and presented as contributed equity. If the loan is not paid by the recipient, the Treasury Shares are forfeited and the recipient will not have any entitlement to those shares.

(xii) Warrants. Warrants are measured at fair value at the grant date. The fair value is measured using a Black-Scholes valuation model. Where warrants are issued in connection with a capital raise, the fair value is considered a cost of capital and accounted for as a reduction in equity.



(xiii) Foreign Currency Transactions and Balances. The functional currency of each of the Group's entities is determined with reference to the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the Parent Entity's functional currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of monetary items are recognised in profit or loss at the balance sheet date.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

(xiv) Income tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

For personal use only



CORPORATE DIRECTORY

Company's Registered Office

Tamboran Resources Limited

110 -112 The Corso
Manly NSW 2095
Australia
W: www.tamboran.com
T: +61 2 9977 6522

Directors

Richard Stoneburner (Non-executive Chairman)
Joel Riddle (Executive Director and CEO)
Fred Barrett (Non-Executive Director)
Ann Diamant (Non-Executive Director)
Daniel Chandra (Non-Executive Director)
Patrick Elliott (Non-Executive Director)
David Siegel (Non-Executive Director)

Lead Manager

MST Financial Services Pty Ltd

Level 13, 14 Martin Place
Sydney NSW 2000
Australia
W: www.mstfinancial.com.au
T: +61 2 8999 9988

Technical Expert

Netherland, Sewell & Associates, Inc.

2100 Ross Avenue
Suite 2200
Dallas Texas 75201
United States of America
W: www.netherlandsewell.com
T: +1 214-969-5401

Corporate Advisor

Jermyn East Capital Pty Limited

Level 20, Greenwich Offices
Australia Square, 264 George Street
Sydney NSW 2000
W: www.jermyneastcapital.com
T: +61 2 9199 5555

Share Registry

Boardroom Pty Limited

Level 12, 225 George St
Sydney NSW 2000
W: www.boardroomlimited.com.au
T: +61 2 9290 9600

Legal Adviser

Squire Patton Boggs

Aurora Place
Level 17, 88 Phillip Street
Sydney NSW 2000
W: www.squirepb.com
T: +61 2 8248 7888

Investigating Accountant

Ernst & Young

200 George Street
Sydney NSW 2000
W: www.ey.com
T: +61 2 9248 5555

Auditor

Ernst & Young

200 George Street
Sydney, NSW 2000
W: www.ey.com
T: +61 2 9248 5555

Offer Information Line

Between 9:00am and 5:00pm (Sydney time),
Monday to Friday
Toll free within Australia: 1300 737 760
Outside Australia: +61 2 920 9600
Offer website: www.tamboran.com

For personal use only

For personal use only

