tamboran
RESOURCES

2023

ANNUAL REPORT

30 JUNE 2023

ASX:**TBN** | tamboran.com | ABN 28 135 299 062

CORPORATE DIRECTORY

Directors

Richard (Dick) Stoneburner
Chairman

Joel Riddle
Managing Director and CEO

Fredrick Barrett
Non-Executive Director

John Bell Sr.
Non-Executive Director
Appointed 16 April 2023

Patrick Elliott
Non-Executive Director

Hon. Andrew Robb AO
Non-Executive Director
Appointed 16 April 2023

David Siegel
Non-Executive Director

Chief Financial Officer

Eric Dyer

Chief Operating Officer

Faron Thibodeaux

Company Secretary

Rohan Vardaro

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Share Register

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ABN

28 135 299 062

Quoted on the official list of the Australian Securities Exchange (ordinary shares code TBN) and an American Depository Receipt (ADR) on the over-the-counter (OTC) market (OTC markets: TBNNY).

CONTENTS

CHAIRMAN'S LETTER

Thank you to our shareholders for the support and patience in what has been Tamboran's most active year on record, which included our first operated drilling program in the Beetaloo Basin.

Since listing on the Australian Securities Exchange in mid-2021, Tamboran has built a strong operational team that has delivered significant improvements in drilling efficiency. This included the drilling of the Maverick 1V (M1V) well in EP 136, the Amungee 2H (A2H) well in EP 98 and the Shenandoah South 1H (SS1H) well in EP 117.

Importantly, I am proud to say that the activities were conducted with a Total Recordable Incident Frequency Rate (TRIFR) of zero, a major achievement for our first operated drilling campaign.

During the year, Tamboran was involved in the flow testing of three Beetaloo Basin wells, with two wells demonstrating commerciality within the deepest areas of Mid Velkerri B Shale in the Santos-operated EP 161 acreage.

Following the stimulation of the A2H well in EP 98, we observed lower normalised flow rates than other wells in the basin. Laboratory testing of the recovered fluid identified a skin which created an impediment to the flow of natural gas. We are currently evaluating the results and expect to undertake remediation activity later this year, subject to joint venture approval.

Lessons from the stimulation design at the A2H well will be incorporated into future wells, including the SS1H and Amungee 3H (A3H) wells.

These wells are expected to confirm the potential to commercialise the western part of the basin, close to existing infrastructure that connects the Beetaloo Basin to Darwin and Australia's East Coast gas markets.

Having experienced the appraisal of many shale reservoirs in the United States, the process often encounters a learning curve and I believe those lessons are behind us.

We have commenced our FY24 Beetaloo Basin activities with the drilling of the SS1H well in early August 2023. The well was drilled with the Helmerich & Payne (H&P) super spec FlexRig® Flex 3 rig, which was imported to Australia from the Unites States earlier this year. This equipment allows Tamboran to utilise the most powerful onshore drilling rig in Australia to achieve increased efficiency in drilling and completion. The rig is also expected to reduce our environmental footprint by enabling us to drill increased lateral lengths, resulting in a smaller number of well pads and minimised land disturbance.

Importantly, the SS1H well intersected one of the thickest sections of Mid Velkerri B Shale to date within the Beetaloo Basin. Logs from the SS1H well demonstrated similar or better reservoir properties than similar depth offset wells.

I am excited for the upcoming stimulation program at SS1H, which I believe will demonstrate commercial flow rates that will validate progress towards a proposed pilot development.

“I am proud to say the activities were conducted with a TRIFR of zero, a major achievement for our first operated campaign.”

– Dick Stoneburner, Chairman

We believe the development of the Beetaloo Basin will provide significant opportunities for the people of the Northern Territory and will be a crucial supply of natural gas to families and industry in the Territory and East Coast markets.

This is at a time when long term gas supply to both markets is under threat from significant underinvestment and delays due to regulatory tape.

Natural gas will continue to play a crucial role in the energy transition. While this may be seen as a controversial view, it is a view that is shared by key investors in the energy transition, namely Bill Gates[1] and Larry Fink[2], and by the Australian Energy Market Operator (AEMO)[3] and the Australian Competition and Consumer Commission (ACCC)[4].

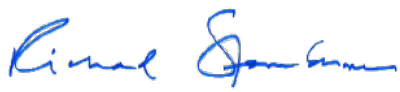
We agree with the Business Council of Australia (BCA) who recently stated that *“continued investment in the gas sector will enable our economy to move towards a net zero emissions future without putting energy system security and reliability at risk”*[5].

It is our focus to achieve this to the maximum benefit to all stakeholders in the region.

This includes working closely with Native Title Holders, the Northern Land Council and local communities to provide economic and development opportunities; and with pastoralists to minimise impact on their operations.

Thank you to my fellow Board members and staff for their support and efforts over the last financial year. FY24 is shaping up to be a significant year as we progress towards first commercial production and sanctioning of the proposed Pilot Development.

Sincerely,



Mr. Dick Stoneburner
Chairman

1 https://www.theaustralian.com.au/nation/gates-backs-gas-in-shift-to-greenenergy-world/news-story/09f39fe81e4d3ddaabaf9e8075180faf
2 https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter
3 https://aemo.com.au/-/media/files/gas/national_planning_and_forecasting/gsoo/2023/2023-gas-statement-of-opportunities.pdf?la=en
4 https://www.accc.gov.au/about-us/publications/serial-publications/gas-inquiry-2017-30-reports/gas-inquiry-june-2023-interim-report
5 https://assets.nationbuilder.com/bca/pages/7308/attachments/original/1692338064/BCA_SEIZE_THE_MOMENT-FINAL-WEB.pdf?1692338064

MANAGING DIRECTOR'S LETTER

The 2023 financial year has been an important year for Tamboran as we continue to accelerate towards delivering first production from the Beetaloo Basin.

The acquisition of EPs 76, 98 and 117 in calendar year 2022 strategically positioned Tamboran with a controlling interest as the largest operated acreage owner in the Beetaloo Basin. This is a play we believe holds merit as an emerging world-class shale gas play, with well results to date providing positive data points to proving this is the case.

Our team has participated in four wells over the last twelve months, including three flow tests at Tanumbirini 2H (T2H) and 3H (T3H) in Santos-operated EP 161, and A2H in Tamboran B2-operated EP 98. Following installation of production tubing, the T2H and T3H results delivered 30-day initial production (IP30) flow rates of 2.1 million standard cubic feet per day (mmscfd) and 3.1 mmscfd over 660-metre and 600-metre horizontal sections, respectively, within the Mid-Velkerri B Shale.

This extrapolates to 3.3 and 5.2 mmscfd, respectively, over a 1,000-metre horizontal section, and exceed what Tamboran believe to be the commerciality threshold for development of the Basin.

The 90-day initial production (IP90) of both T2H and T3H wells delivered stabilised rates of 1.6 and 2.1 mmscfd respectively (normalised at 2.4 and 3.5 mmscfd over 1,000-metre horizontal sections).

Analysis of the Tanumbirini results, including modelling of the production curves by independent third-party subsurface experts, Subsurface Dynamics, Inc. demonstrated a 20-year EUR of approximately 16.8 – 18.5 billion cubic feet (BCF) for a proposed ~3,000-metre development scale well. These results are in line with the most productive regions of the Marcellus Basin, USA.

We are excited by these initial results, which validate Tamboran's view that the deeper 'core' sections of the basin demonstrate the highest productivity. These deeper shales within the Tamboran B2-operated acreage are expected to be the focus of our development plans going forward.

Across our assets, Tamboran completed the drilling of our first operated well in the Beetaloo Basin, demonstrating the operational capability of our team.

The M1V well in EP 136 was drilled to a total depth (TD) of 3,050 metres in 18.3 days. This represents a 54 per cent reduction in drilling time compared to other near-field vertical sections drilled deeper than 2,500 metres in the Beetaloo Basin.

In November 2022, following the purchase of the Beetaloo Basin acreage, Tamboran drilled the A2H well in EP 98. While drilling was completed efficiently, the formation of skin within the wellbore impacted flow results from the A2H well.

We are continuing to evaluate the results from the lab work and expect to undertake a remediation program of the well later this year, subject to joint venture approval.

Following the end of the financial year, Tamboran completed the drilling of the SS1H well in EP 117. Impressively the vertical section of the well was drilled at a record rate for a depth exceeding 3,000 metres with the recently imported H&P rig.

“We are excited by these initial results, which validate Tamboran’s view that the deeper ‘core’ sections of the basin demonstrate the highest productivity.”

– Joel Riddle, Managing Director

We are excited by the initial results at SS1H and look forward to sharing the flow results from the well in early 2024.

On the commercial front, we have been active in preparing for a success case to accelerate first production from our Beetaloo acreage.

In early June 2023, we announced the Northern Territory Government had allocated Tamboran exclusivity over 170 hectares of land on the Middle Arm Sustainable Development Precinct. This land provides Tamboran with a pathway to exporting up to 6.6 million tonnes of LNG per annum (MTPA) via the Company’s proposed NTLNG development. Concept Select engineering for the NTLNG development has commenced, with initial results expected by the end of the year.

We announced two non-binding Memorandum of Understandings (MOUs) with bp and Shell to each purchase up to 2.2 MTPA over a 20-year period from the proposed NTLNG development. We look forward to progressing these MOUs towards fully termed Sales and Purchase Agreements (SPAs) in 2025.

In late June 2023, we announced a strategic partnership with APA Group to support gas transportation routes from the Beetaloo Basin. The agreement, which is subject to the execution of long-form documents that are currently being negotiated, covers installation of a pipeline to Tamboran’s proposed Pilot Development at the Shenandoah South site by the end of 2025, and potential future pipelines to Australia’s East Coast and proposed Middle Arm NTLNG development.

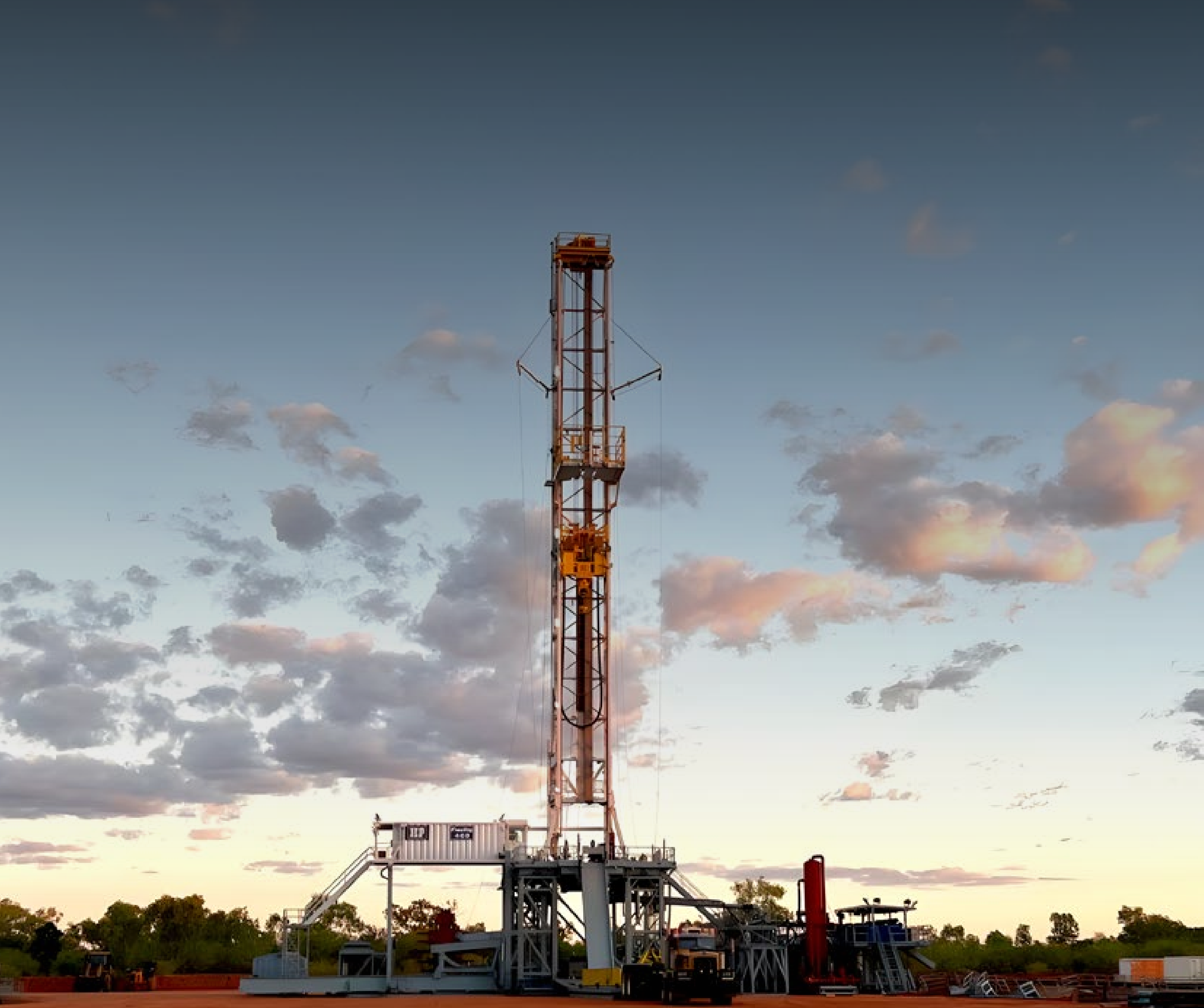
We thank APA for all their work and look forward to continuing the relationship in supporting our vision on delivering gas from the Beetaloo Basin.

To support the proposed Beetaloo to East Coast pipeline, Tamboran have received Letters of Intent (LOIs) from some of Australia’s largest energy retailers for long term purchase of gas from the basin. The total volumes under interest of 600 - 875 TJ per day (~220 - 320 PJ per annum) reflects more than 40 per cent of current East Coast domestic demand and could be delivered into the market by the end of 2028.

We are looking forward to delivering key milestones to shareholders over the next twelve months as we progress towards commercialisation of the Beetaloo Basin.

Sincerely,

Mr. Joel Riddle
Managing Director and CEO



REVIEW OF OPERATIONS

The Company is focused on supporting the global energy transition by developing natural gas with low-reservoir CO_2 resources within its portfolio (EP 76, 98, 117, 136, 143, 161 and EP(A) 197) located in the Beetaloo Sub-basin in the Northern Territory.

Tamboran is progressing towards a proposed pilot development to supply initial gas volumes to the Northern Territory and East Coast gas markets by the end of 2025, subject to a successful drilling and testing program. The pilot development is expected to provide learnings and resource maturation to support the sanctioning of a proposed increase in domestic gas sales to the East Coast by 2028 and LNG development at Middle Arm in Darwin by the end of 2030.

Exploration Drilling

EP 76, 98 and 117

Tamboran 38.75 per cent working interest and operator

Tamboran and Daly Waters Energy (DWE) each acquired 38.75 per cent interest in the EP 76, 98 and 117 assets from Origin Energy in September 2022 for an upfront cash consideration of $60 million plus future production royalty.

Following completion of the acquisition, Tamboran safely drilled and cased the A2H well in the EP 98[6] permit. The well reached a TD of 3,883 metres in 38 days (spud to TD)[7]. This well included a 1,275-metre horizontal section within the target formation of the Mid-Velkerri B Shale. The A2H well intersected the formation at 2,413 metres total vertical depth (TVD) and encountered significant gas shows within the formation, in line with pre-drill expectations.

A total of 25 stages were successfully stimulated across a 1,020-metre horizontal section within the Mid-Velkerri B Shale in March 2023 [8, 9].

Following the stimulation program, the Beetaloo Joint Venture contracted Silver City Drilling to undertake completion operations at the A2H well, including the installation of production tubing. Operations to install production tubing were completed in late-April and the well was re-opened in preparation to commence flow testing.

During the June quarter, Tamboran announced interim results from A2H. The A2H well achieved gas breakthrough during the quarter[10], however modelling and independent third-party analysis of fluids recovered from the well identified potential skin inhibiting gas and water flow.

Fluid lab analysis from the A2H well is ongoing with remedial intervention work planned for later this year, subject to joint venture approvals.

In late June 2023, the well was flowing at 0.83 mmscfd and averaged 0.97 mmscfd over the first 50 days. The well was shut-in during July 2023 in preparation for potential remediation activities.

Following a comprehensive analysis of data obtained following the acquisition of the assets, the joint venture finalised the location for the next series of wells in the 2023 Beetaloo drilling program.

In early July 2023, Helmerich & Payne's (NYSE: HP) super-spec FlexRig® Flex 3 Rig was successfully mobilised to the SS1H[11,12] well location in EP 117. Tamboran commenced drilling of the SS1H well in early August 2023 and successfully drilled the 3,300-metre vertical pilot hole in 21.5 days, at an average rate of 153 metres per day. This is the fastest rate drilled for vertical section below 3,000-metres across the Beetaloo Basin to date, and 8 per cent faster than the M1V well.

The SS1H well successfully intersected 90 metres of high-quality Mid-Velkerri B Shale with strong dry gas shows. This represented the thickest section of B Shale intersected in the Beetaloo Basin depocentre to date.

Logging of the formation has demonstrated higher porosity and gas saturation relative to offset wells.

Tamboran has since completed a 1,074-metre horizontal section ahead of a planned 10 stage stimulation program, which is expected to commence during Q4 2023.

Following the casing of the SS1H well, the H&P rig was mobilised to the Amungee well pad and commenced drilling of the A3H well to follow up results from the A2H location. Tamboran will incorporate lessons learned from the drilling and stimulation program across both SS1H and A3H wells.

6 Refer to ASX Announcement 10 November 2022 "EP 98 Update - Amungee 2H Development Well Spudded".
7 Refer to ASX Announcement 23 December 2022 "EP 98 Operational Update".
8 Refer to ASX Announcement 16 February 2023 "EP 98 Operational Update".
9 Refer to ASX Announcement 22 March 2023 "EP 98 Operational Update - A2H Stimulation Complete".
10 Refer to ASX Announcement 23 June 2023 "EP 98 - Amungee 2H interim flow rates and forward program".
11 Refer to ASX Announcement 24 July 2023 "EP98 and EP117 Operational Update".
12 Refer to ASX Announcement 1 August 2023 "Tamboran commences drilling at Shenandoah South 1H".

EP 136, 143 and EP(A) 197

Tamboran 100 per cent working interest and operator

During the reporting period, the Ensign 970 rig was mobilised to the M1V well pad in the 100 per cent owned and operated EP 136 permit. The M1V well was spudded in mid-September 2022 and reached a TD of 3,050 metres in early October[13].

The TD was reached in 18.3 days, representing a 54 per cent reduction in drilling time compared to other near-field vertical sections drilled deeper than 2,500 metres in the Beetaloo Basin. Tamboran's newly designed bit and bottomhole assembly delivered a 314 per cent faster rate of penetration through the Moroak sandstone, the toughest interval to drill efficiently in the deeper Beetaloo due to its abrasive and hard nature.

Following the completion of logging, the M1V well was successfully cased and suspended to enable potential future re-entry and side track for multi-stage stimulation work. The Ensign 970 was rigged down and released in mid-December 2022.

EP 161

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

In early August 2022, Santos, operator of the EP 161 permit, completed the installation of production tubing in the T2H and T3H wells and recommenced flow testing. Both wells achieved average IP30 flow rates that exceed what Tamboran believes is the commerciality threshold within the Company's Beetaloo Basin permits.

The T3H well delivered an average IP30 flow rate of 3.1 mmscfd over a 600-metre completed horizontal section (normalised at 5.2 mmscfd over 1,000-metres) since re-commencement of flow testing in August 2022 following the installation of production tubing.

The T2H well delivered an average IP30 flow rate of 2.1 mmscfd over a 660-metre completed horizontal section (normalised at 3.3 mmscfd over 1,000-metres). The T2H well had already produced 0.27 BCF prior to the installation of production tubing, and therefore the rates do not reflect the true potential IP30 of the well.

The T2H and T3H wells reached IP90 production rates of 1.6 and 2.1 mmscfd respectively (normalised at 2.4 and 3.5 mmscfd over 1,000-metre horizontal sections).

Operations were subsequently suspended following the completion of the on-site activities.

Santos continued fluid management at the Tanumbirini site and continued planning of the upcoming 200–240-kilometre 2D seismic survey.

In July 2023, Tamboran completed analysis of two Tanumbirini flow tests[14], including modelling of the production curves by independent third-party subsurface experts, Subsurface Dynamics, Inc. Results of the analysis demonstrated a 20-year Estimated Ultimate Recovery (EUR of approximately 16.8 – 18.5 BCF for a proposed ~3,000-metre development scale well. These results are in line with the most productive regions of the Marcellus Basin, USA.

The productivity of the wells, which flow tested the Mid Velkerri B Shale at depths of more than 3,000 metres TVD, validate Tamboran's view that the 'core' areas of Beetaloo Basin remain the most productive and validate further testing.

13 Refer to ASX Announcement 7 October 2022 "EP136 Operational Update".
14 Refer to ASX Announcement 23 June "EP 161 - Flow test analysis of Tanumbirini wells".

Gas Resources Upgrade

Following the acquisition of EP 76, 98 and 117 and drilling of the M1V well in EP 136, Tamboran has increased unrisked 1C contingent gas resources to 458 BCF and unrisked 2C contingent gas resources to 2.0 TCF.[15]

Revised contingent gas resources do not incorporate results from the recently drilled SS1H well in EP 117.

The upgrade was evaluated and certified by leading independent third-party resources certifier, Netherland, Sewell & Associates, Inc. (NSAI)[16].

Contingent Gas Resources

(BCF)	1C	2C	3C
EP 161 (25%)	91	470	1,089
EP 136 (100%)	116	406	754
EP 98/76/117 (38.75%)	251	1,094	2,541
Total Net	**458**	**1,971**	**4,384**

Note: Resources may not add due to rounding.

Beetaloo Basin Acquisition from Origin Energy

During the December 2022 Quarter, Tamboran completed the acquisition of Beetaloo Basin assets EP 76, 98 and 117 in a 50:50 joint venture with DWE[17], a wholly owned subsidiary of Sheffield Holdings, LP (Sheffield).

DWE and Tamboran each hold 38.75 per cent with existing partner, Falcon Oil & Gas Australia Limited (Falcon), holding the remaining 22.5 per cent.

The acquisition positions Tamboran as the largest acreage owner in the Beetaloo Basin, with approximately 1.9 million net prospective acres and approximately 147 TCF of 2U net prospective gas resources[18,19] and increased Tamboran's net 2C contingent gas resources to ~1.5 TCF.

Drill Rig Procurement

The Company entered a Strategic Alliance and secured a US$15 million equity investment from H&P[20], the largest drilling solutions provider in the US. Tamboran and H&P have finalised a drilling contract for a super-spec FlexRig® over a two-year term.

The H&P super spec FlexRig® Flex 3 rig arrived in Australia in April 2023[21] and, subsequent to the end of the reporting period, had successfully completed the drilling of the SS1H well in EP 117 during early-August 2023[9].

The well reached TD of 3,300 metres at SS1H during late August 2023, drilling the fastest daily rate of 153 metres per day for a well deeper than 3,000 metres TVD in the Beetaloo Basin.

15 Refer to ASX Announcement 27 September 2023: "Tamboran increase Beetaloo Basin 2C gas resources to 2.0 TCF".
16 Netherland, Sewell & Associates, Inc. report dated 26 September 2023.
17 Refer to ASX Announcement 9 November 2023 "Completion of acquisition of Beetaloo assets from Origin".
18 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 moveable hydrocarbons.
19 2C net contingent gas resources and 2U net prospective resources were assessed and verified by Netherland, Sewell & Associates, Inc. (NSAI) in the report dated 26 September 2023.
20 Refer to ASX Announcement 20 September "Strategic Alliance with Helmerich & Payne, Inc announced".
21 Refer to ASX Announcement 5 May 2023 "Implementation of the Pepper Inquiry and Rig Arrival".

APA Group Selected as Preferred Pipeline Partner

In June 2023, Tamboran announced it had selected APA Group (ASX: APA) as the preferred transmission partner for Tamboran's Beetaloo Basin development following a six-month competitive process.

APA will fully fund all activities proposed under the strategic partnership, including spending $10 million in the near-term to accelerate the project.

APA will commence a project to install a gas pipeline connecting Tamboran's proposed pilot development at Shenandoah South (SS) to the Amadeus Gas Pipeline (AGP), targeting completion by 2025. When operational, the proposed SS to AGP pipeline would potentially enable Tamboran's gas to stabilise the Northern Territory gas grid.

APA will further progress initial stages of a project to connect the Beetaloo Basin to its existing East Coast gas network to enable gas to flow by 2028 and to Darwin to supply Tamboran's proposed NTLNG development at Middle Arm.

Non-binding MOUs for Domestic Gas Sales

In August 2023, Tamboran announced it had signed Letters of Intent from Alinta Energy, EnergyAustralia, ENGIE, Origin Energy and Shell Energy Australia for a total potential volume of 600 – 875 TJ per day (~220 – 320 PJ per annum) for up to 10 – 15 years. Gas is expected to be supplied from Tamboran's low-reservoir CO_2 natural gas assets in the Beetaloo Basin.

Tamboran will separately work with the above parties toward executing separate binding fully termed GSAs, including purchase price, transport arrangements and other key commercial terms.

The binding GSAs support the progress of APA's proposed pipeline between the Beetaloo Basin and the East Coast gas transmission network.

Proposed NTLNG development

In June 2023, the Northern Terriitory Government announced it had provided Tamboran exclusivity over 170-hectares (420-acres) on the Middle Arm Sustainable Development Precinct for the proposed NTLNG development.

The Middle Arm acreage was allocated on a "Do Not Deal" basis for twelve-months, allowing Tamboran to progress a Concept Select phase for a proposed NTLNG development, which commenced in July 2023.

The site under exclusivity is expected to host an LNG development with an initial capacity of 6.6 MTPA, with the potential for expansion, subject to completion of the Concept Select study, successful Beetaloo appraisal drilling and flow testing, and Government approvals.

Non-binding MOUs for LNG Sales

In June 2023, Tamboran announced two non-binding MOUs with bp plc and Shell Eastern Trading (Pte) Ltd.[22] to each purchase up to 2.2 MTPA of LNG over a 20-year period from the proposed NTLNG development.

22 Refer to ASX Announcement 23 June 2023 "Tamboran signs non-binding LNG MOUs with bp and Shell".

Capital Raisings

On 31 October 2022, Tamboran successfully completed an equity raise for approximately $137 million through a two-tranche placement[23].

The institutional placement included a $98 million private placement of shares to strategic partners and US cornerstone investors, supported by investments of $30 million by Sheffield and US$15 million by H&P.

In June 2023, Tamboran received commitments for the institutional placement component of a ~$71.4 million capital raise to accelerate development of the Beetaloo Basin[24].

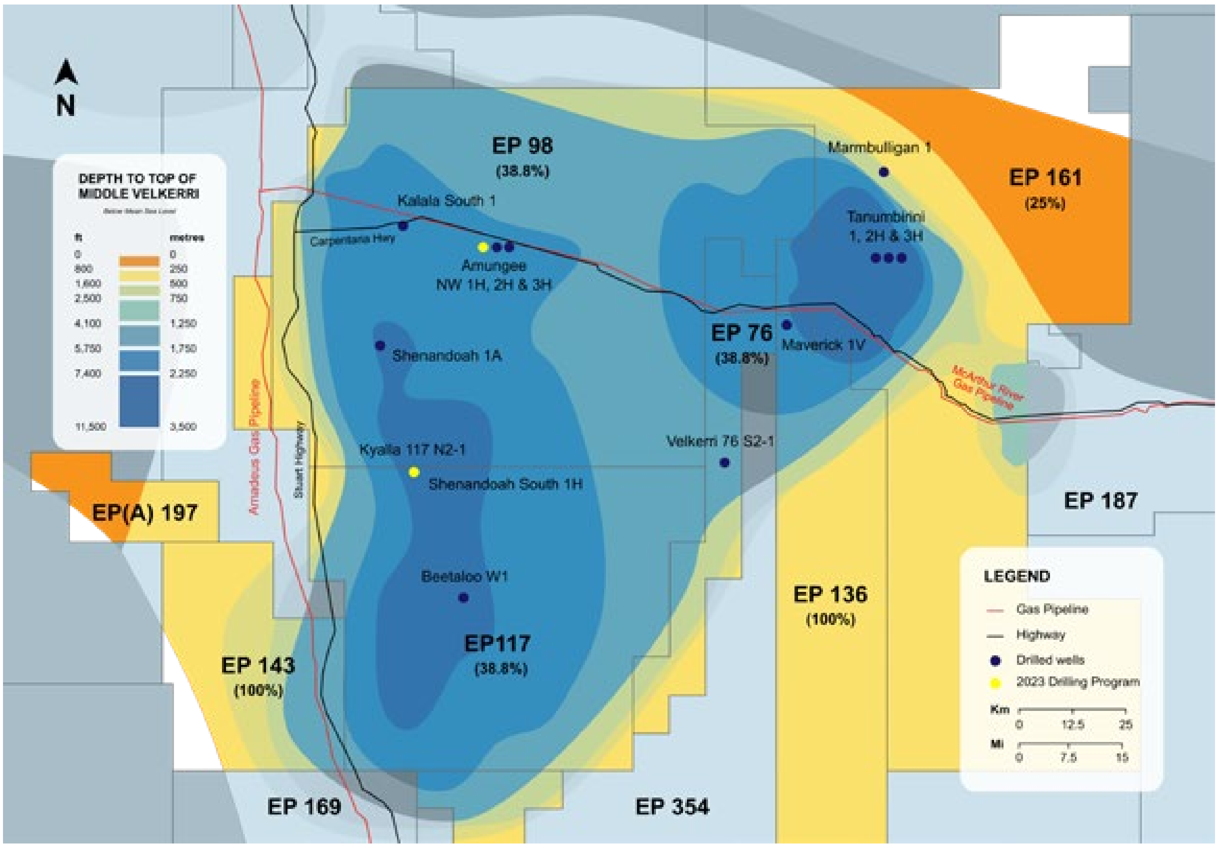
The Company received binding commitments for a non-underwritten placement to new and existing shareholders to raise up to $53.2 million (before costs) at $0.18 per share.

The placement was supported by a ~$14.7 million investment from Tamboran's largest shareholder, Mr Bryan Sheffield.

In conjunction with the placement, H&P and Tamboran have signed a Convertible Note for US$9 million (~$13.3 million), which shareholders approved at a General Meeting on 21 August 2023. The Convertible Note has a 5-year term and 5.5% interest rate (paid-in-kind), with a conversion floor of $0.21 per share and ceiling of $0.30 per share.

As a result of the strategic partnership with H&P, Tamboran made the decision to sell the three US rig assets it had purchased in the first half of the year. In the fourth quarter, one rig sold at a loss of $5 million and the remaining two rigs held for sale were written down via a $14 million impairment charge as a result of the unsuccessful sale of the assets by the end of the reporting period.

Tamboran's Beetaloo Basin acreage position - 4.7 million acres (gross)



23 Refer to ASX Announcement 31 October 2022 "Tamboran completes successful A$137 million Equity Raise".
24 Refer to ASX Announcement 27 June 2023 "Tamboran completes Capital Raise".

East Coast Gas Market

Tamboran is aspiring to deliver more than 500 TJ per day of natural gas with low-reservoir CO_2 into the East Coast gas market by the end of 2028.

This aligns with the long-term gas supply shortfall that continues to be forecast by the Australian Energy Market Operator (AEMO) in the Eastern States from 2027.

Under AEMO's Orchestrated Step Change (1.8°C) forecast, by 2027, gas demand on Australia's East Coast is expected to fall approximately 16 per cent to 484 PJ (~1,330 TJ per day). This is driven by a 44 per cent decrease in gas fired power (GPG), 11 per cent decrease in residential/commercial and 5 per cent reduction in industrial.

While gas demand is expected to decline moderately, supplies over this period are expected to be insufficient to meet demand. As producing gas fields supplying the southern states, including Bass Strait and Cooper Basin, experience decline, the southern market needs to find alternative sources of gas to supply Australian families and industries with affordable and secure energy.

In the Northern Territory, gas production from Eni's Blacktip field has fallen away in recent years to approximately 50 TJ per day, leaving an impending gas shortage for Territorians.

Tamboran is focused on playing its part in supplying Australian households with natural gas from the Company's low reservoir CO_2 shale gas field in the Northern Territory.

Natural gas with low-reservoir CO_2 has the potential to play a key role in Australia's energy transition. As legacy gas production from the Cooper Basin and Bass Strait decline, where some fields have greater than 15 per cent reservoir CO_2, Tamboran's Beetaloo Basin assets have potential to replace these volumes with natural gas hosting 3 – 5 per cent reservoir CO_2.

Using 1 BCFD of natural gas from the Beetaloo Basin instead of natural gas with 15 per cent reservoir CO_2, we estimate that Australia's GHG emissions would be reduced by approximately 2 million tonnes of CO_2 per year.

There are added benefits of using gas for Australians. With over 60 per cent of electricity generation across Victoria, New South Wales and Queensland, supplied from coal fired power, Beetaloo Basin gas has the potential to accelerate the decommissioning of coal fired power stations via a shift to gas fired power[25].

Due to electricity from natural gas having 50 per cent less GHG emissions compared to coal, Australia could experience a reduction in CO_2 emissions if Australian power plants replaced coal fired power with gas from the Beetaloo Basin. In Pennsylvania alone, emissions from electricity production were reduced by 30 per cent as a result of this shift towards natural gas and away from coal[26].

Global LNG Market

Global liquefied natural gas (LNG) demand in 2022 was dominated by the strong pull into Europe and away from Asia. Due to the decline in Russian pipeline gas to Europe, LNG imports into Europe increased by 66 billion cubic metres (bcm) (2.3 TCF) compared to 2021[27].

Global LNG production was unable to match the surge in European LNG demand, resulting in a decline in LNG deliveries to the rest of the world.

The pull of LNG towards Europe and away from developing countries is epitomised by 2022 LNG imports into Pakistan and Bangladesh dropping by 18 per cent and 17 per cent respectively, the sharpest annual decline in both countries' history.

Natural gas has potential to play a significant role in global efforts to reduce CO_2 emissions in the event that some developing countries transition electricity generation from coal to gas. The energy transition, which is taking place alongside increasing investment in renewable energy projects, is expected to be a key initiative enabling countries to reach their GHG emission reduction goals.

Unfortunately, the geopolitical events from 2022 show that if a reliable supply of LNG is not available, some countries may revert to using coal for power generation. For example, in February 2023, Pakistan's Energy Minister announced that due to shortage of LNG, Pakistan planned to quadruple its domestic coal fired capacity[28].

25 Australian Energy Update 2022, September 2022.
26 https://www.governing.com/next/pennsylvania-electricity-co2-emissions-increased-9-6-percent
27 IEA Gas Market Report, Gas Market Highlights 2022.
28 Reuters, Pakistan plans to quadruple domestic coal fired power, move away from gas. Feb 14, 2023.

Despite the increase in global LNG demand in 2022, there were only three LNG liquefaction projects taking a final investment decision (FID). The total capacity going to FID in 2022 was 34 bcm (1.2 TCF) and this is a third lower than the FID volume in 2021 and 7 per cent lower than the five-year average[29].

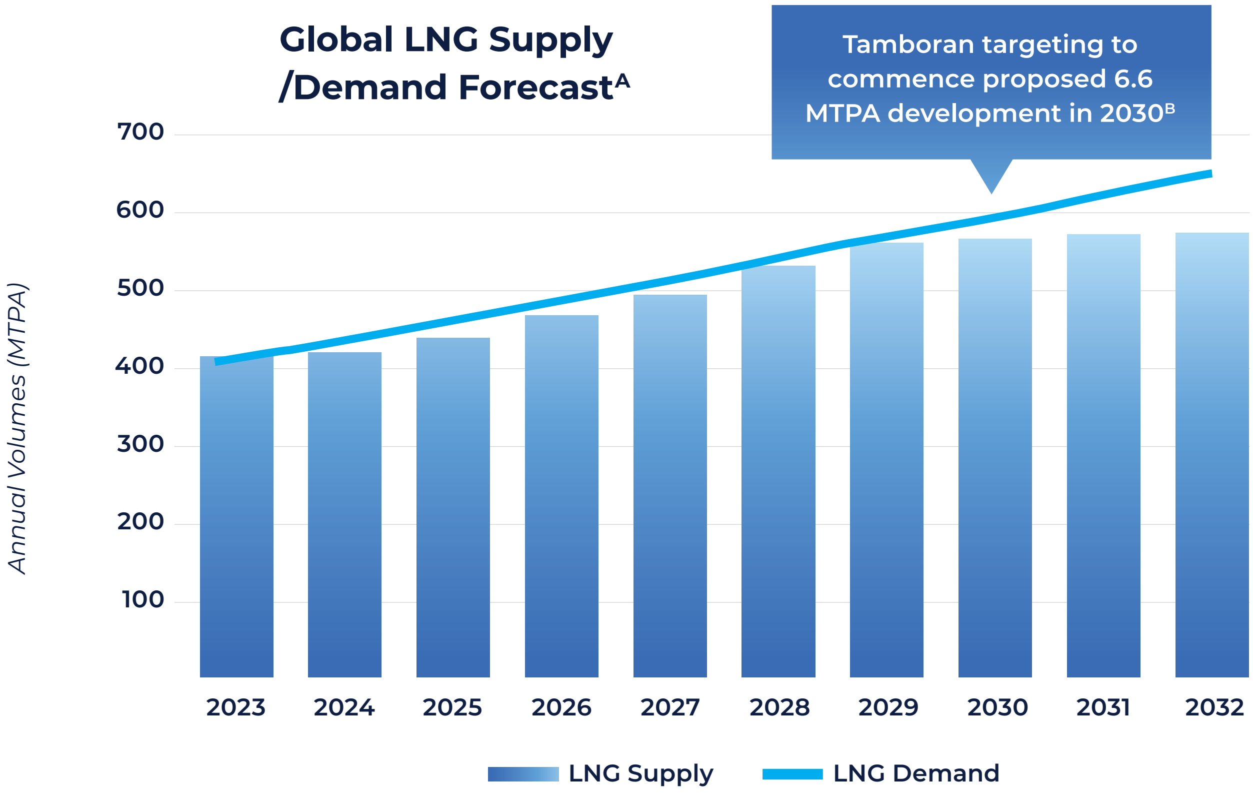
An increase in new LNG regasification capacity was evident in 2022, with Europe leading this new LNG import investment. Countries in the European Union announced plans for an estimated 130 bcm (4.6 TCF) per annum of new LNG import capacity. Of this 20 bcm (0.7 TCF) was completed in 2022 and another 50 bcm (1.8 TCF) was under development at the start of 2023.

The mismatch between increasing LNG demand and lack of investment in new supply has led to forecasts of LNG shortfalls by 2030. By 2030, the global LNG market is expected to be 30 MTPA short of supply. This is due to demand for LNG increasing at a 5.2 per cent CAGR while new LNG supply only increasing at a 3.6 per cent CAGR.

If it can be unlocked commercially, the substantial size of the Beetaloo Basin resources means it has the potential to supply natural gas to both Australian domestic and international LNG markets for decades to come.

Tamboran sees a material opportunity for the Beetaloo Basin's natural gas to be exported through Tamboran's proposed 6.6 MTPA NTLNG facility. The NTLNG facility in Darwin, is strategically located near Asia with its growing demand for LNG. The size and scale of the gas resource in the Beetaloo Basin means that Tamboran has the potential to also provide natural gas with low reservoir CO_2 to backfill existing LNG facilities on Australia's East and North Coast.

If exported as anticipated, the natural gas with low-reservoir CO_2 in the Beetaloo Basin has the potential to support countries in the region achieve their GHG emission reduction targets and help reduce global GHG emissions if adopted as an alternative to coal fired power.



[A] **Source:** *Rystad Energy (September 2023). Project producing and under construction.*

[B] *Subject to establishment of commercial flow rates within the Beetaloo Basin and standard government and commercial approvals.*

29 IEA Gas Market Report, Gas Market Highlights 2022.

SUSTAINABILITY

Sustainability is a central component of Tamboran's corporate strategy, including continued focus on the Company's impact on the environment, relationships with Native Title Holders, local communities, key stakeholders and employees.

As an energy company with assets in the pre-development stage, Tamboran has the opportunity to integrate environment, community and social matters into the centre of everything the Company delivers.

By focusing on the development of our Net Zero Scope 1 and 2 Beetaloo Basin natural gas project, the Company aims to grow local jobs, strengthen communities and deliver a positive social impact. Tamboran commits to respecting the unique environment in the Northern Territory and working closely with the local communities to understand their diverse views on development and the impact on the environment.

To highlight the importance of Sustainability, Tamboran has a Six-Pillar Sustainability Plan, which includes:

01 **Community:** Partnering with local and host communities to share value through the creation of local jobs and business opportunities.

02 **Climate Change:** Committed Net Zero Scope 1 & 2 strategy and integrating low emissions technologies and carbon offsets into any development.

03 **Environment:** Applying leading technologies to minimise environmental impacts.

04 **Health and Safety:** Putting the health and safety of people first.

05 **People:** Attracting, developing and retaining a diverse, inclusive and competent workforce.

06 **Economic Sustainability:** Generating economic growth and value for investors, employees, customers and communities.

The Sustainability Plan articulates Tamboran's commitment in developing the Beetaloo project in a sustainable manner and defines the Company's ambitions, sets action plans and provides metrics to track performance.

In 2021, Tamboran set a GHG target of Net Zero equity Scope 1 and 2 GHG emissions by the commencement of commercial natural gas production.

To achieve this, Tamboran seeks to use low emission technology in the design of its Beetaloo production facilities, including renewables and batteries. The Company expects to then use carbon offsets to reduce any residual emissions.

During FY23, the Australian Government reformed its GHG regulations and established a new Net Zero Scope 1 target for companies in the Beetaloo Basin. The Beetaloo Basin is one of the first natural gas basins in the world with a Net Zero Zero Scope 1 emissions target from 'Day 1' set by a Federal Government.

The Company believes this further establishes the Beetaloo Basin's environmental and Net Zero credentials and looks forward to working with the Federal Government and Northern Territory Government to achieve the shared goal of Net Zero GHG emissions in the Beetaloo Basin.

Tamboran believes that as part of the energy transition, the world will continue to require a reliable supply of natural gas.

It is imperative this new supply of natural gas is produced by a company with Net Zero targets. By developing our Net Zero Scope 1 and 2 Beetaloo gas project, Tamboran is helping to meet the world's demand for reliable natural gas while also ensuring the Company remains aligned with the objectives of the Paris Agreement.

Over the last twelve months, Tamboran has progressed many Sustainability programs, including:

- Tamboran's Net Zero strategy and plans for Net Zero Scope 1 and 2 GHG emissions.
- Joined the CSIRO's Northern Territory Low Emission Hub, aiming to advance a Carbon Capture and Storage (CCS) solution in Darwin.
- Joined the Methane Guiding Principles, an international organisation focused on minimising methane emissions in the natural gas sector.
- Supported local community sports programs in Elliott, NT.
- Sponsored Elliott students to participate in regional sporting events.
- New investment in companies developing ACCU carbon offsets.
- Sponsoring the NRL's Dolphins tour of the Northern Territory and sports clinics in Katherine and Elliott.

Tamboran will publish its first Task Force on Climate-related Financial Disclosures (TCFD) Climate Change Report in calendar year 2023.

This report will examine how Tamboran is positioned for a new lower GHG intensity economy, developing its Net Zero Scope 1 and 2 Beetaloo gas project and the long-term resilience of a low-cost and low-GHG intensity natural gas portfolio.

The report also explains how Tamboran plans to manage climate risks and seize opportunities presented by the energy transition.

Over the next twelve months, Tamboran's Sustainability Plan will focus on progressing the development of our Net Zero natural gas project in the Beetaloo Basin, exploring the new opportunities presented by the energy transition, partnering with our local communities and sharing our sustainability journey with all stakeholders.

“The Beetaloo Basin is one of the first natural gas basins in the world with a Net Zero Scope 1 emissions target from 'Day 1' set by a Federal Government.”

– Joel Riddle, Managing Director

BUSINESS RISKS

The Board is responsible for overseeing Tamboran's enterprise-wide risk management framework, covering both financial and non-financial risks.

This includes its strategy and culture, as well as setting the risk appetite within which the Board expects management to operate. A description of the nature of the material risks and how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

Risk	Risk Description	How we are managing this risk
Exploration and Drilling Risk	Gas exploration is speculative in nature and requires substantial expenditure to de-risk the prospective resources. In particular, exploration is subject to technical risks and uncertainty of outcome. 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.	Tamboran utilises multiple internal and external evaluation procedures including strategic planning, stakeholder engagement, prospect evaluation, state of the art technology applications and risking processes as part of managing exploration risks.
Development Risk	In the event that Tamboran is successful in locating commercial quantities of hydrocarbons through exploration, then that development could be delayed or be unsuccessful for a number of reasons including underperformance of the reservoir, inadequate seismic or well data, extreme weather, failure to obtain necessary approvals, insufficient funds, commodity price volatility, supply chain failure, strikes, unavailability of appropriate labour, an increase in costs or other unanticipated operational occurrences.	To manage this risk, Tamboran conducts various risk assessments and scenario planning in relation to development risks.

Risk	Risk Description	How we are managing this risk
Operational Risk	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. The occurrence of an operational risk event could significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its exploration programs.	Tamboran mitigates these risks by employing or engaging various professionals with considerable experience related to gas exploration and development. The Company follows a framework which includes procurement, production, operational and equipment management processes.
Reserves and Resources Estimate Risk	Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, analysis of drilling results, assumptions of future commodity prices and business assumptions regarding development and operating costs. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production performance over the life of the field. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.	Tamboran engages independent, external experts with significant experience in the upstream energy industry to provide accurate reporting on estimated Reserves and Resources.
Access to Funding	Tamboran currently has no operating revenue. As is typical for exploration companies with no cash generating businesses, Tamboran's ability to meet its on-going business program is expected to result in expenditure exceeding the estimated cash resources. With future growth, the Company may require funding for future commitments. Access to funding may be adversely impacted by a number of factors including climate change, stakeholder ESG concerns, the Company's financial and operational risk profile and volatility in global financial markets 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.	Tamboran actively monitors its cash flow and liquidity forecast and seeks to hold liquidity equal to at least six months of cash outflows. Tamboran is proactively managing this risk by pursuing diverse funding sources and prudent cost control management.
Counterparty Exposure	The financial performance of the Company is subject to its various joint venture counterparties to pay cash calls or perform obligations under the relevant contracts. If one of its counterparties 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 or reputation.	Tamboran works closely with its partners and frequently monitors its relationships with various partners.

Risk	Risk Description	How we are managing this risk
Other financial risks	The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Company's exposure to interest rate risk arises in relation to the bank balances.	These risks are monitored using sensitivity analysis and cash flow forecasting.
Climate Change Risk	Tamboran is exposed to a number of climate change-related risks, including: • future variations in demand for natural gas due to regulatory changes and technological advances; • increase in operating costs of assets due to carbon-pricing policies or other market mechanisms in Australia and globally; • physical damage to assets or interruption to operations from climatic changes and extreme weather events; • access to capital for growth projects and future developments; and • reputational damage driven by stakeholder activism and changing societal expectations. The occurrence of any of these risks could result in asset impairment, lost revenue and damage to brand value, amongst other matters.	The Company manages material climate change risk though a number of activities and controls. This includes setting an industry leading ambition to be a Net Zero natural gas company from first production (Scope 1 and 2 emissions), building a carbon offsets portfolio to manage potential cost impacts from the introduction of GHG market mechanisms, using an internal carbon price when making major investment decision and using climate scenario analysis to understand potential decarbonisation pathways and test resilience to various transition-related risks. Tamboran aims to promote the use of new technologies and renewable energy and, when commercially feasible, seek to adopt and integrate low GHG technologies into our operated and non-operated projects.
Growth Strategy and Net Zero Emissions Risk	There is a risk that the Company may fail to execute its proposed growth strategy, which could be caused by legal, regulatory and policy developments, failure to discover and commercially extract resources. In particular, achievement of the Company's vision of becoming a Net Zero Scope 1 and 2 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.	The Company has in place a Sustainability Plan and has a designated Environment, Social and Governance (ESG) Committee to consider and manage any such risk that arises.
Environmental Risk	The Company is subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Penalties for failure to adhere to requirements and, in the event of environmental damage, remediation costs can be substantive.	The Company has in place a Sustainability Plan and has a designated ESG committee to consider, monitor and manage its obligations (including potential areas of change) in respect of the environment.

Risk	Risk Description	How we are managing this risk
Access to Infrastructure Risk	Tamboran will require access to infrastructure to sell the hydrocarbon reserves it plans to produce. 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.	Tamboran has executed a strategic partnership with APA Group to support gas transportation routes from the Beetaloo Basin. The agreement with APA covers installation of a pipeline for the pilot development by the end of 2025, and potential future pipelines to Australia's East Coast and proposed Middle Arm NTLNG development.
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 exploration and expenditure requirements that the Company is required to satisfy to ensure it continues to have tenure to its permits.	Tamboran monitors the conditions of each permit and works closely with relevant stakeholders, including governments, to ensure they are complied with.
Gas Prices Risk	Tamboran's future value relies on the production and sale of gas to a variety of buyers under a range of contracts. Future gas price may have a material effect on the financial performance of the Company including the carrying value of assets and viability of certain projects. Factors which may impact future gas prices include, but are not limited to, local and global policy on the energy supply mix, energy transition and domestic energy security, global political and geopolitical instability, military conflicts, technological changes, output controls and global energy demand which are all outside the control of Tamboran.	Tamboran conducts various risk assessments and scenario planning in relation to fluctuating gas prices.
Regulatory and Policy Risk	Tamboran's business is affected by government policy, which in turn may be influenced by international policies and laws. In particular, there is a risk that the Federal Government could continue to shift its domestic or international policy away from being supportive of natural gas. Tamboran must comply with relevant laws and regulations in each jurisdiction in which it operates as it applies to the environment, tenure, land access, leaseholders and native title holders. A change in the regulatory regime or policy stance may significantly result in a material adverse impact on Tamboran's business and operations.	Tamboran monitors changes in relevant regulations and engages with regulators and governments and seeks legal advice where required to ensure that policy and law changes are appropriately understood and followed.

Risk	Risk Description	How we are managing this risk
Native Title and Aboriginal Land Rights and Cultural Heritage Laws	Tamboran has interests in areas that are subject to several Native Title Determinations and may also be subject to claims by communities or landowners. The Company's activities are subject to the Native Title Act 1993 (Cth) and the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth). 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. In addition, Commonwealth and Northern Territory legislation obliges the Company to identify and protect sites that are sacred or otherwise of significance according to Aboriginal custom and tradition in accordance with the Northern Territory Aboriginal Sacred Sites Act 1989 and other relevant legislation.	Tamboran works closely with relevant stakeholders including governments, local communities, landowners, the Northern Land Council and Native Title Holders to address relevant concerns and ensure compliance with all applicable regulatory requirements.
Safety	Tamboran's operations pose risks in relation to the health and safety of its employees and contractors as well as other stakeholders within our licence area.	Tamboran has a health and safety management system that integrates technical and personal requirements.
Reliance on Personnel	The success of the Company is dependent on the continued efforts of its management team. 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.	Tamboran seeks to attract, develop and retain a competent workforce, and does this through appropriate remuneration, retention, training and development programs. In addition, Tamboran is hiring additional resources to support the Company's growth and succession plans.
Cyber security	Cyber security risks, including unauthorized access or a cyber-attack could impact Tamboran. Cyber security risks may lead to disruption of business processes, theft, a breach of privacy or gaining of commercially sensitive or confidential information.	Tamboran is reviewing its information management systems and is investing in additional resourcing as the Company grows.
Litigation, claims and disputes	Due to the nature of its business, Tamboran may be involved in litigation, claims or disputes. Such actions could result in delays, increase costs or otherwise adversely impact Tamboran's operations and financial performance.	Tamboran has an experienced internal and external legal team that manages any litigation, claims or disputes.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Tamboran Resources Limited (referred to hereafter as 'Tamboran', 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were Directors of Tamboran Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

Mr Richard Stoneburner	Chairman
Mr Joel Riddle	Managing Director and Chief Executive Officer
Mr Fred Barrett	Non-Executive Director
Mr Patrick Elliott	Non-Executive Director
Mr David Siegel	Non-Executive Director
Mr Andrew Robb	Non-Executive Director (appointed 16 April 2023)
Mr John Bell	Non-Executive Director (appointed 16 April 2023)
Mr Dan Chandra	Former Non-Executive Director (resigned 16 April 2023)
Ms Ann Diamant	Former Non-Executive Director (resigned 16 April 2023)

Their qualifications and experience are as follows:

Name:	**Mr Richard Stoneburner**
Title:	Independent Chairman
Qualifications:	B.Science (Geological Sciences) from the University of Texas at Austin, and a M.Science (Geology) from Wichita State University.
Experience and expertise:	Mr Stoneburner joined the board on 5 April 2016. Mr. Stoneburner has over 45 years of experience in the oil and gas industry. He currently is owner of Stoneburner Consulting Services. He served as Senior Advisor and Partner with Pine Brook Partners from April 2013 to December 2022. He served as president of the North America Shale Production Division for BHP Billiton Petroleum from 2011 to 2012. From 2009 to 2011, Mr. Stoneburner served as president and chief operating officer of Petrohawk Energy Corporation. He was the company's chief operating officer from 2007 to 2009 and led their exploration activities as executive vice president of exploration from 2003 to 2007. Mr. Stoneburner began his career as a geologist in 1977 and held positions at Texas Oil and Gas Corp., Weber Energy Corp., Hugoton Energy Corp. and 3TEC Energy Corp. Mr. Stoneburner is Non-Executive chairman for Tamboran, Director for Sitio Royalties and well as a Director for private upstream companies Pursuit Oil and Gas, LLC and Elevation Resources, LLC. He is an advisor to Ayata, a private company developing AI. He also serves on the advisory council of The Jackson School of Geosciences at the University of Texas at Austin, on the visiting committee of the Bureau of Economic Geology at the University of Texas at Austin and is a board member of Switch Energy Alliance. He is also a former board member for Memorial Assistance Ministries and past President and former board member of the Houston Producers Forum. Mr. Stoneburner holds a B.S. in Geological Sciences from the University of Texas at Austin, an M.S. in Geological Sciences from Wichita State University, was a member of the American Association of Petroleum Geologist's Distinguished Lecturer Series in 2012-2013 and was awarded the Norman Foster Outstanding Explorer of the Year award by the AAPG in 2016.
Other current directorships:	Sitio Royalties; NYSE; 2018-Present
Former directorships (last 3 years):	Yuma Exploration; NYSE; 2015-2020
Special responsibilities:	Mr Stoneburner is the Chair of the Board
Interests in shares:	3,793,013 ordinary shares held directly 1,500,000 ordinary shares held indirectly
Interests in options:	483,393 options over ordinary shares held directly

Name:	**Mr Joel Riddle**
Title:	Managing Director and Chief Executive Officer
Qualifications:	B.Science (Hons) Mech. Eng. University of Florida and a MBA from the University of Chicago
Experience and expertise:	Mr Riddle joined the Company as Chief Executive Officer in September 2013 and was appointed to Managing Director on 19 December 2018. Mr Riddle has more than 25 years' experience in the upstream oil and gas industry. Prior to joining Tamboran, he served as Vice President, Commercial and Planning at Cobalt International Energy (Cobalt), 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. In this position, he played an instrumental role in Cobalt's $1 billion initial public offering in 2009 and subsequent capital raising efforts in 2010 and 2011. Prior to his position with Cobalt, Mr Riddle served in various management positions including business development, commercial and strategic planning with Unocal Corporation from 2002-2005, Murphy Oil Corporation from 2005-2008. In these roles, he was involved in the development and implementation of each company's new business and LNG growth strategies in Southeast Asia and Australia. Prior to Unocal Corporation, from 2001-2002, Mr Riddle was a senior associate with Andersen Consulting, serving upstream exploration and production clients on strategy and performance improvement engagements. Mr Riddle began his career in 1997 as a senior reservoir engineer with ExxonMobil, serving various assignments focused on upstream oil and gas operations in the Gulf of Mexico.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	328,924 ordinary shares held directly 4,087,888 ordinary shares held indirectly
Interests in options:	19,767,500 options over ordinary shares held indirectly

Name:	**Mr Fredrick Barrett**
Title:	Independent Non-Executive Director
Qualifications:	B. Science (Geology) Ft. Lewis College, Durango, Colorado, M. Science (Geology) Kansas State University, Manhattan Kansas, Graduate of the Harvard Business School Advanced Management Program.
Experience and expertise:	Mr Barrett joined the Board on 5 April 2016. Mr Barrett has over 35 years of experience in the oil and gas resources industry and has served as an independent Director for Tamboran since September 2014. Mr Barrett also served as an independent Non-Executive Director on the Board of Asian American Gas (AAG) Energy Holdings from June of 2015 to September 2018. AAG Energy Holdings is a leading coalbed methane (CBM) natural gas company focused in China. Barrett also served as Chairman of the New Business Committee for AAG during 2017 and 2018. Through 2014 and 2015, Mr Barrett served on an advisory panel and steering committee at Santos Ltd (ASX: STO) an independent exploration and production oil and gas company headquartered in Adelaide, Australia. Mr Barrett no longer serves on any advisory function for Santos. Mr Barrett served various positions at Bill Barrett Corporation from 2002 to 2013, which was co-founded by him in January 2002. Bill Barrett Corp was a public (NYSE: BBG) exploration and production company focused on oil and gas activities in the Rocky Mountain region of the U.S.A., and merged with Fifth Creek Resources to form Highpoint Resources (NYSE: HPR) in 2018. While at Bill Barrett Corp, he served as President and Executive Director from January 2002 to July 2006, Chief Executive Officer and Chairman of the Board from March 2006 to January 2013 and also served as Chief Operating Officer from June 2005 to February 2006 and as President from July 2010 to January 2013, respectively. Prior to that, Mr Barrett was a senior exploration geologist for Barrett Resources Corp. (NYSE: BRR) in the U.S. Rocky Mountain Region from 1997 to 2001, and a lead geologist for various Rockies areas from 1989 to 1996. Barrett Resources was an exploration and production company focused principally in the U.S. Rocky Mountain Region, prior to being sold to Williams Companies, Inc. in 2001. Mr Barrett was a Co-Founder and Partner in Terred Oil Company from 1987 to 1989, a private oil and gas partnership that provided geologic oil and gas services for the U.S. Rocky Mountain Region. Mr Barrett worked as a project and wellsite geologist for various periods from 1983 to 1986 for Barrett Resources and held similar roles for various periods for the Barrett Energy and Aeon Energy companies from 1981 to 1983.
Other current directorships:	None
Former directorships (last 3 years):	Asian American Gas Inc.
Special responsibilities:	Mr Barrett is the Chair of the Nomination and Governance Committee and a member of the Remuneration Committee and the Environmental, Social, and Governance ('ESG') Committee.
Interests in shares:	1,486,694 ordinary shares held directly 4,541,044 ordinary shares held indirectly
Interests in options:	733,393 options over ordinary shares held directly

Name:	**Mr Patrick Elliott**
Title:	Independent Non-Executive Director
Qualifications:	B.Commerce University of New South Wales, and a MBA (Mineral Economics) from Macquarie University
Experience and expertise:	Mr Elliott is a founding shareholder and joined the board on 9 February 2009. Mr Elliott stepped down as the Chairman of the Company on 1 November 2020 and remains as a non-executive Director. Mr Elliott has over 40 years of diverse experience working in commercial and management roles in the upstream oil and gas mineral resources industries. Prior to joining Tamboran, Mr Elliott worked as a Director of Sapex Limited which is involved in oil and gas exploration in the Arckaringa Basin, South Australia, and a Director of Eastern Star Gas Limited, which was involved in coal seam gas exploration and evaluation.
Other current directorships:	Cap-XX Limited Argonaut Resources N.L. Kirrama Resources Limited Rockfire Resources PLC
Former directorships (last 3 years):	Ioneer Limited (2003-2020)
Special responsibilities:	Mr Elliott is the Chair of the Audit and Risk Management Committee and sits on the ESG Committee.
Interests in shares:	3,276,629 ordinary shares held directly 24,934,932 ordinary shares held indirectly
Interests in options:	233,393 options over ordinary shares held directly

Name:	**Mr David Siegel**
Title:	Independent Non-Executive Director
Qualifications:	B.Sc (Applied Mathematics-Economics) magna cum laude from Brown University and a MBA (Honours) from The Harvard Business School.
Experience and expertise:	Mr Siegel joined the Board of Tamboran as a Non-Executive Director on 3 March 2021. Mr Siegel has 25 years' experience as a CEO and substantial experience in private equity and managing public companies. During the period, Mr. Siegel was the Chairman of Longview and was therefore an associate of Longview. However, subsequent to the period, the shares held by Longview have been distributed in specie to the individual shareholders and Mr. Siegel is no longer an associate of Longview. Mr Siegel is currently Senior Advisor to Apollo Global Management and Chairman of two Apollo portfolio companies, Atlas Air Worldwide, Inc. and Volotea, S.A. and Chairman of Swissport International, A.G. 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.
Other current directorships:	Atlas Air Worldwide, Inc. Volotea, S.A. Swissport International, A.G.
Former directorships (last 3 years):	Genesis Park Acquisition Corp. Sun Country Airlines Holdings, Inc.
Special responsibilities:	Mr Siegel is the Chair of the Remuneration Committee and a member of the Audit and Risk Management Committee.
Interests in shares:	51,234,858 ordinary shares held directly 9,281,379 ordinary shares held indirectly
Interests in options:	233,393 options over ordinary shares held directly

Name:	**Hon. Andrew Robb AO**
Title:	Independent Non-Executive Director (appointed 16 April 2023)
Qualifications:	Diploma in Agricultural Science (Dip Ag Sci) from Dookie Agricultural College. Dookie College is owned by Melbourne University. Mr Robb received a First class Honours Degree in Economics (BEc Hons) at LaTrobe University in Melbourne.
Experience and expertise:	Mr Robb has served in key business, industry and political roles in Australia for over 40 years. He was Executive Director of the National Farmers Federation and Australian Cattle Council during the 1980's. Served as Federal Director of the Liberal Party of Australia through the 1990's and was elected a Member of the House of Representatives in 2004. From 2013 to 2016, until his recent retirement from politics, Andrew Robb was Australian's Minister for Trade, Investment and Tourism. In this role Mr Robb negotiated Free Trade Agreements with South Korea, Japan and China, as well as the 12 county Trans Pacific Partnership ('TPP') free trade agreement and the Comprehensive Strategic Partnership with Singapore. Additionally he conducted 85 investment roundtables with 28 countries. Mr Robb is widely regarded as one of the most successful trade Ministers in Australian parliamentary history. Mr Robb is currently Chairman of The Robb Group, Clara Energy, CBMA, a board Member of the Kidman Cattle Enterprise, Mind Medicine Australia and Tamboran. Mr Robb is also an Advisory Board member of the International High Speed Rail Association ('IHRA') and is a strategic advisor to a number of national and international businesses. Mr Robb has also been Chairman of Asialink, the Australian Direct Marketing Association, and The Boathouse Group; a Board Member of the Ten Network, Garvan Medical Research Foundation, the Menzies Research Centre, the Big Brother Big Sister mentoring organisation. In 2003 Mr Robb was awarded the Office of the Order of Australia (AO) for his service to agriculture, politics and the community.
Other current directorships:	The Robb Group Clara Energy CBMA Kidman Cattle Enterprise
Former directorships (last 3 years):	None
Special responsibilities:	Mr Robb is the Chair of the ESG Committee and a member of the Nomination and Governance Committee and Audit and Risk Management Committee.
Interests in shares:	None
Interests in options:	None

Name:	**Mr John Bell**
Title:	Non-Executive Director (appointed 16 April 2023)
Qualifications:	Bachelor of Business Administration Degree with a double major in Economics and Marketing from Baylor University
Experience and expertise:	Mr Bell currently serves as Senior Vice President of International and Offshore for Helmerich & Payne ('H&P'). Mr. Bell oversees H&P's drilling operations and business development efforts in the Middle East, Latin America, Australia, and the Gulf of Mexico. Mr. Bell joined H&P in 1998 and has held a variety of senior leadership positions in corporate and operational functions supporting the pivotal role H&P has played in the U.S. "shale revolution". In his current role he is charged with growing H&P's operating footprint outside the U.S. by opening new markets and creating partnerships that leverage H&P's experience as the industry leader in unconventional drilling solutions and technology. He is a current member of H&P's Executive Leadership Team.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Mr Bell is a member of the Nomination and Governance Committee and the Remuneration Committee.
Interests in shares:	None
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Name:	**Mr. Rohan Vardaro**
Title:	Senior Counsel and Company Secretary (appointed 31 August 2023)
Qualifications:	B. Laws from the University of Adelaide, GDLP from Australian National University
Experience and expertise:	Mr Vardaro is a member of the Law Society of New South Wales and Energy & Resources Law Association and has over 9 years' experience in both private and in-house legal practice.

Name:	**Mrs. Joanna Morbey**
Title:	Company Secretary (retired 31 August 2023)
Qualifications:	B. Commerce from the University of New South Wales, Chartered Accountant
Experience and expertise:	Mrs Morbey is a member of Chartered Accountants Australia and New Zealand and has over 35 years' experience in accounting and company secretarial duties in the investment banking, property development and the mineral exploration industries.

Independence

The Board considers that each of its members, with the exception of Mr Riddle and Mr Bell, 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.

Mr Riddle is not considered independent as he is the Managing Director.

Mr Siegel was not considered independent during the period as he was a substantial shareholder through 30 June 2023. However, as of the date of this report, Mr Siegel is considered independent given the reduction in his holdings.

Mr Bell is not considered independent as he is an executive of Helmerich & Payne with which the Company has significant dealings. As Mr Bell has been appointed as a Tamboran board member on behalf of H&P as a result of the strategic cornerstone investment made by H&P in October 2022, and is therefore a key management personnel of Tamboran, Management has concluded H&P is a related party.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held (eligible to attend) during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Management Committee		Remuneration Committee	
	Attended	*Held**	*Attended*	*Held**	*Attended*	*Held**
R Stoneburner	11	11	-	-	-	-
J Riddle	11	11	-	-	-	-
F Barrett	11	11	-	-	2	2
P Elliott	10	11	2	2	-	-
D Siegel	10	11	2	2	2	2
A Robb	4	4	-	-	-	-
J Bell	4	4	-	-	-	-
D Chandra	7	7	2	2	-	-
A Diamant	7	7	-	-	1	1

	ESG Committee**		Nomination and Governance Committee	
	Attended	*Held**	*Attended*	*Held**
R Stoneburner	-	-	-	-
J Riddle	-	-	-	-
F Barrett	3	3	2	2
P Elliott	2	3	-	-
D Siegel	-	-	-	-
A Robb	1	1	1	1
J Bell	-	-	1	1
D Chandra	-	-	1	1
A Diamant	2	2	1	1

* Number of meetings held during the time that the Director was appointed to the Board or committee

** Sustainability Committee was renamed during the period to Environmental, Social, and Governance ('ESG') Committee

Principal activities
The principal activities of Tamboran focus on shale gas exploration in onshore basins in the Northern Territory of Australia.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Group after providing for income tax amounted to $43,249,747 (30 June 2022: $10,802,457).

Refer to the Operating Review section preceding the Directors' report for full details of the review for the year.

Significant changes in the state of affairs
On 20 September 2022, the Company completed an equity raise of $137,014,980 through a two-tranche placement and share purchase plan. The placement to new and existing shareholders was an issue of 652,452,288 ordinary shares at $0.21 per share.

As a result of the equity raise, the Group purchased Origin Energy's 77.5% interest in the Beetaloo Basin Assets, via a 50:50 joint operation with Bryan Sheffield whereby the Group will hold a 38.75% interest and operatorship, with Bryan Sheffield holding a 38.75% non-operating interest and Falcon Oil and Gas Australia Limited retaining their 22.5% non-operating interest.

During the period, the Company sold one of the rigs held within the United States at a loss of $4,954,992. The remaining two rigs were written down by $14,102,002, the lesser of cost and fair value less costs to sell in accordance with accounting standards. The remaining two unsold rigs remain classified as assets held for sale as at 30 June 2023.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Capital Raise and Share Purchase Plan
Subsequent to the reporting date, the Company completed its successful two-tranche placement (Placement) announced to ASX on 27 June 2023 of approximately 295,634,390 Shares at A$0.18 per Share as follows:

- Tranche 1 – comprising the issue of 288,995,504 new fully paid ordinary shares in Tamboran to institutional, sophisticated and professional investors representing 20.4% of Tamboran's pre-raise issued capital, raising approximately A$52 million and issued using Tamboran's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

- Tranche 2 – comprising the issue of 6,638,886 new fully paid ordinary shares to Tamboran's investors to raise approximately A$1.2 million. This tranche was approved by shareholders at the General Meeting on 21 August 2023.

It is intended that funds raised under the Placement and SPP will be used by Tamboran to fund the Company's ongoing exploration and development programs in the Beetaloo Sub-basin, for general working capital purposes and for costs of the Equity Raising.

Convertible notes
The Company entered into a subscription deed to issue a 5-year Convertible Notes of up to US$9,000,000 to Helmerich & Payne International Holdings, LLC ('H&P') on 6 July 2023, the terms of which were approved by shareholders on 21 August 2023. The Convertible Notes can be drawn down as a line of credit to pay H&P for mobilisation and related reimbursable costs for Rig 469 plus accrued interest at 5.5% p.a. on the amount drawn down.

As at the date of signing of these accounts, Tamboran had drawn down A$0.0 million under the convertible note, however, has payables outstanding to which the draw down, once completed, is expected to apply.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation
The Consolidated Entity is subject to environmental regulations under the Australian Commonwealth or State Law and under local laws in jurisdictions it operates. The Group holds exploration licences issued by the relevant government authorities which contain conditions which relate to the full rehabilitation of the areas of exploration in accordance with regulatory guidelines and standards. The Directors are not aware of any breaches of the licence conditions or environmental regulations during or since the end of the financial year. The Group is committed to meeting environmental and land use regulations, including native title requirements.

Corporate Governance Statement
The Company believes that effective corporate governance policies promote and support an informed decision making process within all areas of our business while contributing to long-term value creation for shareholders in a socially responsible manner. The Company is committed to ensuring best practices and operates within the frameworks of a number of internal policies at the Board and management levels. Board and management have established the following corporate governance policies:

Board Charter
Code of Conduct
Disclosure Policy
Diversity Policy
Climate Change Policy
Shareholder Communications Policy
Securities Trading Policy
Whistleblower Protection Policy
Anti-Bribery & Corruption Policy
Risk Management Policy

These policies make clear Tamboran's commitment to ensuring ethical and sustainable operations for our employees, shareholders, partners, and key stakeholders. Transparency and corporate governance best practices are formally monitored through Board level committees, including the Audit and Risk Management Committee, Remuneration Committee, Nomination and Governance Committee and the ESG Committee. Each of these committees has its own committee-related charter as part of the corporate governance guidelines. The governance policies are available on the Company's website at: https://www.tamboran.com/corporate-governance-statements/.

Under ASX Listing Rule 4.10.3, Tamboran is required to benchmark its corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition (ASX Governance Recommendations).

Tamboran's 2023 Corporate Governance Statement and Appendix 4G are released to the ASX on the same day as the Annual Report is released and are available on the Company's website at: https://www.tamboran.com/corporate-governance-statements/.

Shares under option

Unissued ordinary shares of Tamboran Resources Limited under option at the date of this report are as follows:

Grant date	*Expiry date*	*Exercise price*	*Number under option*
20 May 2021	20 May 2026	$0.2367	7,416,667
20 May 2021	20 May 2026	$0.3200	10,734,548
20 May 2021	20 May 2026	$0.4000	16,000,000
28 October 2021	20 May 2026	$0.4000	18,850,000
17 May 2022	20 May 2026	$0.4000	400,000
14 June 2022	20 May 2026	$0.4000	1,250,000
30 November 2022	20 May 2026	$0.4000	2,850,000
			57,501,215

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Tamboran Resources Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel ('KMP') are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Remuneration governance is overseen by the Remuneration Committee and the Nomination and Governance Committee. The Committees are committees of the Board established in accordance with the Company’s constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities.

The ASX Corporate Governance Council’s “Corporate Governance Principles and Recommendations” (ASX Recommendations) recommend that the Company has formal and rigorous processes for the appointment and reappointment of Directors to the Board. The Committees were established to assist the Board by undertaking the roles and exercising the responsibilities set out in the Remuneration Charter and Nomination and Governance Committee Charter. Copies of these Charters are available on the Company’s website www.tamboran.com.

The Committees aim to bring transparency, focus and independent judgment to these roles. The Committees will review and make recommendations to the Board on matters relevant to these roles and responsibilities, and as required to satisfy the Corporations Act, ASX Recommendations and ASX Listing Rule requirements relevant to these roles and responsibilities.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

Roles of the Nomination and Governance Committee and Remuneration Committee

Nomination and Governance Committee

The Nomination and Governance Committee has the following responsibilities:

- succession planning generally;
- induction and continuing professional development programs for Directors;
- the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
- the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- determining board size and balance of skills as the Company develops and evolves and becomes more complex as progress is made from project development to full operations;
- the appointment and re-election of Directors including with consideration to the appropriate Director tenure and length of service for the Company; and
- appointment and succession planning for the Managing Director (or such person performing the function of a chief executive officer) and other senior executives, with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Remuneration Committee

Policies and practices are designed to:

- enable the Company to attract, retain and motivate Directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- be fair and appropriate having regard to the performance of the Company and the relevant Director, executive or employee and the interests of shareholders; and
- comply with relevant legal requirements.

Responsibilities of the Nomination and Governance Committee and Remuneration Committee

Nomination and Governance Committee

The Committee is responsible for:

- Board size: making recommendations regarding the size of the Board which would most encourage efficient decision making; ensuring geographic balance, including Directors with Australian residence;
- Director competencies: making recommendations regarding the necessary and desirable competencies of Directors;
- Skills matrix: developing and maintaining a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership against the desirable range of skills;
- Director recommendations: developing and reviewing the process for the selection, appointment and re-election of Directors, and making recommendations to the Board by:
  - evaluating the balance of skills, experience, independence, knowledge and diversity of Directors sitting on the Board; evaluating current needs under the circumstances of the short and long term requirements of the business as well as changes in strategy, external environment and anticipated terms of current Directors;
  - in light of this evaluation, preparation of a description of the role and capabilities required for a particular appointment within the context of shorter and longer term business considerations;
  - sourcing candidates from the available market including with the possible assistance of a third-party provider, and reviewing recommendations from other sources including current Directors, advisors, significant shareholders, management, and industry experts;
  - assuring the candidates possess both the personal qualities of integrity, courage, curiosity, interpersonal skills, interest in the business and the industry, business acumen, ability and capacity to contribute and the appropriate and necessary competencies and skills as described above within the matrix;
  - reviewing the current diversity represented on the Board with the backdrop of the Company's Diversity Policy to assist with the sourcing and targeting of candidates;
  - interviewing and evaluating candidates along with obtaining appropriate checks and references; and
  - putting forward the candidate for appointment and election as a Director to the Chairman, Managing Director, and full Board;
- Providing information: providing security holders with material information in the Committee's possession relevant to a decision as to whether or not to elect or re-elect a Director;
- Assessing performance: implementing a process to evaluate the performance of the chairperson, Board, Board committees, individual Directors and senior executives on an annual basis to support governance improvement, efficient Board processes and effective decision making and to address issues that may arise from the review;
- Assessing time commitment: reviewing the time required to be committed by non-executive Directors to properly fulfil their duties to the Company and whether non-executive Directors are meeting these requirements;
- Assessing independence: assisting the Board in assessing the independence of each non-executive Director;
- Succession plans: reviewing Board and senior executive succession plans and processes, including for the Managing Director and other senior executive positions and being conscious of each Director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and
- Governance matters: reviewing and making recommendations in relation to any corporate governance issues as requested by the Board from time to time.

Remuneration Committee

The Committee is responsible for informing itself of market-based, publicly available and relevant competitive remuneration committee information and developing, reviewing and making recommendations to the Board on:

- Directors' fees: the Company's remuneration framework for Directors, including, the process by which any pool of Directors' fees approved by shareholders is allocated to Directors;
- Senior executives: the remuneration packages to be awarded to senior executives;
- Bias: reviewing whether there are any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees;
- Policies: the Company's recruitment, retention and termination policies for the Managing Director and senior executives and any changes to those policies;
- Incentive schemes: incentive schemes, if appropriate, for the Managing Director and senior executives;
- Equity-based programs: equity-based remuneration plans, if appropriate, for senior executives and other employees;
- Superannuation and retirement benefits: superannuation and retirement benefit arrangements for Directors, senior executives and other employees; and
- Other perquisites: applying certain other benefits as determined appropriate based upon market and competitive information.

Incentive schemes and equity-based remuneration
For any incentive schemes or equity-based plans which are adopted, the Committee is responsible for:
- Reviewing: reviewing their terms (including any eligibility criteria and performance hurdles);
- Administration: overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme;
- Shareholder approval: considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- Payments and awards: ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

Non-Executive Directors' remuneration
Under the Constitution, in a general meeting the Company 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 the annual 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 grant 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	*Chairman fee*
Audit and Risk Management Committee	$25,000
Remuneration Committee	$25,000
Nomination and Governance Committee	$25,000
ESG 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.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The Tamboran executive compensation strategy provides for fair, competitive remuneration that aligns potential rewards with the Company's objectives while being transparent to shareholders. Key remuneration elements are reviewed annually to determine appropriate awards based upon factors such as individual performance, Company results and competitive benchmark survey data.

The following is a brief description of the approach for each element:

- Primary benefit - base salary is reviewed annually and adjusted based upon individual performance and competitive benchmarks that may be reviewed from time to time to ensure competitiveness.
- Variable short term incentives - cash bonuses are reviewed annually with awards granted based upon individual performance and Company results using identified strategic objectives and metrics. Bonus targets are benchmarked from time to time to ensure competitiveness. The Board reserves the right to grant bonuses and the quantum of the bonus dependent on performances.
- Variable Equity long-term incentives are reviewed annually with incentives being provided to employees or consultants in the form of non-qualified stock options ('NSOs'). Equity grants awarded as part of the Company's annual review cycle will vest over a 5-year period. Equity targets are benchmarked from time to time to ensure competitiveness.

Share-based payment plans

Equity Incentive Plan

Tamboran adopted a new Equity Incentive Plan ('EIP') in May 2021 in preparation for becoming a publicly listed company and to assist in the motivation and retention of selected company employees and Directors. As a result, all previous incentives issued to non-executive Directors and executives were cancelled and new options were issued.

Below is a summary of the terms and conditions of issue of the options issued to KMPs under the EIP as of 30 June 2023.

Total number of Options issued under the EIP to KMP	Vesting Condition	Exercise price and expiry date
8,417,858 Options	Fully vested	$0.32 per Option expiring on 20 May 2026
5,500,000 Options	Fully vested	$0.24 per Option expiring on 20 May 2026
21,000,000 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 the latter of 20 May 2026 or, if the Milestone Options vest, the date that is five 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, once vesting conditions have been satisfied, for five years subsequent to the vesting date. 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.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. Milestone options granted are dependent on defined share prices being achieved. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants
During the financial year ended 30 June 2023, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')
At the 18 November 2022 AGM, 99.87% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Details of the remuneration of KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the following Directors of Tamboran Resources Limited:
- Richard Stoneburner - Chairman
- Joel Riddle - Managing Director and Chief Executive Officer
- Fredrick Barrett - Non-Executive Director
- Patrick Elliott - Non-Executive Director
- David Siegel - Non-Executive Director
- Andrew Robb - Non-Executive Director (appointed 16 April 2023)
- John Bell - Non-Executive Director (appointed 16 April 2023)
- Daniel Chandra - Non-Executive Director (resigned 16 April 2023)
- Ann Diamant - Non-Executive Director (resigned 16 April 2023)

And the following persons:
- Eric Dyer - Chief Financial Officer
- Faron Thibodeaux - Chief Operating Officer

Amounts of remuneration

2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees $	Cash bonus $	Additional services/ acceptance fee $	Super-annuation and other benefits $	Leave benefits $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
R Stoneburner	220,000	-	-	-	-	-	-	220,000
F Barrett	160,000	-	-	-	-	-	-	160,000
P Elliott	147,500	-	-	-	-	-	-	147,500
D Siegel	147,500	-	-	-	-	-	-	147,500
A Robb (1)	32,771	-	-	-	-	-	-	32,771
J Bell (2)	-	-	-	-	-	-	-	-
D Chandra (3)	106,875	-	-	-	-	-	-	106,875
A Diamant (4)	114,631	-	-	12,036	-	-	-	126,667
Executive Directors:								
J Riddle	840,503	781,250	16,033	30,655	59,374	-	419,431	2,147,246
Other KMP:								
E Dyer	668,259	312,500	26,894	8,705	41,774	-	190,651	1,248,783
F Thibodeaux (5)	591,279	359,039	-	87,742	-	-	295,443	1,333,503
	3,029,318	1,452,789	42,927	139,138	101,148	-	905,525	5,670,845

(1) Andrew Robb was appointed as a non-executive Director on 16 April 2023.

(2) John Bell was appointed as a non-executive Director on 16 April 2023. In accordance with Helmerich & Payne requirements, John Bell is not provided compensation by Tamboran for his role on the Board.

(3) Dan Chandra resigned from the Board on 16 April 2023

(4) Ann Diamant resigned from the Board on 16 April 2023

(5) Salary and benefits earned in FY23 of USD$695,627 (remuneration less equity-settled options) are converted at the average rate of 0.6701

2022	Short-term benefits Cash salary and fees $	 Cash bonus $	 Additional services/ acceptance fee $	Post-employment benefits Super-annuation and other benefits $	Long-term benefits Leave benefits $	Share-based payments Equity-settled shares $	 Equity-settled options $	 Total $
Non-Executive Directors:								
R Stoneburner	220,000	-	-	-	-	-	-	220,000
F Barrett	160,000	-	-	-	-	-	-	160,000
D Chandra	135,000	-	-	-	-	-	-	135,000
A Diamant	144,227	-	-	14,423	-	-	-	158,650
P Elliott	147,500	-	-	-	-	-	-	147,500
D Siegel	147,500	-	-	-	-	-	-	147,500
Executive Directors:								
J Riddle	679,527	100,000	-	31,411	8,880	-	419,431	1,239,249
Other KMP:								
E Dyer	567,145	100,000	-	20,355	6,844	-	190,651	884,995
F Thibodeaux (1)	502,489	-	51,257	87,725	-	-	203,168	844,639
	2,703,388	200,000	51,257	153,914	15,724	-	813,250	3,937,533

(1) Salary and benefits paid in FY22 of USD$450,529 (remuneration less equity-settled options) are converted at the average rate of 0.702337

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2023	Fixed remuneration 2022	At risk - STI 2023	At risk - STI 2022	At risk - LTI 2023	At risk - LTI 2022
Non-Executive Directors:						
R Stoneburner	100.00%	100.00%	-	-	-	-
F Barrett	100.00%	100.00%	-	-	-	-
P Elliott	100.00%	100.00%	-	-	-	-
D Siegel	100.00%	100.00%	-	-	-	-
A Robb	100.00%	-	-	-	-	-
J Bell	-	-	-	-	-	-
D Chandra	100.00%	100.00%	-	-	-	-
A Diamant	100.00%	100.00%	-	-	-	-
Executive Directors:						
J Riddle	41.32%	58.08%	36.38%	8.07%	22.30%	33.85%
Other KMP:						
E Dyer	56.36%	67.16%	25.03%	11.30%	18.61%	21.54%
F Thibodeaux	50.92%	75.95%	26.92%	-	22.16%	24.05%

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2023	2022	Cash bonus forfeited 2023	2022
Executive Directors:				
J Riddle	100%	100%	-	-
Other KMP:				
E Dyer	100%	100%	-	-
F Thibodeaux	100%	-	-	-

Service agreements
Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name: **Mr Joel Riddle**
Title: Managing Director and Chief Executive Officer
Details: Fixed remuneration of AU$656,250

Other benefits:
3,267,500 Options at $0.32, fully vested, expiring on 20 May 2026.

5,500,000 Options at $0.2367, fully vested, expiring on 20 May 2026.

11,000,000 Milestone Options at $0.40, unvested, expiring on the Milestone Option Expiry Dates.

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.

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.

During the employment period, the CEO will be eligible for a discretionary annual bonus of up to 100% of the CEO's base salary, subject to performance against reasonable performance targets as advised by the Compensation Committee and approved by the Board.

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:
Must not within 12 months, 6 months, 3 months or 6 weeks (whichever is enforceable) after the termination of employment:
- 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.

Name:	**Mr Eric Dyer**
Title:	Chief Financial Officer
Details:	Fixed remuneration of AU$525,000

Other benefits:
3,000,000 Options at $0.32, fully vested, expiring on 20 May 2026.

5,000,000 Milestone Options at $0.40, unvested, expiring on the Milestone Option Expiry Dates.

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.

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.

During the employment period, the CFO will be eligible for a discretionary annual bonus of up to 50% of the CFO's base salary, subject to performance against reasonable performance targets as advised by the Compensation Committee and approved by the Board.

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:
Must not within 12 months, 6 months, 3 months or 6 weeks (whichever is enforceable) after the termination of employment:

- 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.

Name: **Mr Faron Thibodeaux**
Title: Chief Operating Officer
Details: Fixed remuneration of US$404,250

Other benefits:
5,000,000 Milestone Options at $0.40, unvested, expiring on the Milestone Option Expiry Dates.

In the event of a change of control, the Board may in its discretion determine that all or a portion of the COO's Milestone Options are to vest immediately or at a future time. All Options convert on a one to one basis. In the event that the COO'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 COO is a good leaver, the Board may in its discretion determine that all or a portion of the COO's Milestone Options are to vest immediately or at a future time.

During the employment period, the COO may be eligible to receive short-term incentive compensation as determined by the Board from time to time in its sole discretion. The short-term incentive compensation shall be set by the Board, together with performance metrics and shall initially be 50% of the COO's base salary; provided, however, that such target shall not limit the discretion of the Board.

Notice period, termination and termination payments:
One month prior written notice for termination of employment. No other termination benefits applicable.

Non-solicitation/restrictions of future activities:
Must not within 12 months after the termination of employment:
- offer to provide services to, or disrupt or attempt to disrupt or otherwise interfere with the relationship with any Customer with whom the Employee personally provided or proposed to provide services in connection with the Business;
- solicit for employment, engage, hire, or employ any employee who was an employee of the Company as of Employee's date of termination, or who becomes an employee of the Company during the Restricted period; and
- engage directly or indirectly in or work for a Competing business in the Northern Territory.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	*Number of options granted*	*Grant date*	*Vesting date and exercisable date*	*Expiry date*	*Exercise price*	*Fair value per option at grant date*
R Stoneburner	483,393	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
J Riddle	3,627,500	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
	5,500,000	20 May 2021	20 May 2021	20 May 2026	$0.2400	$0.2200
	2,750,000	20 May 2021	4 December 2023	20 May 2026	$0.4000	$0.1352
	2,750,000	20 May 2021	2 May 2024	20 May 2026	$0.4000	$0.1208
	2,750,000	20 May 2021	6 August 2024	20 May 2026	$0.4000	$0.1036
	2,750,000	20 May 2021	1 October 2024	20 May 2026	$0.4000	$0.0884
F Barrett	733,393	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
D Chandra*	233,393	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
A Diamant*	233,393	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
P Elliott	233,393	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
D Siegel	233,393	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
E Dyer	3,000,000	20 May 2021	20 May 2021	20 May 2026	$0.3200	$0.2000
	1,250,000	20 May 2021	4 December 2023	20 May 2026	$0.4000	$0.1352
	1,250,000	20 May 2021	2 May 2024	20 May 2026	$0.4000	$0.1208
	1,250,000	20 May 2021	6 August 2024	20 May 2026	$0.4000	$0.1036
	1,250,000	20 May 2021	1 October 2024	20 May 2026	$0.4000	$0.0884
F Thibodeaux	1,250,000	20 May 2021	22 December 2023	20 May 2026	$0.4000	$0.1815
	1,250,000	20 May 2021	24 April 2024	20 May 2026	$0.4000	$0.1630
	1,250,000	20 May 2021	29 August 2024	20 May 2026	$0.4000	$0.1381
	1,250,000	20 May 2021	30 October 2024	20 May 2026	$0.4000	$0.1188

* These Directors have resigned during the period, however, both of these Directors have retained their vested options.

Options granted carry no dividend or voting rights.

Additional information
The factors that are considered to affect total shareholders return ('TSR'), and vesting of milestone options disclosed above, are summarised below:

	2023	*2022*	*2021*	*2020*	*2019*
Share price at financial year end ($)	0.18	0.22	-	-	-
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(3.57)	(1.53)	(19.18)	(15.51)	(16.43)
Diluted loss per share (cents per share)	(3.57)	(1.53)	(19.18)	(15.51)	(16.43)

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	*Received as part of remuneration*	*Additions*	*Disposals/ other*	*Balance at the end of the year*
Ordinary shares					
R Stoneburner	2,404,125	-	1,500,000	-	3,904,125
F Barrett	2,477,738	-	3,300,000	-	5,777,738
P Elliott	23,751,245	-	3,071,428	-	26,822,673
D Siegel	146,373,641	-	8,000,000	-	154,373,641
A Robb	-	-	-	-	-
J Bell	-	-	-	-	-
D Chandra	2,237,005	-	325,000	(2,562,005)	-
A Diamant	543,166	-	142,856	(686,022)	-
J Riddle	4,139,035	-	-	-	4,139,035
E Dyer	2,765,829	-	428,571	-	3,194,400
F Thibodeaux	3,309,984	-	2,100,840	-	5,410,824
	188,001,768	-	18,868,695	(3,248,027)	203,622,436

'Disposals/other' movement for Mr Chandra and Ms Diamant in the table above reflects the resignation of these directors, which removes their shares from the total KMP shares outstanding at the end of the period. This does not necessarily represent the disposal of holdings of shares.

Subsequent to the balance sheet date, Longview Petroleum LLC, an indirect interest of Mr Siegel and included in the totals above, made a full distribution of Tamboran shares to its beneficial shareholders, of which 41,768,791 fully paid ordinary shares were distributed to Mr Siegel as a direct interest via in specie distribution and 1,281,379 fully paid ordinary shares were distributed to Mr Siegel as an indirect interest via in specie distribution. As a result of this reduction in holdings, Mr Siegel is considered independent as of the date of this report.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	*Granted*	*Exercised*	*Expired/ forfeited/ other*	*Balance at the end of the year*
Options over ordinary shares					
R Stoneburner	483,393	-	-	-	483,393
F Barrett	733,393	-	-	-	733,393
P Elliott	233,393	-	-	-	233,393
D Siegel	233,393	-	-	-	233,393
A Robb	-	-	-	-	-
J Bell	-	-	-	-	-
D Chandra	233,393	-	-	(233,393)	-
A Diamant	233,393	-	-	(233,393)	-
J Riddle	19,767,500	-	-	-	19,767,500
E Dyer	8,000,000	-	-	-	8,000,000
F Thibodeaux	5,000,000	-	-	-	5,000,000
	34,917,858	-	-	(466,786)	34,451,072

'Expired/forfeited/other' movement for Mr Chandra and Ms Diamant in the table above reflects the resignation of these Directors, which removes their options from the total KMP options outstanding at the end of the period. As the options for both of these prior Directors have vested, these options have not been forfeited.

	Vested and exercisable	*Vested and unexercisable*	*Balance at the end of the year*
Options over ordinary shares			
R Stoneburner	483,393	-	483,393
F Barrett	733,393	-	733,393
P Elliott	233,393	-	233,393
D Siegel	233,393	-	233,393
A Robb	-	-	-
J Bell	-	-	-
J Riddle	8,767,500	-	8,767,500
E Dyer	3,000,000	-	3,000,000
F Thibodeaux	-	-	-
	13,451,072	-	13,451,072

Loans to KMP and their related parties
There were no loans to KMP or their related parties during the year to 30 June 2023.

Other transactions with KMP and their related parties
In addition to the remuneration, shares, options or performance rights, as detailed in the sections above, there were several transactions with H&P that the Company has classified as related party transactions, as Mr Bell is an executive of H&P. As at the balance sheet date, Tamboran had entered into a lease of two years for the H&P super spec FlexRig® Flex 3 rig as disclosed in Note 13 below. The Company has also accrued for the mobilisation costs of this rig, however, these payables are expected to be drawn down through the convertible note facility entered into with H&P subsequent to year-end.

The Company entered into a subscription deed to issue a 5-year Convertible Notes of up to US$9,000,000 to H&P on 6 July 2023, the terms of which were approved by shareholders on 21 August 2023. The Convertible Notes can be drawn down as a line of credit to pay H&P for mobilisation and related reimbursable costs for Rig 469 plus accrued interest at 5.5% p.a. on the amount drawn down.

As at the date of signing of these accounts, Tamboran had drawn down A$0.0 million under the convertible note.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Richard Stoneburner
Chairman of the Board

27 September 2023
Sydney

Building a better working world

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Auditor's independence declaration to the directors of Tamboran Resources Limited

As lead auditor for the audit of the financial report of Tamboran Resources Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tamboran Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ryan Fisk
Partner
27 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue			
Other income	5	193,532	648,808
Interest income		102,073	1,998
Expenses			
Director and employee benefits expense		(7,936,702)	(3,619,687)
Share-based payments expense		(1,349,681)	(1,456,014)
Depreciation and amortisation expense	6	(562,100)	(562,099)
Impairment of assets classified as held for sale	11	(14,102,002)	-
Loss on disposal of assets classified as held for sale	11	(4,954,992)	-
Consultancy, legal and professional costs		(10,123,898)	(3,730,731)
Administration expenses		(3,492,125)	(1,824,380)
ASX Listing fees		(204,351)	(145,745)
Other expenses		(477,647)	(52,755)
Finance costs	6	(341,854)	(61,852)
Loss before income tax expense		(43,249,747)	(10,802,457)
Income tax expense	7	-	-
Loss after income tax expense for the year		(43,249,747)	(10,802,457)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		248,189	772
Other comprehensive income for the year, net of tax		248,189	772
Total comprehensive loss for the year		(43,001,558)	(10,801,685)
		Cents	**Cents**
Basic loss per share	35	(3.57)	(1.53)
Diluted loss per share	35	(3.57)	(1.53)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	8	10,642,739	26,810,224
Trade and other receivables	9	1,381,621	2,896,440
Other assets	10	479,086	986,262
		12,503,446	30,692,926
Non-current assets classified as held for sale	11	13,300,919	-
Total current assets		25,804,365	30,692,926
Non-current assets			
Property, plant and equipment	12	297,995	16,372,076
Right-of-use assets	13	643,973	1,030,357
Intangible assets	14	433,457	433,457
Exploration and evaluation assets	15	226,013,584	84,949,957
Other assets	10	2,263,629	592,614
Total non-current assets		229,652,638	103,378,461
Total assets		255,457,003	134,071,387
Liabilities			
Current liabilities			
Trade and other payables	16	18,432,705	3,853,956
Lease liabilities	17	423,774	390,851
Employee benefits	18	598,716	363,867
Other liabilities	20	1,396,342	-
Total current liabilities		20,851,537	4,608,674
Non-current liabilities			
Lease liabilities	17	299,763	723,537
Employee benefits	18	207,846	131,438
Provisions	19	13,265,239	-
Total non-current liabilities		13,772,848	854,975
Total liabilities		34,624,385	5,463,649
Net assets		220,832,618	128,607,738
Equity			
Issued capital	21	351,321,486	217,444,729
Reserves	22	11,675,016	10,077,146
Accumulated losses		(142,163,884)	(98,914,137)
Total equity		220,832,618	128,607,738

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	183,855,350	8,620,361	(88,111,680)	104,364,031
Loss after income tax expense for the year	-	-	(10,802,457)	(10,802,457)
Other comprehensive income for the year, net of tax	-	772	-	772
Total comprehensive income/(loss) for the year	-	772	(10,802,457)	(10,801,685)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (note 21)	34,964,616	-	-	34,964,616
Share issue transaction costs (note 21)	(1,375,237)	-	-	(1,375,237)
Share-based payments (note 36)	-	1,456,013	-	1,456,013
Balance at 30 June 2022	217,444,729	10,077,146	(98,914,137)	128,607,738

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	217,444,729	10,077,146	(98,914,137)	128,607,738
Loss after income tax expense for the year	-	-	(43,249,747)	(43,249,747)
Other comprehensive income for the year, net of tax	-	248,189	-	248,189
Total comprehensive income/(loss) for the year	-	248,189	(43,249,747)	(43,001,558)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (note 21)	140,416,891	-	-	140,416,891
Share issue transaction costs (note 21)	(6,540,134)	-	-	(6,540,134)
Share-based payments (note 36)	-	1,349,681	-	1,349,681
Balance at 30 June 2023	351,321,486	11,675,016	(142,163,884)	220,832,618

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(19,418,391)	(11,012,230)
Interest received		102,073	1,998
Interest and other finance costs paid		(43,469)	(50,238)
Net cash used in operating activities	34	(19,359,787)	(11,060,470)
Cash flows from investing activities			
Payment for expenses relating to acquisitions		-	(1,027,633)
Payments for investments		(1,199,999)	(204,657)
Payments for property, plant and equipment	12	(19,941,742)	(15,228,389)
Payments for exploration and evaluation		(117,476,951)	(39,656,584)
Proceeds from disposal of property, plant and equipment		3,659,963	-
Proceeds from government grants for exploration		6,422,086	-
Net cash used in investing activities		(128,536,643)	(56,117,263)
Cash flows from financing activities			
Proceeds from issue of shares	21	140,416,891	34,964,616
Proceeds from issue of securities, awaiting issuance		949,970	-
Share issue transaction costs		(9,336,725)	(3,492,997)
Repayment of lease liabilities		(390,852)	(359,831)
Net cash from financing activities		131,639,284	31,111,788
Net decrease in cash and cash equivalents		(16,257,146)	(36,065,945)
Cash and cash equivalents at the beginning of the financial year		26,810,224	63,083,722
Effects of exchange rate changes on cash and cash equivalents		89,661	(207,553)
Cash and cash equivalents at the end of the financial year	8	10,642,739	26,810,224

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements of Tamboran Resources Limited are for Tamboran Resources Limited (referred to hereafter as 'Tamboran', the 'Company' or 'parent entity') and its subsidiaries (together referred to hereafter as the 'Group'). The financial statements are presented in Australian dollars, which is Tamboran Resources Limited's functional and presentation currency.

Tamboran Resources Limited is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is:

110-112 The Corso,
Manly NSW 2095

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Directors have prepared the financial report on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the period Maverick 1 vertical well ('M1V') was drilled and was subsequently suspended following a decision to prioritise the acceleration of booking 2P reserves and first commercial production from the proposed Shenandoah Pilot Development. Tamboran completed the Amungee 2H ('A2H') drilling and stimulation program in June 2023 in the 38.75% owned and operated EP 98. Subsequent to the end of the period, Tamboran has commenced its second Beetaloo Basin drilling and stimulation program at the Shenandoah South ('SS1H') well in 38.75% owned and operated EP 117. The programs within the newly acquired acreage (EP 76, EP 98, and EP 117) remains the focus of Tamboran and its partners. The Company also continues to contribute its proportionate share of JV expenditure for the EP 161 Santos-operated program in order to maintain its interest in the underlying permit.

Existing cash on hand, is not sufficient to meet the Company's obligations (both discretionary and non-discretionary) as they come due over the next twelve months. The Directors and Management are confident that as further funding is required it can be raised through an equity raise and/or debt funding. While expected, there is uncertainty that sufficient incremental funds can be raised to meet these obligations. This indicates the existence of a material uncertainty, which casts significant doubt over the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include adjustments that would result if the Group was unable to continue as a going concern. Having given due consideration to the cash requirements of the Group, the Board of Directors has a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing these consolidated financial statements which assumes the Group will be able to meet its liabilities as they fall due for the next 12 months.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared on a historical cost basis.

Critical accounting estimates
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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the consolidated results of the Group. Supplementary information regarding the parent entity is disclosed in note 31.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tamboran Resources Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', whereby the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Tamboran Resources Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Note 2. Significant accounting policies (continued)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand.

Note 2. Significant accounting policies (continued)

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Government grants
Government grants are recognised against the exploration and evaluation asset.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Other financial assets
Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis over the expected useful lives of the asset as follows:

Leasehold improvements	5 years
Machinery work-in-progress	Not depreciated until machinery is fully operational

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Carbon credits

To assist in Tamboran’s achievement of the target to be a next generation Net Zero energy company from the commencement of first production, in 2021 Tamboran began to purchase high-quality carbon offsets to reduce any future residual emissions. These carbon offsets have been recognised as intangible assets at cost and will be assessed for impairment whenever an indication of impairment exists.

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets

The Group holds a number of exploration permits that are grouped into areas of interest according to geographical and geological attributes. Expenditure incurred in each area of interest is accounted for using the successful efforts method. Under this method, all general exploration and evaluation costs are expensed as incurred except those costs directly related to acquiring the rights to explore, drilling exploratory wells and evaluating the results of drilling. These direct costs are capitalised as exploration and evaluation assets pending the determination of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

The carrying amounts of exploration and evaluation assets are reviewed at each reporting date to determine whether any of the following indicators of impairment are present:

- the right to explore has expired, or will expire in the near future, and is not expected to be renewed;
- further exploration for and evaluation of resources in the specific area is not budgeted or planned for;
- the Group has decided to discontinue activities in the area; or
- there is sufficient data to indicate the carrying value is unlikely to be recovered in full from successful development or by sale.

Where an indicator of impairment exists, the asset's recoverable amount is estimated. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future exploitation or sale, an impairment is recognised in profit or loss for the difference.

Upon approval of the commercial development of a project, the exploration and evaluation asset is classified as a development asset. Once production commences, development assets are transferred to property, plant and equipment.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte-Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment.

The cost of equity-settled transactions are 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.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 2. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Tamboran Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2022-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
AASB 2021-2 was issued in March 2021 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted.

This standard amends AASB Standards to improve accounting policy disclosures so that they provide more useful information to investors and users of the financial statements and clarify the distinction between accounting policies and accounting estimates. Specifically, AASB 2021-2 amends:
- AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements
- AASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates
- AASB 134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements
- AASB Practice Statement 2 Making Materiality Judgements, to provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
AASB 2021-5 was issued in June 2021 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted.

Note 2. Significant accounting policies (continued)

The standard amends AASB 112 to clarify that the initial recognition exemption from the requirement to recognise deferred tax does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. Such transactions include leases and decommissioning, restoration and similar obligations. For lease accounting, the implication is that where the entity has adopted an accounting policy that attributes the tax deduction as being directly related to the repayment of the lease liability, a deferred tax asset will arise on initial recognition of the lease liability, and a deferred tax liability will be recognised on initial recognition of the related component of the lease asset's cost. Alternatively, where the entity attributes the tax deduction as being related to the consumption of the right-of-use asset, the deferred tax liability and deferred tax asset are both attributable to the recognition of the right-of-use asset and will net off resulting in no deferred tax recognised. The amendments to AASB 1 require deferred tax related to such transactions to be recognised by first-time adopters at the date of transaction to AASBs.

Other standard amendments and interpretations
Several other standard amendments and interpretations were applicable for the first time from 1 July 2023 or were issued but not yet applicable as of the reporting date, but were not relevant to the Group and does not impact the Group's consolidated financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

During the years ending 30 June 2023 and 30 June 2022, awards were granted to employees under the Employee Incentive Plan. The fair value of these awards were determined by either the Black-Scholes model (for those awards that vested immediately) or the Monte-Carlo model for Milestone awards. Each of these models takes into account the terms and conditions upon which the instruments were granted to determine the fair value of the awards. The inputs to each valuation model include the share price at grant date, exercise price, the term of the right, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The Monte Carlo model also incorporates a probability-based value impact of the market condition.

The accounting estimates and assumptions relating to equity-settled share-based payments, most significantly the volatility assumption, and assumption regarding the achievement of the market conditions, would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Changes in our expectations post-grant date, such as in expected forfeiture, may impact future expense related to our stock-based awards.

Restoration provision
A provision has been made for the present value of anticipated costs for future site restoration. The Group's extraction and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of well estimates and discount rates could affect the carrying amount of this provision.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recoverability of exploration and evaluation assets
Assessment of the recoverability of capitalised exploration and evaluation expenditure requires certain estimates and assumptions to be made as to future events and circumstances, particularly in relation to whether economic quantities of reserves have been discovered. Such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available indicating that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Joint arrangements
Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity. Depending upon the facts and circumstances in each case, Tamboran may obtain control, joint control or significant influence over the entity or arrangement. Judgement is applied when determining the relevant activities of a project and if joint control is held over them. Relevant activities include, but are not limited to, work program and budget approval, investment decision approval, voting rights in joint operating committees, amendments to permits and changes to joint arrangement participant holdings.

If Tamboran obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture.

Note 4. Operating segments

Identification of reportable operating segments
The Group operates as an unconventional gas exploration company whose tenements and related exploration activities are located in Australia. The Directors are of the opinion that there is one single operating segment, which is the whole of the consolidated operation. This single operating segment represents the only reportable segment. The segment disclosure for the reportable segment is consistent with those amounts presented in the primary statements and notes.

The Board of Directors is identified as the Chief Operating Decision Makers ('CODM') and based on the internal reports that are used by the CODM, the Group has one reporting segment being gas exploration in Australia. There is no aggregation of operating segments. The operating segment information is the same information as provided throughout the financial statements and are therefore not duplicated. The information reported to the CODM is on a regular basis.

Major customers
During the years ended 30 June 2023 and 30 June 2022 there were no sales to major customers of the Group.

Note 5. Other income

	2023 $	**2022 $**
Foreign exchange gain	193,532	648,808

Note 6. Expenses

	2023 $	2022 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements (note 12)	175,716	175,716
Buildings right-of-use assets (note 13)	386,384	386,383
Total depreciation	562,100	562,099
Finance costs		
Interest and finance charges paid/payable	56,038	10,674
Interest and finance charges paid/payable on lease liabilities	36,597	51,178
Unwinding of the discount on provisions	249,219	-
Finance costs expensed	341,854	61,852
Leases (included in Administration expenses in the statement of profit or loss)		
Short-term lease payments	263,550	95,865
Superannuation expense (included in Director and employee benefits expense in the statement of profit or loss)		
Defined contribution superannuation expense	461,939	202,075

Note 7. Income tax

	2023 $	2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(43,249,747)	(10,802,457)
Tax at the statutory tax rate of 30%	(12,974,924)	(3,240,737)
Tax effect amounts which are not deductible in calculating taxable income	404,904	436,804
Current year tax losses not recognised	10,511,255	2,807,650
Effect of lower tax rates in the United States	1,953,482	(3,717)
Other	105,283	-
Income tax expense	-	-

	2023 $	2022 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	105,341,370	55,390,509
Potential tax benefit at statutory tax rates	29,694,049	16,581,266

The above potential tax benefit for tax losses has not been recognised in the statement of financial position, as it is not probable that there will be future taxable profits available, against which the tax benefits can be offset. In the event of future taxable profits, the continuity of ownership test, or failing that, the business continuity test will need to be satisfied at the time of loss utilisation, in order to utilise the tax losses.

Note 7. Income tax (continued)

	2023 $	2022 $
Deferred tax		
Deferred tax comprises temporary differences attributable to:		
Leases	23,869	(32,008)
Provisions	241,969	408,965
Transaction costs arising on shares issued	3,982,406	3,756,148
Tax losses carried forward	61,953,783	20,111,603
Exploration assets	(66,572,683)	(24,129,236)
Other	370,656	(115,472)
	-	-

Note 8. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash at bank	9,692,769	24,602,751
Cash at bank - restricted	949,970	2,207,473
	10,642,739	26,810,224

Note 9. Trade and other receivables

	2023 $	2022 $
Current assets		
Receivable from employees	130,109	-
Goods and services tax receivable	1,251,512	304,265
Government grant receivable	-	2,592,175
	1,381,621	2,896,440

Note 10. Other assets

	2023 $	2022 $
Current assets		
Prepayments	479,086	966,140
Other current assets	-	20,122
	479,086	986,262
Non-current assets		
Prepayments	678,067	255,822
Other non-current assets	1,585,562	336,792
	2,263,629	592,614

Note 11. Non-current assets classified as held for sale

	2023 $	2022 $
Current assets		
Machinery - Rig	13,300,919	-

	2023 $	2022 $
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	-
Transferred from property, plant and equipment (note 12)	36,095,443	-
Sale of machinery	(8,710,915)	-
Impairment of assets	(14,102,002)	-
Exchange differences	18,393	-
Closing balance	13,300,919	-

On 12 April 2022, Tamboran Equipment, LLC (a wholly owned subsidiary of Tamboran) entered into an agreement with HCI RMX, LLC to purchase two smaller rigs, rig 300 and rig 301 (with accompanying equipment), and a larger, more complete rig, rig 403, for a total of US$21 million. The first two rigs, 300 and 301 were secured following an initial payment of US$5 million. Subsequent monthly payments were made for the balance of the total transaction cost and the completion of the purchase of rig 403 was finalised in December 2022 with the final payment. The Board approved the rigs for sale on 12 September 2022, subject to the finalisation of the purchase. On 23 December 2022, subsequent to the final payment, the asset was classified as asset held for sale. The sale is expected to be complete in the next twelve months.

As of 30 June 2023, one of the rigs (rig 300) classified as held for sale was sold to a third party for AU$3.7 million. While an online auction was held in the second half of the year, the two other rigs (rig 301 and rig 403) remain unsold as of the balance sheet date. Given the auction, which took place between 11 April 2023 and 26 May 2023 marketed the rigs at prices lower than the carrying value as of 31 December 2022, as of 30 June 2023 management has written down the assets to be the lower of carrying amount and fair value less costs to sell in alignment with AASB 5.

Note 12. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Leasehold improvements - at cost	773,899	773,899
Less: Accumulated depreciation	(475,904)	(300,188)
	297,995	473,711
Machinery work-in-progress - at cost	-	15,898,365
	297,995	16,372,076

Note 12. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements *$*	*Machinery work-in-progress* *$*	*Total* *$*
Balance at 1 July 2021	649,427	-	649,427
Additions	-	15,898,365	15,898,365
Depreciation expense	(175,716)	-	(175,716)
Balance at 30 June 2022	473,711	15,898,365	16,372,076
Additions	-	20,197,078	20,197,078
Classified as held for sale (note 11)	-	(36,095,443)	(36,095,443)
Depreciation expense	(175,716)	-	(175,716)
Balance at 30 June 2023	297,995	-	297,995

Note 13. Right-of-use assets

	2023 **$**	**2022** **$**
Non-current assets		
Buildings - right-of-use	1,880,095	1,880,095
Less: Accumulated depreciation	(1,236,122)	(849,738)
	643,973	1,030,357

The Group has one building lease contract for the use of the office premises.

During the period, the Company entered into a lease with H&P for the use of the FlexiRig for a two-year period with a commencement date of 1 August 2023. The value of the asset has been calculated as approximately $36 million, the present value of all committed future payments related to the lease component in the drilling contract, including the daily operating and standby rates, however has not been recorded as the commencement date did not occur prior to the end of the financial year.

When the drilling contract commences, the depreciation and interest expense will be capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources as costs directly related to drilling exploration and appraisal wells.

Reconciliations
Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	Buildings - right-of-use *$*
Balance at 1 July 2021	1,416,740
Depreciation expense	(386,383)
Balance at 30 June 2022	1,030,357
Depreciation expense	(386,384)
Balance at 30 June 2023	643,973

Note 13. Right-of-use assets (continued)

For other AASB 16 and lease related disclosures refer to the following:
- note 6 for interest on lease liabilities and other lease payments;
- note 17 for lease liabilities at 30 June 2023;
- note 24 for maturity analysis of lease liabilities; and
- the consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Intangible assets

	2023 $	2022 $
Non-current assets		
Carbon credits - at cost	433,457	433,457

Reconciliations
Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	Carbon credits *$*
Balance at 1 July 2021	-
Additions	433,457
Balance at 30 June 2022	433,457
Balance at 30 June 2023	433,457

Note 15. Exploration and evaluation assets

	2023 $	2022 $
Non-current assets		
Exploration and evaluation - EP 161 - at cost	39,371,114	38,544,226
Exploration and evaluation - EP 136 - at cost	75,638,079	46,405,731
Exploration and evaluation - EP 76, EP 98 and EP 117 - at cost	97,988,370	-
Restoration assets	13,016,021	-
	226,013,584	84,949,957

Note 15. Exploration and evaluation assets (continued)

Reconciliations
Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	Exploration and evaluation EP 161 $	*Exploration and evaluation EP 136 $*	*Exploration and evaluation EP 76, EP 98 and EP 117 $*	*Total $*
Balance at 1 July 2021	21,777,765	24,823,456	-	46,601,221
Additions	16,766,461	24,174,450	-	40,940,911
Government grant	-	(2,592,175)	-	(2,592,175)
Balance at 30 June 2022	38,544,226	46,405,731	-	84,949,957
Additions through asset acquisition	-	-	49,640,626	49,640,626
Additions	2,718,645	35,624,758	67,000,223	105,343,626
Restoration assets	1,774,713	5,661,163	5,580,145	13,016,021
Royalty payments	(1,891,757)	(2,562,499)	(18,652,479)	(23,106,735)
Government grant	-	(3,829,911)	-	(3,829,911)
Balance at 30 June 2023	41,145,827	81,299,242	103,568,515	226,013,584

Exploration and evaluation assets consist of Tamboran's Australian exploration permits, which are pending the determination of proven or probable reserves. On 18 September 2022, Tamboran (West) Pty Limited (a wholly owned subsidiary of Tamboran Resources Limited) and Daly Waters Energy, LP (a wholly owned subsidiary of Sheffield Holdings, LP) entered into a Joint Venture and Shareholders Agreement through the legal entity Tamboran (B1) Pty Limited to jointly acquire Origin Energy Limited's interest in the Beetaloo assets, via the acquisition of all shares in Origin B2 Pty Ltd. The assessment of the form of this joint arrangement requires management to apply judgement in determining the substance of the transaction. Management has concluded the joint arrangement entered into is a joint operation and should be accounted for through the recognising, in relation to its interest in the joint operation, the asset and liabilities that are held jointly, within the financial statements of Tamboran Resources Limited.

On 9 November 2022, Tamboran (B1) Pty Limited (owned 50/50 by Tamboran (West) Pty Limited and Daly Waters Energy, LP as indicated above) entered into a Share Sale Agreement with Origin Energy Upstream Holding Pty Limited to purchase 100% of the shareholding in Origin B2 Pty Limited (now Tamboran B2 Pty Ltd). The target entity held exploration permits EP 76, EP 98 and EP 117 and the cost capitalised to date for exploration activities incurred until the purchase date on the area of interest. After assessing the facts and circumstances of the purchase, Management concluded the acquisition of Tamboran B2 by Tamboran B1 to be an asset acquisition.

In conjunction with the capital raise in September 2022, Tamboran granted Daly Waters Royalty, LP an overriding royalty interest (ORRI) of 2.34358% to the Petroleum (as defined by the Northern Territory Petroleum Act 1984) produced from each of the permits above. The payment received from Daly Waters Royalty, LP for the ORRI grant has been offset against the asset to which the payment related. While the above permits are subject to royalties, Tamboran has excluded all royalties from contingent payments and the initial measurement of the assets acquired as well as royalties for existing permits. Tamboran will recognise a liability for royalties only when the contingent payment crystallises.

Note 15. Exploration and evaluation assets (continued)

Total government grants to date:

	Government grants EP 161 $	*Government grants EP 136 $*	*Government grants EP 76, EP 98 and EP 117 $*	*Government grants Total $*
Balance at 1 July 2021	-	-	-	-
Additions	-	2,592,175	-	2,592,175
Balance at 30 June 2022	-	2,592,175	-	2,592,175
Additions	-	3,829,911	-	3,829,911
Balance at 30 June 2023	-	6,422,086	-	6,422,086

Note 16. Trade and other payables

	2023 $	**2022 $**
Current liabilities		
Trade payables	7,905,214	854,765
Other payables and accruals	10,527,491	2,999,191
	18,432,705	3,853,956

Refer to note 24 for further information on financial instruments.

Significant movement in other payables and accruals is primarily due to exploration and evaluation expenditure activities undertaken during the period. Refer to the review of operations in the Directors' report for additional detail.

Note 17. Lease liabilities

	2023 $	**2022 $**
Current liabilities		
Lease liability	423,774	390,851
Non-current liabilities		
Lease liability	299,763	723,537

Refer to note 24 for further information on financial instruments.

The Group has one building lease contract for the use of the office premises.

Details regarding the FlexiRig lease, entered into during the period, are provided in note 13.

Note 17. Lease liabilities (continued)

Reconciliations
Reconciliations of the values at the beginning and end of the current financial year are set out below:

	2023 $	2022 $
Opening balance	1,114,388	1,474,220
Lease repayments	(427,448)	(411,010)
Interest expense on lease liability	36,597	51,178
Closing balance	723,537	1,114,388

Note 18. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	355,985	363,867
Long service leave	242,731	-
	598,716	363,867
Non-current liabilities		
Long service leave	207,846	131,438

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2023 $	2022 $
Employee benefits obligation expected to be settled after 12 months	70,583	237,447

Note 19. Provisions

	2023 $	2022 $
Non-current liabilities		
Restoration	13,265,239	-

Note 19. Provisions (continued)

Restoration
The provision for rehabilitation represents the present value of decommissioning costs which are expected to be incurred up to 2052. The estimated liability is recorded in the period in which the obligation is created. As a result of the acquisition of the Beetaloo joint operation permits, and the drilling of two wells in 2023, the Group recorded its share of the restoration provision for all wells drilled in the prior and current periods. The liability recorded is based on historical experience in plugging and abandoning wells, estimated remaining lives of those based on reserve estimates, external estimates as to the cost to plug and abandon the wells in the future, and regulatory requirements. Assumptions, based on the current economic environment, have been made which management believe are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works and could differ materially from the estimates recorded.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2023	*Restoration* *$*
Carrying amount at the start of the year	-
Additional provisions recognised	18,220,963
Change in estimate	(5,204,943)
Interest expense on restoration provision	249,219
Carrying amount at the end of the year	13,265,239

Subsequent to the initial recognition of the restoration provision at 31 December 2022, the Company engaged an independent, third-party advisory firm, which reviewed the provisions recorded by the Company. The results of this review indicated the provisions recorded were more conservative than needed. As such, as of the end of the year, Tamboran has adjusted the provision to incorporate the feedback of the advisors.

Note 20. Other liabilities

	2023 $	**2022 $**
Current liabilities		
Shares yet to be issued	949,970	-
Other current liabilities	446,372	-
	1,396,342	-

Through the acquisition of the Beetaloo assets from Origin B2, Tamboran assumed the remaining carry obligation of $14.1 million of Falcon Oil and Gas Australia Limited's share of work program costs. Due to expenditure between the acquisition date and year end, this carry obligation has been almost completely consumed by the end of the fiscal year.

Note 21. Issued capital

	2023 Shares	**2022 Shares**	**2023 $**	**2022 $**
Ordinary shares - fully paid	1,416,010,751	747,359,518	351,321,486	217,444,729

Note 21. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	652,860,557		183,855,350
Issue of ordinary shares	29 November 2021	94,498,961	$0.3700	34,964,616
Less: Share issue transaction costs				(1,375,237)
Balance	30 June 2022	747,359,518		217,444,729
Issue of ordinary shares	27 September 2022	186,839,878	$0.2100	39,236,374
Issue of ordinary shares	20 October 2022	16,198,945	$0.2100	3,401,778
Issue of ordinary shares	31 October 2022	465,612,410	$0.2100	97,778,739
Less: Share issue transaction costs				(6,540,134)
Balance	30 June 2023	1,416,010,751		351,321,486

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital to fund operations or when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

As the Group has not entered into any financing arrangements subject to covenants no events of default have occurred during the financial year.

Note 22. Reserves

	2023 $	2022 $
Foreign currency reserve	248,961	772
Share-based payments reserve	11,426,055	10,076,374
	11,675,016	10,077,146

Note 22. Reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign subsidiaries to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency reserve $	*Share-based payments reserve $*	*Total $*
Balance at 1 July 2021	-	8,620,361	8,620,361
Foreign currency translation	772	-	772
Share-based payments	-	1,456,013	1,456,013
Balance at 30 June 2022	772	10,076,374	10,077,146
Foreign currency translation	248,189	-	248,189
Share-based payments	-	1,349,681	1,349,681
Balance at 30 June 2023	248,961	11,426,055	11,675,016

Note 23. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 24. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units, where appropriate. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The foreign currency risk exposure is not material as at the statement of financial position date.

Note 24. Financial instruments (continued)

Interest rate risk
The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate because of reasonable possible changes in the market interest rates arising in relation to the Company's bank balances.

The risk is managed using variable rate term deposits, where appropriate. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

There are no material interest rate risk exposures as at the statement of financial position date.

As at the reporting date, the Group had the following cash balances:

		2023		2022
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash balances	0.17%	10,642,739	0.03%	26,810,224
Net exposure to cash flow interest rate risk		10,642,739		26,810,224

Credit risk
The Group is exposed to bank and joint venture credit risk, which it considers to be immaterial given the credit rating of most counterparties.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2023	*Weighted average interest rate %*	*1 year or less $*	*Between 1 and 2 years $*	*Between 2 and 5 years $*	*Over 5 years $*	*Remaining contractual maturities $*
Non-derivatives						
Non-interest bearing						
Trade payables	-	7,905,214	-	-	-	7,905,214
Other payables	-	536,937	-	-	-	536,937
Interest-bearing - variable						
Lease liability	-	423,774	299,763	-	-	723,537
Total non-derivatives		8,865,925	299,763	-	-	9,165,688

Note 24. Financial instruments (continued)

2022	*Weighted average interest rate* %	*1 year or less* $	*Between 1 and 2 years* $	*Between 2 and 5 years* $	*Over 5 years* $	*Remaining contractual maturities* $
Non-derivatives						
Non-interest bearing						
Trade payables	-	854,765	-	-	-	854,765
Other payables	-	12,888	-	-	-	12,888
Interest-bearing - variable						
Lease liability	-	464,045	465,318	308,564	-	1,237,927
Total non-derivatives		1,331,698	465,318	308,564	-	2,105,580

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 25. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 26. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2023 $	2022 $
Short-term employee benefits	4,525,034	2,970,369
Post-employment benefits	139,138	153,914
Long-term benefits	101,148	-
Share-based payments	905,525	813,250
	5,670,845	3,937,533

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	2023 $	2022 $
Audit services - Ernst & Young		
Audit or review of the financial statements	133,000	120,000
Other services - Ernst & Young		
Taxation services	8,487	-
	141,487	120,000

Note 28. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2023 or 30 June 2022.

Note 29. Commitments

	2023 $	2022 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Sweetpea	64,050,000	46,600,000
EP 161	4,000,000	2,400,000
Beetaloo Joint Operation	60,256,250	-

Sweetpea
Sweetpea Petroleum Pty Ltd's current Year 1 minimum work requirements in EP 143 include various desktop evaluations including subsurface studies, environmental assessments, design and planning of 2D seismic survey and progress of land access negotiations with pastoralist for regulated activities for a minimum expenditure of $0.4 million due in April 2024.

Sweetpea Petroleum Pty Ltd’s current Year 5 minimum work requirements in EP 136 include the re-entry of a vertical well, side track to drill a horizontal well, stimulate and test one exploration well plus the assessment of petroleum resources potential for a minimum expenditure of $28.5 million due on 31 December 2023. An application to vary the minimum work commitments by removing the requirement to drill the horizontal well was submitted to the Department of Industry, Tourism and Trade ('DITT') on 1 September 2023. A decision is yet to be determined. If approved, the minimum expenditure will decrease to $6.2 million to reflect spend on the permit to date. A renewal application for EP136 will be submitted to DITT by 28 September 2023 with a proposed expected work program commitment of $21.2 million for the next exploration term (five years).

EP 161
For the Group’s joint operations with Santos, the Company must continue to contribute its proportionate share of expenditure in order to maintain its interest in the underlying EP 161 permit. Tamboran has committed approximately $4.0 million for the remainder of the 2023 calendar-year drilling program and will commit the required capital for the Company’s proportionate share of the 2024 calendar-year drilling program expenditures, once the budget has been finalised.

Beetaloo Joint Operation
For the Group's joint operations with Daly Waters Energy, LP and Falcon Oil and Gas Australia Limited, the Company has the following minimum work requirements for Term 3, Permit Year 1: EP 76 includes desktop studies, EP 117 includes drill and multi-stage hydraulic fracture stimulate one vertical and sidetrack horizontal exploration well and subsurface studies, anticipated to be completed in November 2023, and EP 98 includes drill and multi-stage hydraulic fracture stimulate one horizontal exploration well anticipated to be completed in Q1 2024.

Note 30. Related party transactions

Parent entity
Tamboran Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Joint operations
Interests in joint operations are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the Directors' report.

Note 30. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	2023 $	2022 $
Transfer of assets to joint operation	935,285	-
Receivables	-	-
Payables and accruals	8,921,072	-

There was an outstanding trade payable of $3,955,960 between Tamboran's operated joint operation and the Santos-operated joint operation for EP 161 for the purchase of stimulation materials as of 30 June 2023. There was also an accrual of $4,965,112 for H&P rig mobilisation costs.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

		Company
	2023 $	2022 $
Loss after income tax	(43,001,558)	(10,801,685)
Total comprehensive loss	(43,001,558)	(10,801,685)

Statement of financial position

		Company
	2023 $	2022 $
Total current assets	6,907,970	24,519,539
Total assets	223,843,582	128,992,286
Total current liabilities	1,205,462	383,035
Total liabilities	3,010,964	384,548
Net assets	220,832,618	128,607,738
Equity		
Issued capital	351,321,486	217,444,729
Share-based payments reserve	11,426,055	10,076,374
Accumulated losses	(141,914,923)	(98,913,365)
Total equity	220,832,618	128,607,738

Note 31. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has given a parent company guarantee to Origin Energy in respect to royalties arising from assets acquired from Origin Energy. The parent entity also guarantees obligations under the joint arrangement with Santos.

The parent entity and subsidiary, Sweetpea Petroleum Pty Ltd, have entered into a private guarantee to which each company had guaranteed the debts of the other.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	2022 %
Tamboran (Services) Pty Ltd	Australia	100.00%	100.00%
Tamboran (Beetaloo) Pty Ltd	Australia	100.00%	100.00%
Tamboran (Infrastructure) Pty Ltd	Australia	100.00%	100.00%
Tamboran (McArthur) Pty Ltd	Australia	100.00%	100.00%
Tamboran (EP318) Pty Limited*	Australia	100.00%	100.00%
Sweetpea Petroleum Pty Limited	Australia	100.00%	100.00%
Northern Territory LNG Pty Limited**	Australia	100.00%	100.00%
Tamboran (Equipment) Pty Ltd	Australia	100.00%	100.00%
Tamboran (West) Pty Ltd***	Australia	100.00%	-
Tamboran (Carbon Solutions) Pty Ltd***	Australia	100.00%	-
Tamboran Resources USA, LLC	United States	100.00%	100.00%
Tamboran Equipment, LLC	United States	100.00%	100.00%

* Formerly Tamboran (Sweetpea) Pty Limited
** Formerly Tamboran (EP197) Pty Ltd
*** Entity was incorporated in 2023

Note 33. Interests in joint operations

The Group has recognised its share of assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

EP 161 Operations
In December 2012, Tamboran entered into a farm-in arrangement with Santos QNT Pty Limited (Santos) whereby Tamboran became the non-operator with a 25% interest and Santos the operator with a 75% interest.

Note 33. Interests in joint operations (continued)

Tamboran (B1) Pty Limited
On 18 September 2022, Tamboran (West) Pty Ltd entered into a 50/50 joint operation with Daly Waters Energy, LP to form Tamboran (B1) Pty Limited.

Tamboran B2 Pty Ltd
On 9 November 2022, Tamboran (B1) Pty Limited completed the acquisition of Origin Energy's 77.5% share of Beetaloo basin assets, EP 76, EP 98, and EP 117. As a result of the transaction, each party to Tamboran (B1) Pty Limited, Tamboran Resources (through wholly owned Tamboran (West) Pty Ltd) and Sheffield Holdings, LP (through wholly owned Daly Waters Energy, LP) acquired a 38.75% interest in the permits for the total interest of 77.5%. Existing partner, Falcon Oil and Gas Australia Limited holds the remaining 22.5%.

The Group has recognised its share of assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Joint operations that are material to the Group are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2023 %**	**2022 %**
EP 161 Joint Operations	Australia	25.00%	25.00%
Tamboran (B1) Pty Limited	Australia	50.00%	-
Tamboran B2 Pty Ltd	Australia	50.00%	-

Note 34. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	2023 $	2022 $
Loss after income tax expense for the year	(43,249,747)	(10,802,457)
Adjustments for:		
Depreciation and amortisation	562,100	562,100
Impairment of non-current assets	14,102,002	-
Net loss on disposal of non-current assets	4,954,992	-
Share-based payments	1,349,681	1,456,014
Foreign exchange differences	(576,838)	(648,808)
Interest - restoration	249,219	-
Capital raising costs	1,792,738	340,822
Verified emissions reductions	-	(132,453)
Security deposit	(48,771)	(15,042)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,212,011)	(795,768)
Increase/(decrease) in trade and other payables	2,716,848	(1,024,878)
Net cash used in operating activities	(19,359,787)	(11,060,470)

Note 34. Cash flow information (continued)

Changes in liabilities arising from financing activities

	Lease liabilities $
Balance at 1 July 2021	1,474,220
Net cash used in financing activities	(359,831)
Balance at 30 June 2022	1,114,389
Net cash used in financing activities	(390,852)
Balance at 30 June 2023	723,537

Note 35. Earnings per share

	2023 $	2022 $
Loss after income tax	(43,249,747)	(10,802,457)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,210,408,816	708,265,427
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,210,408,816	708,265,427
	Cents	**Cents**
Basic loss per share	(3.57)	(1.53)
Diluted loss per share	(3.57)	(1.53)

Options may potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented.

Note 36. Share-based payments

Equity Incentive Plan

The Company adopted the Employee Incentive Plan ('EIP') in 2021 in order to assist in the motivation and retention of selected Company employees and Directors. Below is a summary of the terms and conditions of the options issued under the EIP.

Note 36. Share-based payments (continued)

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
39,350,000 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.

Set out below are summaries of options granted under the plan:

2023

Grant date	*Expiry date*	*Exercise price*	*Balance at the start of the year*	*Granted*	*Exercised*	*Expired/ forfeited/ other*	*Balance at the end of the year*
20/05/2021	20/05/2026	$0.2367	7,416,667	-	-	-	7,416,667
20/05/2021	20/05/2026	$0.3200	10,734,548	-	-	-	10,734,548
20/05/2021	20/05/2026	$0.4000	16,000,000	-	-	-	16,000,000
28/10/2021	20/05/2026	$0.4000	20,750,000	-	-	(1,900,000)	18,850,000
17/05/2022	20/05/2026	$0.4000	400,000	-	-	-	400,000
14/06/2022	20/05/2026	$0.4000	1,250,000	-	-	-	1,250,000
30/11/2022	20/05/2026	$0.4000	-	2,850,000	-	-	2,850,000
			56,551,215	2,850,000	-	(1,900,000)	57,501,215

Note 36. Share-based payments (continued)

Weighted average exercise price			$0.3634	$0.4000	$0.0000	$0.4000	$0.3640

2022

Grant date	*Expiry date*	*Exercise price*	*Balance at the start of the year*	*Granted*	*Exercised*	*Expired/ forfeited/ other*	*Balance at the end of the year*
19/04/2021	30/11/2021	$0.3200	2,819,290	-	-	(2,819,290)	-
20/05/2021	20/05/2026	$0.2367	7,416,667	-	-	-	7,416,667
20/05/2021	20/05/2026	$0.3200	10,734,548	-	-	-	10,734,548
20/05/2021	20/05/2026	$0.4000	16,000,000	-	-	-	16,000,000
28/10/2021	20/05/2026	$0.4000	-	22,750,000	-	(2,000,000)	20,750,000
17/05/2022	20/05/2026	$0.4000	-	400,000	-	-	400,000
14/06/2022	20/05/2026	$0.4000	-	1,250,000	-	-	1,250,000
			36,970,505	24,400,000	-	(4,819,290)	56,551,215
Weighted average exercise price			$0.3379	$0.4000	$0.0000	$0.3532	$0.3634

Set out below are the options exercisable at the end of the financial year:

Grant date	*Expiry date*	*2023 Number*	*2022 Number*
20/05/2021	20/05/2026	18,151,251	18,151,251
		18,151,251	18,151,251

The weighted average share price during the financial year was $0.313.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.89 years (30 June 2022: 3.89 years).

For the milestone options granted during the current financial year, subject to the terms and conditions as disclosed above, the Monte-Carlo valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	*Expiry date*	*Share price at grant date*	*Exercise price*	*Expected volatility*	*Dividend yield*	*Risk-free interest rate*	*Fair value at grant date*
30/11/2022	20/05/2026	$0.2600	$0.4000	70.0000%	-	3.1160%	$0.0871
30/11/2022	20/05/2026	$0.2600	$0.4000	70.0000%	-	3.1160%	$0.0677
30/11/2022	20/05/2026	$0.2600	$0.4000	70.0000%	-	3.1160%	$0.0529
30/11/2022	20/05/2026	$0.2600	$0.4000	70.0000%	-	3.1160%	$0.0419

Note 37. Events after the reporting period

Capital Raise and Share Purchase Plan
Subsequent to the reporting date, the Company completed its successful two-tranche placement (Placement) announced to ASX on 27 June 2023 of approximately 295,634,390 Shares at A$0.18 per Share as follows:

- Tranche 1 – comprising the issue of 288,995,504 new fully paid ordinary shares in Tamboran to institutional, sophisticated and professional investors representing 20.4% of Tamboran's pre-raise issued capital, raising approximately A$52 million and issued using Tamboran's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

- Tranche 2 – comprising the issue of 6,638,886 new fully paid ordinary shares to Tamboran's investors to raise approximately A$1.2 million. This tranche was approved by at the General Meeting on 21 August 2023.

Note 37. Events after the reporting period (continued)

It is intended that funds raised under the Placement and SPP will be used by Tamboran to fund the Company's ongoing exploration and development programs in the Beetaloo Sub-basin, for general working capital purposes and for costs of the Equity Raising.

Convertible notes
The Company entered into a subscription deed to issue a 5-year Convertible Notes of up to US$9,000,000 to Helmerich & Payne International Holdings, LLC ('H&P') on 6 July 2023, the terms of which were approved by shareholders on 21 August 2023. The Convertible Notes can be drawn down as a line of credit to pay H&P for mobilisation and related reimbursable costs for Rig 469 plus accrued interest at 5.5% p.a. on the amount drawn down.

As at the date of signing of these accounts, Tamboran had drawn down A$0.0 million under the convertible note, however, has payables outstanding to which the draw down, once completed, is expected to apply.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Tamboran Resources Limited
Directors' declaration
30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Richard Stoneburner
Chairman of the Board

27 September 2023
Sydney

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Independent auditor's report to the members of Tamboran Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Tamboran Resources Limited (the Company), and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the principal conditions that indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
The Group's exploration and evaluation assets of $224.6m at 30 June 2023 represent 88% of the total assets of the Group. Exploration and evaluation assets are measured at cost and expenditure incurred during the year is capitalised in accordance with the requirements of the Australian Accounting Standards and the Group's accounting policy as outlined in Note 1. At each reporting date the Directors assess the Group's exploration and evaluation assets for indicators of impairment in accordance with Australian Accounting Standards which involves significant judgements, including whether, the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. We considered this to be a Key Audit Matter due to the value of the exploration and evaluation assets relative to the total assets and the significant judgement involved in the assessment of indicators of impairment.	Our audit procedures included the following: ▶ Understanding the current exploration program. ▶ Considering the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements. ▶ Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's cash-flow forecast models and discussions with management as to the intentions and strategy of the Group. ▶ Agreeing a sample of costs capitalised for the period to supporting documentation and considering whether these costs met the requirements of Australian Accounting Standards and the Group's accounting policy. ▶ Assessed whether exploration and evaluation data exists to indicate that the carrying value of capitalised exploration and evaluation is unlikely to be recovered through development or sale. ▶ Assessed and agreed the value of the exploration assets acquired during the during the year to supporting documents. Assessed the methodology used in determining whether the assets acquired met the requirements of the Australian Accounting Standards. ▶ Assessed whether the methodology used and outcomes reached by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards. ▶ Considered the associated financial; report disclosures including those made with respect to judgments and estimates.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 45 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Tamboran Resources Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
Sydney
27 September 2023

Tamboran Resources Limited
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Manly NSW 2095
Telephone: +61 (02) 8330 6626
ABN: 28 135 299 062

Issued capital
The Company has 1,716,672,571 fully paid ordinary shares on issue.

Unlisted options on issue
The Company has 57,501,215 unlisted options on issue.

There are no listed options or performance rights.

ASX Listing
Listed on the Australian Securities Exchange on 2 July 2021 (ASX Code: TBN).

US listing
OTC Markets ADR ticket: TBNNY

Corporate Governance Statement
The Corporate Governance Statement dated 27 September 2023 has been lodged separately.

Information required under ASX Listing Rule 4.10.19
Between the date of listing on ASX and the date of this report, Tamboran has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in its replacement prospectus dated 4 June 2021.

Shareholder information:

The shareholder information set out below was applicable as at 22 September 2023.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

			Ordinary shares
	Number of holders	Total units	% of total shares issued
1 to 1,000	28	3,107	-
1,001 to 5,000	405	1,411,694	0.080
5,001 to 10,000	329	2,724,019	0.160
10,001 to 100,000	1,060	44,829,500	2.610
100,001 and over	545	1,667,704,251	97.150
Total	2,367	1,716,672,571	100.000
Unmarketable parcel*	267	4,000	0.040

* The minimum $500 parcel at $0.125 per security represents a minimum parcel size of 4,000 shares of which there were 267 shareholders below the minimum. This is 0.04% of the total issued capital.

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	271,907,965	15.839
SHEFFIELD HOLDINGS LP	222,792,820	12.978
CITICORP NOMINEES PTY LIMITED	153,823,820	8.961
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED (GSCO CUSTOMERS A/C)	119,540,434	6.963
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED (NO 1 ACCOUNT)	114,589,114	6.675
HELMERICH & PAYNE INTERNATIONAL HOLDINGS LLC	105,952,380	6.172
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	73,263,607	4.268
DAVID N SIEGEL	45,102,124	2.627
BNP PARIBAS NOMS PTY LTD (DRP)	43,642,429	2.542
MILESTONE EXPLORATION LLC	35,760,872	2.083
GEOTECH INVESTMENTS PTY LTD	31,608,637	1.841
VENTURE HOLDINGS SARL SPF	24,167,920	1.408
YERONDA NOMINEES PTY LIMITED	22,970,912	1.338
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	20,992,613	1.223
JEFFREY J ROONEY (SIEGEL DYNASTY A/C)	19,719,418	1.149
UBS NOMINEES PTY LTD	18,163,546	1.058
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	11,536,691	0.672
JOHN R HISLOP	10,622,806	0.619
MRS GILLIAN LESLIE TIDEY	10,440,000	0.608
JUFRAN CARBON PTY LIMITED	8,424,275	0.491
	1,365,022,383	79.515

Unquoted equity securities

	Number on issue	Number of holders
Unlisted options exercise price $0.2367, Expiry date 26/05/2026	7,416,667	3
Unlisted options exercise price $0.32, Expiry date 26/05/2026	10,734,548	13
Unlisted options exercise price $0.40, Expiry date 20/05/2026	39,350,000	15

Substantial holders
Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	271,907,965	15.839
SHEFFIELD HOLDINGS LP	222,792,820	12.978
CITICORP NOMINEES PTY LIMITED	153,823,820	8.961
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED (GSCO CUSTOMERS A/C)	119,540,434	6.963
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED (NO 1 ACCOUNT)	114,589,114	6.675
HELMERICH & PAYNE INTERNATIONAL HOLDINGS LLC	105,952,380	6.172

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options
Option holders have no voting rights until the options are exercised.

There are no other classes of equity securities.

Restricted securities
There are no restricted securities as of the date of this report.

Tenements:

Description	**Tenement number**	**Interest owned %**
Tamboran Resources Limited		
Beetaloo Sub-basin, Northern Territory	EP 161	25.00
Sweetpea Petroleum Pty Ltd		
Beetaloo Sub-basin, Northern Territory	EP 136	100.00
Beetaloo Sub-basin, Northern Territory	EP 143	100.00
Beetaloo Sub-basin, Northern Territory	EP(A) 197	100.00
Tamboran B2 Pty Limited		
Beetaloo Sub-basin, Northern Territory	EP 76	38.75
Beetaloo Sub-basin, Northern Territory	EP 98	38.75
Beetaloo Sub-basin, Northern Territory	EP 117	38.75

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