

ASX ANNOUNCEMENT

27 June 2023

Tamboran Resources Limited (ASX: TBN, OTC markets: TBNNY)

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Tamboran receives commitments for the institutional placement component of its ~\$71.4 million capital raise to accelerate development of the Beetaloo

Highlights

- Tamboran Resources has 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 price represents a 12.2 per cent discount to the closing price on Thursday, 22 June 2023 and 13.0 per cent discount to the 10-day VWAP for the period ending 22 June 2023.
- In conjunction with the placement, Helmerich & Payne (NYSE: HP) and Tamboran have signed a binding Heads of Agreement (HOA) for a Convertible Note (CN) of ~US\$9 million (~\$13.2 million), which is subject to shareholder approval. The CN 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.
- The Company intends to launch a Share Purchase Plan (SPP) allowing existing shareholders to participate on the same terms as the placement at \$0.18 per share of up ~\$5 million.
- The funds from the Placement, CN and SPP (together, the Capital Raise) will support Tamboran's Beetaloo Basin drilling activity, fully satisfy the farm-in commitments associated with the Origin transaction in 2022 (securing a 38.75% interest in EPs 76, 98 and 117) and allow Tamboran to book initial 2C gas resources over the Shenandoah South area.
- The placement was supported by a ~\$14.7 million investment from Tamboran's largest shareholder, Mr Bryan Sheffield (Sheffield).
- At the completion of the Capital Raise, Tamboran will be fully funded to undertake clean-up activities at the Amungee 2H (A2H) well and drill the Shenandoah South 1H (SS1H) and Amungee 3H (A3H) wells in EP 117 and 98, respectively.

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

"Tamboran's ~\$71.4 million Capital Raise brings the Company one step closer to commercialisation of our acreage in the Beetaloo Basin and funds several key milestones that are expected to unlock this vast, low reservoir CO₂ gas resource.

"We are fully focused on delivering commercial flow rates from the Shenandoah South and Amungee areas. De-risking of these two areas provides us with optionality for initial production via mini-LNG, as early as

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2024, and the proposed pilot development, targeting first production by the end of 2025. Tamboran recently entered into exclusive agreements with Clean Energy Fuels Australia (CEFA) that could support production from either of these locations.

“The Capital Raise also supports Tamboran’s growth ambitions to supply Beetaloo gas into the East Coast gas and global LNG markets. This ambition is backed by two key announcements, a strategic partnership with the midstream pipeline provider, APA Group, and non-binding MOUs with bp and Shell, two of the world’s largest LNG portfolio trading and energy companies.

“Tamboran aims to play a key role as being part of the solution to supporting both the Australian domestic gas market and the Asia Pacific as economies move away from coal-fired power during the energy transition.”

Helmerich & Payne (H&P) Convertible Note

In conjunction with the equity placement, Tamboran have signed a binding HOA to complete a CN with H&P for up to ~US\$9 million (~\$13.2 million). The note is expected to cover the cost of mobilisation of the H&P super spec FlexRig® Flex 3 Rig into Australia during H1 2023. This will allow Tamboran to focus on investing into drilling activities to mature resources and unlock gas in the Beetaloo Basin.

The key terms of the convertible note are outlined below:

Item	Description
Security	Convertible Note (CN)
Amount	~US\$9 million (~\$13.2 million)
Term	5 years
Interest	5.5% Paid-In-Kind (PIK) in shares or capitalised
Conversion floor	\$0.21 per share
Conversion ceiling	\$0.30 per share
Prepayment penalty	Minimum 1-year make-whole if repaid within 12 months

Institutional equity placement

Tamboran has received commitments for ~\$53.2 million (pre-costs) in equity, to be raised through the issue of approximately 295.6 million new shares to new and existing investors. This includes a further equity investment of ~\$14.7 million from Tamboran's largest shareholder, Sheffield Holdings, LP ("**Sheffield**"). The placement was conducted at an issue price of \$0.180 per share ("**Issue Price**"), representing a discount of:

- 12.2% to Tamboran's last traded price on Thursday, 22 June 2023 of \$0.205 per share.
- 13.0% to Tamboran's 10-day VWAP ended Thursday, 22 June 2023 of \$0.207 per share.

The placement comprises two-tranches as follows:

- An unconditional placement of 288,995,504 New Shares to raise ~\$52.0 million, to be issued without shareholder approval ("**Tranche 1 Placement**"). New Shares issued under the Tranche 1 Placement will be issued within the Tamboran's existing placement capacity in accordance with ASX Listing Rule 7.1 (184,623,835 shares) and 7.1A (104,371,669 shares); and
- A conditional placement of 6,638,886 New Shares to certain Tamboran directors to raise ~\$1.2 million, subject to shareholder approval at a general meeting expected to be held in late July / early August 2023 ("**Tranche 2 Placement**").

Barrenjoey Markets Pty Ltd acted as Capital Markets Advisor and Lead Manager to the placement.

Share Purchase Plan

The Company will also conduct a non-underwritten SPP targeting to raise approximately \$5 million at the same Issue Price as the institutional placement. The SPP is expected to open on Thursday, 6 July 2023 and close on Thursday, 27 July 2023, unless extended for existing retail shareholders who are eligible with registered addresses in Australia, New Zealand, Singapore and the United Kingdom as of the record date at 7:00pm (Sydney time) on Monday, 26 June 2023.

Under the SPP, eligible shareholders will be offered the opportunity to apply for up to \$30,000 worth of new shares (subject to scale back at the Company's absolute discretion). The new shares issued under the SPP will rank equally with Tamboran's existing shares. The terms and conditions of the SPP will be set out in a SPP Offer Booklet that will be released on ASX and provided to eligible shareholders in accordance with the timetable. Eligible shareholders can apply for up to A\$30,000 less any prior participation under the SPP undertaken in October 2022.

The SPP shares will be issued within the Tamboran's existing capacity in accordance with ASX Listing Rule 7.1 and 7.1A.

Sources and uses of funds (\$ millions)	
Sources	\$ million
Cash and equivalents ^{1,2}	17
Sale of US unconventional drilling rig	10
Offer proceeds ³	58
H&P convertible note ⁴	13
Total sources	98

Uses	\$ million
EP 98/117 operations (SS1H and A3H) (net Tamboran) ⁵	68
EP 136 & 161 operations	2
G&A & corporate costs	11
Rig costs for H&P (incl. mobilisation)	12
Fees	5
Total uses	98

¹Cash position of \$10.8 million as at 31 May 2023, plus \$3.4 million received from the sale of a US unconventional drilling rig.

²Refer to ASX announcement on 07 March 2022: "Tamboran awarded grant of up to \$7.5 million under the BCDP". Remaining \$2.8 million (inclusive of GST) of eligible funds received.

³Includes ~\$5 million SPP.

⁴H&P have agreed to receive ~US\$9 million (~\$13.2 million) of mobilisation costs in the form of a supportive convertible note with 5-year term and 5.5% per annum interest (paid-in-kind). Convertible note has a conversion floor of \$0.21 per share and ceiling of \$0.30 per share. Includes contingency above the required amount for H&P rig costs.

⁵Includes 15% cost contingency on the EP 98/117 drilling program.

Indicative timetable

Event	Date / time (Sydney time)
Record date for eligible shareholders to participate in the SPP	7:00pm on Monday, 26 June 2023
Announcement of results of the Placement	Tuesday, 27 June 2023
Settlement of New Securities issued under Tranche 1 Placement	Monday, 3 July 2023
Allotment and trading of New Securities issued under the Tranche 1 Placement	Tuesday, 4 July 2023
SPP Offer opens and SPP Offer Booklet dispatched to shareholders	Thursday, 6 July 2023
SPP Offer closes	5:00pm on Thursday, 27 July 2023
General Meeting to approve the Tranche 2 Placement	Late July / Early August 2023
Settlement of New Shares issued under the Tranche 2 Placement	Late July / Early August 2023
Allotment and normal trading of New Shares issued under the Tranche 2 Placement	Late July / Early August 2023
Allotment and issue of New Shares issued under the SPP	Late July / Early August 2023
Dispatch of holding statements and normal trading of New Shares issued under the SPP	Late July / Early August 2023

These dates are indicative only and are subject to change. Tamboran reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable. In particular, Tamboran reserves the right to extend the closing date of the SPP, accept late applications under the SPP Offer (either generally or in particular cases), and to vary the Placement or SPP Offer without prior notice. Any extension of the closing date will have a consequential effect on the date for the allotment and issue of new shares.

This ASX announcement was approved and authorised for release by Joel Riddle, the Managing Director and Chief Executive Officer of Tamboran Resources Limited.

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About Tamboran Resources Limited

Tamboran Resources Limited is the largest acreage holder and operator with ~1.9 million net prospective net acres in the Beetaloo Sub-basin within the Greater McArthur Basin in the Northern Territory of Australia. The Company is focused on playing a constructive role in the global energy transition towards a lower carbon future, by developing the significant low CO₂ gas resource within the basin. Tamboran's key assets include a 25% non-operated working interest in EP 161, a 100% working interest and operatorship in EP 136, EP 143 and EP(A) 197 and a 38.75% working interest and operatorship in EPs 98, 117 and 76 which are all located in the Beetaloo Basin. Tamboran will focus on the development of the proposed EP 98 Pilot Development, targeting first production by the end of calendar year 2025.

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Figure 1: Tamboran's Beetaloo Basin asset location map

