

# Statement of Reasons

## Petroleum Act 1984

### Determination and reasons for determination as to appropriate person to hold permit or licence

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Applicant                      *Tamboran (B1) Pty Limited*  
ACN 662 327 237  
110-112 The Corso  
Manly NSW 2095  
Email: [info@tamboran.com](mailto:info@tamboran.com)  
Phone: 02 9977 6522

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Associated entities            *Tamboran Resources Limited*  
ABN 135 299 062  
110-112 The Corso, Manly NSW 2095  
Email: [info@tamboran.com](mailto:info@tamboran.com)  
Phone: 02 9977 6522

*Tamboran (West) Pty Limited*  
ACN 661 976 007  
110-112 The Corso, Manly NSW 2095  
Email: [info@tamboran.com](mailto:info@tamboran.com)  
Phone: 02 9977 6522

*Daly Waters Energy, LP*  
303 Colorado Street, Suite 2050  
Austin, Texas 78701 USA  
Email: [dferreri@marbellainterests.com](mailto:dferreri@marbellainterests.com)  
Phone +1 (512) 717 7772

*Sheffield Holdings, LP*  
303 Colorado Street, Suite 2050  
Austin, Texas 78701 USA  
Email: [dferreri@marbellainterests.com](mailto:dferreri@marbellainterests.com)  
Phone +1 (512) 717 7772

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Permit or licence being      *Exploration Permits 76, 98 and 117*  
applied for

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Date of determination      *28* October 2022

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**1. Background**

- (a) The Applicant applied for the transfer of 100% of Origin Energy (B2) Pty Ltd's shareholding in Exploration Permits (EP) EP76, EP98 and EP117.
- (b) Section 93(9B) of the *Petroleum Act 1984* (the Act) requires me to be satisfied that the entity seeking to acquire the legal title and beneficial interest in 100% of shares of the body corporate is an appropriate person to hold a permit or licence.
- (c) In making the determination that the Applicant, and any associated entity of the Applicant, is an appropriate person to hold a permit or licence under the Act, I must have regard to the matters set out in section 15A(1) and, where necessary, section 15A(2).
- (d) Section 15A(5) provides that I must publish, on the Agency's website, the reasons why I have determined that an Applicant, and any associated entity of the Applicant, is or is not an appropriate person to hold a licence or permit under the Act.
- (e) This document contains my determination and my reasons.

**2. Determination**

- (a) I am satisfied that the Applicant, and any associated entity of the Applicant, is an appropriate person to hold a licence or permit under the Act.

**3. Reasons for determination**

- (a) I have had regard to the matters set out in section 15A.
- (b) Where there is a reference to a director, I have taken into consideration any person concerned in the management of the body corporate as is required by section 15A(3).
- (c) The table below sets out the matters referred to in section 15A(1). I set out in that table the material factors that are relevant to each such matter.

Section in Act	Matter	Material factors
15A(1)(a)	<p>The Applicant or associated entity's record of compliance with the prescribed legislation, including:</p> <ul style="list-style-type: none"> <li>(i) whether the Applicant or entity has contravened any of the prescribed legislation; and</li> <li>(ii) the seriousness of any contraventions; and</li> <li>(iii) the length of time since the contraventions (if any) occurred; and</li> <li>(iv) any other matter the Minister considers relevant.</li> </ul>	<p><i>The Applicant and associated entity has not contravened the prescribed legislation.</i></p> <p><i>An interrogation of the documents listed in 3(e) below established that there had been no acts of non-compliance with the prescribed legislation.</i></p>

15A(1)(b)	Whether the Applicant or associated entity has held a licence or other authority under the prescribed legislation where that licence or authority has been suspended or revoked.	<p><i>The Applicant has not held a licence or other authority under the prescribed legislation.</i></p> <p><i>The associated entity, Tamboran Resources Limited and its subsidiaries, hold permits under the prescribed legislation, being:</i></p> <ul style="list-style-type: none"> <li>• <i>100% interest in EP143, EP136 and EP(A)197</i></li> <li>• <i>25% interest in EP161 with Santos QNT Pty Ltd holding 75%</i></li> <li>• <i>previously held a 25% interest in EP162 and EP189 with Santos QNT Pty Ltd holding 75%</i></li> <li>• <i>previously held a 25% interest in EP189 with Santos QNT Pty Ltd holding 75% interest</i></li> <li>• <i>Tamboran Resources Limited is the parent company of Tamboran (Pedirka) Pty Ltd, which held 100% interest in EP163</i></li> <li>• <i>Tamboran Resources Limited is the parent company of Tamboran (Ngalia) Pty Ltd, which held 100% interest in EP164, EP165, EP166 and EP309.</i></li> </ul> <p><i>These licences or authorities have not been suspended or revoked.</i></p>
15A(1)(c)	Whether in the opinion of the Minister, the action or thing to be authorised by the permit or licence is or will be under the control of a technically competent person.	<p><i>The Applicant, and associated entity, have provided:</i></p> <ul style="list-style-type: none"> <li>• <i>a statement detailing the qualifications and experience of its key directors, management and contractors.</i></li> <li>• <i>a governance and management model, identifying the entity and director(s) responsible for meeting the provisions of the Petroleum Act 1984, subordinate legislation and liabilities</i></li> <li>• <i>the associated entity management systems</i></li> <li>• <i>the contractors well engineering management system and well engineering standards</i></li> <li>• <i>information about the associated entity well control plan and well integrity management</i></li> <li>• <i>emergency response plan.</i></li> </ul>

		<i>For these reasons, I am of the opinion that the action or thing will be under the control of a technically competent person.</i>
15A(1)(d)	Whether in the opinion of the Minister, the Applicant or associated entity is of good repute, having regard to character, honesty and integrity.	<i>The Applicant has provided a statement that it considers it and the associated entities to be of good repute, having regard to character, honesty and integrity.</i>  <i>Evidence of this is provided by the associated entity's activities under the prescribed legislation to date.</i>  <i>For these reasons, I am of the opinion that the Applicant and associated entity are of good repute.</i>
15A(1)(e)	Whether the Applicant or associated entity has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty	<i>The Applicant and associated entities have not, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i>
15A(1)(f)	Whether the Applicant or associated entity, within the previous 3 years:  (i) was an undischarged bankrupt; or  (ii) applied to take the benefit of any law for the relief of bankrupt or insolvent debtors; or  (iii) entered into an arrangement with the Applicant or entity's creditors or made an assignment of the Applicant or entity's remuneration for their benefit.	<i>None of these events has occurred within the previous 3 years.</i>
15A(1)(g) 15A(3)	Whether the Applicant or associated entity is or was a director of a body corporate that is the subject of a winding-up order or for which a controller or administrator has been appointed within the previous 3 years.	<i>None of these events has occurred within the previous 3 years.</i>

15A(1)(h)	Whether the Applicant has demonstrated to the Minister the financial capacity to comply with the Applicant's obligations under the permit or licence.	<p>When considering the Applicant's financial capacity, consideration was given to the associated entity's financial statements for the period 1 July 2021 to 30 June 2022.</p> <p>In September 2022, Tamboran Resources Limited announced on the Australian Securities Exchange (ASX) it had raised funding through a placement and strategic partnerships of approximately A\$195 million to fund the acquisition of EP76, EP98 and EP117.</p> <p>Sheffield Holdings provided US\$21 million towards to the acquisition and has access to a loan of US\$113.9 million to fund future investments.</p> <p>A Joint Venture and Shareholders Agreement between the following parties formalises these arrangements:</p> <ul style="list-style-type: none"> <li>• Tamboran (B1) Pty Limited</li> <li>• Tamboran (West) Pty Limited</li> <li>• Tamboran Resources Limited</li> <li>• Daly Waters, LP</li> <li>• Sheffield Holdings, LP</li> </ul> <p>A declaration was provided by a Registered Chartered Accountant warranting the financial capacity of the applicant and associated entities.</p> <p>The Applicant, as a wholly owned subsidiary, will have the benefit of the associated entity's financial capability to enable it to comply with its obligations under the permits.</p> <p>Independent probity reports were obtained for the applicant and its directors, and no adverse details were reported.</p> <p>For these reasons, the Applicant has demonstrated the financial capacity to comply with its obligations under the permit or licence.</p>
15A(1)(i)	Whether the Applicant or associated entity is in partnership, in connection with the action that is the subject of the permit or licence, with a person whom the Minister does not consider to be an appropriate person having regard to the matters	<p>The Applicant and associated entities are not in partnership with any other person</p> <p>The term 'partnership' does not include Joint Ventures.</p>

	listed in section 15A(1) (being the matters above) and section 15A(2) (being the matters below).	
15A(1)(j)	Any other matters the Minister considers relevant in determining whether a person is an appropriate person to hold a permit or licence.	<i>I do not consider that any other matters are relevant.</i>
<i>If the Applicant or entity is not a body corporate, the matters below do not need to be considered.</i>		
15A(2)(a) 15A(3)	<p>Whether a director of the Applicant or associated entity:</p> <p>(i) has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked</p>	<p><i>The Applicant is Tamboran (B1) Pty Limited and the directors and any persons concerned in the management of the company are:</i></p> <ul style="list-style-type: none"> <li>• <i>Joel Riddle, Managing Director and Chief Executive Officer</i></li> <li>• <i>Patrick Elliott, Director</i></li> <li>• <i>Joanna Morbey, Company Secretary</i></li> </ul> <p><i>The directors have not contravened the prescribed legislation.</i></p> <p><i>The directors have not held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The Applicant is a subsidiary of Tamboran Resources Limited, an associated entity. Refer to 15A(2)(b) for details about the directors and persons concerned in the management of the associated entity.</i></p>

<p>15A(2)(b) 15A(3)</p>	<p>In the case of a body corporate that is the subsidiary of another body or company (the <i>parent company</i>) – whether:</p> <p>(i) the parent company or a director of the parent company has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) a director of the parent company is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</p>	<p><i>The parent company is Tamboran Resources Limited, and the directors and any persons concerned in the management of the parent company are:</i></p> <ul style="list-style-type: none"> <li>• <i>Joel Riddle, Managing Director and Chief Executive Officer</i></li> <li>• <i>Patrick Elliott, Director</i></li> <li>• <i>Joanna Morbey, Company Secretary</i></li> <li>• <i>Dick Stoneburner, Director</i></li> <li>• <i>Ann Diamant, Director</i></li> <li>• <i>Fred Barrett, Director</i></li> <li>• <i>Daniel Chandra, Director</i></li> <li>• <i>David Siegel, Director</i></li> <li>• <i>Faron Thidobeaux, Director</i></li> <li>• <i>Eric Dyer, Director</i></li> <li>• <i>Bryan Sheffield</i></li> </ul> <p><i>The parent company and the directors of the parent company have not contravened the prescribed legislation.</i></p> <p><i>The parent company and the directors of the parent company have not held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The directors of the parent company have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors of the parent company have not been a director of another body corporate that has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p>
<p>15A(2)(c) 15A(3)</p>	<p>The record of compliance with the prescribed environmental legislation of any director of the Applicant or associated entity.</p>	<p><i>The directors and any persons concerned in the management have been involved with the following businesses requiring compliance with the prescribed environmental legislation:</i></p> <ul style="list-style-type: none"> <li>• <i>Tamboran Resources Limited</i></li> <li>• <i>Sweetpea Petroleum Pty Ltd</i></li> <li>• <i>Tamboran (Pedirka) Pty Ltd</i></li> </ul> <p><i>I am not aware of any breach of the prescribed legislation.</i></p>

15A(2)(d) 15A(3)	Whether in the opinion of the Minister, a director of the Applicant or associated entity is of good repute, having regard to character, honesty and integrity.	<i>The Applicant has provided a statement that it considers the directors to be of good repute, having regard to character, honesty and integrity.</i>  <i>There is no evidence available that suggests otherwise.</i>  <i>For these reasons, I am of the opinion that each director is of good repute.</i>
15A(2)(e) 15A(3)	Whether a director of the Applicant or associated entity has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.	<i>No director nor any person concerned in the management has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i>
15A(2)(f)	Whether the Applicant or associated entity is the subject of a winding up order or has had a controller or administrator appointed within the previous 3 years.	<i>None of these events has occurred within the previous 3 years.</i>


- (d) In making my determination I have had regard to each of the matters noted above.
- (e) In making my determination I have had regard to documents that include the following:
- (i) Annual Report for Tamboran Resources Limited for 1 July 2021 to 30 June 2022 including audited accounts
  - (ii) A letter from Chartered Accountant, Joanna Morbey warranting that Tamboran Resources Limited and its subsidiaries have the financial capacity to carry out obligations and commitments relating to the exploration permits, including rehabilitation
  - (iii) Tamboran Resources Limited Investor Presentation - Acquisition of Origin Energy's Beetaloo Basin Assets and Equity Raising, 20 September 2022
  - (iv) Statement of Financial Capacity
  - (v) Letter from Credit Suisse regarding the loan facility availability to Bryan Sheffield of Sheffield Holdings, LP
  - (vi) ASX announcement and investor presentation from September 2022 regarding the acquisition and funding of the exploration permits
  - (vii) Tamboran Resources Limited quarterly cash flow report for the quarter ended June 2022
  - (viii) Probity reports generated by illion Direct
  - (ix) CV's for key technical staff



- (x) Review of Tamboran's technical capability, including details of the management team and key technical team
- (xi) Tamboran Resources Limited Well Integrity Management Plan and Emergency Management Plan
- (xii) Sweetpea Petroleum Pty Ltd Well Engineering Standards
- (xiii) HSE Management System Manual
- (i) Review of Sheffield's Holdings, LP operating experience in the United States of America through Parsley Energy, Inc., Formentera Partners and Formentera's key management personnel
- (ii) Drilling Well Control Bridging Document
- (iii) Management of Change Procedure
- (iv) Australian Securities and Investments Commission searches of Tamboran (B1) Pty Limited and Tamboran Resources Limited demonstrating the names of the directors and public officers responsible for the management of the companies
- (v) Department of Industry, Tourism and Trade information and data.

Dated this 28 October 2022

Made under the *Petroleum Act 1984* of the Northern Territory of Australia



JAMES ROBERT PRATT  
Senior Executive Director Energy Development  
Delegate of the Minister for Mining and Industry  
Under an Instrument of Delegation dated 25 March 2021