

# 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 (McArthur) Pty Limited*  
ABN: 77 168 862 075

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Associated entities *Tamboran Resources Limited*  
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Permit or licence being applied for *Exploration Permits 136 and 143*

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Date of determination *19 May 2021*

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#### 1. Background

- (a) The Applicant has acquired the shareholding in Sweetpea Petroleum Pty Ltd (Sweetpea), which are the holders of Exploration Permits (EP) 136 and 143.
- (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>The Applicant has not held tenure in the Northern Territory, however the associated entity has held tenure as listed in 15A(1)(b) below.</i></p> <p><i>An interrogation of the documents listed in 2(e) below established that there had been no acts of non-compliance with the prescribed legislation by the associated entity.</i></p>
15A(1)(b)	<p>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>	<p><i>The associated entity, Tamboran Resources Limited holds a licence or other authority under the prescribed legislation, being:</i></p> <ul style="list-style-type: none"> <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>Tamboran Resources Limited is the parent company of Tamboran (Pedirka) Pty Ltd, which held a 100% interest in EP163</i></li> <li>• <i>Tamboran Resources Limited is the parent company of Tamboran (Ngalia) Pty Ltd, which held a 100% interest in EP164, EP165, EP166 and EP309</i></li> <li>• <i>applications for EP299, EP310, EP311, EP316 and EP317.</i></li> </ul> <p><i>These licences or authorities have not been suspended or revoked.</i></p>

		<i>The Applicant has not held a licence or other authority under the prescribed legislation.</i>
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:</i> <ul style="list-style-type: none"> <li>○ <i>meeting the provisions of the Petroleum Act 1984, subordinate legislation and liabilities</i></li> <li>○ <i>risk and audit.</i></li> </ul> </li> <li>• <i>the associated entity and contractors 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 and contractors well control plan and well integrity management</i></li> <li>• <i>the associated entities emergency response plan.</i></li> </ul> <p><i>The associated entity and contractors are known to the department, and the documents provided by the Applicant are acceptable for the management of well integrity and control.</i></p> <p><i>All key personnel and contractors have extensive experience in the oil and gas industry.</i></p> <p><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></p>
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.	<p><i>The Applicant has provided a statement that it considers it and the associated entity to be of good repute, having regard to character, honesty and integrity.</i></p> <p><i>Evidence of this is provided by the associated entity's activities under the prescribed legislation to date.</i></p>

		<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 entity 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.	<i>When considering the Applicant's financial capacity, consideration was given to the associated entity's financial statements for the period 1 July 2016 to 30 June 2020 plus the period to 9 February 2021, current and future funds available, and the magnitude and timing of obligations associated with the permits.  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.</i>

		<p><i>Independent probity reports were obtained for the applicant and its directors, and no adverse details were reported.</i></p> <p><i>For these reasons, the Applicant has demonstrated the financial capacity to comply with its obligations under the permit or licence.</i></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 listed in section 15A(1) (being the matters above) and section 15A(2) (being the matters below).	<p><i>The Applicant and associated entity are not in partnership with any other person.</i></p> <p><i>The term 'partnership' does not include Joint Ventures.</i></p>
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>	<i>The Applicant is a wholly owned subsidiary of the associated entity. Refer to 15A(2)(b) for details about the directors and persons concerned in the management of the Applicant/associated entity.</i>
15A(2)(b) 15A(3)	In the case of a body corporate that is the subsidiary of another body or	<i>The parent company is Tamboran Resources Limited, and the directors and any persons</i>

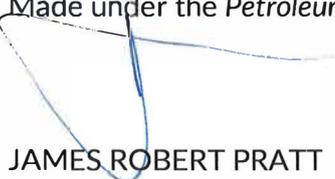
	<p>company (the <b>parent company</b>) – whether:</p> <p>(i) the parent company or a director of the parent company has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) a director of the 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>concerned in the management of the parent company are:</p> <ul style="list-style-type: none"> <li>• Patrick Elliott, Chairman</li> <li>• Joel Riddle, Managing Director and Chief Executive Officer</li> <li>• Dick Stoneburner, Director (Non-Executive)</li> <li>• Fred Barrett, Director (Non-Executive)</li> <li>• David King, Director (Non-Executive)</li> <li>• Stuart Lake, Director (Non-Executive)</li> <li>• Dan Chandra, Director (Non-Executive)</li> <li>• Joanna Morbey, Company Secretary</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>
15A(2)(c) 15A(3)	The record of compliance with the prescribed environmental legislation of any director of the Applicant or associated entity.	<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>• Tamboran Resources Limited</li> <li>• Tamboran (Pedirka) Pty Ltd</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.	<p><i>The Applicant has provided a statement that it considers the directors of its parent company to be of good repute, having regard to character, honesty and integrity.</i></p> <p><i>There is no evidence available that suggests otherwise.</i></p> <p><i>For these reasons, I am of the opinion that each director is of good repute.</i></p>
15A(2)(e) 15A(3)	Whether a director of the Applicant or associated entity has, within the previous 10	<i>No director nor any person concerned in the management has, within the previous 10 years,</i>

	years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.	<i>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) A detailed governance and management model.
  - (ii) An index showing the associated entity's management systems.
  - (iii) Tamboran Resources Limited Emergency Management Procedures.
  - (iv) The contractor's Well Engineering Standards.
  - (v) Statement regarding Tamboran Resources Limited and its contractor's well control plan and well integrity management.
  - (vi) Statement of Technical and Financial Capacity of Tamboran (McArthur) Pty Limited and Tamboran Resources Limited.
  - (vii) Accountant declaration dated 29 March 2021.
  - (viii) Tamboran Resources Limited Balance Sheet as at 9 February 2021.
  - (ix) Tamboran Resources Limited Annual Report 2020.
  - (x) Tamboran Resources Limited Annual Financial Report – 30 June 2018.
  - (xi) Tamboran Resources Limited Annual Financial Report – 30 June 2017.
  - (xii) Tamboran Resources Limited Financial Statements for the period 1 July 2016 to 30 June 2020 plus for the period to 9 February 2021.
  - (xiii) Department of Industry, Tourism and Trade information and data.
  - (xiv) Australian Securities and Investments Commission information and data.
  - (xv) Probity reports generated by illion Direct and Equifax.

Dated this 19 May 2021

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