

Presentation to the Enterprise, Trade and Investment Committee

28th June 2012



Tamboran



- Company Overview
- Understanding the Environment – Below and Above Ground
- Project Activities & Plans
- Protection of Groundwater
- Reducing Impact
- Water Management
- Best Practices
- Stakeholder Relations



- World-class global unconventional oil and gas exploration and development
- Management team with significant expertise in most US and Canada basins as well as many global basins
- Safe and responsible development, utilising advanced proven technologies to minimise environmental impacts
- A vision to deliver unconventional resources worldwide, bringing:
 - Meaningful employment to residents
 - Commercial activity to local businesses
 - Reduced energy costs and heightened energy security to entire nations
 - Substantial revenues to Governments

Tamboran's Global Interests



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**NW Carboniferous Basin
Northern Ireland and Ireland
0.4 million acres**

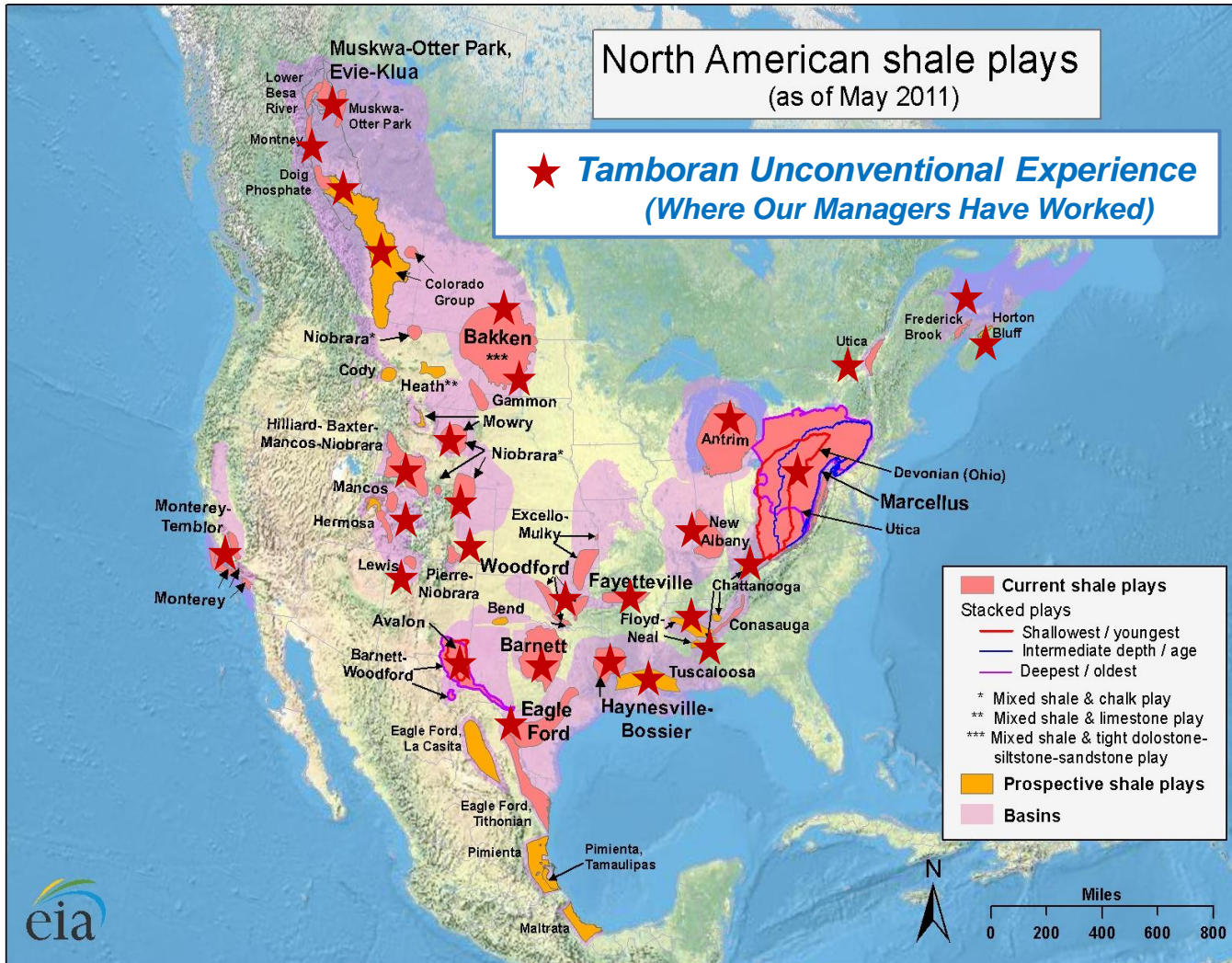
*Tamboran holds permits
and applications for over 27
million acres of rights
prospective for
unconventional oil and gas*

**Ngalia Basin
3.6 million acres**

**Beetaloo &
McArthur Basins
6.3 million acres**

**Gemsbok Basin, Botswana
13.2 million acres**

**Pedirka Basin
3.8 million acres**



A capable team with significant global early stage experience to accelerate opportunities and reduce risk

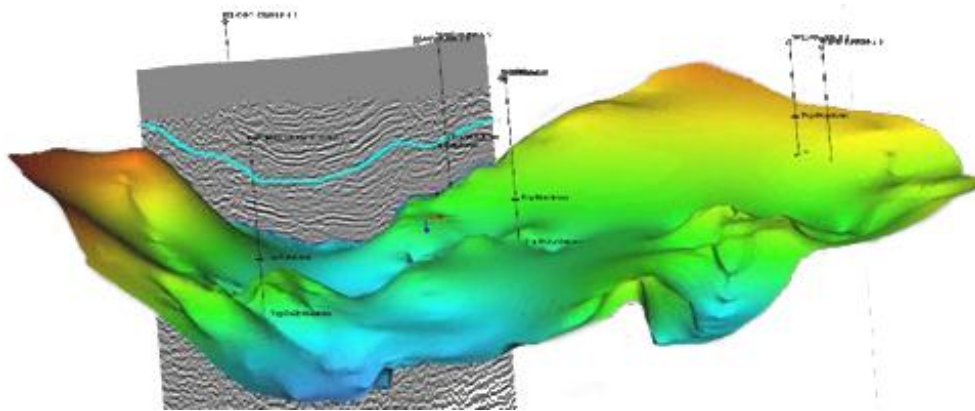
- 12 full-time
- 10 part-time

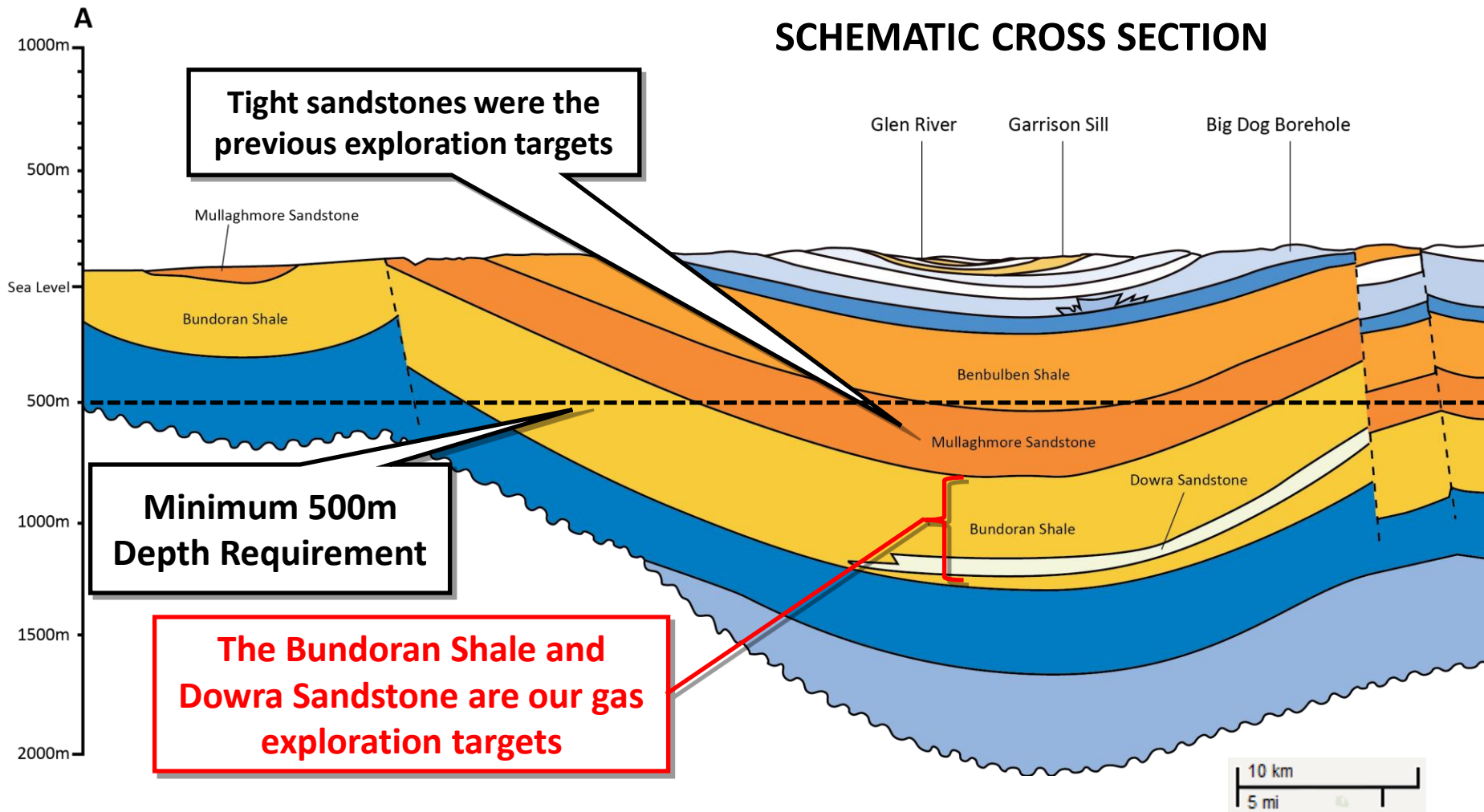
Our Team Has Also Worked On Unconventional Plays in Poland, Australia, Argentina, France, Germany, UK, Mexico, Tunisia, Morocco, Japan, Jordan and China





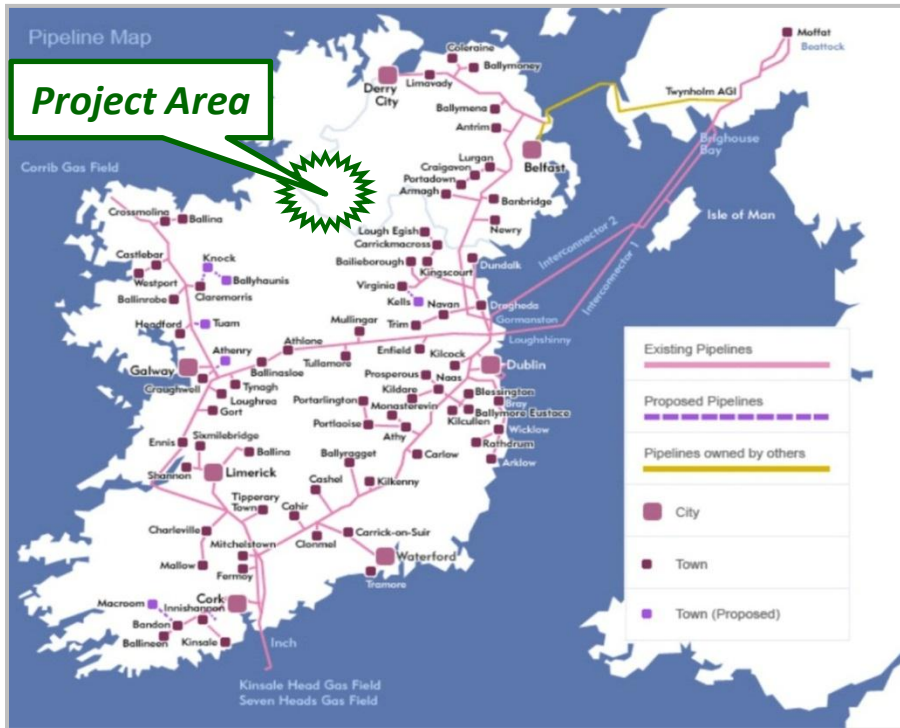
- Proven hydrocarbon system
 - Analogue is Fayetteville Shale
- Extensive data
 - 13 prior vertical wells with gas
 - 6 wells previously successfully fracture stimulated
 - Over 770 km of 2D seismic
 - 3D model by Weinman/Global Geophysical
 - Extensive drill cuttings & cores
- Multiple viable target formations
 - Bundoran Shale (dry gas)
 - Dowra Sandstone (dry gas)
- Favourable for shale development
 - About 475m thick (4X avg US)
 - Brittle (analysis by Core Labs)
 - 2.6% to 3% TOC (log analysis)
 - Dry gas (%R0 of 1.3 to 2.1)







- Responsibility to understand the potential impact to existing industries such as agriculture and tourism – shale gas projects have great flexibility as far as well placement and visual and auditory mitigation techniques
- We must seek mutually beneficial solutions which enable these natural resource industries to co-exist
- Best practices must be well understood and accepted by all stakeholders; continual improvement to maintain social license will be critical
- Managing surface impact and minimising disturbance to the local communities must be top priority
- We are seeking information from the community as to what they require in order to move to the next stage – we may be the expert below ground but the community is the expert above ground



Source: Bord Gáis Presentation

Ireland imports over 95% of its daily natural gas needs

- Established pricing (National Balancing Point in UK plus transportation costs)
 - Pricing is very favourable (indexed to oil due to Gazprom pricing, often greater than US\$10/mmbtu at NBP)
- Direct access to state pipeline gathering and distribution networks
- Opportunity for energy independence versus high dependence on imports
 - Northern Ireland imports 100%
 - Ireland imports over 95%
- Strong natural gas demand
 - Substantial local market (>600 MMcf/d)
 - 60% of electricity is from natural gas
 - Potential for more electrical generation



- Awarded exploration permit PL 2/10 in April 2011
- Meetings with regulatory and council officials
- Public information meetings in Enniskillen, Carrick-on-Shannon and near Ballyconnell
- Significant media and conference participation
- Geological and seismic data collection and review
 - Core Laboratories (Houston) analysed drill cuttings
 - Global Geophysical (Dallas) reviewed and reprocessed selected 2D seismic data
- Obtained & analysed several surface rock chip samples
- Multi-wellpad and facility design at an advanced stage



- Continuing geological review of previous drills and seismic data
- Scoping document prepared for EIA's and ready for circulation once potential sites are selected
- Site selection underway in southwestern County Fermanagh for two or three possible multi-wellpads
- Seek planning permission to drill a sample well by the end of the year to a depth of up to 1300m to extract rock cores from the basin centre
- 12 month baseline EIA's will begin once sites are secured through lease or acquisition

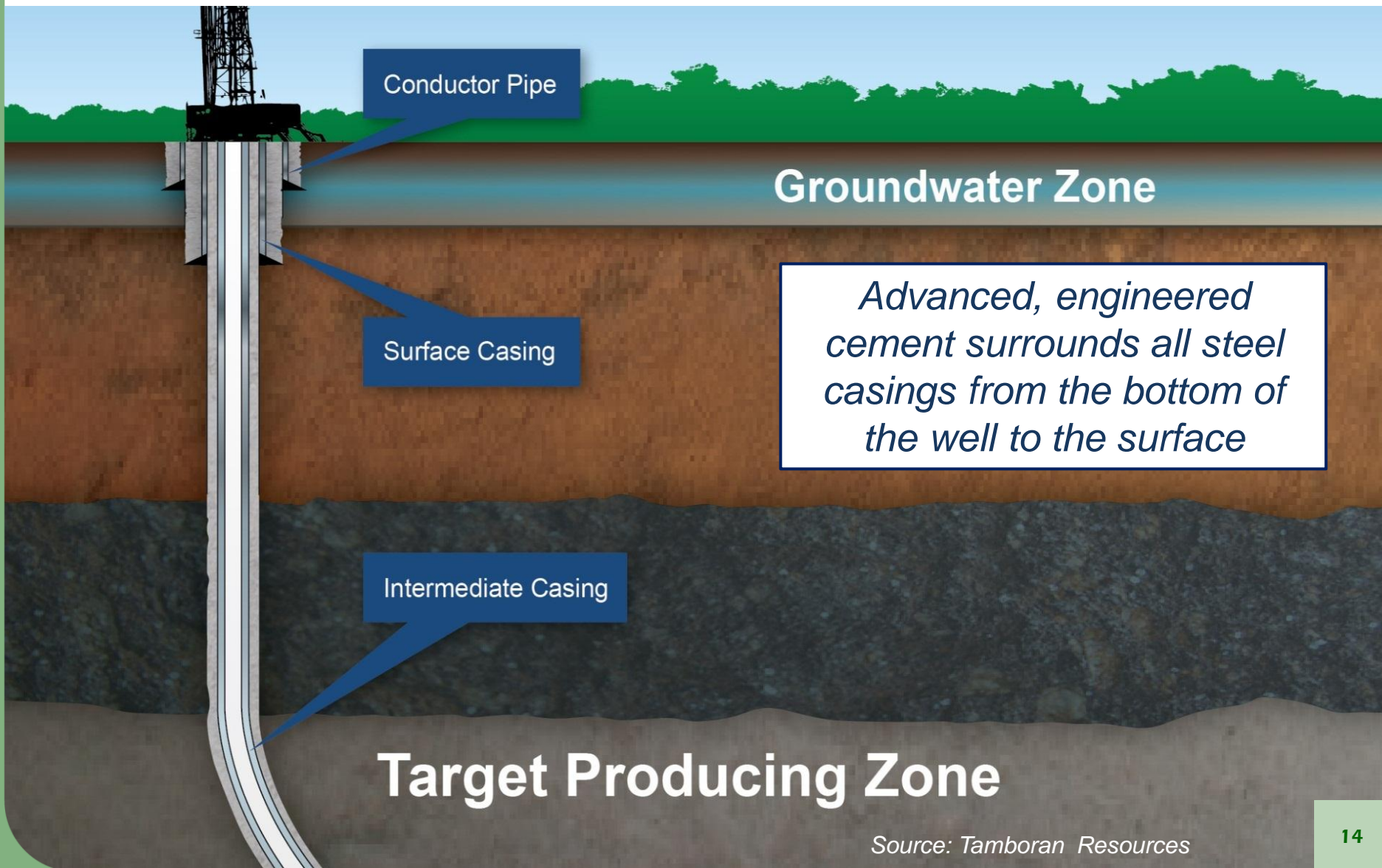


Major Categories of EIA's

- Soils & Geology (including Seismology)
- Hydrology and Hydrogeology
- Ecology
- Air Quality (including Radon)
- Noise & Vibration
- Landscape & Visual
- Material Assets
- Socio-Economic
- Social Impact / Tourism
- Traffic & Transportation
- Cultural Heritage (including Archaeology)



- Complete 12 month baseline EIA's
- Request planning permission to drill up to 5 exploration test wells on one multi-wellpad with drilling to possibly begin in 2014 following extensive governmental review and public consultation
- Initiate EIAs on additional possible future locations for multi-wellpads in southwest County Fermanagh
- Seek pipeline connectivity to existing natural gas distribution networks
- Establish community investment fund based on capital spending and gross project revenue

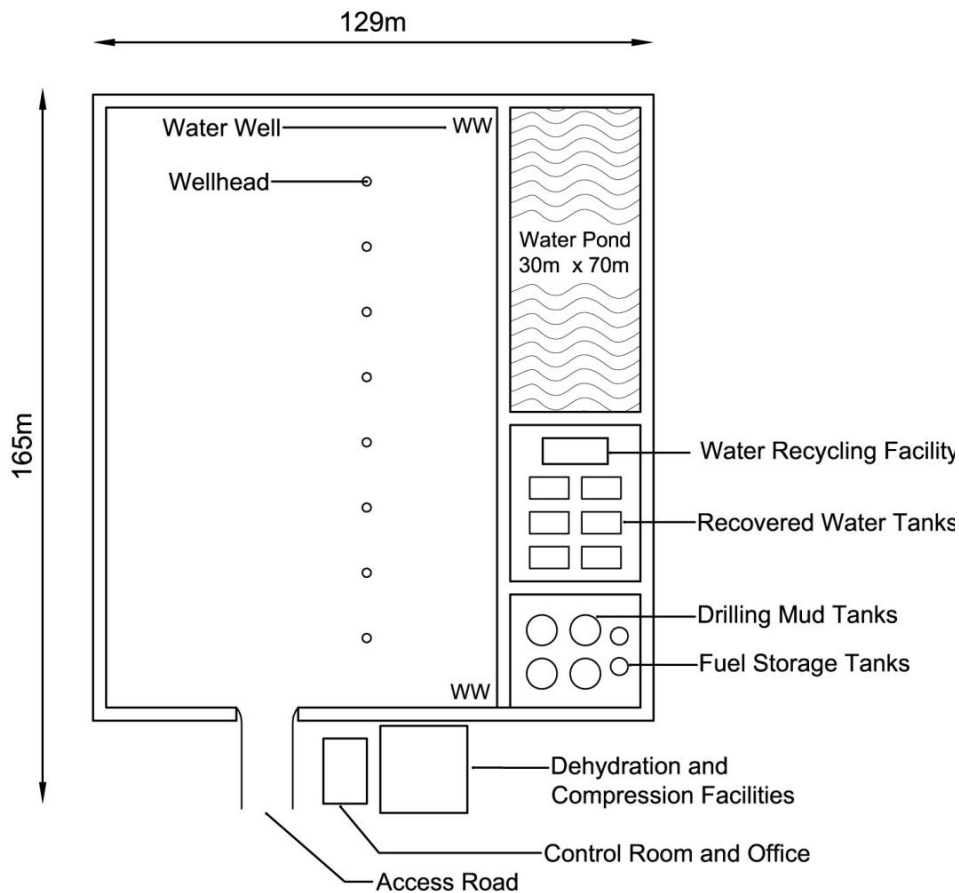


Reducing Surface Impact

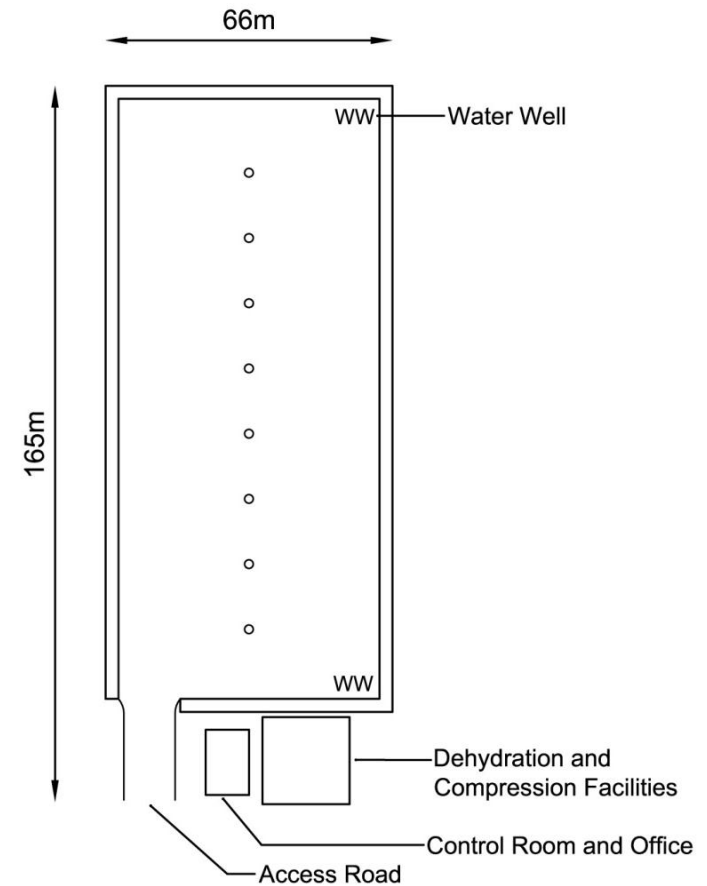


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During Drilling (2.1 ha)



After Drilling (1.1 ha)



Note: A 16 well pad will be 0.2 ha larger while a 24 well pad will be 0.5 ha larger



Irish barn compared to a compressor station in Alberta



Compressor stations can be naturally blended into the local environment



- We will utilise rainwater and groundwater
 - No water taken from public sources
 - All fresh and cleaned water to be stored in onsite pond
 - All recovered water to be stored onsite in lined tanks
- Chemical-free water cleaning system
- Closed loop water system with 100% recycling (no disposal)
- This approach will eliminate 90% of truck traffic per well in comparison to typical projects
- At peak, the project would utilise as much as 0.31 million gallons of water per day (based on 1 million gallons of water per well, of which 25% is re-used)
- This peak usage is equivalent to 0.11% of Ireland's consumption and about 0.002% of Ireland's rainfall



- Tamboran’s Board of Directors signed a declaration effective on 1st September 2011, thereby committing Tamboran to hydraulically fracturing without any chemicals in Ireland and Northern Ireland.
- “From a public health perspective, if hydraulic fracturing stimulation takes place, the best option is to fracture formations using sand and water without any additives” (from www.earthworksaction.org, a non-profit organisation dedicated to protecting communities and the environment from irresponsible mineral and energy development while seeking sustainable solutions)



Tamboran will uphold the highest operating standards in its global unconventional operations, including:

- Superior wellbore construction practices and testing (multiple casings cemented to surface, cement bond log to pass/fail wellbore) to ensure groundwater formations are completely protected
- Comprehensive EIA's, including a 12 month baseline monitoring of groundwater, air quality, noise, and seismic activity before, during and after our operations
- 3D seismic acquisition to mitigate geo-hazards and avoid the risk of earthquakes
- Air-drilling of the vertical section of the wellbore followed by a clay-based mud system for horizontal drilling within the target formation
- Water-jetted perforations to eliminate use of explosives in perforating
- No chemicals will be used in the hydraulic fracturing process in Northern Ireland and Ireland
- Produced water reuse and surface cleaning to eliminate water disposal and reduce truck traffic by 90%
- Multi-wellpads to reduce visual impact and footprint



- Meaningful and effective stakeholder relations are now essential in global unconventional resource development
- Tamboran's team is very focused on this issue in Ireland and Northern Ireland
 - We held community meetings with over 1,000 people in September 2011
 - We have accommodated over 80 media requests (print, radio, and tv)
 - We have participated extensively in local and national planning, regulatory and government meetings
 - We have held over 10 hours of direct conversations with leaders of the opposition movements
 - We are building relationships with local business and community leaders





- It is our corporate responsibility to minimise physical and social impacts in all aspects of our unconventional oil and gas projects
- We must first understand the operating environment and the potential impacts to the community
- Best practices are naturally enabled through our commitment to reduce impacts and we look forward to the release of the US EPA study findings at the end of this year and the subsequent Ireland EPA results
- A strong regulatory environment is crucial to providing the public with the confidence that these types of industries can operate both socially and environmentally responsibly
- The economic benefits and creation of jobs cannot come at an expense to the environment or people
- Continued transparency, diligence and respect for people and the environment is the only way forward



Appendix



- Values for these scenarios are specific to Northern Ireland
 - All development in Northern Ireland is planned for only the western corner of County Fermanagh
- The most likely (“expected”) development scenario:
 - Up to 60 multi-wellpads will be needed with up to 24 wells per pad
 - Each multi-wellpad would be 2.6 hectares (less than 7 acres)
 - Maximum total surface land needed for the entire project in Northern Ireland is about 150 hectares (420 acres)
 - 40,000 acres of underground development
 - Three layers of horizontal drilling (two in the Bundoran Shale and one in the Dowra Sandstone)



Project Information	Northern Ireland	Ireland
Potential Investment	Up to £6 Billion	Up to €7 Billion
Direct Employment by 2025	600 local jobs	600 local jobs
Employment (Person-Years)	14,000	13,700
Estimated Recoverable Resource Potential	2.2 Tcf	2.2 Tcf
Est. Natural Gas Consumption	120 MMcf/d	500 MMcf/d
Years of Current Consumption	50	12
Potential Tax Revenues	Up to £6.9 Billion	Up to €4.9 Billion

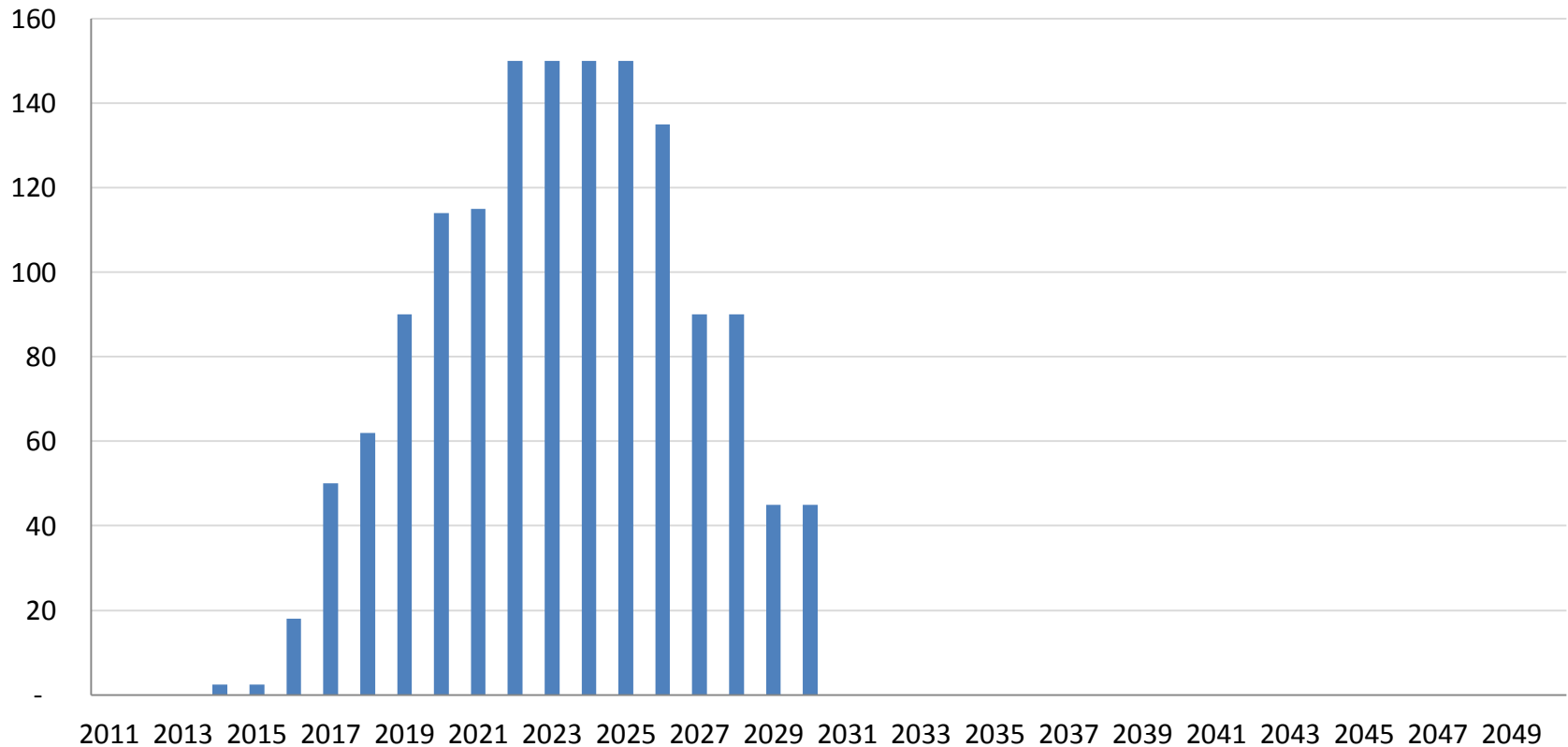
Source: Tamboran Resources Press Release 1st February 2012

Annual Drilling Estimates



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Annual Number of Drills



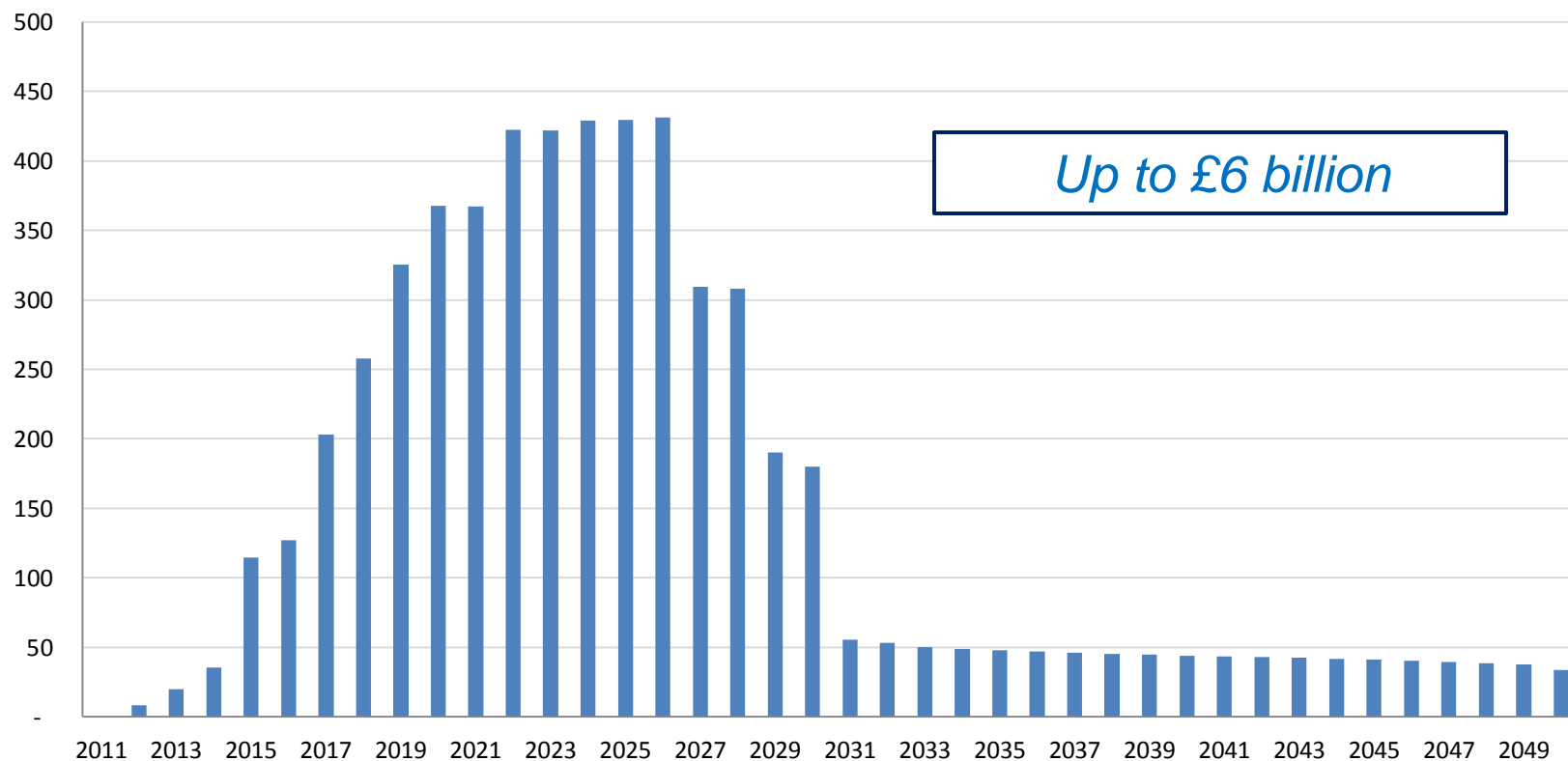
Source: Tamboran Resources internal estimates, showing totals for Northern Ireland

Annual Capital Investment Estimates



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Annual Capital Investment (£ Millions)



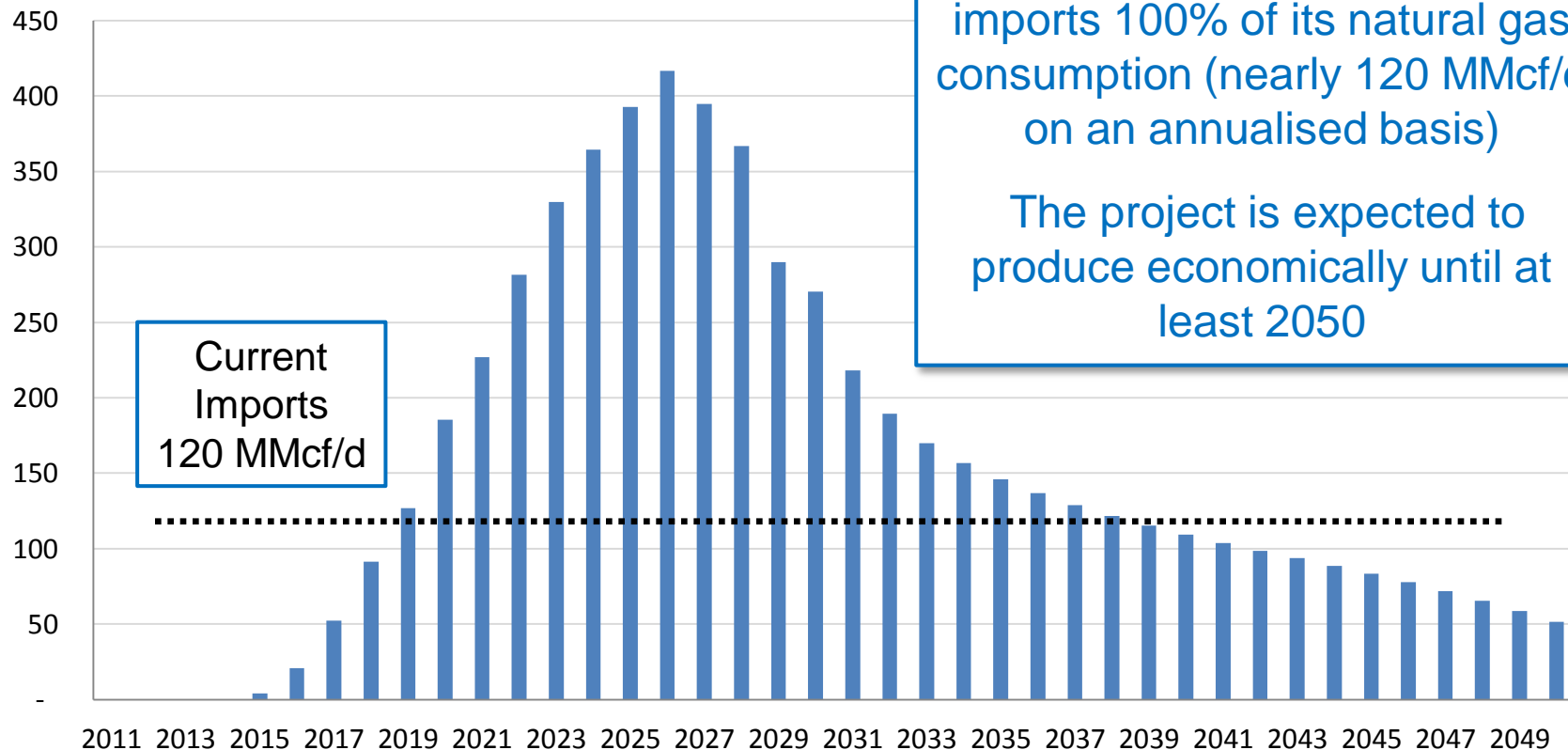
Source: Tamboran Resources internal estimates, showing totals for Northern Ireland, including salaries and operating expenses

Daily Natural Gas Production Estimates



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Daily Natural Gas Production (MMcf/d)



Northern Ireland currently imports 100% of its natural gas consumption (nearly 120 MMcf/d on an annualised basis)

The project is expected to produce economically until at least 2050

Current Imports
120 MMcf/d

Source: Tamboran Resources internal estimates, showing totals for Northern Ireland



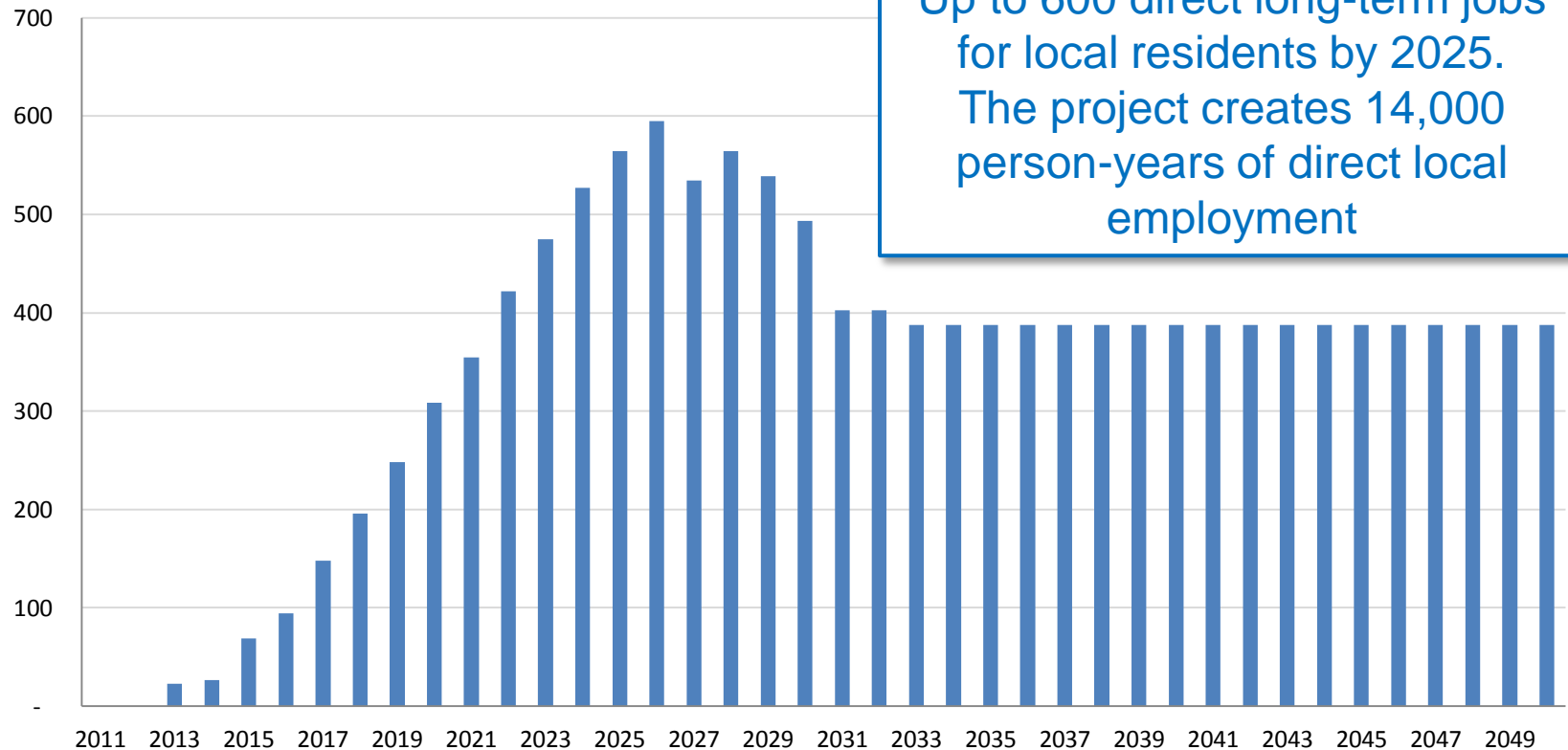
- Local residents will primarily work in technical and trade-related roles in our professional global organisation with progression and travel opportunities worldwide
- We anticipate 3 wellpad operators per 24 wells (12 people per wellpad each week) to ensure safe and reliable wellpad operation and monitoring of all wells, compression facilities and control systems
- Tamboran will provide paid training to all employees to ensure that local residents are able to succeed safely and responsibly in all of our operations
- Indirect employment is expected to account for 2 to 4 times as many jobs as direct employment
- We anticipate supporting a substantial local service network

Direct Employment Estimates



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Direct Employment (number of jobs)



Up to 600 direct long-term jobs for local residents by 2025. The project creates 14,000 person-years of direct local employment

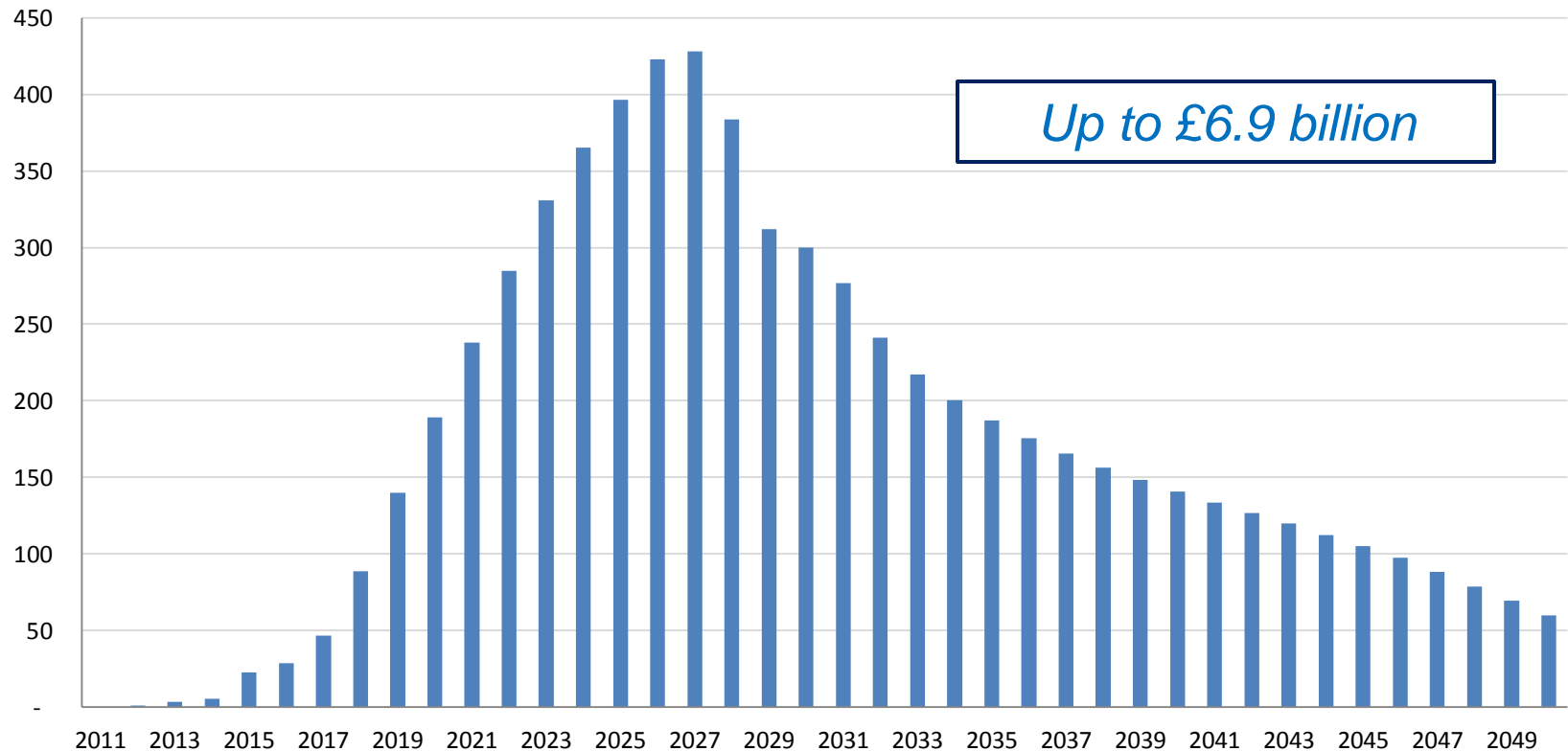
Source: Tamboran Resources internal estimates, showing totals for Northern Ireland

Annual Economic Benefit Estimates



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Annual Estimated Taxes Including Royalties, VAT and Income Tax (£ Millions)



Source: Tamboran Resources internal estimates, showing totals for Northern Ireland



We estimate that this natural gas project has the potential to:

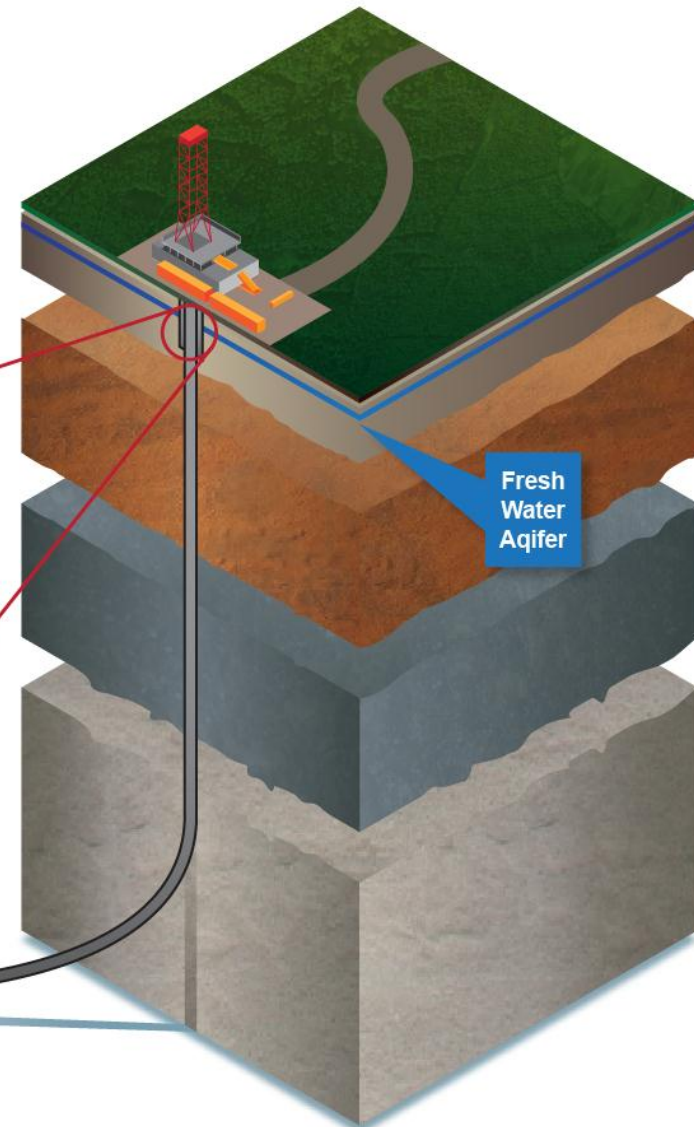
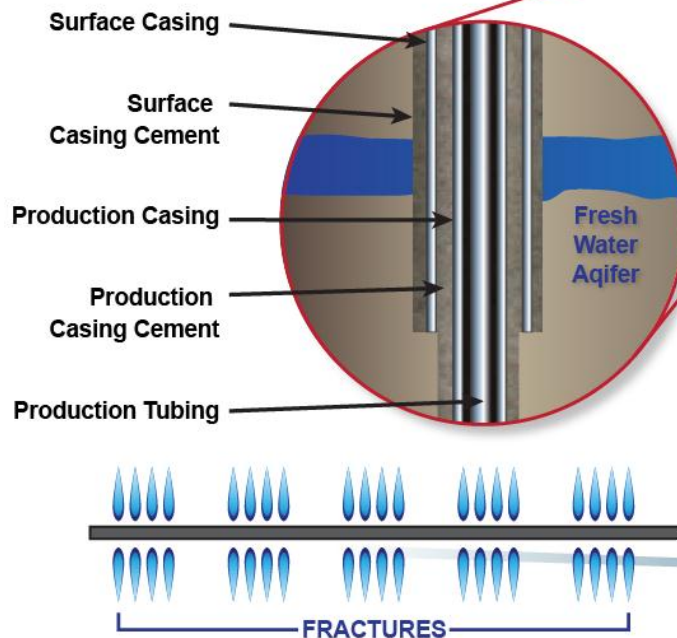
- Increase energy security until at least 2050 and completely eliminate Northern Ireland's dependence on imported/foreign natural gas supplies for over 20 years
- Create about 600 long-term direct local jobs in County Fermanagh by 2025. This equates to about 14,000 direct person-years of employment. There would also be 2 to 4 times as many indirect jobs resulting from project spending.
- Generate combined lifetime tax revenues of about £6.9 billion on the basis of about £5.9 billion of cumulative investment and operating costs within Northern Ireland

Protection of Groundwater



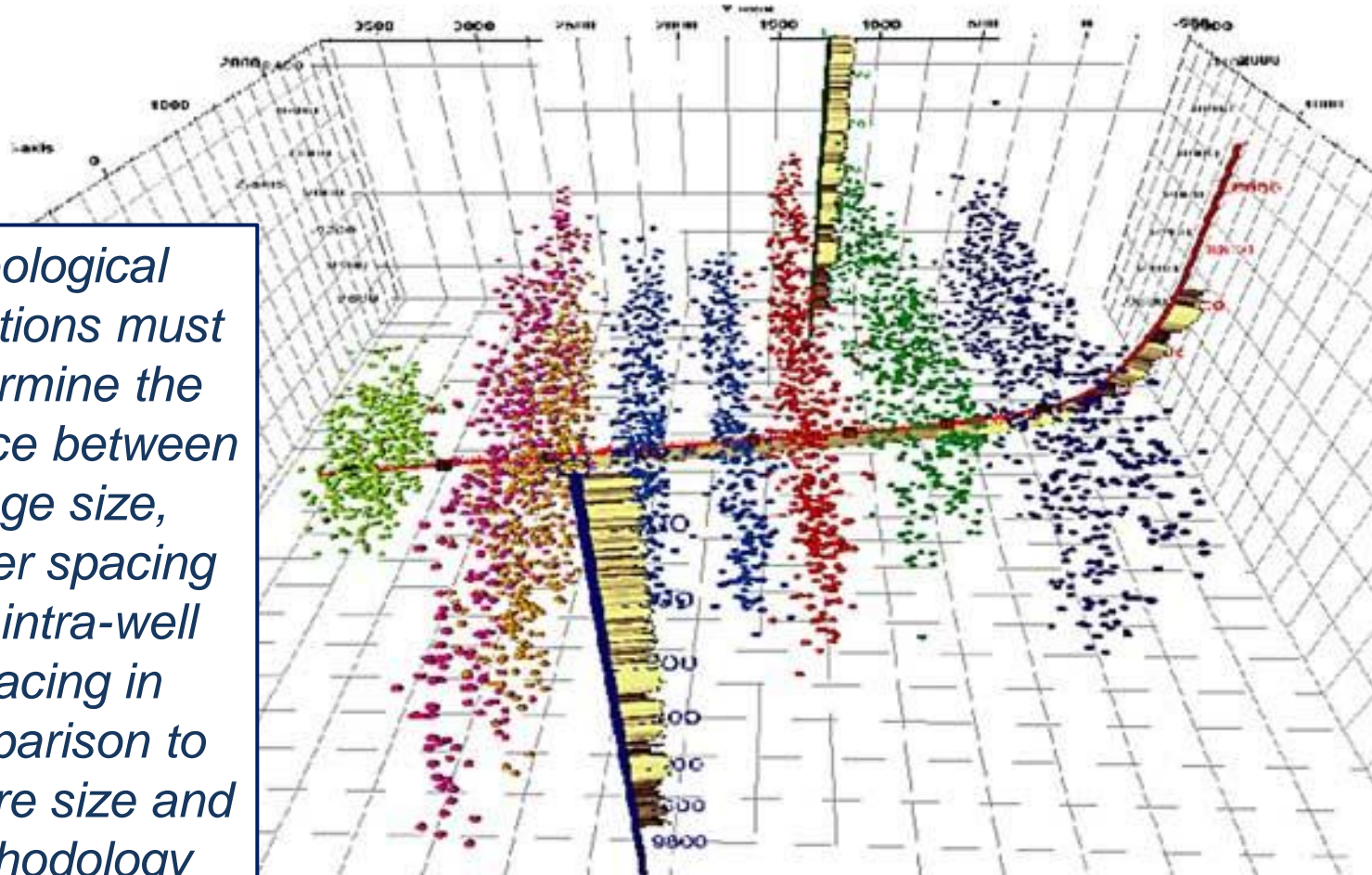
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Well depth will range from 500m to 1500m. Diagram shows one of either 8 or 16 wellbores which will originate from each pad.





Geological conditions must determine the balance between stage size, cluster spacing and intra-well spacing in comparison to fracture size and methodology

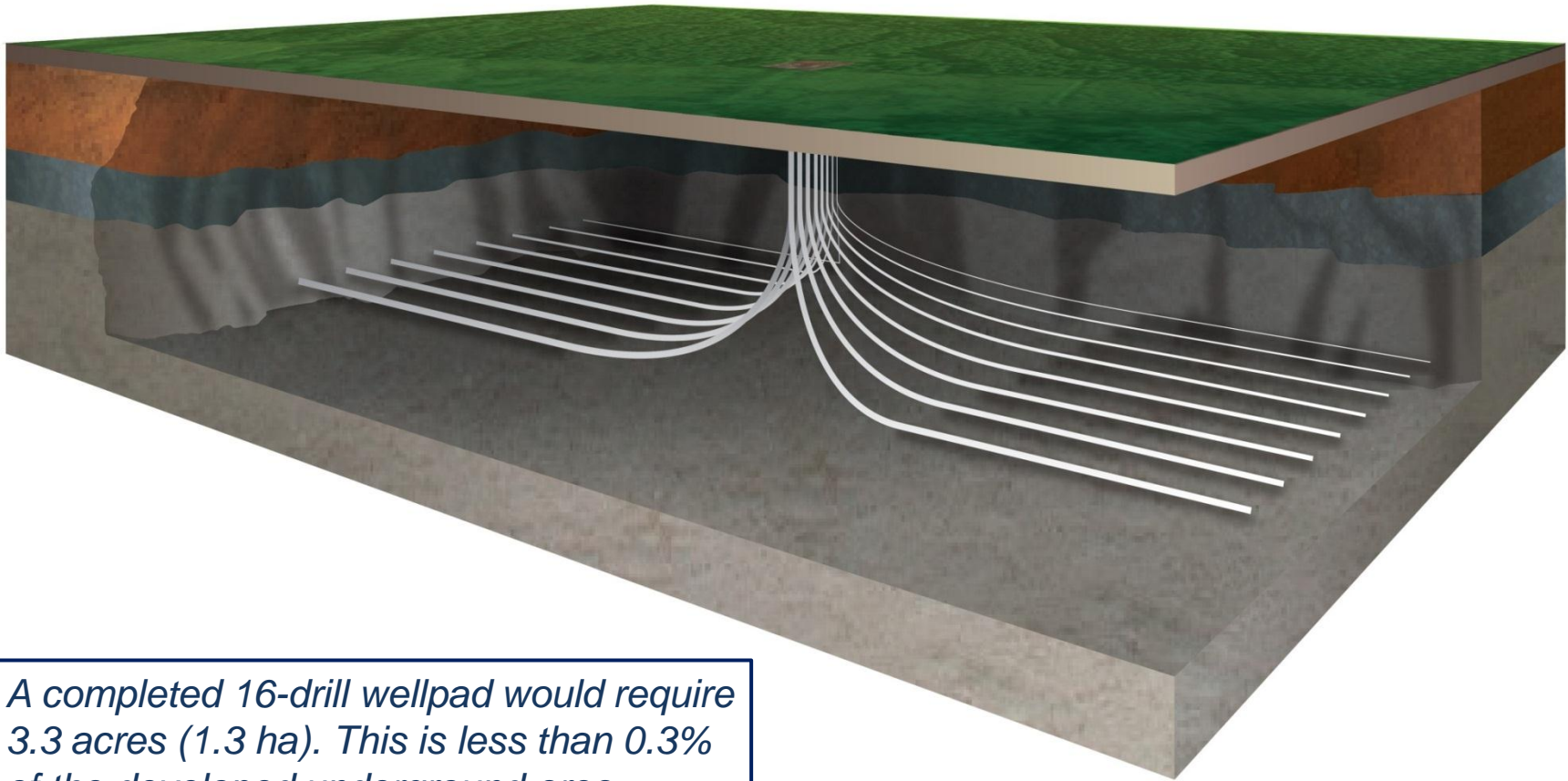


Source: Schlumberger

Multi-Wellpad Footprint Underground



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A completed 16-drill wellpad would require 3.3 acres (1.3 ha). This is less than 0.3% of the developed underground area.

Note: This image depicts a 16-drill wellpad. A 24-drill wellpad would require 1.6 ha on surface.

Source: Tamboran Resources