



The Secretary
Committee on the Northern Territory's Energy Future
Parliament House
DARWIN NT 0800

Dear Sir/Madam,

Committee on the Northern Territory's Energy Future Inquiry into Key Challenges and Opportunities

Tamboran Resources is a private, international exploration company focused on finding and developing unconventional oil and gas resources in Australia, Ireland and Botswana. Tamboran is based in Sydney, Australia and its largest shareholder is Santos Limited, a A\$14 billion market capitalisation oil and gas company, which owns 14% of the Company.

In June 2009, Tamboran first applied for exploration titles in the Northern Territory and after many years of negotiations with both the Northern and Central Land Councils, and the Traditional Owners which they represent, over both Pastoral Lease and Aboriginal Freehold land, has eight titles granted in the Northern Territory, covering approximately 56,000 km². Tamboran's upcoming activity in the Northern Territory will be focused on exploration drilling in the McArthur Basin (EP 161, EP 162 and EP 189), where we are currently partnered with Santos, that includes spending approximately A\$71 million over a three year period. Tamboran's additional activities in the Northern Territory will be focused on exploration drilling in the Ngalia Basin, where we control all of our tenements.

As an active participant in the unconventional Oil and Gas industry in the Northern Territory, Tamboran is well placed to comment on the challenges and opportunities faced by this new industry sector. It should be noted that Tamboran is a member of APPEA, and fully supports and endorses the APPEA Submission to your Committee, but would also like to make the following Submission regarding opportunities and challenges faced by the industry.

Opportunities

1. Given the paucity of regional development opportunities in the Northern Territory, the Unconventional Oil and Gas sector represents a major opportunity for the Northern Territory Government and its constituents. Current regional development opportunities are largely constrained to those of Pastoral, Mining, Tourism, and Service/Welfare sectors. Unfortunately, it has been many years since a new greenfields Mining project was developed in the Northern Territory. Unconventional Oil and Gas represents another key and new sector to pursue in a world that is



chasing energy with lower CO₂ emissions than those of the Coal industry. It should be noted that the industry is actively pursuing oil as well as gas via its exploration activities, as oil discoveries are much easier to monetize than gas discoveries in remote locations.

2. Within the Commonwealth of Australia, the State Governments of both Victoria and New South Wales have rejected scientific evidence as to the low risks associated with the Unconventional Oil and Gas sector, by extending moratoriums which effectively prohibit these industries in the lead up to their next election cycles. Unfortunately such cynical politics shows that these Governments are driven by focus groups and electoral cycles, rather than the evidence which supports the industry. For example, in the United States of America, over one million wells have been fracked since 1960. There is only some evidence of contamination of groundwater provided by one well. In the province of Alberta in Canada, 170,000 Unconventional Oil and Gas wells have been drilled and horizontally fracked, without any groundwater issues or contamination occurring. While the Governments and people of Victoria and New South Wales will miss out on the economic development, jobs, gas supply, and royalties, because of their short-sighted policies, this then creates a wonderful opportunity for the Northern Territory to capitalise upon this gap in the market that has been created. The Unconventional Oil and Gas industry in the Northern Territory, Queensland, and South Australia, will all be actively pursuing domestic Gas markets in eastern Australia and export markets, due to opportunities created by the Victoria and New South Wales Governments.

Challenges

1. For the industry and Northern Territory Government to work together to create a legislative framework so that both can prosper. Crucial to this is for both parties to also work together to encourage community support and acceptance of the industry. Both the major Land Councils should be engaged in this activity, as they are major stakeholders in the industry via the agreements that they negotiate with Petroleum explorers, on both Pastoral lease and ALRA land, on behalf of their constituents. The industry is already working in a cooperative manner with the NTCA, which represents the Pastoralists in the Northern Territory.
2. For the future debates about the social licence for the industry to operate in the Northern Territory, to be based upon science, facts, and evidence, which is largely from North America. Unfortunately, extremist groups, which are ideologically opposed to the industry, are very clever at the misuse of information, as shown by the response of the Victoria and New South Wales Governments. As an aside, the opponents of the industry seem to have ignored the 4,000 constructive agreements that have been signed by the Farmers and Graziers in Queensland with the related Coal Seam Gas industry. Tamboran is surprised that many members of the Northern



Territory community do not realise that the Mereenie and Palm Valley Oil and Gas fields have been operating in the Alice Springs region for some 30 years, as the mainstay of the Northern Territory's gas supply for many years, ie it kept the lights and air conditioners working. Yet the development of the Mereenie field required vertical fracking in 50% of its wells, and the surrounding and underlying Mereenie aquifer has been unaffected by these activities.

3. While the industry in the Northern Territory is in its infancy, and in the early phase of exploration, ie the current focus is seismic lines and stratigraphic holes, all the signs are that the industry will expand to become significant within the Northern Territory by the discovery and production of both Oil and Gas. At some stage, a workforce will be required to enable this industry to grow, and the majority of the people living in the remote regions of the Northern Territory are Indigenous. While the work in the next few years in the sector will be seasonal and lumpy in nature, job opportunities will exist in this period leading up to more sustained employment opportunities, as the industry moves into the development and production phases. Perhaps the Northern Territory Government could explore this issue in conjunction with the Land Councils and industry and also raise this issue with the Andrew Forrest Indigenous Employment Task Force, which Mr Forrest is chairing on behalf of the Federal Government.

Representatives of Tamboran would be pleased to discuss these issues at a mutually convenient time, should that be desired by your Committee members.

Yours faithfully,

Joel Riddle
Chief Executive Officer

November 27, 2013