

Board Meeting

June 20, 2024

Chanse Rinderknecht
Geologist/Lease Manager

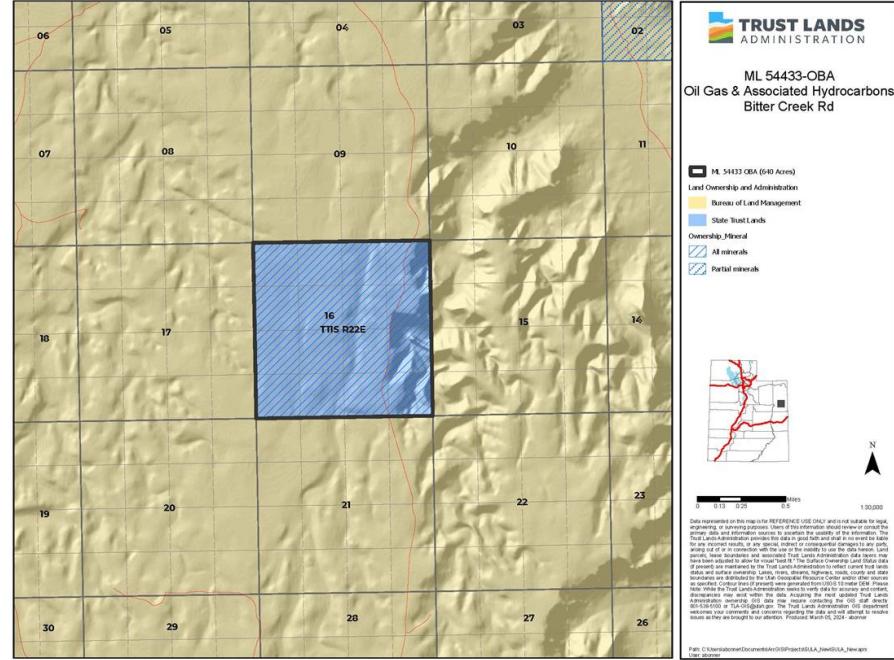
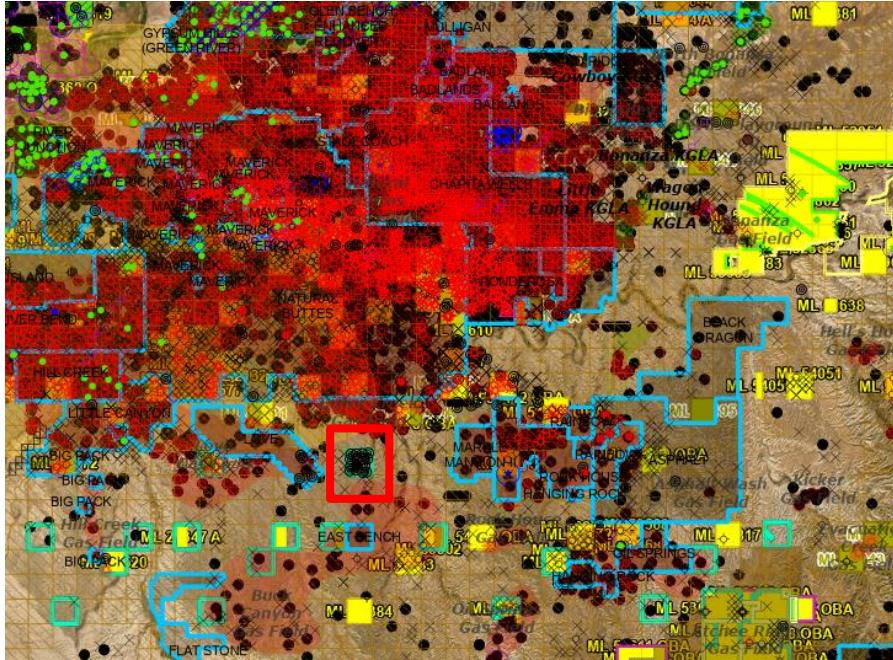


International Petroleum (Bro Energy) Bitter Creek Rd. OBA



Background

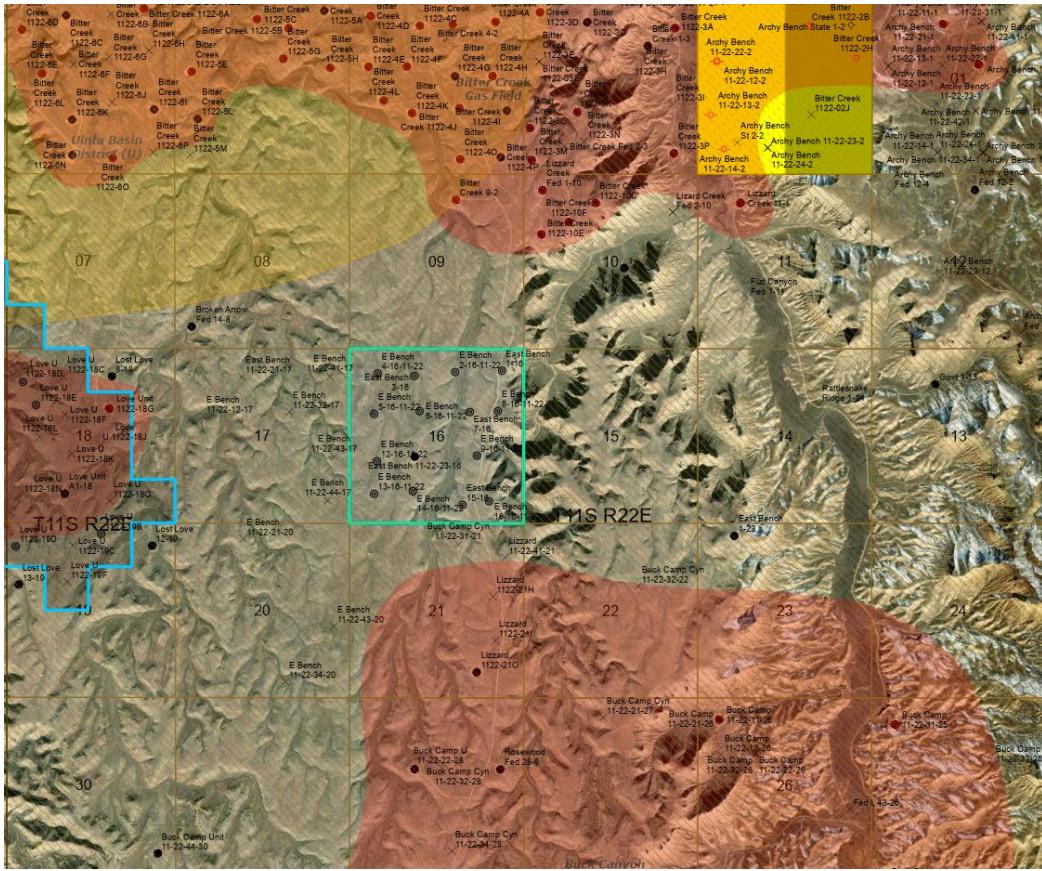
11S-22E, Section 16: ALL – approximately 640



Background

Multiple Offers

- Old Enduring Lease
- TLA received multiple offers on the section
- Significant interest due to recent exploration
- All groups expressed interest in developing deeper formations



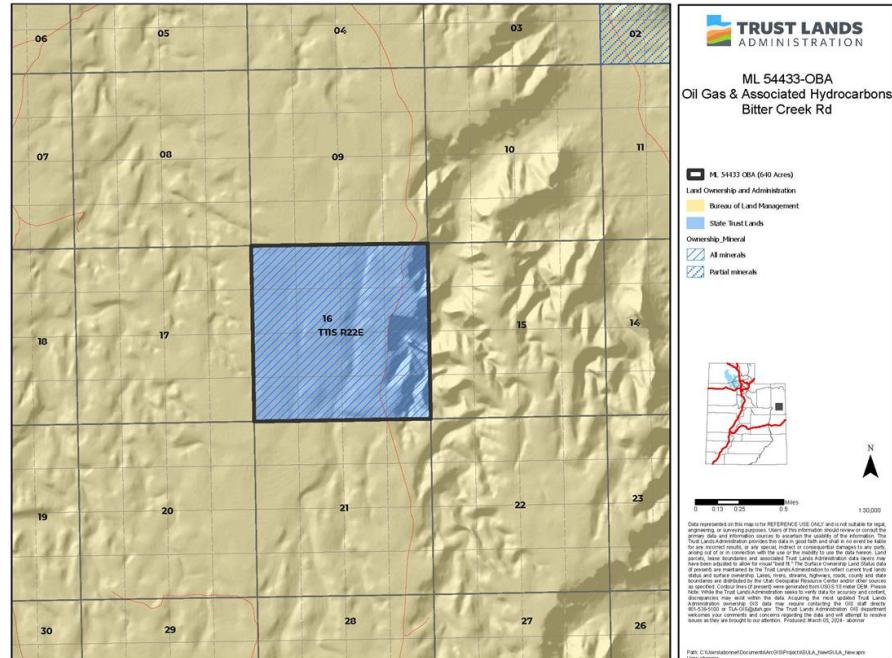


Terms of the OBA

OBA Terms

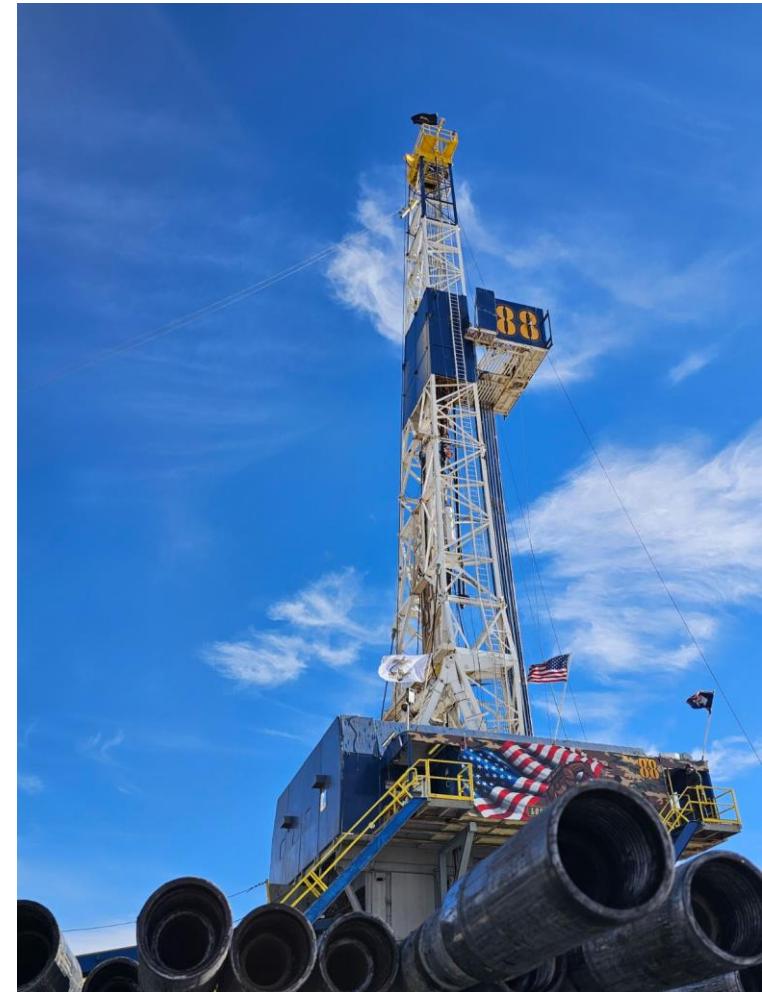
Lease Terms

- Bonus payment of \$288,800.00 (\$451.25/acre)
- Production Royalty of 16.67%
- 36-month drilling stipulation or \$77,000.00 penalty
- After Bro reaches payout plus 10% an additional \$77,000.00 bonus
- 18-month divestiture clause; TLA will receive 25% of any cash proceeds during that divestiture



Benefits to TLA

- NPV of bonus payment
- Drilling clause encourages development
- Extra bonus payment after project payout
- Bro owns interest in a drilling rig they can mobilize
- Lessee is willing and ready to work with other operators in the area
- Divestiture clause incentivizes Bro to develop the section rather than “flip”



Any Questions?

"I move that the board approve the Bitter Creek Rd. OBA on the terms set forth in the Board Memorandum and to have the agency take all further action necessary to finalize the transaction."



Ormat Nevada Cove Fort RNBL 2009 OBA



Background

- Ormat recently purchased Cove Fort Powerplant from Enel Green Power North America
- Ormat owns and operates geothermal powerplants in more than 30 countries
- The plant currently has a 25 MW capacity
- The leases are wanted to solidify the land holding and increase production



Land

T25S, R6W, SEC. 31: LOTS 3(40.00), 4(40.00), S2NE4,
SE4NW4 [LOTS AKA W2SW4]

T26S, R7W, SEC. 1: S2NE4, N2SE4, PART OF SW4SE4(15.83)

T26S, R7W, SEC. 14: LOT 2(37.21), SW4NE4 [LOT AKA NW4NE4]

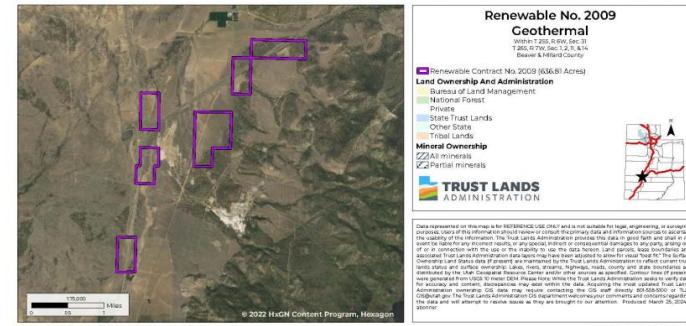
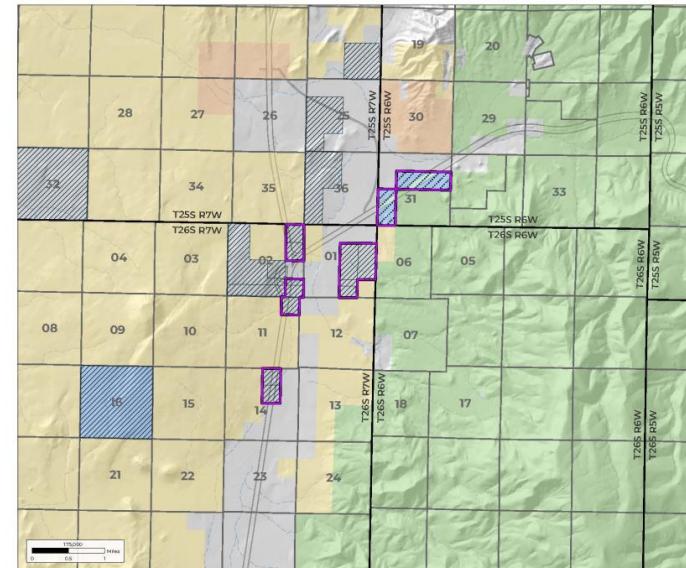
T26S, R7W, SEC. 2: PART OF 15 [LOT AKA PART OF S2SESE4]

T26S, R7W, SEC. 2: LOT 1(40.27), PART OF LOT 15(18.00),
SE4NE4 [LOTS AKA NE4NE4, PART OF N2SE4SE4]

T26S, R7W, SEC. 11: NE4NE4

T26S, R7W, SEC. 1: PART OF SW4SE4(24.17)

Total: 637 Acres, more or less



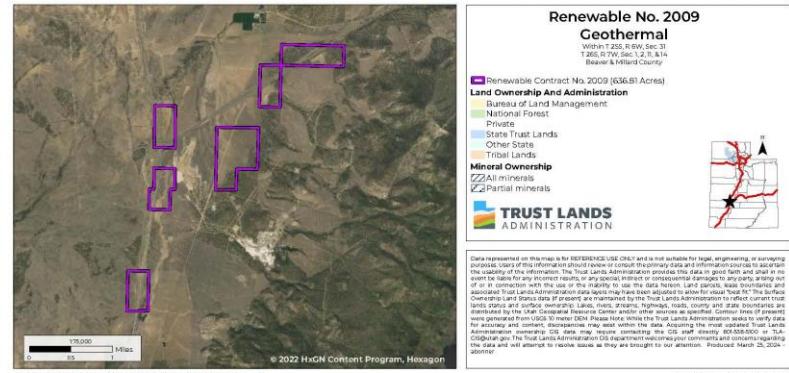
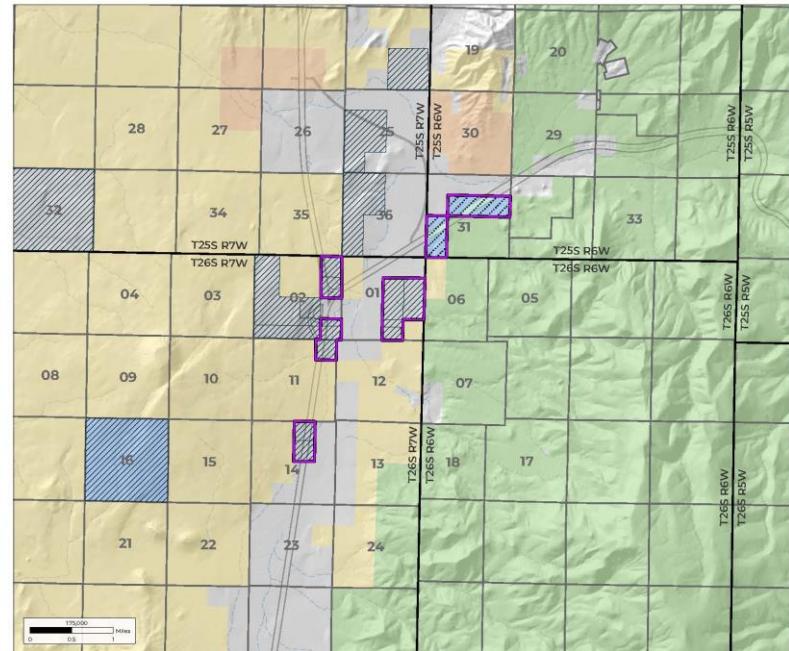


Terms of the OBA

OBA Terms

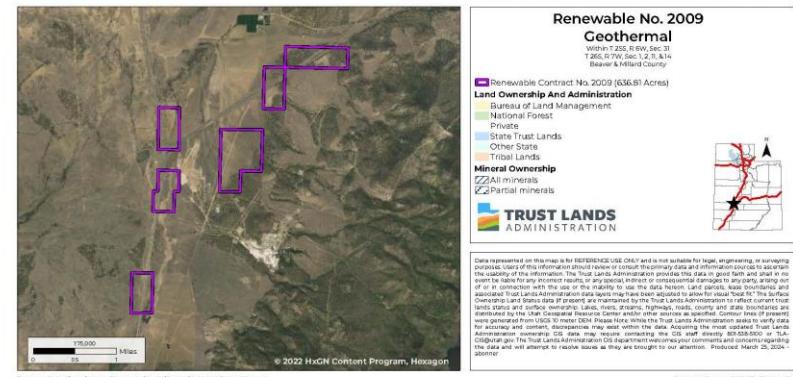
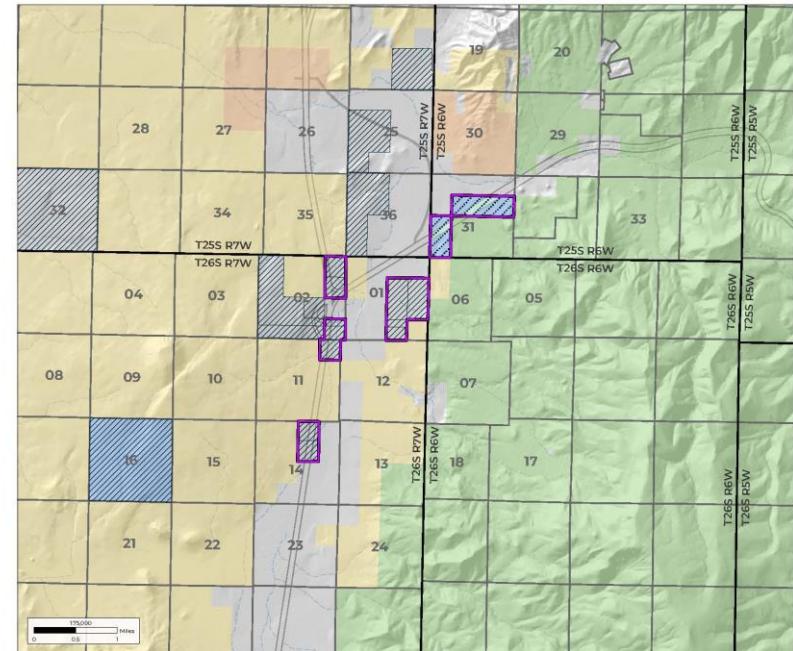
Lease Terms

- Initial term of 10 years from effective date
- Ormat will pay a bonus payment of \$5,000 (\$7.85/acre)
- Extension can be earned by diligent operations or through production of paying quantities
- Annual rental of \$5.00/acre
- Production Royalties
- Power Generation 4.5%
- Direct Sale of resource 10%
- Sale of any byproducts 5%



Benefits to TLA

- Generate revenue through historically unproductive parcels
- Potential for significant geothermal revenue
- Develop relationship with Ormat
- Lessee is a reputable worldwide operator



Any Questions?

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