

## PROPOSED CAPITAL RAISING

- **Capital raising of up to \$1.9 million to fund future growth and retire debt**
- **Review of new oil and gas investment opportunities in Australia and abroad**
- **Introduction of new strategic high net worth investor base to the Talon register**
- **Matthew Worner and Roger Steinepreis to join the Board of Directors**

Talon Petroleum Limited (“Talon” or the “Company”) is pleased to announce that it has entered into a mandate agreement with Chieftain Securities Pty Ltd (“Chieftain”) to undertake a capital raising of up to \$1.9 million to fund the ongoing activities and growth of the Company.

### ***Overview of capital raising***

The Company has engaged Chieftain as Corporate Adviser and Lead Manager to undertake a capital raising to introduce new sophisticated and strategic investors to the Talon share register. Details of the capital raising are as follows:

- Capital injection of up to \$1.9 million via the placement of up to 633,333,333 shares at an issue price of \$0.003 per share
- The issue of 90 million incentive options with an exercise price of \$0.005 per option and an expiry of 31 December 2020
- Current Director, Troy Harry, to participate in the capital raising in an amount of \$300,000, subject to shareholder approval
- Issue of securities under the capital raising to be subject to shareholder approval at a shareholders’ meeting to be held in late November

Proceeds from the capital raising will be used to:

- Retire debt of \$300,000 owed to current Director, Troy Harry
- Undertake a technical and strategic review of the Talon’s MR Olmos project, located onshore Texas, to optimise the value of the project
- Review the position relating to the Lessor dispute in relation to specific leases within the MR Olmos Project
- Fund Talon’s search for new strategic and growth assets to deliver material shareholder value

### ***Board restructure***

Upon completion of the capital raising, the Board of the Company will be restructured with Peter Evans to resign as a Director and both Roger Steinepreis and Matthew Worner to be appointed as Non-Executive Directors.

Matt Worner is a former corporate lawyer, with a significant amount of upstream oil and gas experience, having held legal, commercial and business development positions at various ASX and AIM listed companies. Most recently, he was Commercial Manager at Otto Energy Limited,

where he assisted that company in its successful entry into the US, with its shallow water Gulf of Mexico projects. He is presently Director, Far East at Ocean Reach Advisory, a boutique advisory firm providing services in relation to acquisitions and divestments in the upstream oil and gas sector.

Roger Steinepreis is a lawyer and Chairman of Perth based firm, Steinepreis Paganin. He has practised as a lawyer for over 25 years, acting as legal adviser to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings, takeovers and mining transactions. He is presently Chairman of Apollo Consolidated Limited and a Director of Latitude Resources Limited.

Talon's Chairman, Peter Love, commented: *"We are most pleased to have secured this significant piece of funding for the Company. The last few years have been challenging for Talon and the oil and gas industry overall, and the Board is of the view that this raising is necessary to take the Company forward. We look forward to welcoming Matthew and Roger to the Talon Board following completion of the capital raising and working with them to deliver success to the Company and its shareholders in the medium to longer term."*

Further details of the capital raising will be contained in a Notice of Meeting which is expected to be sent to shareholders before the end of October.

For further information, please contact Peter Love (Chairman) - [peter.love@talonpetroleum.com.au](mailto:peter.love@talonpetroleum.com.au)