

UK ASSETS UPDATE

Talon Energy Ltd (Talon or the Company) advises that two of its UK Central North Sea (UKCS) exploration licences, P2392 (Rocket Prospect) and P2363 (Skymoos Prospect), have expired following the applications lodged with the UK Oil and Gas Authority, for extensions to the current phase of these licences being unsuccessful.

The extension applications submitted for the Rocket and Skymoos Prospects were based on the adverse impacts that the COVID-19 restrictions in the UK had had on the ability of the Company to effectively advance the farmout process for the two licences. Over the past months the Company had continued to engage with a number of parties who had indicated an interest in either acquiring the licenses or participating in future exploration activities. However, despite the interest shown by these parties, with the limited time to the licenses' expiration Talon was unable to finalise an agreement before the licences lapsed.

The Company continues to hold a number of licences in the UKCS and is in the process of undertaking a review of potential opportunities that the tenement package presents.

Talon Managing Director, David Casey commented: "We are disappointed to be relinquishing these two exploration licences, which had received very positive technical feedback from all parties who had sought to review them. Ultimately, the impacts of COVID-19 on the industry in the UKCS region hindered Talon's ability to secure farm-out deals for both Rocket and Skymoos. Putting aside this disappointment, Talon has a very exciting period ahead with drilling at Walyering due to commence in the very near-term and the Company is setting its sights on Mongolia, with our interest in the Gurvantes XXXV coal bed methane project. The year ahead is looking very promising."

Authorised for lodgement by the Managing Director.

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