

Perth Basin Portfolio Update

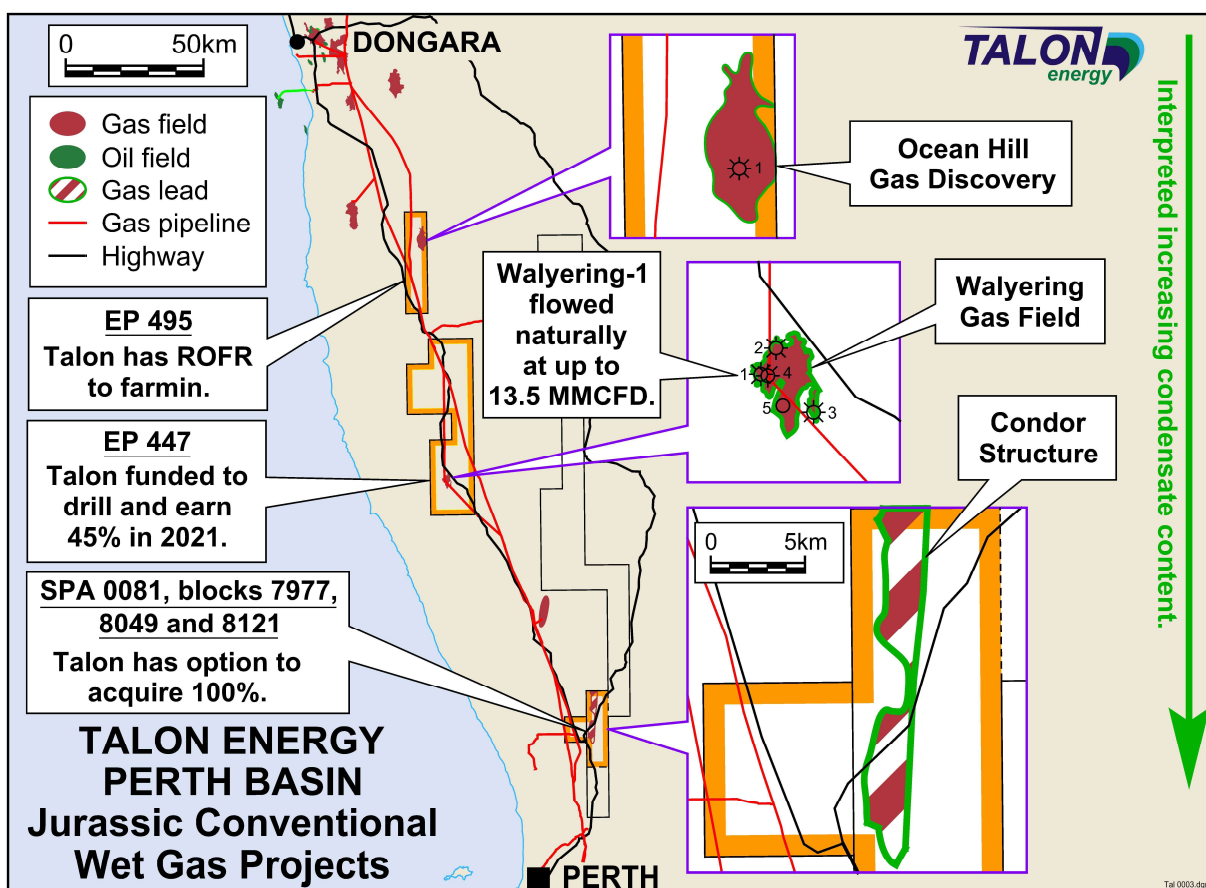
- Walyering-5 spudded Sunday and drilling ahead at 483m
- Success at Walyering would see a significant re-rating of Talon's analogous Condor Structure

Talon Energy Ltd ("Talon" or the "Company") is pleased to note the announcement on 15 November 2021 by Strike Energy Limited, Operator of the EP 447 JV, regarding the spudding of the Walyering-5 appraisal well, where drilling commenced at 4:15pm yesterday.

Walyering-5 is targeting a high-quality conventional gas reservoir like that encountered by the Walyering-1 discovery well and is located within EP447 which is jointly held by Talon (45%) and Strike Energy Limited (55%).

EP447 is located onshore in the highly prospective Perth Basin, approximately 180km North of Perth, and in close proximity to established gas transmission infrastructure. The Walyering-5 well is being drilled at the Walyering conventional gas field, discovered in 1971 when the Walyering-1 well intersected a gas reservoir which flowed at a rate of 13.5MMCF/D with very low CO₂ content of 1%.

The Walyering-5 well, is being drilled to a target depth of 3,138m subsea by Ensign Rig 970 and is expected to take approximately 33-days to drill and complete. Significantly, Ensign 970 is coming off the back of successful drilling campaigns elsewhere in the Perth basin during the year.



Talon's Managing Director, David Casey said: "This is an exciting next step in the evolution of Talon Energy as it looks to transition from explorer to potential producer. Furthermore, we are encouraged that any success at Walyering has the potential to yield significant additional upside at the much larger Condor structure in EP494"

In July 2020 Talon announced a Prospective Resource for the Walyering Prospect, details of which can be found in the table below. The disclosed Resource numbers contained in the table are for Talon's 45% interest in EP447.

Walyering A & B Sands Conventional Wet Gas Un-risked Prospective Resource Talon's Net (45% Interest)						
Permit	Low (P90)		Best (P50)		High (P10)	
	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)
EP447	0.5	21.6	0.981	38.7	1.62	63.9

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. For more information on the above Prospective Resources, refer to ASX announcement dated 24 July 2020. Talon confirms that it is not aware of any new information or data that materially effects the information contained in that Announcement and that all material assumptions and technical parameters underpinning the estimates contained in that Announcement have not materially changed.

The success of the Walyering-5 appraisal well could see a significant re-rating of Talon's other prospects in the Perth Basin.

Perth Basin Interests

In addition to Talon's interest in EP447 and the Walyering Gas Field, Talon has an option to acquire blocks 7977, 8049 and 8121 within EP494, and block 8048, which is contiguous to the EP 494 blocks. These blocks cover the prospective Condor Structure which is analogous to Walyering and has been mapped by Talon as the Perth Basin's largest untested wet gas structure within conventional Jurassic reservoirs. As such success at Walyering could result in a material upgrade to the Resource potential at Condor.

Of significance for Condor is that the reservoirs could be up to 1,500m shallower than Walyering, with the beneficial effect being, both improved reservoir quality and reduced drilling and completion costs.

On 17 March 2021 Talon announced the following Prospective Resource numbers for Condor.

Condor Structure Un-risked Prospective Resources Talon – 100%						
Permit	Low (P90)		Best (P50)		High (P90)	
	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)
EP494	9.5	202	20.2	408	39	710

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contained in that Announcement and that all material assumptions and technical parameters underpinning the estimates contained in that Announcement have not materially changed.

In addition to Walyering and Condor, Talon also has a Right of First Refusal over an interest in EP495 which contains the Ocean Hill conventional Jurassic gas discovery (currently held 100% by Strike Energy). Ocean Hill has a 360 BCF 2C Contingent Resource¹.

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This Announcement has been authorised for release by the Board.

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Competent Persons Statement (Perth Basin) The information in this Announcement relating to the Prospective Resources for the **Perth Basin Projects** (Walyering and Condor) is based on information compiled by Mr John Lamberto and Mr John Begg who are geoscientists each with over 30 years of industry experience and both consultants to the Company. The information in this report that relates to the Contingent Resource information for Ocean Hill is based on information compiled by the Operator of this asset, Strike Energy Ltd. This information was subsequently reviewed by Mr David Casey BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Casey is a director of the Company, with approximately 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE), the Australian Institute of Mining and Metallurgy (AusIMM) and the Petroleum Exploration Society of Australia. The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Casey. Mr Casey is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

¹ Refer TPD ASX Announcement dated 24 July 2020 entitled 'Perth Basin Resource Numbers' for more information on the Contingent Resource. Talon confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates have not materially changed and continue to apply