

## FIRST OF FOUR COREHOLES SPUDED AT THE MONGOLIAN GURVANTES XXXV PROJECT

- High impact 4 corehole drill program commences at the Gurvantes XXXV Coal Seam Gas Project
- Initial coreholes targeting coal seams in optimal coal seam gas depth window
- The drilling program is the first step in the certification of a significant gas Contingent Resource adjacent to one of the world's largest and fastest growing gas markets, in China

Talon Energy Ltd (Talon or the Company) is pleased to advise that it has been notified by TMK Energy Limited (TMK), Operator of the Gurvantes XXXV Project, that the first of 4 coreholes has spudded at the Gurvantes XXXV Coal Seam Gas Project in the South Gobi Basin of Mongolia.

The drilling rig and all necessary testing equipment mobilised to site over the last week, where a drilling camp has been established to accommodate personnel over the next three to four months whilst the drilling and testing of this highly prospective area is undertaken.

The first of 4 coreholes to be drilled in the initial program, named 'Snow Leopard 01', spudded on the 15<sup>th</sup> of March and is forecast to be drilled to a depth of approximately 650 metres over a 4-week period. The drill hole will be cored, and coal seams intercepted will be subject to gas desorption and gas adsorption testing which will provide important data on gas content, saturation, and composition. Downhole geophysical surveys and drill stem tests on selected intervals are also planned to be completed on the drill hole to acquire additional data on the coal seam thickness and characteristics, including permeability.



Drill Rig mobilised to site

Following completion of the first drill hole, a further three cored holes, spaced approximately 3.5km apart, are scheduled to be drilled and tested over a 3-4 month period. These drill holes will continue to target the highly prospective coal seams identified from existing exploration data and coal mining activities.

The drilling program is the first step in the process of converting the very large independently certified 5.96 TCF (2U risked) Gross Prospective Resource (set out in the table below) into a Contingent Resource. The upgrade of the Resource to a Contingent category will be a major milestone in the potential establishment of a world class gas project adjacent to one of the world's largest and fastest growing gas markets, in China.

### Gross (100%) Prospective Resources (TCF)

Region	Unrisked Prospective Resource (TCF)			Risky Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	2U (Best)	3U (High)
Prospect Area	1.30	<b>2.02</b>	3.38	1.17	<b>1.82</b>	3.04
Lead Area	6.89	<b>17.94</b>	38.24	1.95	<b>4.14</b>	8.21
<b>Total</b>	<b>8.19</b>	<b>19.96</b>	<b>41.62</b>	<b>3.12</b>	<b>5.96</b>	<b>11.25</b>

Gas volumes are expressed in the table above are in trillion cubic feet (TCF) at standard temperature and pressure bases.

### Talon's net (33%) Prospective Gas Resources (TCF)\*

Region	Unrisked Prospective Resource (TCF)			Risky Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	2U (Best)	3U (High)
Prospect Area	0.43	<b>0.66</b>	1.12	0.39	<b>0.60</b>	1.00
Lead Area	2.28	<b>5.92</b>	12.62	0.64	<b>1.37</b>	2.71
<b>Total</b>	<b>2.71</b>	<b>6.58</b>	<b>13.74</b>	<b>1.03</b>	<b>1.97</b>	<b>3.71</b>

Gas volumes are expressed in the table above are in trillion cubic feet (TCF) at standard temperature and pressure bases.

\*Subject to completion of Farmout and transfer of 33% participating interest in Gurvantes XXXV PSA

**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 Talon's ASX announcement dated 18 August 2021. 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.

**Talon's Managing Director & CEO, Colby Hauser, commented:** *"The commencement of the first of four coreholes at Gurvantes XXXV is a major milestone for both Talon and the Gurvantes XXXV project. Acquiring definitive subsurface data on coal seam thickness, gas content and initial permeability measurements of the targeted coal seams are key deliverables of the initial drilling program, with this information to be used to inform the design and location of an initial pilot well program which is expected towards the back end of calendar year.*

*This is the start of a very active period for Talon with drilling in Mongolia running in tandem with the upcoming testing program at the Walyering-5 appraisal well recently drilled in Western Australia's Perth Basin. Both projects potentially provide multiple catalysts for a substantial increase in shareholder value in the very near term."*

**This Announcement has been authorised for release by the Board.**

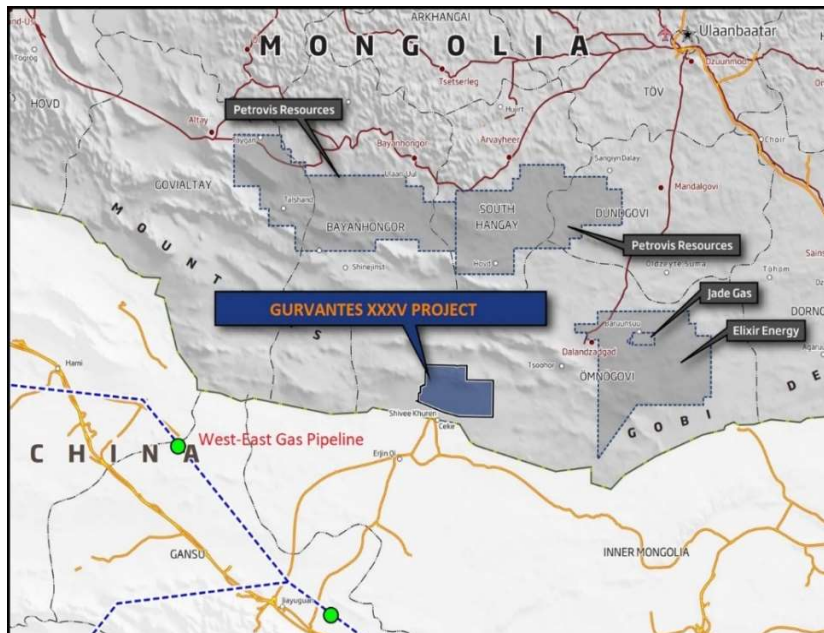
For further information, please contact:

**Talon Energy Ltd**  
Colby Hauser  
Managing Director and  
CEO  
+61 8 6319 1900  
[info@talonenergy.com.au](mailto:info@talonenergy.com.au)

**About Gurvantes XXXV**

The Gurvantes XXXV Production Sharing Agreement covers a significant area of 8,400km<sup>2</sup> and is in what is considered one of the most prospective coal seam gas basins globally.

The Gurvantes XXXV Project is situated less than 20km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. It is also proximate to several large-scale mining operations with high energy needs. Both markets have seen a dramatic increase in gas pricing. Gurvantes is therefore ideally placed for future gas sales to satisfy both local Mongolian, as well as Chinese, energy requirements.



Gurvantes XXXV location map