

Drilling Ahead on All Fronts

- Walyering flow testing activities ramping up with mobilisation of the final pieces of testing equipment to site
- Walyering Resource Estimate upgrade to commence on flow test results at Walyering-5
- Spudding of Walyering-6 well imminent, with Ensign Rig 970 scheduled to commence mobilising to site in the coming days
- Preliminary core testing underway at the Gurvantes XXXV Coal Seam Gas Project indicate high gas content and saturation

Talon Energy Ltd (Talon or the Company) is pleased to provide an update on operations at the Walyering Conventional Gas Project located on EP447 in the Perth Basin and the Gurvantes XXXV CSG Project located in Southern Mongolia.

Walyering Update – EP447 Joint Venture (45% interest) Walyering-5 flow testing program

As recently announced by Talon's Joint Venture Partner and Operator of the EP447 Joint Venture, Strike Energy Limited (STX), with the final pieces of the flow testing equipment mobilising to site over the coming week formal flow testing activities at the Walyering-5 well are scheduled to commence shortly, with testing to commence in the lower D Sand reservoir and systematically working up to the higher A Sand reservoir.

The flow testing program, which is scheduled to take place over a 4-week period, will gather reservoir data which will be used to better understand and model reservoir performance, in order to evaluate the commerciality of the project, and inform downstream process design.

A summary of the reservoir horizons is shown in the table below:

Reservoir	Interval Top TVDss (-m)	Gross Thickness (m)	Planned Flow Test Perforation (m)	Peak Porosity (%)	Average Porosity ¹ (%)	Net Pay (m)
A Sand	2,969	15	15	21.5	17.3	14
B Sand	3,045	69	23	18	14.5	10
C Sand	3,154	11	10	20.5	16.4	9
D Sand	3,212	22	18.6	16.6	13.9	18
Total		116		21.5	15.4	51

1. A porosity cut-off of 8% was used for the net pay calculation.

In anticipation of successful flow testing results, STX and Talon have engaged RISC Advisory to undertake an independent assessment of the Gas Resources at Walyering, with the aim of upgrading the current Prospective Resource and potentially booking the Project's Maiden Reserve estimate subsequent to flow testing.

Walyering-6 appraisal well update

Following the success of the Walyering-5 well in December 2021, which intersected four high quality conventional gas charged sands (refer above table), a second well, Walyering-6, will be drilled to test a second target within the Walyering gas field, located approximately 1.6km due north of the Walyering-5 well. With Ensign Rig 970, the same rig which drilled Walyering-5, scheduled to begin mobilising to site in the coming week, with spudding of Walyering-6 expected in late April.

Talon holds a 45% interest in the Walyering conventional gas project located in the Perth Basin, Western Australia, with the Operator of the JV, Strike Energy Limited, holding the remaining 55% interest.

Gurvantes XXXV Drilling Program (Farming In to 33%)

As previously announced, TMK Energy Limited (TMK), the Operator of the Gurvantes XXXV Coal Seam Project, commenced a 4 corehole drilling program at the Project in mid-March 2022.

Earlier in the current week TMK provided an update on the drilling program, advising that the initial drill hole, Snow Leopard -1, had intersected ~44 metres (net thickness) of gassy coal between 406m and 461m down hole, with preliminary gas desorption results indicating high gas content and saturation, with testing of the 36 samples taken to date ongoing.

Preliminary results to date indicate that the upper coal seam, the shallower of two target zones, has a high gas content, in the order of 7.5m³/t to 12.5m³/t on an as received basis. Visual structural logging of the drill core indicates that the coal seam has a well-developed cleat system (natural fracture network) which is a positive indicator for higher permeability of the host formation.

Prior to drilling ahead to next target zone, downhole geophysical surveys will be conducted on the intersected coal seam to determine intervals for Drill Stem Testing (DST) which will test and acquire permeability data to be used in future Resource estimations.

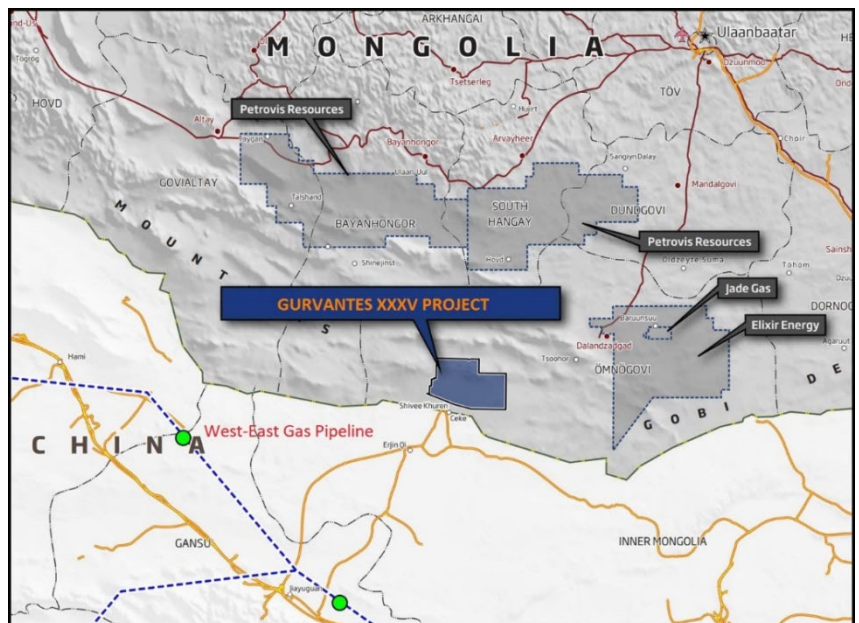
Snow Leopard-1 is the first of 4 coreholes planned for the current drilling program, to be conducted over coming 3-4 months and targeting highly prospective coal seams identified at the Project from existing exploration data, including coal mining activities, and which, to date, have been validated by the preliminary results from Snow Leopard-1.

On the successful outcome of the current drilling program TMK aims to undertake an independent assessment of the existing Prospective Resource estimate in order book the Maiden Contingent Resource estimate for the Project.

Gurvantes XXXV Overview

The Gurvantes XXXV PSA covers a significant area of 8,400km² and is in, what is considered one of the most prospective coal seam gas basins globally. Gurvantes XXXV 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. Gurvantes is therefore ideally placed for future gas sales to satisfy both local Mongolian, as well as Chinese, energy requirements.

Talon is currently farming into the Gurvantes XXXV project to earn a 33% interest in the Production Sharing Agreement over the Project area.



Talon's Managing Director & CEO, Colby Hauser, commented: "It has been a very busy start to the year for Talon with exploration drilling at the Gurvantes XXXV CSG Project commencing in mid-March, and preliminary flow testing of the Walyering-5 well shortly thereafter.

The comprehensive flow testing program at Walyering-5 has now commenced and with continued positive well testing data, Talon will be in a position to book the Company's Maiden Gas Reserve estimate. On the back of the early success at Walyering-5, the Joint Venture has committed to drilling a second well at Walyering, which is expected to spud in late April.

Building on that, preliminary testing of core samples from the drilling campaign at the Gurvantes XXXV CSG Project have also shown some very promising results from the Snow Leopard -1 drill hole. These results indicate high gas content and saturation in the first coal seam intersected. Should drilling results continue to meet expectations we expect that the Gurvantes XXXV Project will book its Maiden Contingent Resource later in the calendar year."

This Announcement is authorised for release by the Managing Director.

For further information, please contact:

Talon Energy Ltd

Colby Hauser

Managing Director and

CEO

+61 8 6319 1900

info@talonenergy.com.au