

TALON ENERGY LIMITED

Poised for near-term significant growth

Colby Hauser– Managing Director & CEO

May 2022

Annual General Meeting
Presentation

ASX: TPD

www.talonenergy.com.au



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The year in review:

Corporate activities



- Exiting of the UK North Sea Portfolio



- Appointment of Managing Director and Chief Executive Officer



- Raised \$11m via oversubscribed Placement



- Raised \$2.529m via Share Purchase Plan



- Positioned to endorse a Walysing Final Investment Decision



The year ahead:

Corporate



- Evaluate project portfolio and investigate value add farm-in opportunities



- *Finalise Walyering Project Debt funding



- *Finalise farm-in into Ocean Hill



- *Finalise earn in to Gurvantes



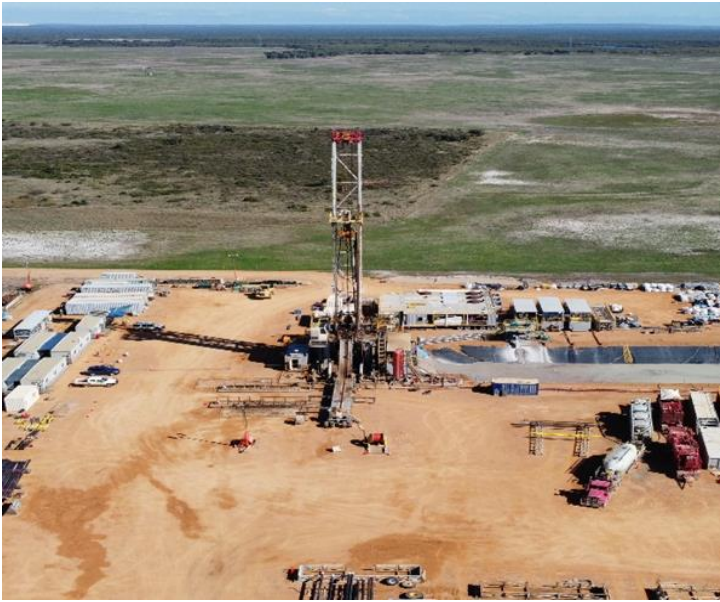
- Appoint key members to Talon management team as required



Project debt finance may be considered by Talon. Ocean Hill farm-in is contingent on reaching agreement with Strike. Talon has the option to continue to fund Stage 2 of Gurvantes exploration to earn its interest in the project.

The year in review:

Project activities



- 2 conventional gas wells drilled
- 2 discoveries
- 1 flow test



- 2 CSG core holes spudded
- 160m gassy coals intersected to date

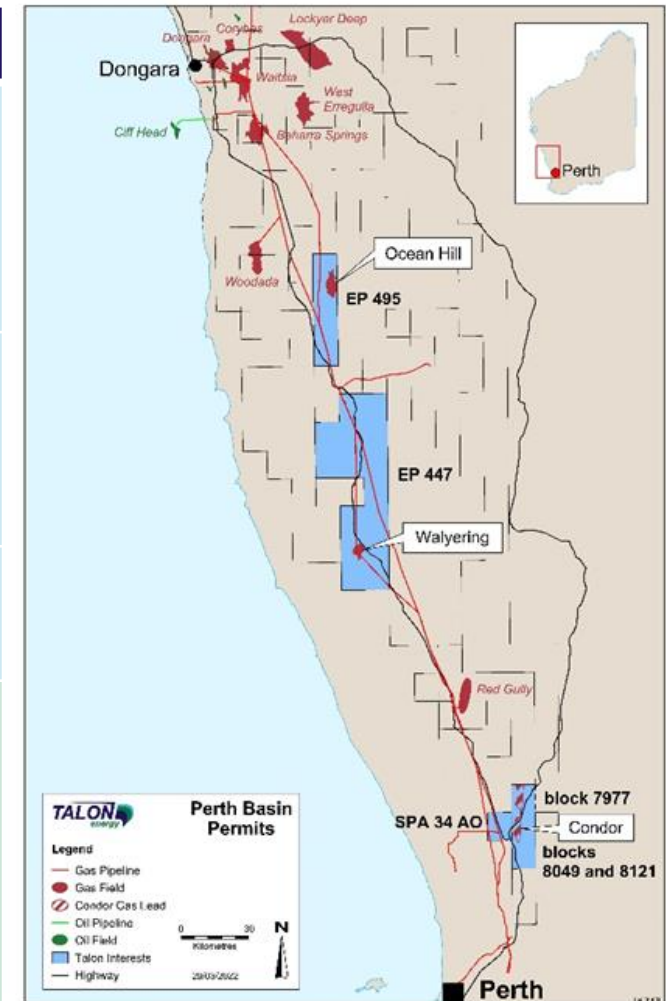


Project Portfolio

Sequenced exploration, appraisal and development



Basin / Play	Permit	Share	Summary
Perth Basin (Australia) / Jurassic Wet Gas	Walyerling (EP447)	45% TPD 55% Strike Energy	<ul style="list-style-type: none"> Gas discoveries announced 2U 39 Bcf Prospective Resource (net) *pre-drill estimate subject to pending upgrade
	Ocean Hill (EP495)	%TPD to be determined 100% Strike Energy	<ul style="list-style-type: none"> ROFR DeGolyer MacNaughton Contingent Resource booked at 2C 360 Bcf
	Condor (EP494-SPA-0081)	100%	<ul style="list-style-type: none"> South Perth Basin 2U 408 Bcf Prospective Resource
South Gobi (Mongolia) / CSG	Gurvantes XXXV CSG	Up to 33% 67% TMK Energy	<ul style="list-style-type: none"> Second of four core hole campaign has commenced 2U 6 Tcf Prospective Resource (Risky) at 33% potential, adjacent to Chinese market



Company strategy is built around onshore Jurassic wet gas and multi-Tcf CSG exposure in Mongolia

Project Highlights

A transformational year with a view to near term revenue



2021 / 2022 Achievements

2022/2023 Targets

Perth Basin

Walyering (EP447)

- Drilled Walyering-5 and Walyering-6, both are confirmed discoveries
- Flow testing of the Walyering-5, flow rates exceeding JV expectations
 - Peak rate comingled flow at 75mmscf/d
 - Third highest rate in Perth Basin

- Walyering-6 flow test to commence in June 2022
- Maiden Gas Reserves estimate
- Project Final Investment Decision
- Plant construction, commissioning and production
- Identify new leads within permit

Condor (EP494, SPA-0081)

- Completed an Airborne Electromagnetic, Transient Pulse (AEM-PTP)
- Progressed planning for an initial Geochem survey over the area.

- Conversion of exploration permit
- Seismic acquisition program
- Prospectivity identification

Ocean Hill (EP495)

- Negotiation of farm-in terms with Operator

- If appropriate, finalise farm-in terms, execute term sheet and full form agreements

Project Highlights



A transformational year with a view to near term revenue

2021 / 2022 Achievements	2022/2023 Targets
Mongolia	
Gurvantes XXXV CSG Project <ul style="list-style-type: none">• Maiden drilling campaign commenced• Snow Leopard-1 and 2 intersecting gassy coal seams (160m to date) with high gas content• Snow Leopard-1 test results indicate:<ul style="list-style-type: none">• High gas content, composition and saturation	<ul style="list-style-type: none">• Drill and test Snow Leopard-3 and 4• Book maiden Contingent Resource• *Finalise farm-in<ul style="list-style-type: none">• Commence pilot well program• Commence gas marketing• Initiate Stage 2 appraisal• Book maiden Reserve and Feasibility Study

*Talon has the option to continue to fund Stage 2 of Gurvantes exploration to earn its 33% interest in the project.

Project Activity Deep Dives

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Walyering – EP447

Low cost, quick to market development

- Talon farmed into 45% of Walyering with Operator Strike Energy (STX)
- Confirmed discoveries across Walyering-5 and 6 with several gas accumulations in each well
- Primary target in the Cattamara, secondary target in the Cadda
- Walyering-6 appraisal recently intersected gas accumulations following on from the success of Walyering-5 drilling and flow testing
- Development work for the Walyering Project progressing, including production facility Front-End Engineering and Design (FEED), detailed design, procurement strategies and a field Resource update



Walyering-5 D Sand flow test

A commercial development providing a pathway to early revenue generation

Walyering – EP447

Walyering-5

- Four gas charged reservoirs were confirmed with a total gross thickness of 116m with a net pay of 51m
 - Average porosities of 15.4%
 - Measured average reservoir pressures around 4,386psia
 - Permeabilities of up to 274mD
- Strong and commercially indicative stabilised comingled flow test at 67 mmscfd
 - Peak comingled flow rate at 75mmscfd
- Operator's internal analysis suggests a 60PJ gas in place



Walyering-5 Flow Test

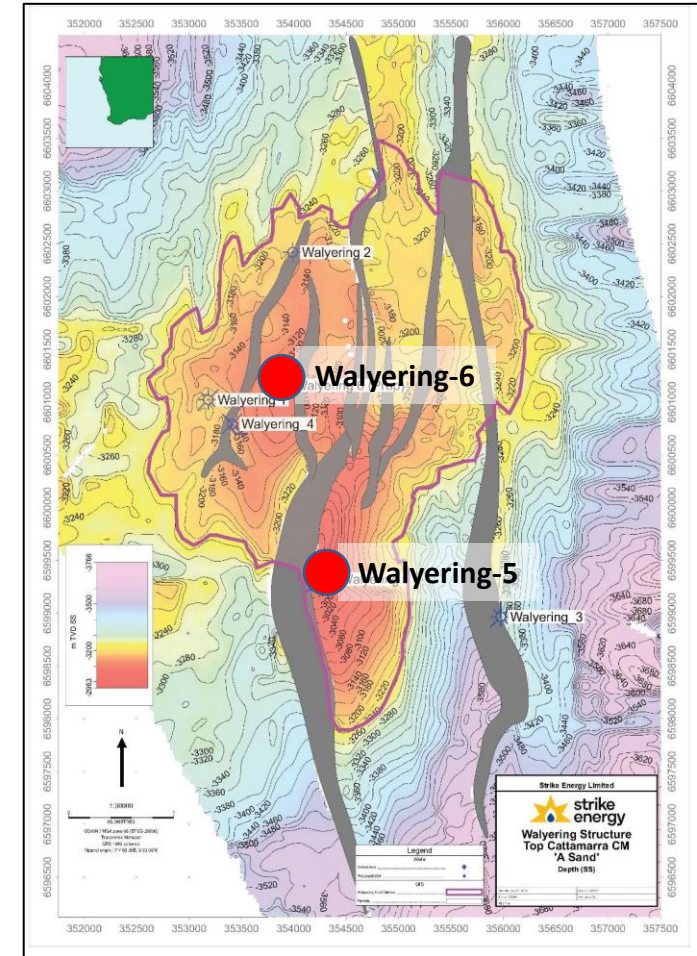
Reservoir	Interval Top TVDss (-m)	Average Porosity (%)	Perf interval (m)	Reservoir Pressure (Est. psi)	Peak Rate (mmscfd)	Stabilised Rate (mmscfd)	Choke Setting (")	FWHP (psi)	Length of Test (hrs)	Est. connected resource (PJ) ¹
A Sand	2,969	17.3	16	4,388	59	52	64/64	2557	>24	31
B Sand	3,045	14.5	32	4552	32	28	48/64	2175	>24	24
C Sand	3,154	16.4	10	4,850	32	27	48/64	2083	>24	
D Sand	3,212	13.9	18	4,655	13	10	48/64	813	>24	5
Comingled Flow	-	15.4	76	-	75	67	72/64	2,634	~3	60

1. Estimated connected volume in place is calculated based on Strike Energy Limited's reservoir engineering analysis of well test data and does not constitute a resource estimate for the purposes of the Petroleum Resources Management System 2018. BCF to PJ energy conversion factor of 1.2x was used based on the sweetness and negligible impurity of the Walyering gas stream. For more information refer to Strike Energy Limited ASX release dated 16 May 2022 and titled "Walyering Appraisal, Discovery & Testing Results".

Walyering – EP447

Walyering-6

- Walyering-6 drilled to final depth of 3,551m on the western side of the crestal fault
- Good reservoir in the Cattamarra Coal Measures and potential new gas reservoir in the Cadda formation
 - 21m of pay intersected in the Cattamarra Coal Measures, primarily in the B&C sands
 - New gas discovery in the Cadda Formation with 4m of net pay, porosities of up to 22% and permeabilities up to 220mD with reservoir pressures of 3,827psi
 - Samples from the Cadda Formation reservoir are currently being tested and this zone will be part of the upcoming flow testing program for Walyering-6



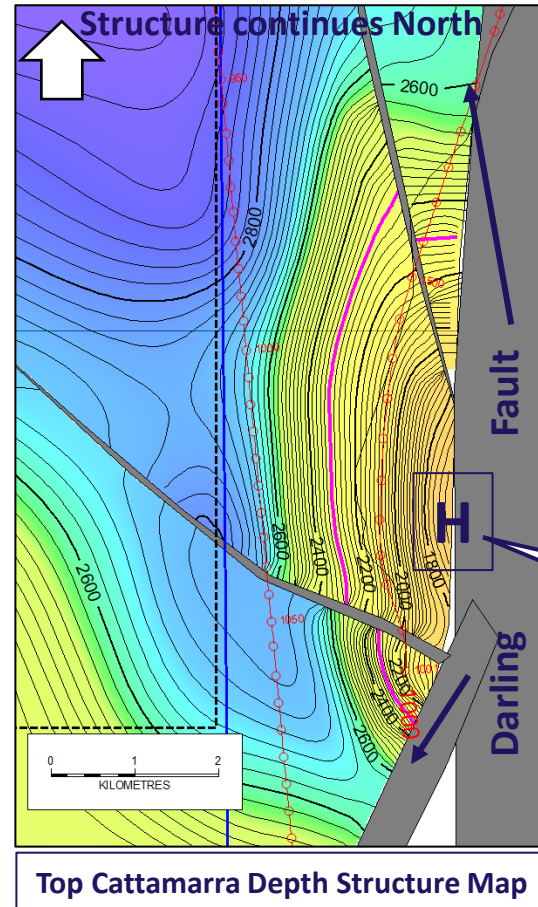
Walyering Gas field depth map (Strike Energy)

Condor Prospect

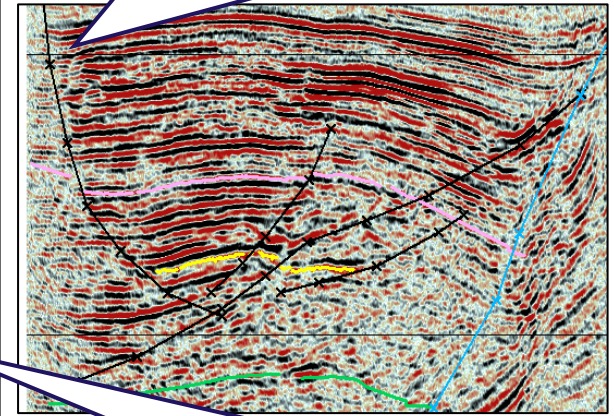
Progressing towards near term exploration



- Talon has a binding agreement to acquire 100% of the Condor structure located on EP494
- 2U 408 Bcf Prospective Resource, adjacent to pipeline infrastructure
- Staged exploration opportunity that has been de-risked by encouraging results from Walying-5 and -6
- Significant farm-in interest from other Perth Basin explorers
- Targeting sands within the Cattamarra Coal Measures at depths around 2,000m
- Talon continues to undertake development activities leading to seismic and near term exploration drilling



Seismic Line crossing the southern lobe of the Condor Structure showcasing the high relief and 3 way rollover into the downthrown side of the Darling Fault.



High (up to 900m) vertical relief crestal closure on the southern lobe of the north-south trending, Condor Butress Trap structure.

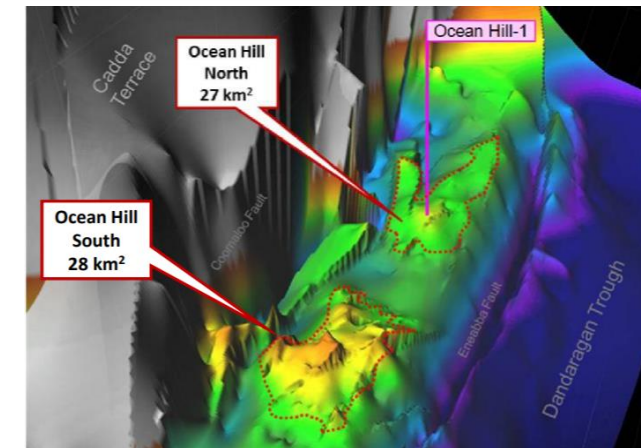
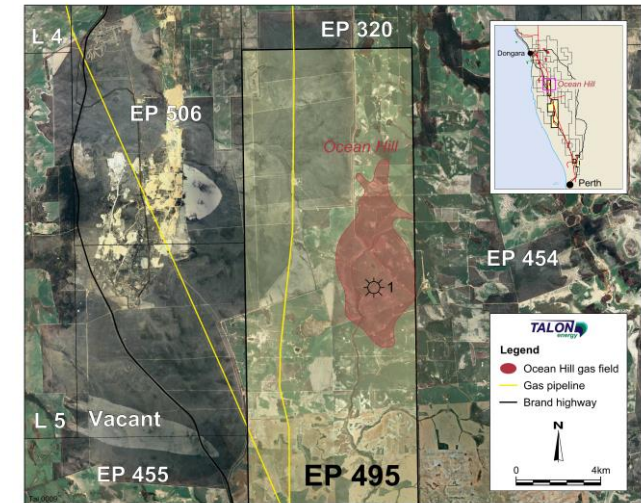
Perth Basin – Ocean Hill – EP495

Next Jurassic Gas Producer?

- Currently negotiating farm-in terms (with STX) via ROFR on permit
- Field analogous to Walyering (recent W-5 / W-6 discoveries)
- Adjacent to DBNGP, less than 4km
- Independent 2C Contingent Resource (Gross):

2C Resource (Degolyer & McNaughton)

- 360 Bcf Gas
 - 1.2 mmbbls Condensate
- Similar amplitude responses are seen on 2D suggest better reservoir away from the crest
 - Forward Work Plan:
 - To be agreed with Operator



3D structure at ~ Top Cadda

Talon and Strike have demonstrated the indicative commercial viability of Jurassic Wet Gas in the Perth Basin

Mongolia – Coal Seam Gas

Drilling Program has commenced at Gurvantes XXXV (farm-in up to 33%)



- Independently certified (NSAI) Prospective Resource of **5.96Tcf** (gross)
- High impact 4 core hole drill program commenced in **March 2022**
 - Very thick coal seams encountered with strong preliminary gas content and composition in SL-1 and SL-2
- The drilling program is progressing towards the certification of a significant Contingent Resource
- Early commercialisation pathways for gas power generation in Mongolia and large-scale export opportunities to Chinese market.
 - Gurvantes XXXV is **20km** from Chinese border and is the closest project to China's West-East Gas Pipeline network

Gross Risked Prospective Gas Resource (Tcf)

1U (Low)	2U (Best)	3U (High)
3.12	5.96	11.25

Net Talon Risked Prospective Gas Resource (Tcf)

1U (Low)	2U (Best)	3U (High)
1.03	1.97	3.71

Gurvantes gas has significant locational and cost advantages over current natural gas suppliers to China

Summary

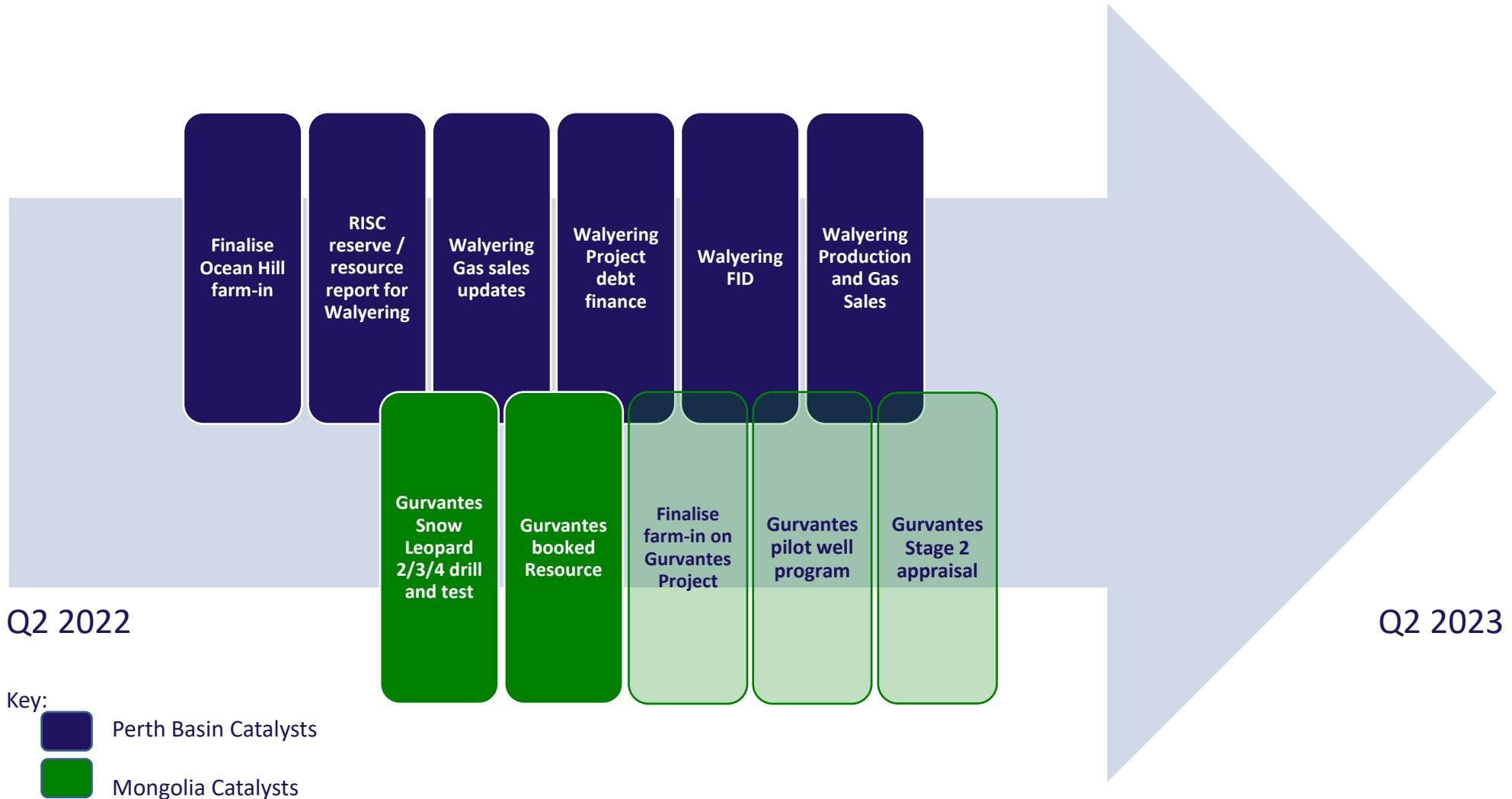
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Timeline of Value Catalysts

12 month look ahead



*Timelines are indicative only and may not be sequenced. Project debt finance may be considered by Talon. Ocean Hill farm-in is contingent on reaching agreement with Strike. Talon has the option to continue to fund Stage 2 of Gurvantes exploration to earn its interest in the project.

Summary

Talon has built a strong foundation that has positioned the business for significant growth



Strong Strategy

- flagship development project and tier-1 exploration targets with multi TCF potential
- all exploration targets are adjacent to gas pipeline infrastructure



Near Term Cash Flow

- Walyering will deliver significant cashflows inside of 12 months



Cash Flow Funded Focused Exploration Strategy

- Conventional Jurassic Wet Gas focus in the Perth Basin –strong gas markets
- CSG focus in Mongolia – highly capital efficient



Scale

- Best case Prospective Resource estimates of up to 1.97BCF (net) for Gurvantes project in Mongolia

Talon continues to deliver on its strategy

Perth Basin

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Prospective Resources – Walyering Conventional Gas Project

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 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.

Prospective Resources – Condor Structure

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 17 March 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.

Gurvantes XXXV CSG Project Mongolia

Competent Persons Statement. The information in this report that relates to Prospective Resource information for the Gurvantes XXXV Project is based on information compiled by Mr. John Hattner, an employee of Netherland, Sewell & Associates Inc, and who is a Qualified Petroleum Reserves and Resources Evaluator (QPRRE). 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/World Petroleum Council/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers 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.

Prospective Resources – Gurvantes XXXV CSG Project

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