

PETROCHINA SIGNS MOU WITH TMK ENERGY LTD ON GURVANTES XXXV

Talon Energy Ltd (Talon or the Company) refers to the recently announced binding Memorandum of Understanding (**MOU**) between PetroChina Daqing Tamsag LLC (**DATAMO**), a wholly owned subsidiary of PetroChina, and TMK Energy Ltd (**TMK**), owner of the Gurvantes XXXV Coal Seam Gas Project (**Gurvantes**) located in Southern Mongolia, and in which Talon is currently farming into a 33% interest.

Under the MOU DATAMO and TMK have agreed to work together on a non-exclusive basis to enhance and accelerate the exploration, evaluation and development of the Gurvantes XXXV Coal Seam Gas Project, with the underlying principle of collaboration for the responsible development of the Project. The MOU envisages a process whereby DATAMO may proceed towards on investment in Gurvantes, through either a direct investment in the Project or in TMK.

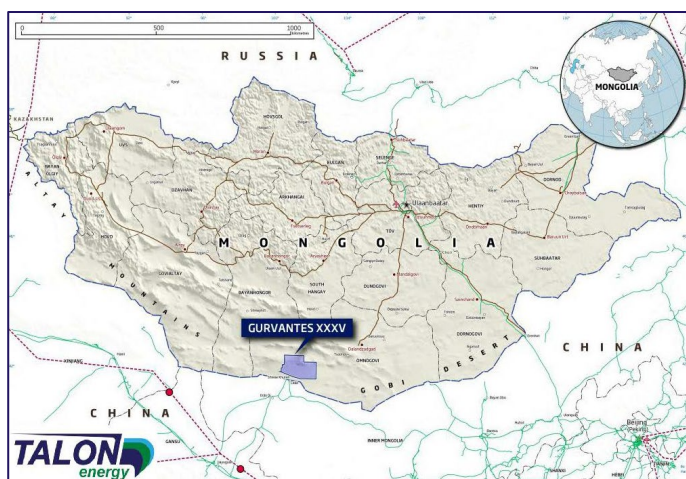
Talon welcomes the partnership between TMK and DATAMO, and the local knowledge and development expertise that DATAMO would bring to the Project should it decide to support or invest in the Project.

Talon's farm in activities currently include funding the drilling and analysis of a minimum of 4 core holes, with 3 of the holes now completed. Details of the exploration activities at Gurvantes XXXV to 30 June can be found in Talon's 30 June 2022 Quarterly Activity Report released on the 29th of July 2022.

Details of the MOU between DATAMO and TMK can be found in TMK's ASX announcement released on 11 August 2022, titled "PetroChina Aligns with TMK Energy".

About the Gurvantes XXXV GSG Project

Talon is party to a Farm-in Agreement with Telmen Resource LLC (**Telmen**) (a wholly owned subsidiary of ASX listed TMK Energy Limited (**TMK**)) to acquire a 33% Participating Interest in the Gurvantes XXXV Production Sharing Agreement (**PSA**). The Gurvantes XXXV exploration licence covers a significant area of 8,400km² and is situated 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, as such Gurvantes is ideally placed for future gas sales to satisfy both local Mongolian, as well as Chinese, energy requirements.



**Gurvantes XXXV Coal Seam Gas Project
Gross (100%) Prospective Gas Resources (TCF)**

Region	Un-risked Prospective Resource (TCF)			Risked Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	2U (Best)	3U (High)
Prospect Area	1.30	2.02	3.38	1.17	1.82	3.04
Lead Area	6.89	17.94	38.24	1.95	4.14	8.21
Total	8.19	19.96	41.62	3.12	5.96	11.25

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

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

Region	Un-risked Prospective Resource (TCF)			Risked Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	2U (Best)	3U (High)
Prospect Area	0.43	0.66	1.12	0.39	0.60	1.00
Lead Area	2.28	5.92	12.62	0.64	1.37	2.71
Total	2.71	6.58	13.74	1.03	1.97	3.71

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

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

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 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 notes that exploration work is ongoing at Gurvantes XXXV.

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This Announcement is authorised for release by the Managing Director.

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Competent Persons Statement (Gurvantes XXXV): 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.

Forward Looking Statements: This Announcement may contain certain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the management of the Company. Forward looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this presentation. Indications of, and guidance on, future exchange rates, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Any forward-looking statements, opinions and estimates provided in this Announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of the Company. Such statements may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this presentation.

The information in this Announcement is current as at the date of upload to the ASX's Market Announcements Platform and remains subject to change. Where required by the Company's continuous disclosure obligations Talon will release any price sensitive updates through the ASX's Market Announcements Platform immediately it become available, in accordance with the ASX's Listing Rules.