

Walyering Gas Sales Agreement Executed

- Walyering Joint Venture partners execute a 5-year Gas Sales Agreement with Santos.
- Agreement executed for the supply 36.5 PJ of gas to Santos from the Walyering gas field in the Perth Basin on a take or pay basis, with the ability to supply additional gas production at an agreed price, on an “as available” basis.
- Targeting commencement of delivery into the Gas Sales Agreement from Q1 2023.

Talon Energy Ltd (Talon or the **Company**) is pleased to announce that EP447 Joint Venture (**JV**) partners, Talon (45%) and Strike Energy Limited (**STX**) (55% and Operator), have entered into a long-term Gas Supply Agreement (**GSA**) with Santos-WA Limited (**Santos**).

Talon and JV partner STX have entered into a long-term gas supply agreement with Santos, to supply a minimum of 36.5 PJ of gas from the Walyering gas field on a firm basis, targeting commencement from Q1 2023, for a period of 5 years. The contract includes tranches of firm gas volumes, which are contracted on a “take or pay” basis, and “as available” gas volumes, which provides the JV with the flexibility to supply additional production into the contract as the field ramps up towards its maximum production capacity.

Santos has an established domestic sales gas portfolio in Western Australia and this collaboration enables the JV to bring Walyering’s gas production to market in a timely manner, and on attractive terms. The agreement is US-dollar denominated and linked to escalation in US CPI.

The gas supplied under the contract will be sourced from the Walyering gas field (EP447), where the JV is constructing a low-cost gas processing facility and associated infrastructure, with gas production being delivered into the Parmelia Gas Pipeline.

Talon’s Chief Executive Officer & Managing Director Colby Hauser said:

“The signing of the Gas Sales Agreement with Santos is a momentous moment for Talon and the EP447 JV. With the GSA now finalised the focus of activities at Walyering will be on the imminent construction and commissioning phase of Walyering’s development, followed soon after by strong cash flows underpinned by this agreement.

The firm pricing secured in the GSA provides a high degree of certainty with respect to future gas sales income for Talon, and in conjunction with our recent capital raise, provides the Company with a strong foundation for its future project development and growth”.

This Announcement is authorised for release by the Managing Director.

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