

Investor Update

Colby Hauser – Managing Director & CEO

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ASX: TPD

www.talonenergy.com.au



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- **December 2021:** Successful appraisal of Walyering gasfield with Walyering-5, ultimately proving up 3P resource of 82.4 PJ (37.1 PJ net to Talon)
- **February 2022:** Decision to exit UK Exploration Portfolio
- **March 2022:** Appointed Colby Hauser as Managing Director/CEO
- **March 2022:** Commenced Snow Leopard drilling programme in Mongolia
- **April 2022:** Walyering-5 flowed at maximum rate of 75MMscf/d on flow test
- **May 2022:** Successfully raised \$13.5 million via placement and SPP
- **May 2022:** Commence drilling and testing 5 CSG wells for Snow Leopard drilling programme in Mongolia
- **May 2022:** Drill and complete Walyering-6 with new pool discovery in the Cadda Formation flowing at a maximum rate of 25MMscf/d
- **May 2022:** Appoint Exploration Manager
- **June 2022:** 20: 1 share consolidation announced and later completed
- **July 2022:** Independent reserves report for Walyering– 3P reserve of 82.4 PJ (37.1 PJ net to Talon) and additional 3C+3U resource of 81.7 PJ (36.8 PJ net to Talon)
- **August 2022:** FID announced on Walyering gasfield, planning and construction on Walyering gas facility commences
- **September 2022:** Snow Leopard drilling programme completes with 5 wells drilled and tested with 100% success
- **October 2022:** Work commences on identifying funding sources for Walyering and Mongolia (Gurvantes XXXV) Stage 2 commitments
- **November 2022:** Independent certification of Gurvantes XXXV CSG resource in Nariin Sukhait area – 3C resource of 2.36Tcf (779 Bcf net to Talon)
- **November 2022:** Acquire 2 seismic lines over prospective coal seams in Gurvantes XXXV area
- **November 2022:** Appointed Chief Financial Officer
- **November 2022:** Capital raise of \$12 million to fund early Walyering development, Gurvantes XXXV Stage 2 and fund future growth via exploration
- **December 2022:** L7/ EP437 Farmin entered with Triangle for exposure to North Perth Basin Kingia gas prospects

Corporate Overview

Emerging producer with near term cashflow and several growth catalysts



Capital Structure

Ordinary shares on issue (ASX:TPD)	526,459,792 (1 Feb 23)
Cash Balance	~\$12m (31 Dec 22)
Unlisted Options	
• ExPrice \$0.12 expiring 28/02/2024	10,950,000
• ExPrice \$0.20 expiring 05/05/2025	5,000,000
• Exprice \$0.20 expiring 04/07/2024	2,000,000
Unquoted Performance Rights	22,775,000
Market Capitalisation @ \$0.18 (undiluted)	~\$95 million

Board & Management

	Doug Jendry	Non-Executive Chairman
	Colby Hauser	Managing Director & CEO
	David Casey	Non-Executive Director
	Matt Worner	Non-Executive Director
	Chris Kohne	Chief Financial Officer
	Darren Ferdinando	Exploration Manager
	David Lim	Company Secretary

- Company entering next phase of growth
- Debt financing and funding negotiation are ongoing
- Funding terms continue to progress to reach ideal financing outcome for company

Talon will have a strong capital position to fund development of our sequenced portfolio

Talon's Growth

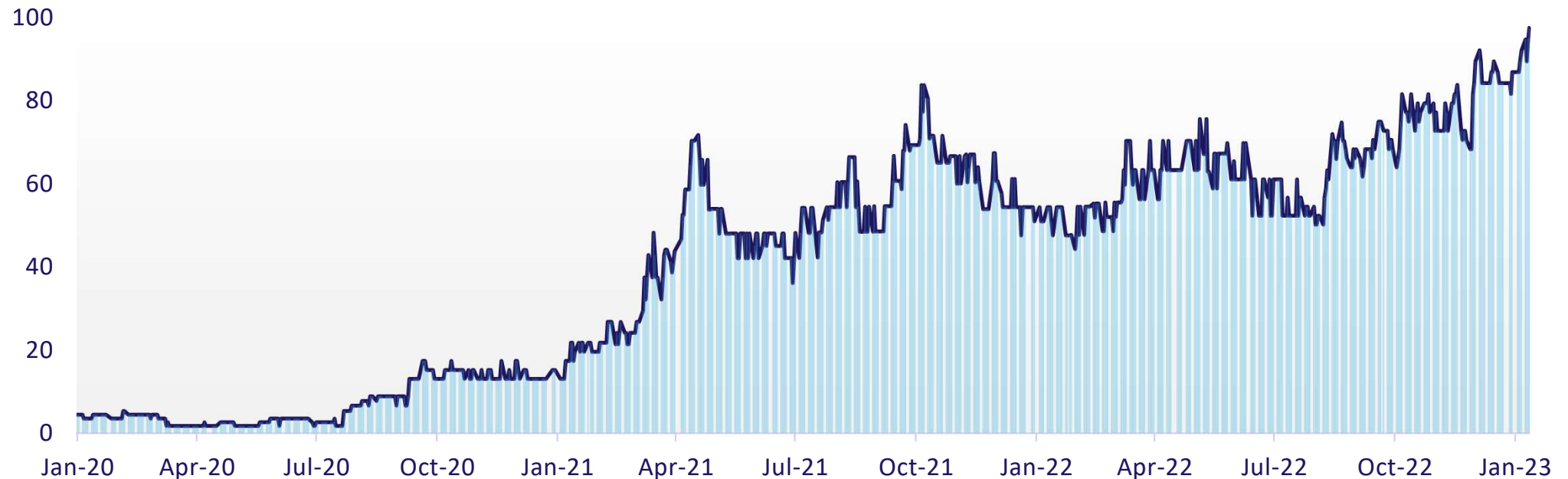
Last 3 years



- Talon's share price has increased from ~\$0.04 to \$0.18
 - This is **4.5X** Total Shareholder Return for our early stage, buy and hold investors
- In those 3 years, the market cap has grown from ~\$3.5m to ~\$95m
 - Almost **30X** larger than 3-years ago

120 \$ million

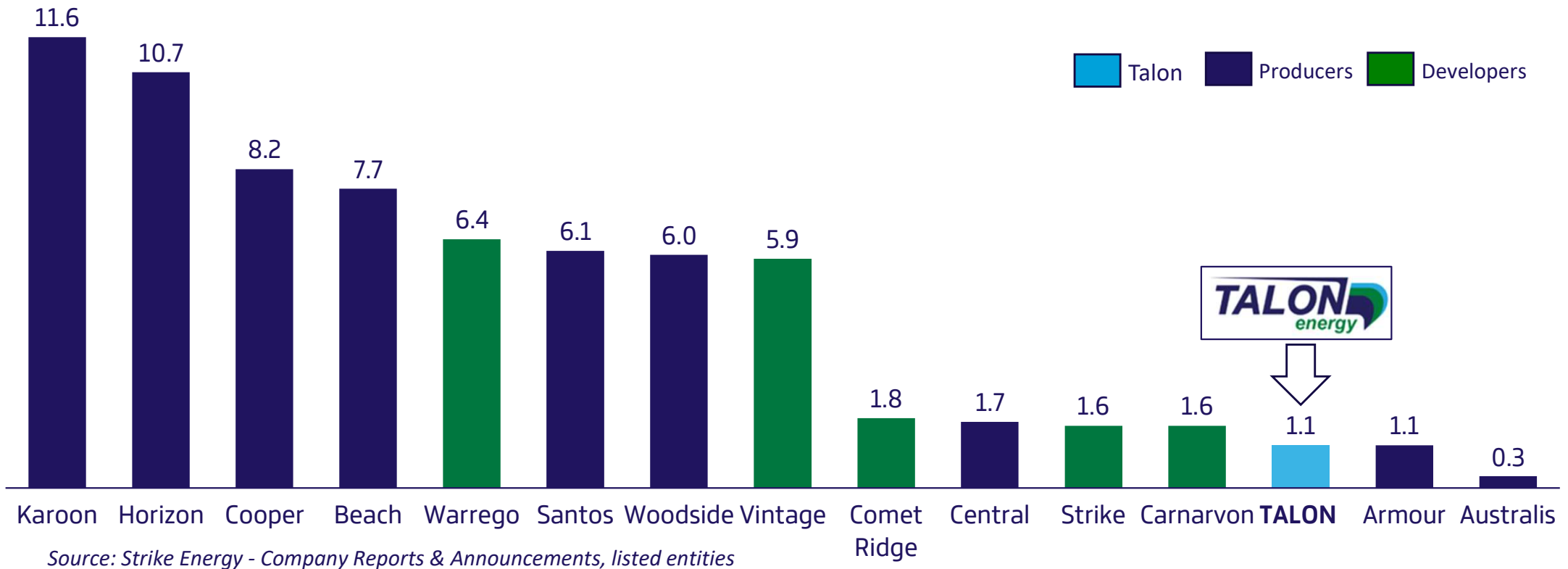
Talon Energy Market Capitalisation



Expected Re-rating of Share Price

EV/2P+2C

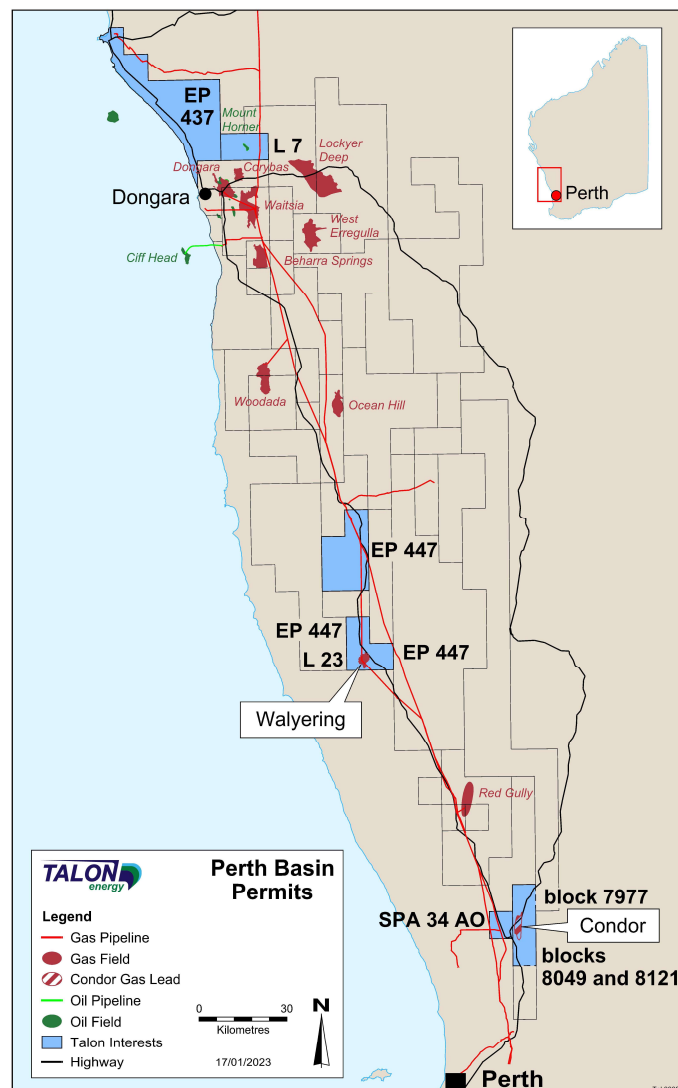
Various ASX Energy Companies, A\$/boe (21 Nov 22)



- Talon's Resource / Reserve position relative to our Enterprise Value remains amongst the **cheapest** of listed ASX energy companies
- Talon looking to move from developer to producer in Q1 2023, where meaningful cash flows should see the company trade at a premium, closer to production peers

Executing on a diversified portfolio

Foundations are built. Downside largely de-risked; significant growth imminent



← Perth Basin
AUSTRALIA

South Gobi Basin →
MONGOLIA



Permit	Share	Summary
Walyering	45% Talon Energy 55% Strike Energy (operator)	<ul style="list-style-type: none"> FID undertaken by JV, production end of Q1 2P Reserve 54.2PJ (24.4 PJ Talon share)
L7 / EP437	25% Talon Energy (farming in) 25% NZOG, 50% Triangle	<ul style="list-style-type: none"> Kingia gas prospects, North Perth Basin Subject to completion
Condor	Talon Energy is earning 100%	<ul style="list-style-type: none"> Perth Basin (South) 2U 408 Bcf Prospective Resource
Gurvantes XXXV CSG	33% Talon Energy 67% TMK Energy (operator)	<ul style="list-style-type: none"> Five core hole drilling campaign 1.2 Tcf (2C) Contingent Resource at drilling location; (~400 Bcf Talon Share)

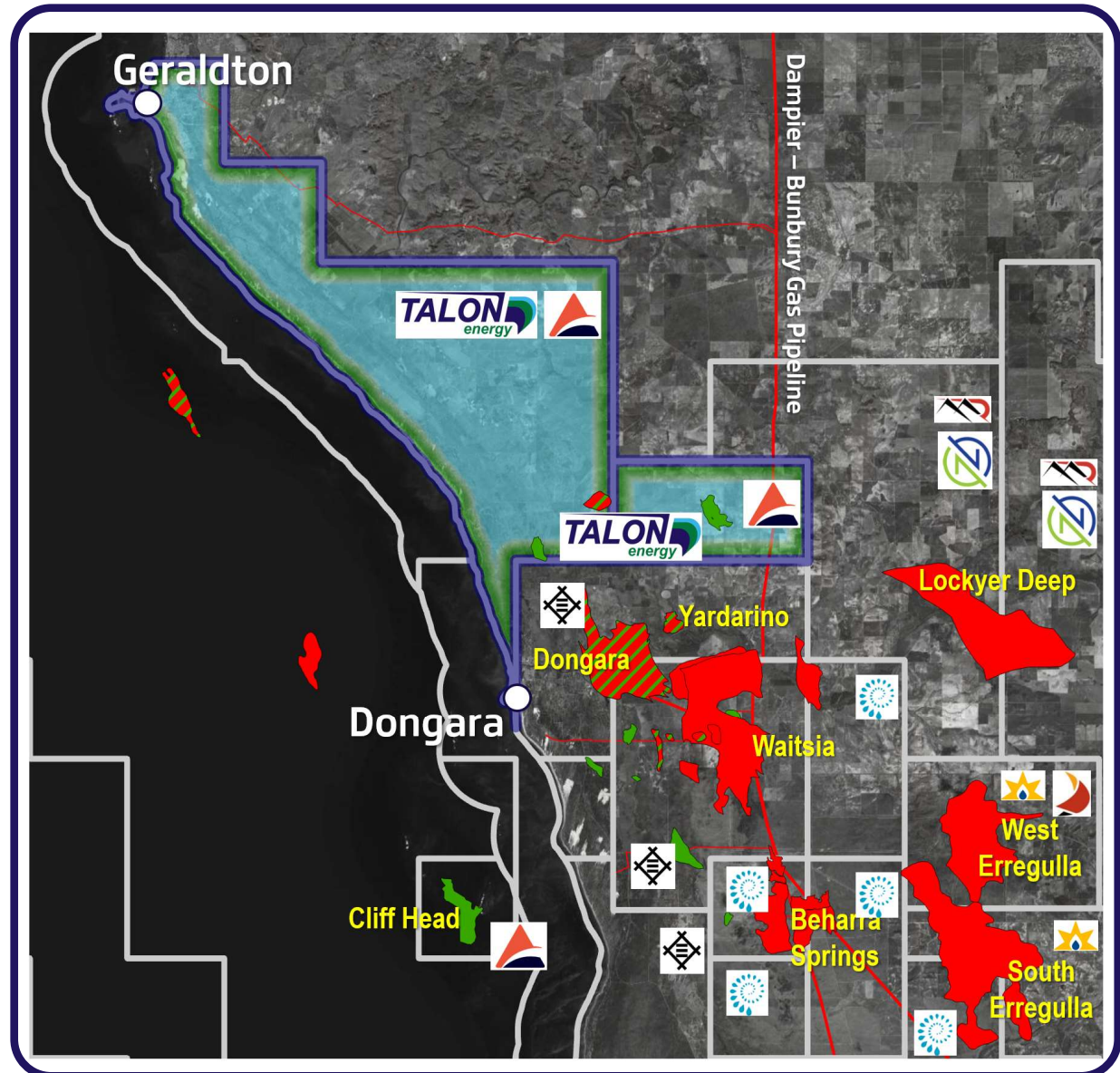
Our non-operated position across the portfolio = capital efficient business model

Perth Basin Consolidation

Corporate activity is heating up



- The north Perth Basin is where the M&A interest has been focused to date
- There have been several prolific Kingia gas discoveries in recent years
- Subject to completion, Talon's recent entry into the L7 / EP437 permits put it square in this area.
 - 3D has been shot across both permits
 - Data currently being interpreted
 - Final data set is imminent
 - L7 expected to be drilled early 2024
- Now more than ever, there is an urgent requirement for infrastructure positions to be established



Investment Highlights

Talon is an emerging oil and gas producer with a high quality diverse portfolio



#1 - Imminent cashflow

- Walyering first gas expected end of Q1 2023, up to \$30m p/a (net) to Talon

#2 – Exploration Upside

- Further upside in additional Walyering prospects
- Entry in to L7/EP437 permits, exposure to Kingia Gas prospects in north Perth Basin
- Sizeable Perth Basin Jurassic Wet Gas Prospect in Condor (in process of acquiring 100% Int.)
- Gurvantes XXXV Project (1.2 Tcf gross) rapidly developing to service China's energy demand

#3 – Near-term value catalysts

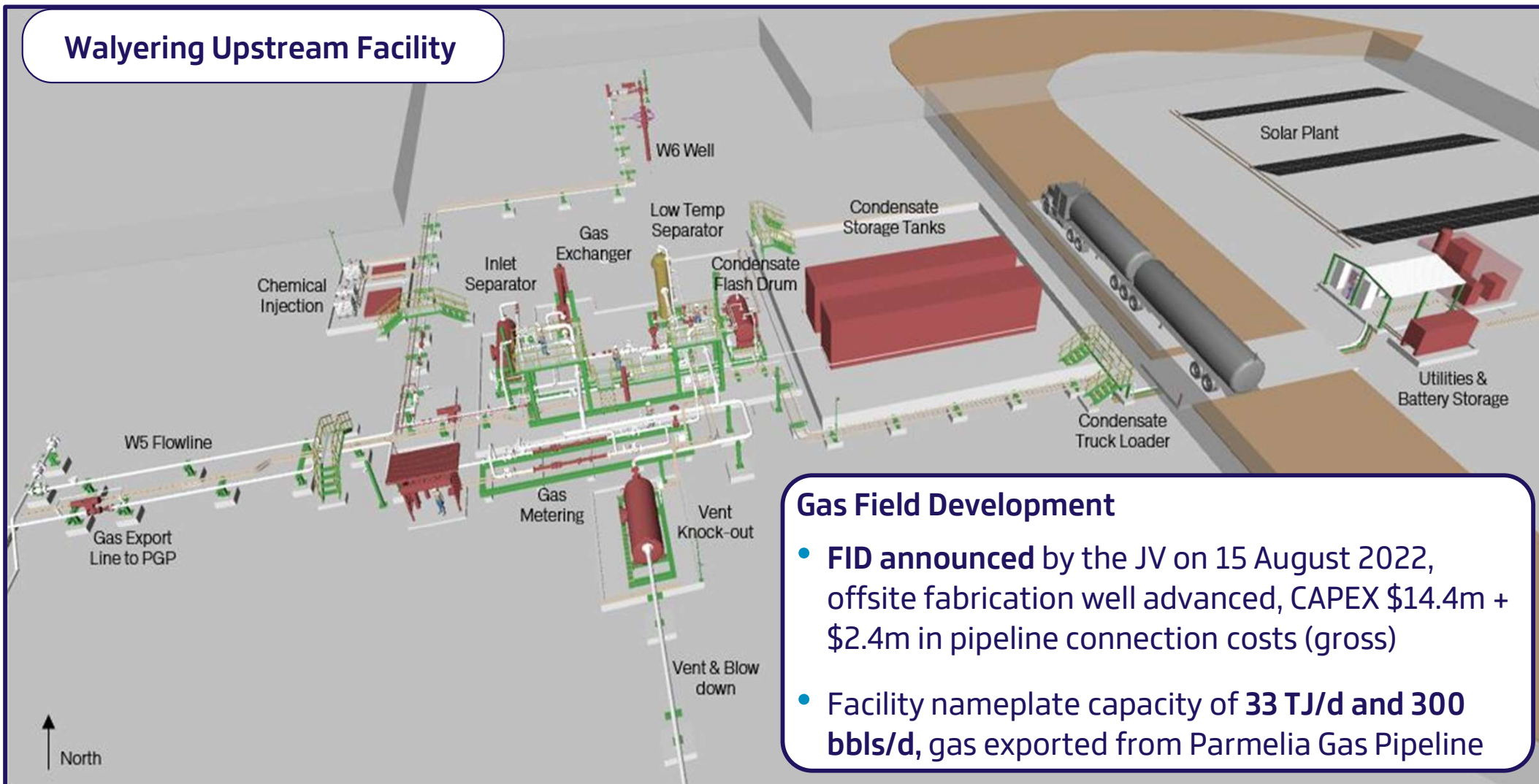
- Talon transitioning from Explorer to Producer in early 2023

Imminent Cashflow - Walyering Project

Low CAPEX, quick to market



Walyering Upstream Facility



Gas Field Development

- **FID announced** by the JV on 15 August 2022, offsite fabrication well advanced, CAPEX \$14.4m + \$2.4m in pipeline connection costs (gross)
- Facility nameplate capacity of **33 TJ/d** and **300 bbls/d**, gas exported from Parmelia Gas Pipeline

Low CAPEX and OPEX contribute to excellent project profitability

Imminent Cashflow - Walyering Offtake

Two Revenue Streams



Gas Markets

- Join Venture has executed a Gas Sales Agreement with Santos for a minimum of 38.5 PJ
- Spot market pricing has increased **more than 100%** in the last 2 years
- Domestic Gas Supply is tightening, spot pricing in WA trending above **\$ 8 / GJ**

	JAN 2023	DEC 2022	NOV 2022	OCT 2022	SEPT 2022	AUG 2022
Maximum Price	\$8.00	\$7.00	\$6.60	\$6.60	\$6.25	\$6.14
Average Price	\$7.06	\$6.91	\$6.10	\$5.86	\$5.82	\$5.62
Minimum Price	\$7.00	\$6.88	\$6.10	\$5.85	\$5.80	\$5.60

Source: gastrading.com.au

Condensate

- Production estimated to be between 150 -300 bbls/d
- Offtakes and transportation currently being negotiated

Cash Flow

- Both products combined are expected to produce between \$50-75m in gross cashflows per annum



Projected net cash flows up to \$30m per annum net to Talon

Exploration Upside: Perth Basin –Walyering Prospectivity

Potential for additional wet gas discoveries in EP447 / L23



- Walyering Gasfield has been excised from EP 447 into a separate Production Licence (L23), creating two plays:

Leads in the excised Exploration Permit (EP447)

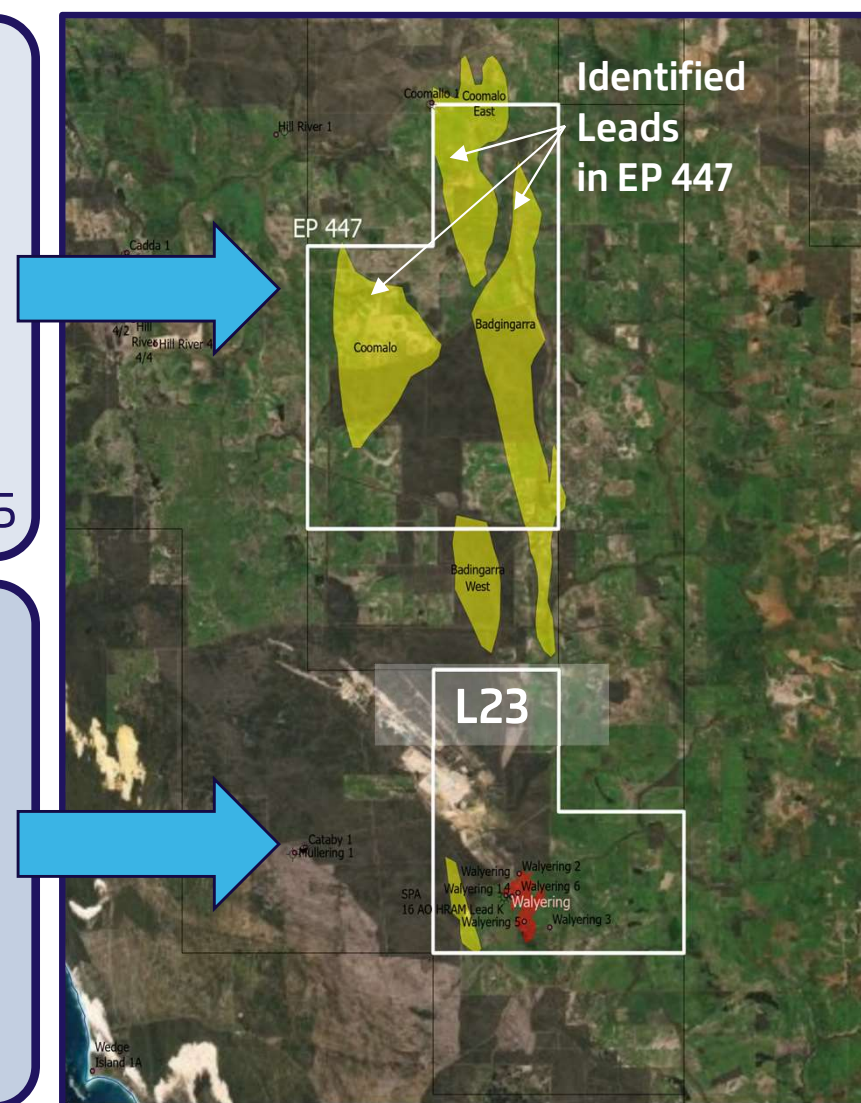
Identified additional prospectivity in EP 447;

- Three large leads identified in the northern part of recently renewed EP 447 (Talon Energy 45%)
- Talon and EP 447 Operator, Strike Energy, to fully characterise these leads in early 2023
- Will high grade one lead to prospect and drill in 2024/25

Resources within the Production License (L23)

Walyering Gasfield has 3P upside potential of 82.4PJ, plus an additional 80PJ of 3C + 3U resource

- 3P upside has a production life of ~9 years if producing at an average of 27TJ/d
- With contingent and prospective resource upside, field life could extend to 18 years of production

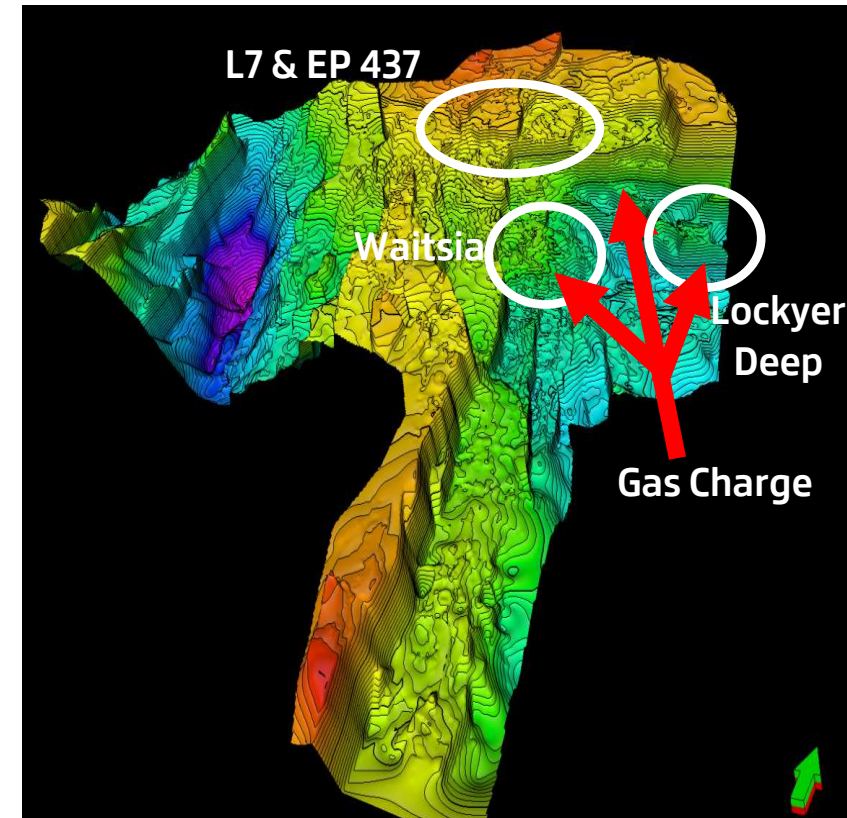


Talon's value upside materially higher with L7 and EP 437

Talon Energy acquiring 25% interest in L7 and EP 437 in the northern Perth Basin



- Binding agreement for **25% interest** in Exploration Permit 437 and Production Licence L7 in the northern Perth Basin from Triangle Energy executed 18th December 2022
- Strategic location covering 865 km² in the northern Perth Basin, with prior work by Triangle¹ indicating a best case Prospective Resource (2U) of 617 Bcf (gross, unrisks) for five features in the L7 permit alone
- L7 & EP 437 adds significant value upside to Talon's portfolio:
 - Diversifies the portfolio by bringing in Early Permian dry gas opportunities
 - Minimal upfront entry cost of A\$1.9 million
 - Bookara 3D seismic survey completed
 - Exposure to material prospective gas volumes
- Further discoveries in the adjacent EP 368 permit (MinRes and Norwest Energy) could significantly upgrade the prospectivity of L7 and EP 437
 - MinRes seeking to finalise acquisition of Norwest Energy, whose permits are adjacent to L7, at a 65% premium (shares at Dec 15) indicate this area is highly prized



3D visualisation of northern Perth Basin showing gas charge into L7 area

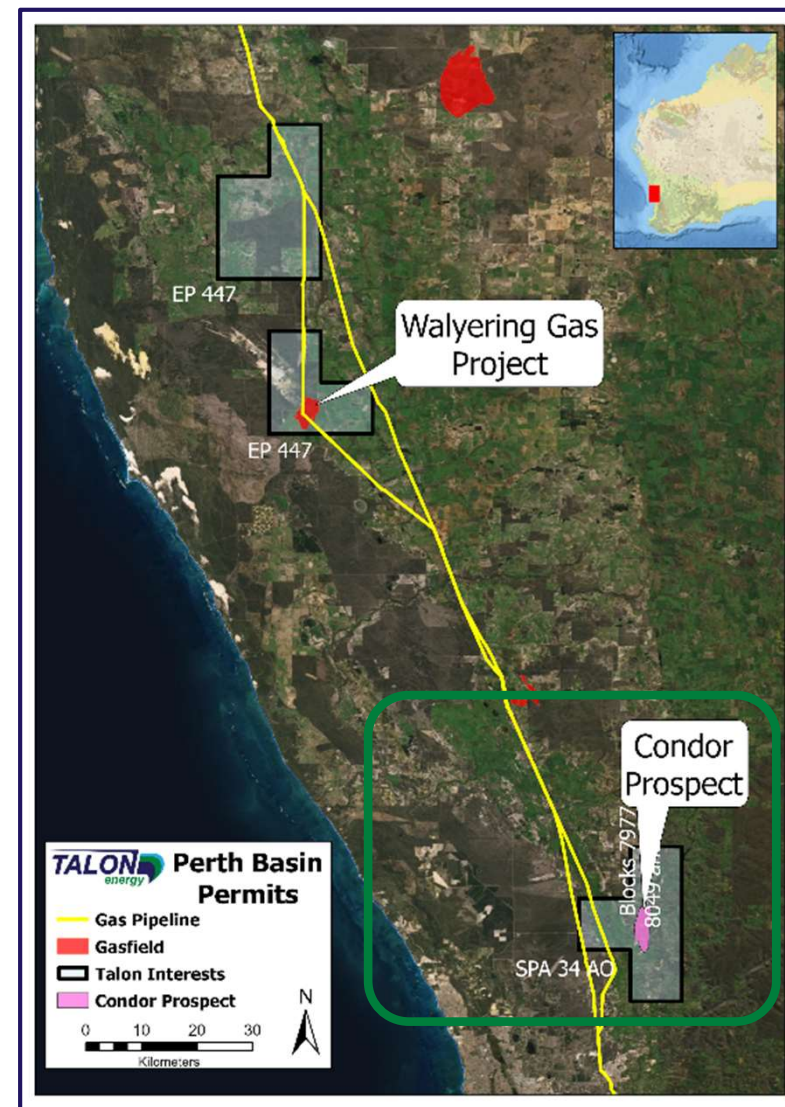
Exploration Upside: Perth Basin – Condor

Another Walyering Field analogue...

- Talon has a binding option agreement to acquire **100%** of the Condor lead. Permit transfer from DMIRS in progress.
- Condor is the **largest untested Jurassic wet gas structure** in the Perth Basin

Prospective Resource Comparison			
Prospective Resource	Walyering	Condor	Comparative Difference
Gas	86 Bcf	408 Bcf	5X
Condensate	2.18 MMbbl	23.40 MMbbl	11X

- Prospective Resource recently audited by RISC
- The conventional sandstone reservoir targets are much shallower (vs. Walyering)
 - Cheaper drilling costs and better quality reservoir
- Access to market, DBNGP and PGP run through permit



Talon will hold 100% of Condor - could be up to 5X larger than Walyering

Exploration Upside: Mongolia - Gurvantes XXXV

Multi Tcf CSG prospect, close to Chinese energy market

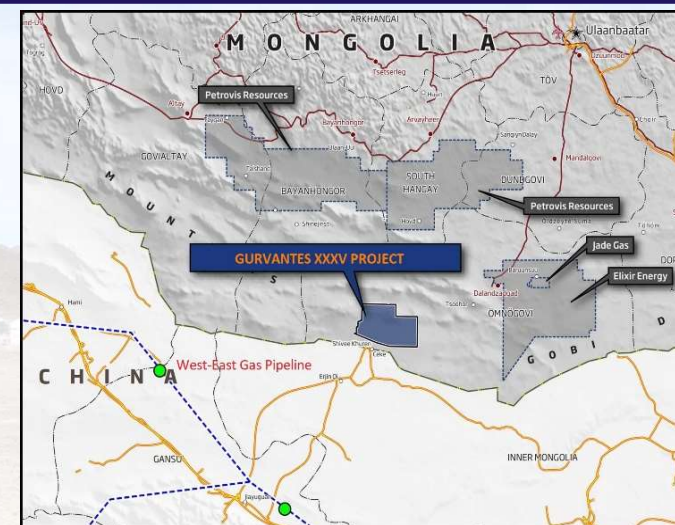


Size of the Prize:

- World Class discovery on first exploration campaign
- 100% drilling success
- Independently certified contingent resource (2C)
 - ~1.2 Tcf (~400 Bcf net Talon)
- Talon Energy has **now acquired 33%**, by making election and funding Stage 2 (Pilot Program)
- Located in South Gobi Basin.
- Closest project to major Chinese gas pipelines
- 3 Well Pilot program underway:
 - Long Lead Items ordered
 - Drilling to commence in Q2 2023
 - Commissioning Pilot Well Q2 2023
 - Production Test Q3-Q4 2023

Country	Basin	Coal Rank	Coal Thickness (m)	Gas Content (m3/t ar)	Permeability (mD)
US	San Juan Basin	Sub/Bituminous	1 - 13 m	<3 - 25	<10 - 100mD
	Powder River Basin	Sub-bituminous	1 - 75 m	0.1 - 4	1 - 1000mD
Canada	WCSB	Sub/Bituminous	1 - 4 m	0.8 - 2.3	3 - 5mD
Australia	Bowen Basin	Bituminous	1 - 30 m	1 - 11	0.5 - 13.6mD
	Surat Basin	Sub/Bituminous	3 - 4 m	1 - 8	0.07 - >500mD
China	Qinshui Basin	Anthracite	1 - 15 m	15 - 20	0.01 - 3mD
	Ordos Basin	Bituminous	1 - 11 m	4 - 23	1 - 5mD
Mongolia	Gurvantes XXXV	Bituminous	60 - 91m	9.3 - 13.2	0.04 - 47mD

*Flores R.M., 2014 Coal and Coalbed Gas Fuelling the Future



1.2 Tcf Contingent Resource (2C) booked (NSAI) early November, the largest to date in Mongolia

Exploration Upside: Mongolia - Gurvantes XXXV



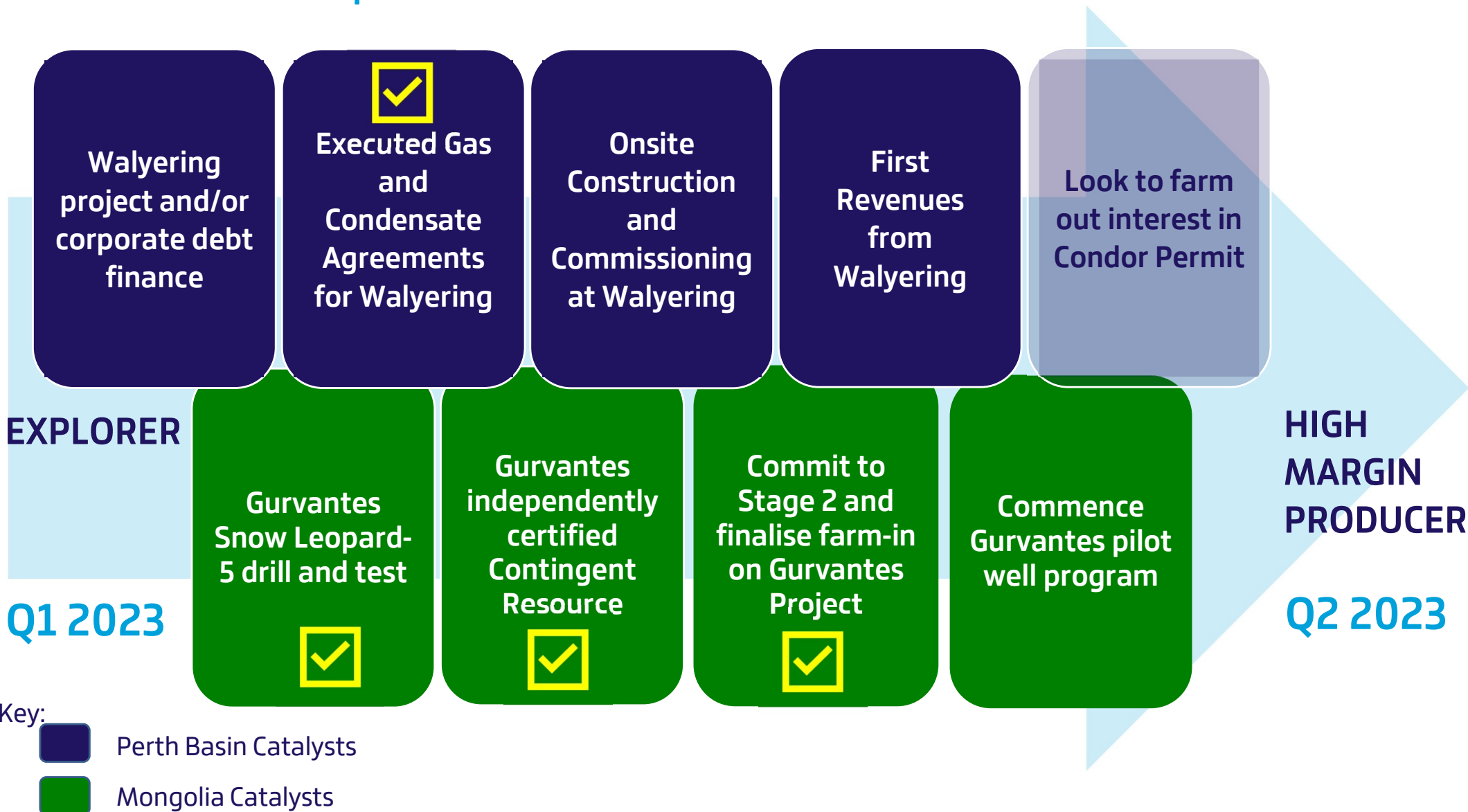
Project Timeline

Activity	2022		2023			
	Q3	Q4	Q1	Q2	Q3	Q4
Exploration Drilling						
Desorption Testing						
Maiden Contingent Resource						
Talon acquires 33% interest						
Pilot Well Program						
Production Test						
Reserve and Feasibility Studies						
2023 Exploration Program						
Production Well Program						
Exploitation License						
First Gas Plant						

Feb 2023

Near term value catalysts

Talon moves from Explorer to Producer



*Timelines are indicative only. Talon may choose not to farm-out Condor.

Resource Information

Perth Basin

Competent Persons Statement: Information in this report that relates to Prospective Resource information in relation to the Walyering Prospect and Contingent Resource information in relation to Ocean Hill is based on Prospective Resource and Contingent Resource information compiled by Strike Energy Limited, the operator both EP447 and EP495. Information in this report that relates to Prospective Resource that relates to the Condor Structure is based on information compiled by Mr. John Begg and Mr. John Lamberto, both consultants to the Company. This information was subsequently reviewed by Dr Darren Ferdinando PhD, BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears. Dr Ferdinando is the Exploration Manager of the Company, with approximately 30 years relevant experience in the petroleum industry and is a member of The American Association of Petroleum Geologists (AAPG) and a Fellow of the Petroleum Exploration Society of Australia (PESA). The resources included in this report have been prepared using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers(SPE)/World Petroleum Council(WPC)/American Association of Petroleum Geologists(AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS).The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Dr Ferdinando. Dr Ferdinando 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.

Undeveloped Reserve – Walyering Conventional Gas Project

Cautionary Statement: The Reserves and Resources information in this Announcement are derived from the “Walyering Reserves and Resources Report EP447 Perth Basin” produced for Talon Energy by RISC on 20 July 2022 (Reserves and Resources are as at 1 July 2022) . The Reserves and Resources assessment was prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality as Reserves, Contingent Resources, or Prospective Resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk.

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

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.

Resource Information

Perth Basin

Perth Basin Production Permit L7

Competent Persons Statement: The information in this report that relates to Prospective Resource information for the Perth Basin Production Permit L7 is based on and fairly represent information and supporting documentation prepared and authorised by Dr Douglas Gillies, who is a full-time employee of Triangle Energy (Global) Limited (TEG). Dr Gillies is a qualified resources estimator in accordance with ASX listing rule 5.41, and has consented to the inclusion of this information in the form and context in which it appears. Dr. Gillies holds a Bachelor of Science (Hons) and a PhD (Edinburgh) in geology, is a member of the Society of Petroleum Engineers (SPE) and Petroleum Exploration Society of Australia (PESA) with over 30 years of experience practicing in Petroleum Geology.

Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk to development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The estimates of Prospective Resources included in the announcement have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System ("PRMS") as revised in June 2018 by the Society of Petroleum Engineers. The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

All Prospective Resources indicated for L7 are calculated for a Gross 100% interest in the Permit and were calculated using a probabilistic method, then resource ranges for the prospects and leads were summed arithmetically. The volumes reported are "Unrisked" in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes but currently are considered to be in the moderate to high range.

These prospects were mapped using 2D seismic data which has been recently reviewed and reinterpreted. TEG has applied a range of reservoir parameters based on regional well information.

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