

Talon Energy Ltd (ASX: TPD)

14 March 2023

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

RE: SHARE PURCHASE PLAN

Dear Shareholder,

On Friday 3 March 2023, Talon Energy Ltd (**Talon or the Company**) announced that it was undertaking a Share Purchase Plan (**Plan**) to raise approximately \$2 million with the ability to accept oversubscriptions.

Under the Plan, Eligible Shareholders will be able to apply for new Shares at the issue price of \$0.145 per Share up to a maximum application size of \$30,000, less any participation in the Company's previous share purchase plan announced in April 2022, without paying any brokerage, being the same issue price to be paid by participants in the \$12 million Placement announced by Talon on 3 March 2023.

In respect of the Plan, Eligible Shareholders, are shareholders of Talon who:

- were registered holders of Talon shares as at 5:00pm (AWST) on 2 March 2023 (**Record Date**);
- had a registered address in Australia or New Zealand; and
- are not located in the United States, and not acting for the account or benefit of persons in the United States. (**Eligible Shareholder**).

Eligible Shareholders may apply for New Shares under the plan in the following increments, from a minimum of \$2,000 up to a maximum of \$30,000.

| | Total amount payable (\$A) | Number of Shares which may be purchased |
|---------|-------------------------------|--|
| Offer A | \$30,000 | 206,896 |
| Offer B | \$25,000 | 172,413 |
| Offer C | \$20,000 | 137,931 |
| Offer D | \$15,000 | 103,448 |
| Offer E | \$10,000 | 68,965 |
| Offer F | \$5,000 | 34,482 |
| Offer G | \$2,000 | 13,793 |

The Plan is offered subject to the terms and conditions set out in the Plan offer booklet (**Terms and Conditions**). Participation in the plan is optional.

Whilst the Company intends to raise \$2,000,000 under the Plan, the Company reserves the right to accept oversubscriptions at its absolute discretion. In addition, depending on applications received, the Company may, in its absolute discretion, undertake a scale back so that not more than \$2,000,000 is raised under the Plan. Scale back decisions are made by the Board and are final. In the case of a scale back an Eligible Shareholder may receive less New Shares than they applied for. Should this occur Talon will refund any excess application monies, subject to the Terms and Conditions. The Company reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

By lodging an Application for New Shares under the Plan you agree to be bound by the Terms and Conditions. A copy of the offer booklet, along with instructions on how to apply for New Shares under the Plan is available online at www.computersharecas.com.au/tpd, or you can request a physical copy of the offer booklet from the Company by following the instructions below.

Should you have any questions in relation to the Plan please contact the Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEDT), Monday to Friday.

This letter is to notify you that the Plan is now open and provide you with instructions as to how to obtain a copy of the offer booklet and your personalised Application Form.

How to obtain a copy of the offer booklet and your personalised Application Form

- 1. ONLINE** The offer booklet and your personalised Application Form are available to view online at www.computersharecas.com.au/tpd. To access this website, you will need your SRN or HIN, which is displayed at the top of this letter.
- 2. PAPER** You can request a paper copy of the offer booklet and a personalised Application Form by contacting the Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEDT), Monday to Friday.

Please note that there may be delays in the delivery of the offer booklet and your personalised Application Form via post. The Company takes no responsibility for any late delivery of offer booklets and strongly encourages you to apply online.

The Plan is scheduled to close at 5:00pm (AWST) on 4 April 2023 (Closing Date). Your application and payment must be received before this time.

You should read the offer booklet carefully and in its entirety before deciding whether to participate in the Plan. Talon strongly advises that you seek advice from your stockbroker, accountant, lawyer or other professional advisor to determine if this investment is suitable for you.

Key Dates

| | |
|--|---|
| Record date | 5:00pm (AWST) on 2 March 2023 |
| Announcement of the Share Purchase Plan | 3 March 2023 |
| Opening date for acceptances | 14 March 2023 |
| Closing date for acceptances ⁽¹⁾ | 5:00pm (AWST) on 4 April 2023 |
| Announcement of results of the Share Purchase Plan | 13 April 2023 (before noon Sydney time) |
| Allotment and issue of New Shares | 13 April 2023 (before noon Sydney time) |

⁽¹⁾ Talon reserves the right to close the Plan earlier than this date or extend the Plan for longer.

Action required by Eligible Shareholders

Eligible Shareholders may participate in the Plan by:

- submitting a BPAY payment if you are an Eligible Shareholder with a registered address in Australia; or
- making a payment by direct transfer, if you are an Eligible Shareholder with a registered address in New Zealand

in accordance with the instructions provided.

Application monies must be paid in Australian currency and be received before 5:00pm (AWST) on 4 April 2023. Talon reserves the right to close the Plan early or extend the Plan at its sole discretion.

Participation in the Plan is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of shares in Talon, however, your interest in Talon will be diluted. Your right to participate in the Plan is not transferable.

As noted above, you may obtain a copy of the offer booklet along with information about how to apply online at www.computersharecas.com.au/tpd.

**Yours Sincerely,
On behalf of Talon Energy Ltd**

Jo-Ann Long
Company Secretary