

Investor Webinar Presentation

Colby Hauser – Managing Director & CEO

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ASX: TPD

www.talonenergy.com.au



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Corporate Financing Updates

Equity Raising and Walyering funding



- Talon has raised \$12m in equity via a Single Tranche Placement from institutional and sophisticated investors
- A Share Purchase Plan (“SPP”) targeting up to \$2.0m will be offered to eligible shareholders on the same terms as the Placement
- This capital raise was initiated despite Talon receiving credit approved debt terms from debt providers. The Board formed the view, that equity funding provides the greatest opportunity to grow value for shareholders
- Importantly, equity funding provides the flexibility for Talon to:
 - ✓ Have optionality in utilisation of cashflows
 - ✓ Pursue organic growth through accelerated exploration of the recent entry in the L7 / EP437 permit in the Perth Basin; and
 - ✓ Evaluate options, and continue strategic discussions, with respect to accelerating value realisation from Talon’s Mongolian and/or Perth Basin assets

Equity Raising Details



Key Event Timeline for the Placement and SPP outlined below

Placement and SPP timetable	
Event	Date*
Record Date for eligibility to participate in SPP	2 March 2023
Announcement of Placement and SPP and lodgment of Appendix 3B	3 March 2023
Settlement of New Shares under the Placement	10 March 2023
Allotment of New Shares under the Placement and lodgment of Appendix 2A and Cleansing Notice	13 March 2023
Dispatch of SPP Offer Booklet	14 March 2023
SPP Opening Date	14 March 2023
SPP Closing Date	4 April 2023
Announcement of SPP Results	13 April 2023 (before noon Sydney time)
Issue of SPP New Shares and lodgment of Appendix 2A	13 April 2023 (before noon Sydney time)

* Timetable is subject to change. Talon reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act

Funding & Capital Structure

Talon is now funded for its upcoming commitments and Walyering development



Below are estimates and used for summary purposes only

Indicative Sources and Uses	
Sources	A\$m
Cash (as at Dec 31, 2022)	12
Placement ¹	12
Share Purchase Plan ^{2,3}	2
Total Sources of Funds	26
Uses	A\$m
Walyering: Facility, Well Completions and Pipeline CAPEX	7
Walyering: Pre-production OPEX, G&A and Contingency	2
Gurvantes: Pilot Well and Exploration Program	7
L7/EP437: Lump Sum, Well Planning, G&A	1
Talon Corporate, Broker Costs and other projects	3
Forecast Commitments	20
Additional Working Capital	6
Total Uses of Funds	26

Talon Pro-Forma Capital Structure	
	Ordinary shares
Existing shares on issue	~527m
Placement shares to be issued	~83m
SPP shares to be issued ⁴	~14m
Total Ordinary Shares	~623m

¹Before costs

²The Company is targeting \$2m under the SPP, however the Company may in its absolute discretion scale back applications or accept oversubscriptions to raise a higher amount. The SPP is not underwritten and there is no guarantee the Company will raise this amount. Talon proposes to use its ASX Listing Rule 7.1 placement capacity to complete the issue of the SPP Shares.

³As the SPP will be the second share purchase plan the Company has undertaken in the past 12 months, the Company proposes to utilise its available placement capacity under ASX Listing Rule 7.1 to complete the issue of the new Shares under the SPP or alternatively seek appropriate ASX waivers of ASX Listing Rule 7.1 to allow the SPP to proceed less than 12 months after the Company's previous share purchase plan announced in April 2022. Under the SPP, 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.

⁴Assuming the targeted SPP amount of \$2m.

Debt Process

Summary



Actions:

- Talon engaged BurnVoir Corporate Finance Ltd as debt advisor in July 2022.
- Together we tested the market to get a debt package that was:
 - Cost effective and flexible (which are opposing debt principles)
- TPD had to take a very conservative view of schedule and budget for all of our projects
- We short listed 3 debt providers and signed a binding term sheet with our preferred debt fund
- Parties completed the associated due diligence and nearly finalised a full form lending agreement

Debt Funding Key Points:

- With recent rising interest rates, debt facility costs have also increased dramatically
- Debt facilities of this nature often contain fees in the form of equity exposure for the lender (and dilution for shareholders) which lifts the effective price of the debt and can impact share price
- Asset security (over all assets) is required for a debt facility
- Early repayment fees ensure a guaranteed return for the debt fund (which negatively impacts shareholders)

Equity Decision

Summary



What Changed?

- Major milestone achieved at Walyering – Gas Sales Agreement, some Environmental Approvals
 - With production imminent, TPD looked to re-negotiate some key terms to lower the effective cost of the facility
- Compression commitment at Walyering to maximise field recovery and extend the economic life of the field
 - LLI (Long Lead Items) and capital commitments for compression in the back end of the debt tenure
- L7 / EP437 added to portfolio – three well commitment.
 - ~\$9m of expenditure across proposed 2-year debt tenure

Decision

- With the cost of debt and corresponding restrictions fully formed, the board commenced an equity strategy to finalise funding

What does the equity funding allow?

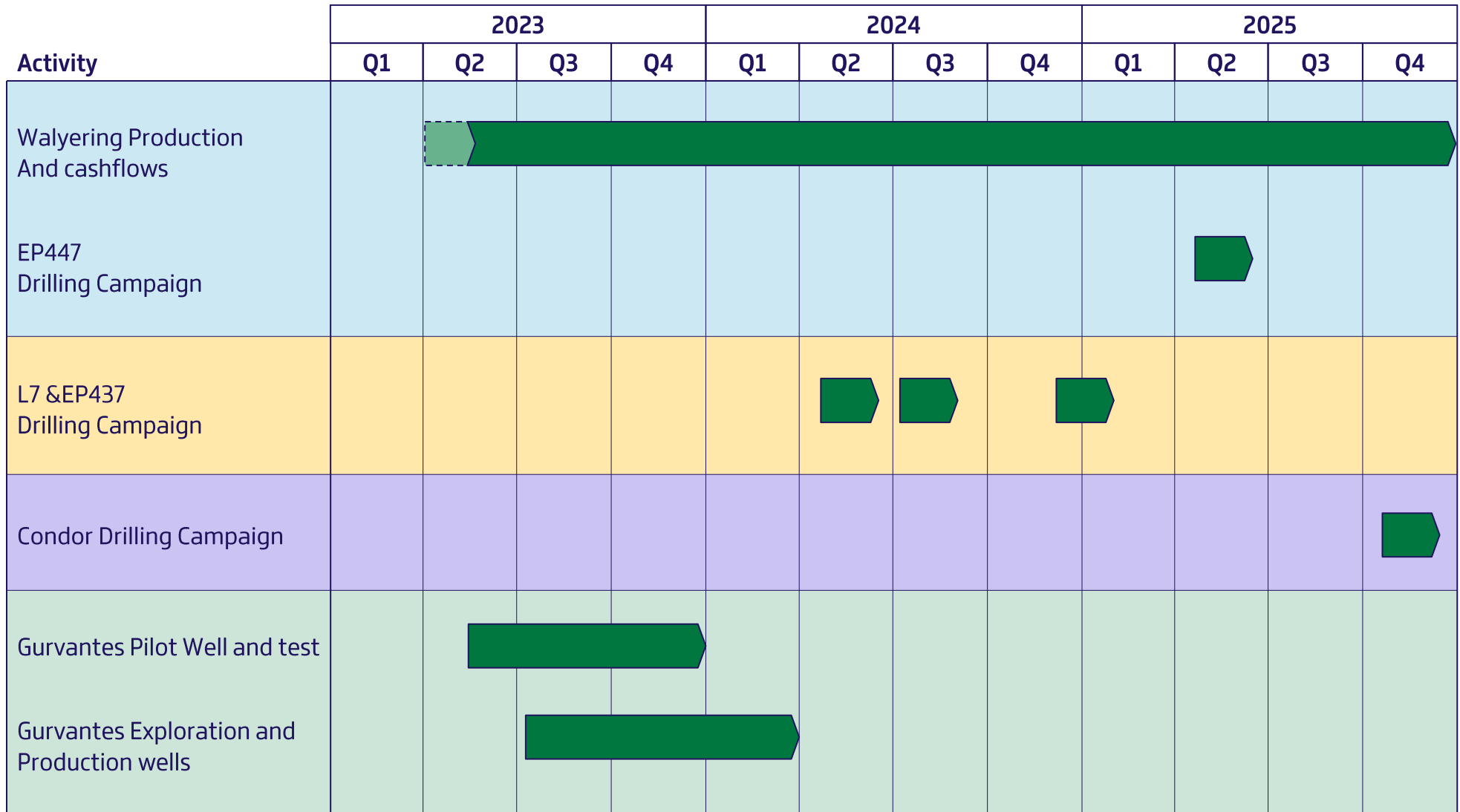
- Talon's financial commitment to the Walyering Gas Project is fully funded without restrictions, covenants and associated debt costs
- Organic growth through accelerated exploration of the recent entry in the L7 / EP437 permit in the Perth Basin;
 - Originally planned for a Q4 2024 well, preliminary JV discussions show optionality for a rig slot Q1/Q2 2024
- Optionality in utilisation of cashflows
 - Potential to pursue other farm-in opportunities, or new acreage releases
 - Further accelerated appraisal drilling across portfolio
 - Investment or M&A

The Board will continue to evaluate options, and continue strategic discussions, to realise value from Talon's Mongolian and/or Perth Basin assets. All decisions are made with a view to maximise shareholder value across the portfolio

- Talon is committed to finding and developing prospective oil and gas projects that have a clear pathway to commerciality
 - Talon will be drilling multiple prospects across our current portfolio over the next three years
 - We have a clear plan to continue to explore and discover new resources, aimed at increasing shareholder value in the company
 - Whilst M&A is active in the Perth Basin, the company is focused on delivery and maximizing asset value across our whole portfolio
 - Strong forecasted cash position will provide Talon optionality in determining the best way to provide shareholder returns.
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Talon's Corporate Strategy - Delivery

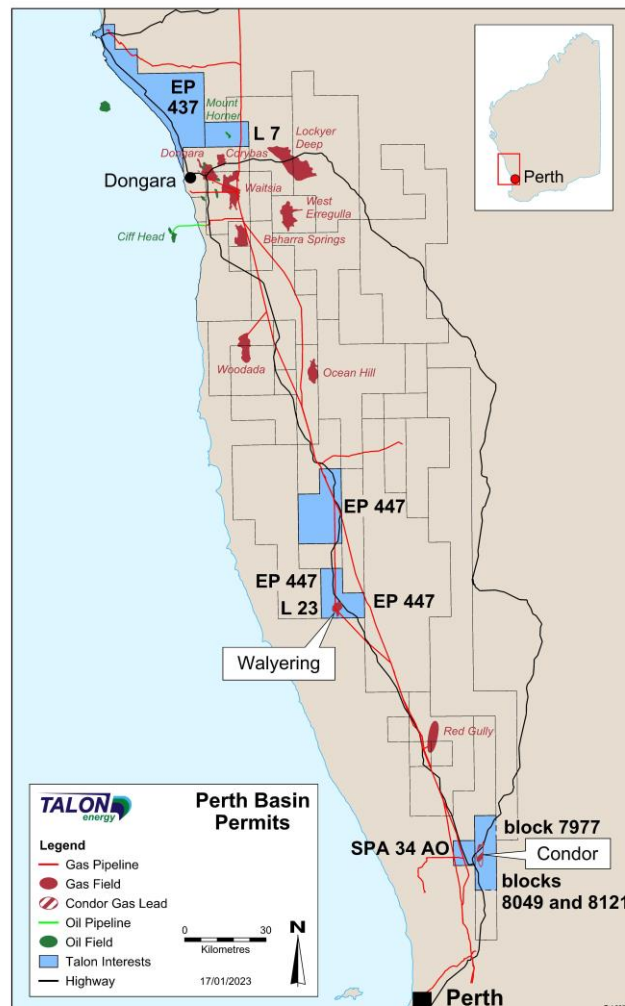
3-year view



* Timelines shown are an estimate and are subject to rig availability and joint venture decisions

Executing on a diversified portfolio

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



← Perth Basin
AUSTRALIA

South Gobi Basin →
MONGOLIA



Permit	Share	Summary
Walyering & EP447	45% Talon Energy 55% Strike Energy (operator)	<ul style="list-style-type: none"> FID undertaken by JV, first gas 1H CY23 2P Reserve 54.2PJ (24.4 PJ Talon share)
L7 / EP437	25% Talon Energy (farmed in) 25% NZOG, 50% Triangle	<ul style="list-style-type: none"> Kingia gas prospects, northern Perth Basin Farm-In Agreement executed
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 continues to stay hot

- The northern Perth Basin is where the M&A interest has been focused to date
- There have been several prolific Kingia gas discoveries in recent years
- 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 to be drilled 2024
- Now more than ever, there is an urgent requirement for infrastructure positions to be established
- Only three remaining companies are independent:



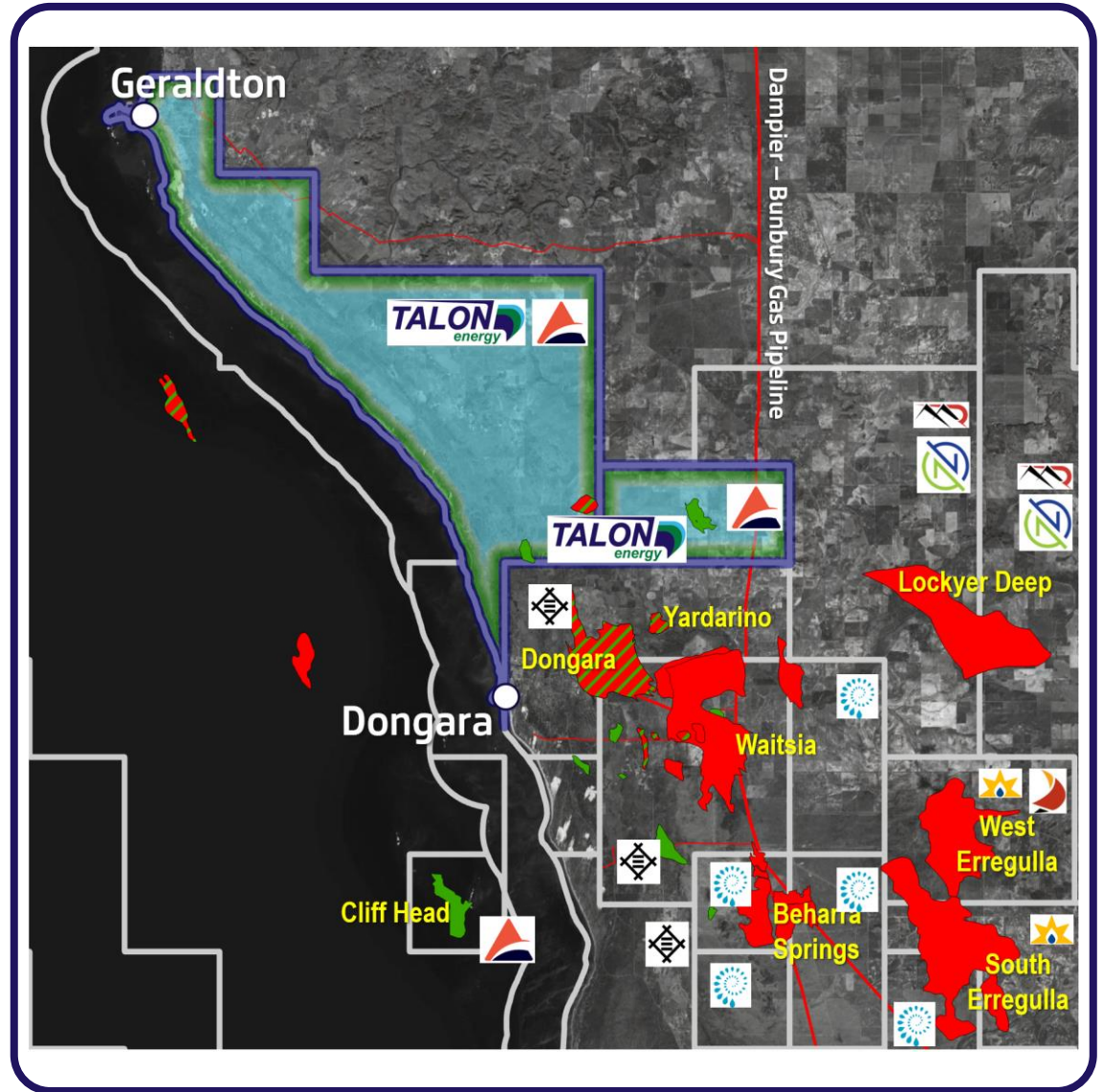
• ~\$1,000m



• ~\$80m



• ~\$30m



Corporate Strategy Update

Mongolia strategic review



- Talon remains very optimistic about the Gurvantes XXXV CSG Project, and we reinforce that it is an important part of the Company portfolio. Our JV partner TMK Energy are an excellent operator with significant in country experience.
- The desirable nature of the Project has led to approaches from numerous parties expressing interest
 - 1.2 Tcf Independently Certified Contingent Resource (gross), ~400 Bcf net to Talon
 - Strong confidence in deliverability of pilot wells
 - Permit is ~20km's from Chinese border
 - Chinese energy demand is increasing (and accelerating post pandemic reopening)
- The decision to commence a strategic review is designed to optimise value of this key asset for shareholders
- The process is designed to maximise returns for shareholders, and is not a quick sale to raise cash
- A “see through” value is a data point and does not reflect the Board’s view on asset value
- Potential options could include:
 - Maintaining the current ownership
 - A de-merger and separate ASX listing
 - For example: BHP and South 32, Wesfarmers and Coles, Triangle Energy and State Gas
 - Outright sale or other alternative transaction structures
- **Timing:**
 - Preliminary scoping activities to commence in the next three months, as Pilot Well activities are executed.

Exploration Upside: Mongolia - Gurvantes XXXV

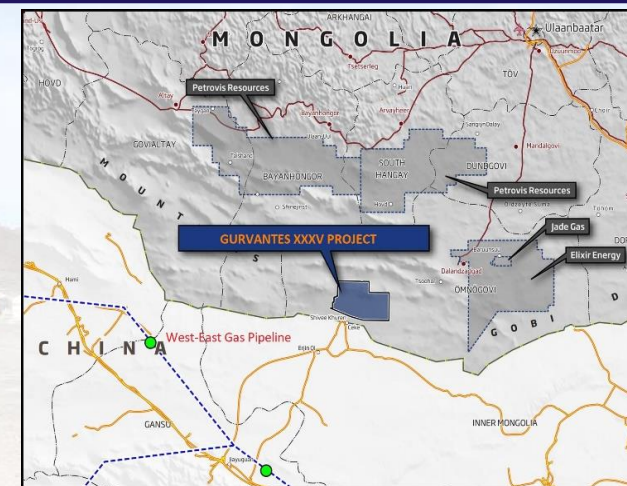
Multi Tcf CSG prospect, close to Chinese energy market

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 Rig/Services contracted
 - 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), the largest to date in Mongolia

Exploration Upside: Mongolia - Gurvantes XXXV



Project Timeline

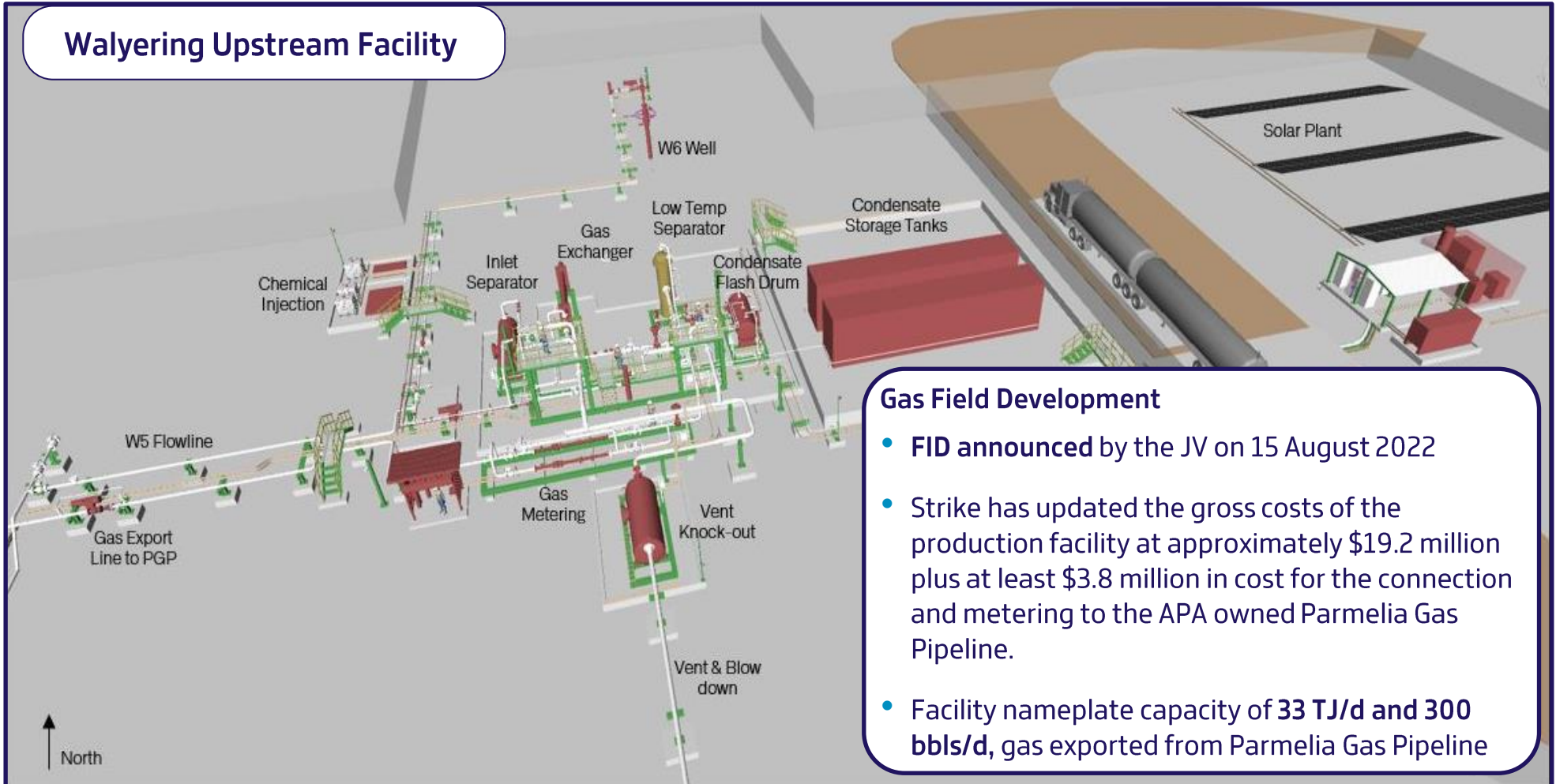
Activity	2022		2023			
	Q3	Q4	Q1	Q2	Q3	Q4
Exploration Drilling	█					
Desorption Testing	█					
Maiden Contingent Resource		✓				
Talon acquires 33% interest		✓				
Pilot Well Program			█	█		
Production Test					█	█
Reserve and Feasibility Studies					█	█
2023 Exploration Program				█	█	
Production Well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

Mar 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
- Strike has updated the gross costs of the production facility at approximately \$19.2 million plus at least \$3.8 million in cost for the connection and metering to the APA owned Parmelia Gas Pipeline.
- 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 36.5 PJ
- Spot market pricing has increased **more than 200%** in the last 2 years
- Domestic Gas Supply is tightening, spot pricing in WA trending ~ **\$10 / GJ**, prices expected to trend higher

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
Maximum Price	\$6.25	\$6.60	\$6.60	\$7.00	\$8.00	\$9.80
Average Price	\$5.82	\$5.86	\$6.10	\$6.91	\$7.06	\$8.11
Minimum Price	\$5.80	\$5.85	\$6.10	\$6.88	\$7.00	\$8.00

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 EP447 into a separate Production Licence (L23), creating two permits

Leads in the excised Exploration Permit (EP447)

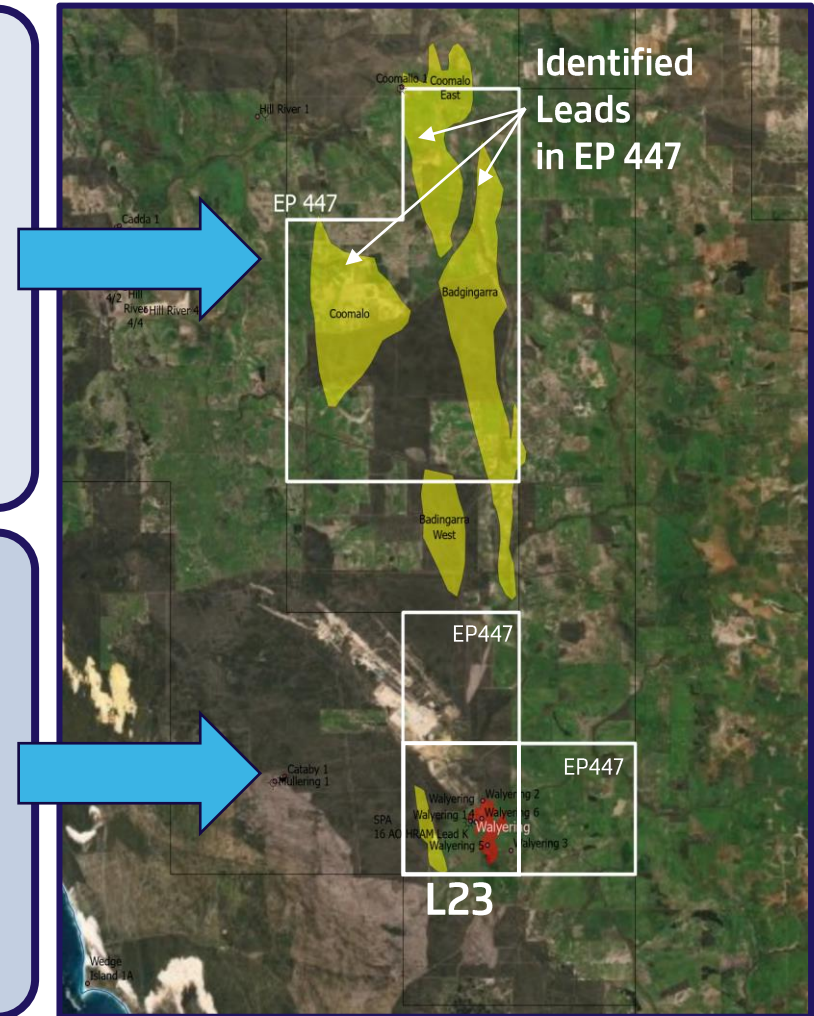
Identified material prospectivity in EP447;

- Three large leads identified in the northern part of recently renewed EP447 (Talon Energy 45%)
- Talon and EP447 Operator, Strike Energy, to fully characterise these leads in 2023
- Will high grade one lead to prospect and drill in 2025

Resources within the Production License (L23)

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

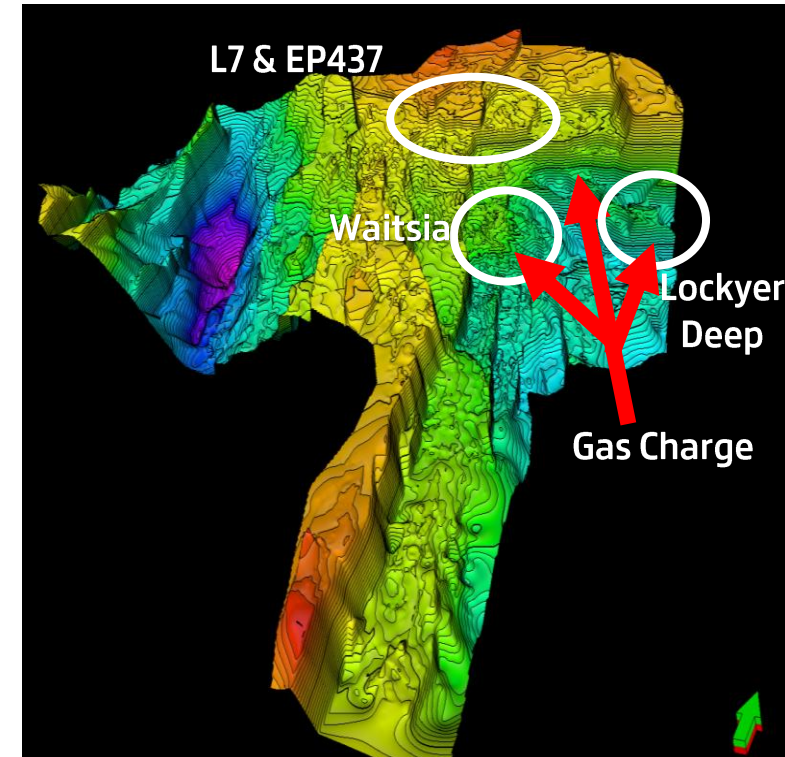
- 3P upside has a production life of ~9 years if producing at an average of 27 TJ/d
- With contingent and prospective resource upside, field life could extend to 18 years of production



Talon's exploration upside materially higher with L7 / EP437

TPD acquired a 25% interest in L7 and EP437 in the northern Perth Basin

- Agreement signed to acquire a **25% interest** in Exploration Permit 437 and Production Licence L7 in the northern Perth Basin from Triangle Energy executed 1st March 2023
- 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, unrisked) for five features in the L7 permit alone
- L7 & EP437 add significant value upside to Talon's portfolio:
 - Diversifies the portfolio by bringing in Early Permian dry gas
 - Minimal upfront entry cost
 - Bookara 3D seismic survey completed and has now been processed and interpreted
 - Update to prospective resource imminent
- Further discoveries in the adjacent EP368 permit (MinRes and Norwest Energy) could significantly upgrade the prospectively of L7 and EP437
 - 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

¹ See TEG ASX Announcement April 12 2022

Exploration Upside: Perth Basin – Condor

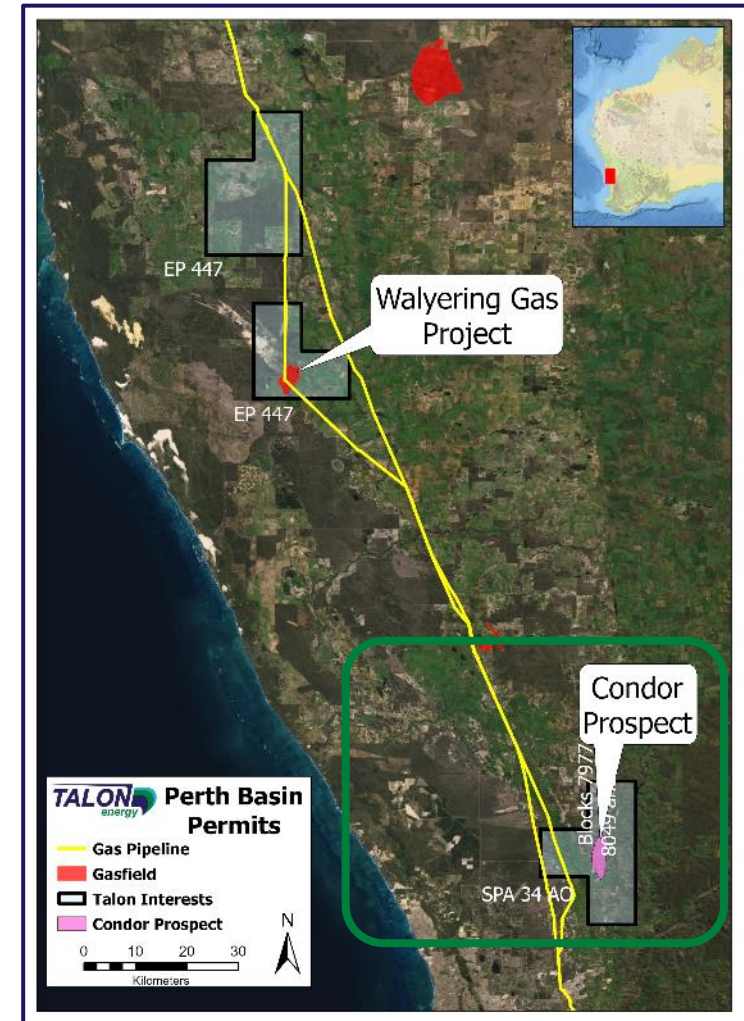
Another Walyering Field analogue...

- 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

Condor Structure - Un-risked Prospective Resource Talon Interest (option to acquire 100%)						
Permit	Low (P90)		Best (P50)		High (P10)	
	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)
EP494	9.5	202	20.2	408	39	710

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 17 March 2021. Talon confirms that it is not aware of any new information or data that materially affects 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 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

Corporate Overview

Emerging producer with near term cashflow and several significant growth catalysts



Capital Structure

Ordinary shares on issue (ASX:TPD)	~610m
Cash Balance	~\$12m (31 Dec 22)
Unlisted Options	~18m
Unquoted Performance Rights	~23m
Market Capitalisation @ \$0.150 (undiluted)	~\$91m

Share Price Performance – 6 months



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



Jo-Ann Long

Company Secretary

- Company is now fully funded to enter production at Walyering and utilise free cash flow for further growth
- First gas targeted during Q2 2023

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

Investment Highlights

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



#1 - Imminent cashflow

- Walyering first gas targeted during Q2 2023, up to \$30m p/a (net) to Talon.
- Timing of first gas subject to the grant of final regulatory approvals, APA gas pipeline connection and Strike as the operator

#2 – Exploration Upside

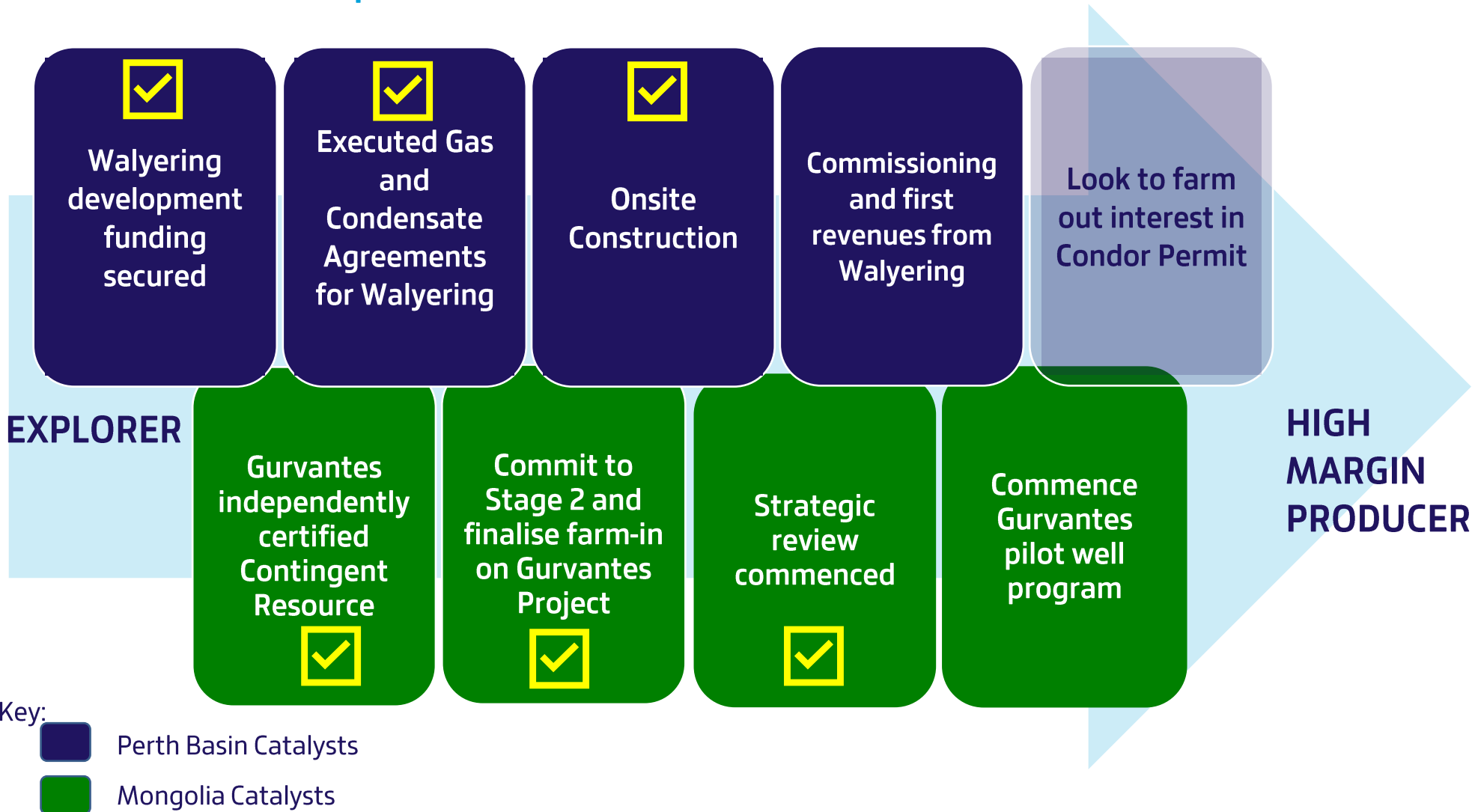
- EP447 leads are spatially larger than Walyering with significant upside
- Entry in to L7/EP437 permits, exposure to Kingia Gas prospects in northern Perth Basin
- Sizeable Perth Basin Jurassic Wet Gas Prospect in Condor (in process of acquiring 100% Int.)
- Gurvantes XXXV Project (1.2 Tcf gross) rapidly developing to service China's energy demand

#3 – Near-term value catalysts

- Talon transitioning from Explorer to Producer

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

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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. 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).

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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