

# QUARTERLY REPORT MARCH 2023

28 APRIL 2023

## Quarterly Activity and Cash Flow Report

- Onsite construction of the Walyering gas plant commences, with JV Operator, Strike Energy, forecasting first gas in Q2 2023
- Gurvantes XXXV pilot well drilling program progresses the drilling of the first well, Lucky Fox 1, completed in April, with over 60 meters of net coal intersected
- 25% interest in highly prospective northern Perth Basin L7 and EP437 permits formalised
- Top 3 prospects within the L7 permit high-graded with ~400 Bcf identified on a gross Best Case (2U)
- Talon successfully completes a ~\$12 million Placement (before costs), with Share Purchase Plan closing oversubscribed post quarter end, raising an additional ~\$2.3 million
- Mr Greg Columbus appointed as Independent Non-Executive Chairman of Talon

**Talon Energy Ltd** ("Talon" or the "Company") is pleased to provide its Quarterly Activity Report for the quarter ending 31 March 2023.

**Talon's Managing Director, Colby Hauser, commented:** "The March quarter has been another exciting period for Talon with eventful activity across our projects, and following a successful equity placement, Talon now has flexibility and optionality for the imminent cash flows from Walyering.

At the Walyering Project in the Perth Basin, excitingly, development activities and on-site construction are continuing at pace, with all the relevant approvals now received, construction underway, and first gas forecast in the second quarter of 2023.

After formalising the L7 and EP437 Joint Venture during the quarter, the JV released an encouraging preliminary prospective resource for three material gas prospects in L7. The largest of the prospects, Booth, has been identified as having 279Bcf and is situated only 2km from the Dampier-Bunbury Natural Gas Pipeline. The preliminary analysis provides great confidence to the JV as it prepares for 3 wells to be drilled over 2024.

In Mongolia, the Gurvantes XXXV Project had a busy quarter in the lead up to the pilot well program, which commenced drilling operations in April. With excellent results from the exploration drilling campaign, the JV has a lot of confidence in producing gas to surface in the second half of this year. The coming months of activity will be significant, with the drilling and completion activities followed by commissioning and dewatering before first gas breakthrough within one or two months from production.

Lastly, I'm extremely pleased to welcome Mr Greg Columbus to the Talon team as Independent Non-Executive Chairman. Greg has a proven track record of delivering value for shareholders and with specific Perth Basin experience and a broad commercial and corporate skill set, is an excellent fit for Talon as we transition from explorer to producer."

## PERTH BASIN, WESTERN AUSTRALIA

### Walyering Joint Venture

#### L23 and EP447

**Talon 45%, Strike Energy Limited  
(Strike) 55% and Operator**

#### Grant of Production Licence

In January 2023, the WA Department of Mines, Industry Regulation and Safety (DMIRS) granted production licence L23 over the Walyering gas field. The grant of the production licence is a significant milestone in the development process and gives the JV partners the exclusive right to carry out gas production operations within the licence area.

#### Development Activities

During the March quarter, the JV received all key approvals including the Production Licence, Part V works approvals, Pipeline Licence, the Environmental Plan, and the Safety Case which cover the major regulatory approvals required for on-site construction works, as well as the commissioning and ongoing sustained production operations.

Procurement and construction activities related to the upstream processing facility and sales pipeline connection continue to progress well, with most of the off-site components of construction completed and on-site construction and commissioning activities of the gas processing plant underway. Additionally, Walyering's renewable energy power



system, comprising of solar and batteries, has also been constructed and installed. In Perth, the Walyering gasfield control centre has been established and will remotely monitor the field operations on a day-to-day basis.

Well completion activities to prepare Walyering wells 5 & 6 for production were largely complete during the March quarter, with forward plans involving unloading completion brine and commencing flow-back in preparation for sending commissioning gas into the Walyering gas plant. Downhole pressure gauges have been installed in both wells to monitor reservoir pressures over the initial months of production to assist the JV in assessing the resource potential and productivity of the Walyering gasfield.

Although progress on the construction has been steady, the targeted commissioning date moved into the second quarter of 2023, due to issues with contractor availability, timing of regulatory approvals and minor supply chain pressures.

## L7 and EP437

**Talon 25%, Triangle Energy Limited (Triangle) 50% and Operator, New Zealand Oil & Gas (NZOG) 25%**

### Farm-in for 25% Participating Interest

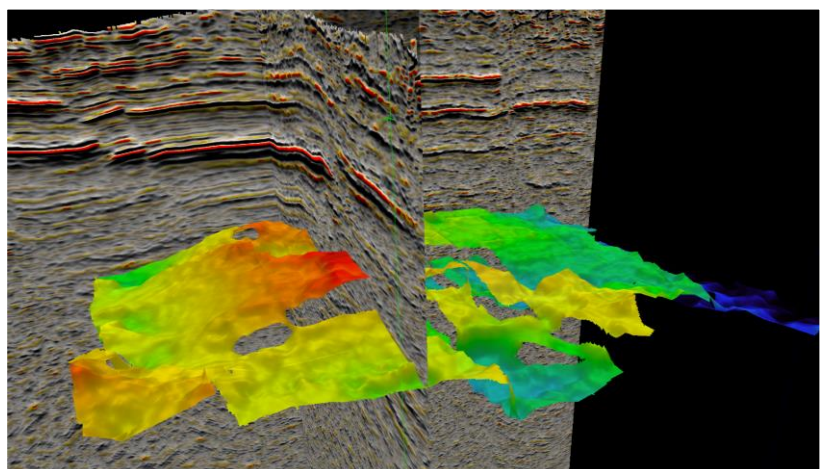
On 1 March, Talon and Triangle formally completed the farm-in to onshore Perth Basin Production Licence L7 and Exploration Permit EP437. Also in March, New Zealand Oil and Gas completed their farm-in to the permits for 25% equity, on similar terms to those obtained by Talon. The farm-in forms a key component of Talon's strategy to build a portfolio of highly prospective acreage in the Perth Basin in close proximity to existing gas transmission infrastructure that can be easily monetised, as demonstrated by the Walyering discovery.

As consideration for its 25% interest in each permit, Talon will pay Triangle ~\$1.9 million towards past expenditure on the recently acquired Bookara 3D seismic data, with \$1 million paid on 1 March, and the balance of ~\$0.9 million payable prior to 1 September 2023 (Upfront Costs). In addition to the Upfront Costs, Talon will fund a promoted share of the costs for 3 exploration wells to be drilled in 2024, with forecast expenditure of ~\$7.3 million, net to Talon, paid as costs are incurred.

The drilling of exploration wells at L7 and EP437 will be subsequent to first gas at Talon's 45% owned Walyering Gas Project, with the drilling of 2 wells on L7 forecast to be drilled in 2024, and 1 well on EP437, also forecast to be drilled in 2024.

### Exploration Activity

With the formal execution of the L7 & EP437 farm-in agreement, Talon obtained the data from the recently acquired Bookara 3D Seismic Survey over the L7 and EP437 permits and has spent the last month focused on the interpretation of both the time and depth volumes of the seismic survey. The quality of the seismic data acquired in the Bookara 3DSS is exceptionally good, given the regional data acquisition issues often associated with the shallow carbonates and the Jurassic coals in the northern Perth Basin. An example of the quality of data obtained is shown in the image on the right.



Example of image quality and event continuity from the Bookara 3DSS, with the Kingia Fm TWT horizon also displayed.



On 27 March, the Joint Venture released a preliminary prospective resource estimate for the L7 permit. Talon and the Joint Venture have identified nearly a dozen prospects and leads. From this inventory, the three largest gas prospects within the Kingia Formation all have a Best Case Prospective Resource volume in excess of 50Bcf on a gross, unrisks basis. The largest of these prospects, Booth, covers 5km<sup>2</sup> over the L7 permit and may hold up to 279Bcf within the L7 permit in a Best Case.

The estimated prospective resources from the three L7 prospects are outlined in the table below:

Prospect (Kingia Interval)	Unrisks Prospective Resources Gross 100%			Unrisks Prospective Resources TPD 25% Net Equity		
	Low (Bcf)	Best (Bcf)	High (Bcf)	Low (Bcf)	Best (Bcf)	High (Bcf)
Booth	113	<b>279</b>	540	28.3	<b>69.8</b>	135
Hunstwell Deep	30	<b>61</b>	115	7.5	<b>15.3</b>	28.8
Mountain Bridge South	24	<b>53</b>	98	6.0	<b>13.3</b>	24.5

Notes:

1. The Booth and Mountain Bridge South prospects have a Best prospective resource located within L7, with further resources located in adjacent acreage.
2. The Kingia Interval includes the Kingia Formation and High Cliff Sandstone where they are within the structural closure of the prospect.
3. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate 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 shown in this document are unrisks, however Talon notes that the prospects are considered moderate risk.

## Condor

### Blocks 7977, 8049 and 8121 (within EP494), SPA 34 AO (EP511) Option for Talon to acquire 100%

#### Activities

During the March quarter, Talon continued to work with Macallum Group Ltd (Macallum) to transfer the Condor tenure to Talon. The Condor project consists of two adjacent permits, SPA 34 AO and three blocks (7977, 8049 & 8121) from EP494. The application submitted to DMIRS to excise the three blocks from EP494 (Excise Application) was with DMIRS awaiting assessment at the end of the quarter. Macallum, on behalf of Talon, also lodged an application with DMIRS to convert SPA 34 AO to an exploration permit, which has been approved, and awarded as a new exploration permit, EP511. DMIRS approval of both applications will pave the way to complete the transfer of the Condor tenure to Talon.

Subsequent to quarter end, Macallum have been provided an indicative offer of acceptance for excising the three Blocks from EP494. The work programme for the new exploration permit, EP512, is identical to that proposed by Talon to DMIRS, consisting of acquiring multi-client medium resolution gravity and magnetic data in the first permit year, followed the acquisition of high resolution gravity and magnetic data over the permit in the second permit year.

Once the permit is formally awarded, Talon and Macallum will apply to DMIRS to transfer the titles to Talon and take over operatorship of EP511 and EP512.

## SOUTH GOBI BASIN, MONGOLIA

### Gurvantes XXXV Joint Venture

#### Gurvantes XXXV Coal Seam Gas Project

**Talon 33% interest in Gurvantes XXXV PSA, TMK Energy Ltd (TMK) 67% and Operator**

#### Pilot Well Program and Exploration Program

After the completion of the Stage 1 drilling program in December, the Gurvantes XXXV Joint Venture has progressed the pilot well drilling program, along with a further exploration program in the permit.

The 2023 evaluation and appraisal program at Gurvantes XXXV is aimed at testing the area where the JV recently drilled the Snow Leopard wells to better understand the production potential of the area, with the drilling of 3 pilot production wells aimed at flowing gas to surface and assessing production deliverability. In addition to the pilot well program, the Joint Venture is also planning to drill 8 exploration wells to further expand the current Resource estimate. Importantly, 7 of the 8 planned wells will be drilled outside of the Nariin Sukhait area, the location of the successful Stage 1 drilling program.

In February, Major Drilling were announced as the Drilling Contractor for the pilot well drilling program. Preparations for the pilot well program have progressed on track, with the construction of the drilling camp completed, requisite long-lead items delivered on-site, the drilling rig mobilised. The first pilot well, Lucky Fox 1, was spudded on 13 April 2023 with well completion announcement on 27 April 2023.

The drilling of the three pilot wells is expected to take around seven weeks, followed by the installation of downhole pump installation and connections to surface facilities, expected to take a further four weeks. The pilot well pumps will then be commissioned, and the dewatering process will commence in a controlled manner with first gas breakthrough expected within one to two months from being put on production.



**Talon Energy Managing Director and CEO, Colby Hauser, onsite for the drilling of Snow Leopard-2.**

#### Mongolia Strategic Review

During the quarter, Talon commenced a strategic review to determine how to optimise the value of Talon's 33% interest in the Gurvantes XXXV Project. Talon has mandated Sternship Advisers to assist with the strategic review with the aim to maximise the inherent value at Gurvantes for all stakeholders. Sternship have a broad mandate to explore various options for Gurvantes.

Talon believes that both the Gurvantes and Perth Basin assets are significantly undervalued within the current company structure. The Company will provide updates as appropriate and notes that the strategic review will not necessarily result in any transaction.

## CORPORATE

At the end of the March quarter, Talon held cash and cash equivalents of ~\$16.1 million.

On 3 March, Talon announced that it had successfully completed a ~\$12 million Placement (before associated costs) and on 4 April, the Share Purchase Plan, closed oversubscribed, raising an additional ~\$2.3 million. These funds will be utilised for the final development capital and operating costs for the Walyering Gas Project, Perth Basin exploration activities, including farm-in expenditure of the recently acquired L7 and EP437 permit, and general working capital and transaction costs.

Subsequent to the March Quarter, Mr Greg Columbus was appointed as the Independent Non-Executive Chairman of the Talon Board, effective 3 April. Mr Columbus has over 30 years of experience in Energy, and Oil & Gas including technical, commercial, executive, and non-executive roles. He is an experienced company Director with commercial, strategy, corporate finance, and legal experience. During this time, he has gained valuable business experience in delivering large, complex energy and oil & gas projects and has throughout the course of his career, also demonstrated strong strategic vision in leadership roles. Greg has also been involved in numerous M&A activities, most recently as the Independent Non-executive Chairman of Warrego Energy.

## OTHER INFORMATION

### Tenement Holdings

In accordance with Listing Rule 5.4.3 Talon provides the following information in relation to its oil and gas tenements:

#### Oil and Gas tenements held at the end of the quarter:

Project	Location	Tenement/ Blocks	Status	Beneficial Interest
Walyering	Perth Basin	EP447	Granted	45%
Walyering	Perth Basin	L23 <sup>1</sup>	Granted	45%
L7	Perth Basin	L7 <sup>2</sup>	Awaiting DMIRS transfer approval	25%
EP437	Perth Basin	EP437 <sup>2</sup>	Awaiting DMIRS transfer approval	25%

#### Subject to earn-in conditions

Gurvantes XXXV	Mongolia	735/5637945	Granted	33%
Condor	Perth Basin	Blocks 7977, 8049 and 8121 (within EP 494), EP511	Acquisition subject to satisfaction of various conditions precedent	0% <sup>3</sup>

#### Other

Ocean Hill	Perth Basin	EP495	Granted	FROR <sup>4</sup>
UKCS2527	North Sea	P2527	Granted	ORR <sup>5</sup>

#### Notes:

1. In January, Production Licence L23 was granted over the Walyering gas field by the WA Dept of Mines, Industry Regulation and Safety.

- In March 2023 Talon completed a binding agreement with Triangle Energy (ASX:TEG) to farm into onshore Perth Basin petroleum licences L7 and EP437. Under the terms of the Farm In, Talon will pay a minimum of \$9.25 million to acquire a 25% interest in production licence L7 and exploration permit EP437.
- In January 2021 Talon entered into a non-binding agreement for the option to acquire 100% of blocks 7977, 8049 and 8121 located within EP494, and SPA 34 AO from Macallum Group Limited. This transaction is subject to a number of Conditions Precedent, which had not been satisfied at the end of the quarter. An application to convert SPA 34 AO to an exploration permit has been approved by DMIRS.
- As part of the Walyering farm-in agreement executed with Strike Energy Limited, Talon also has a limited first right of refusal over EP495 which contains the Ocean Hill project.
- On 26 April Talon entered into an Agreement with Finder Energy Holdings to divest 100% of P2527 in return for 12.5% gross income of any future farm-out of the permit which converts to a 3% royalty of Finder's retained net share of petroleum.

During the March Quarter, Talon completed a Farm-In Agreement with Triangle Energy (Global) Ltd to farm in to a 25% interest in Triangle's L7 and EP437 Perth Basin permits. Other than these transactions, no other tenements were acquired or disposed of during the March quarter.

### Reserves and Resources, Net to Talon<sup>1</sup>

Project	Beneficial Interest	1P	2P	3P	1C	2C	3C	1U	2U	3U
<b>Sales Gas (Bcf)</b>										
Walyering	45%	13.0	21.7	33.0	7.2	12.8	20.4	2.3	6.4	12.4
Gurvantes XXXV	33%	-	-	-	131.3	400.6	779.1	246.2	425.4	618.4
Condor	100%	-	-	-	-	-	-	202.0	408.0	710.0
L7	25%	-	-	-	-	-	-	41.8	98.4	188.3
<b>Arithmetic Sum (Bcf)</b>		<b>13.0</b>	<b>21.7</b>	<b>33.0</b>	<b>138.5</b>	<b>413.4</b>	<b>799.5</b>	<b>492.3</b>	<b>938.2</b>	<b>1,529.1</b>
<b>Sales Gas (PJ)</b>										
Walyering	45%	14.6	24.4	37.1	8.1	14.4	22.9	2.6	7.2	13.9
Gurvantes XXXV	33%	-	-	-	137.5	419.3	815.5	257.7	445.2	647.5
Condor	100%	-	-	-	-	-	-	217.2	438.7	763.4
L7	25%	-	-	-	-	-	-	43.6	102.7	196.5
<b>Arithmetic Sum (PJ)</b>		<b>14.6</b>	<b>24.4</b>	<b>37.1</b>	<b>145.6</b>	<b>433.7</b>	<b>838.4</b>	<b>521.1</b>	<b>993.8</b>	<b>1,621.3</b>
<b>Condensate (MMstb)</b>										
Walyering	45%	0.15	0.25	0.38	0.08	0.14	0.22	0.03	0.07	0.14
Gurvantes XXXV	33%	-	-	-	-	-	-	-	-	-
Condor	100%	-	-	-	-	-	-	9.50	20.20	39.00
L7	25%	-	-	-	-	-	-	-	-	-
<b>Arithmetic Sum (MMstb)</b>		<b>0.15</b>	<b>0.25</b>	<b>0.38</b>	<b>0.08</b>	<b>0.14</b>	<b>0.22</b>	<b>9.53</b>	<b>20.27</b>	<b>39.14</b>

1. Refer to Talon Energy Ltd 2022 Annual Report for notes on Reserves and Resources

## Appendix 5B Information

In accordance with Sections 1.2, 2.1, 6.1 & 6.2 of the March 2023 Quarter Appendix 5B, Talon provides the following information:

Section	Description	\$A'000
1.2 & 2.1	Expenditure for exploration & evaluation, production, staff and administrative corporate costs	7,582
6.1 & 6.2	Payments made to related parties and their associates including Directors fees and corporate costs.	131

### ENDS

This Announcement has been authorised for release by the board of directors.

For further information, please contact:

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### 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.

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.

### Reserves and Resources

Please refer to the following for ASX announcements for reserves and resources presented in this report:

- Walyering: Talon's ASX announcement dated 21 July 2022
- Gurvantes XXXV: Talon's ASX announcement dated 9 November 2022
- Condor: Talon's ASX announcement dated 17 March 2021
- L7: Talon's ASX announcement dated 27 March 2023

Talon confirms that it is not aware of any new information or data that materially effects the information contained in those Announcements and that all material assumptions and technical parameters underpinning the estimates contained in those Announcements have not materially changed.

### Competent Persons Statement

Walyering: The information in this report that relates to Reserve, Contingent Resource and Prospective Resource information for the Walyering Gasfield is based on information compiled by Mr Peter Stephenson, an employee of RISC, and a Qualified Petroleum Reserves and Resources Evaluator (QPRRE) as defined by ASX listing rules. 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 Talon's Exploration



Manager, 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/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 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.

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.

Condor: The information in this report that relates to Prospective Resources as set out in this document is based on information compiled by Mr John Lamberto and Mr John Begg who are geoscientists each with over 30 years of industry experience and both consultants to the Company. 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 (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 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.

L7: The information in this report that relates to Contingent Resource information for the L7 Production License is based on information compiled by Dr. Douglas Gillies, an employee of Triangle Energy, and who 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. 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 an employee of Talon, 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 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). 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.

## 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.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly cash flow report

**Name of entity**

TALON ENERGY LTD (ASX CODE: TPD)

**ABN**

88 153 229 086

**Quarter ended ("current quarter")**

31 MARCH 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (expensed)	(31)	(31)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(262)	(262)
	(e) administration and corporate costs	(586)	(586)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	70	70
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(809)</b>	<b>(809)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-

## Mining exploration entity and oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) exploration & evaluation (inc. farm-in)	(2,802)	(2,802)
	(e) investments	-	-
	(f) oil & gas assets	(3,902)	(3,902)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(6,704)</b>	<b>(6,704)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,050	12,050
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of options	90	90
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(510)	(510)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (refund of unmarketable parcel share)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>11,630</b>	<b>11,630</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	11,997	11,997
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(809)	(809)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,704)	(6,704)

## Mining exploration entity and oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,630	11,630
4.5	Effect of movement in exchange rates on cash held	2	2
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>16,116</b>	<b>16,116</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	16,076	16,076
5.2	Call deposits	40	40
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>16,116</b>	<b>16,116</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	131
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		



## Mining exploration entity and oil and gas exploration entity quarterly cash flow report

7.	Financing facilities available <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financial facilities		
7.5	Unused financial facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
NIL			

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(809)
8.2	Capitalised expenditure (Item 2.1(d) and Item 2.1(f))	(6,704)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(7,513)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	16,116
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	16,116
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>2.15</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by:   
(By the Managing Director/CEO, Colby Hauser)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.