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**TALON ENERGY LTD**  
**ACN 153 229 086**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3:30 pm (WST)

**DATE:** Tuesday, 30 May 2023

**PLACE:** The Celtic Club, 48 Ord Street, West Perth WA 6005

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3:30 pm (WST) on Sunday, 28 May 2023.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the Auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2022.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

A voting prohibition statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – GREG COLUMBUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 56.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Greg Columbus, a Director and the Chairman who was appointed casually on 3 April 2023, retires, and being eligible, is elected as a Director.”*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MATTHEW WORNER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 57.1 of the Constitution, and for all other purposes, Matthew Worner, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 38,723,356 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 44,035,265 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 6 – APPROVAL OF 7.1A MANDATE**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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**8. RESOLUTION 7 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 60 of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the total aggregate amount of fees payable to non-executive Directors from \$300,000 per annum to \$400,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

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**9. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – GREG COLUMBUS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Greg Columbus (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

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**10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – GREG COLUMBUS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Tranche A Performance Rights and 1,000,000 Tranche B Performance Rights to Greg Columbus (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement apply to this Resolution.  
Please see below.

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**Dated: 27 April 2023**

**By order of the Board**

A handwritten signature in black ink that reads "Jo-Ann Long". The signature is written in a cursive, flowing style.

**Jo-Ann Long  
Company Secretary**

## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> <li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li> </ul> </li> </ul>
<b>Resolution 7 – Increase in Total Aggregate Remuneration for Non-Executive Directors</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 8 – Issue of Options to Related Party - Greg Columbus</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 9 – Issue of Performance Rights to Related party – Greg Columbus</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(iii) a member of the Key Management Personnel; or</li> <li>(iv) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

## Voting Exclusion Statements

<b>Resolution 4 – Ratification of prior issue of Shares – Listing Rule 7.1</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely participants in the Placement) or an associate of that person or those persons.
<b>Resolution 5 – Ratification of prior issue of Shares – Listing Rule 7.1A</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely participants in the Placement) or an associate of that person or those persons.
<b>Resolution 7 – Increase in Total Aggregate Remuneration for Non-Executive Directors</b>	A Director or an associate of that person or those persons.
<b>Resolution 8 – Issue of Options to Related Party - Greg Columbus</b>	Greg Columbus (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 9 – Issue of Performance Rights to Related Party – Greg Columbus</b>	Greg Columbus (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

## Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6319 1900.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.talonenergy.com.au](http://www.talonenergy.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTION 2 – ELECTION OF DIRECTOR – GREG COLUMBUS**

### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Greg Columbus, having been appointed by other Directors as a Director and the Chairman on 3 April 2023, in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **3.2 Qualifications and other material directorships**

Mr Columbus has over 30 years of experience in the Energy, Oil and Gas sectors including technical, commercial and executive roles. He is an experienced company Director with commercial, strategy corporate finance and legal experience. Mr Columbus has over these years gained valuable business experience in delivering large, complex energy, oil and gas projects and has along the course of his career, also carved out strong strategic vision and been involved in numerous M&A activities.

Mr Columbus is the Managing Director and a Main Board Director for Clarke Energy Global Group for the past 19 years (Clarke Energy is a Kohler Company privately owned by the Kohler family with \$10B USD turnover). Clarke Energy are a multinational energy solutions company specialising in the engineering, installation and maintenance of power solutions and gas compression stations, operating in 28 countries.

Mr Columbus is also the non-executive Director of Galilee Energy (ASX: GLL) and was previously the non-executive Chairman of Warrego Energy (ASX: WGO) until February 2023, whereby he chaired the vision and the strategic sale of the business since the Reverse Take Over in March 2019.

### **3.3 Independence**

Mr Columbus has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Columbus will be an independent Director.

### **3.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Columbus.



Mr Columbus has confirmed that he considers he will have sufficient time to fulfil his responsibilities as Non-Executive Chairman of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as Non-Executive Chairman of the Company.

### **3.5 Board recommendation**

The Board undertook a rigorous selection process prior to appointing Mr Columbus as Chairman and Director of the Company. Mr Columbus has a proven track record of delivering value for shareholders and with specific Perth Basin experience and a broad commercial and corporate skill set in the energy sector, is an excellent fit for the Company as it looks to transition from explorer to producer in Perth Basin.

The Board has reviewed Mr Columbus' performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Columbus and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MATTHEW WORNER**

### **4.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Matthew Worner, who has served as a Director since 4 December 2017 and was last re-elected on 28 May 2021, retires by rotation and seeks re-election.

### **4.2 Qualifications and other material directorships**

Mr Worner is an experienced oil and gas executive who has worked with ASX and London listed E&P companies in various legal, commercial and new ventures/business development roles. He has overseen the completion of multiple asset acquisitions and divestments the world over, including Asia, Africa, US and Australasia as well as significant experience dealing with joint venture partners, host governments and NOCs in these regions.

### **4.3 Independence**

If re-elected the Board considers Mr Worner will be an independent Director.

### **4.4 Board recommendation**

The Board has reviewed Mr Worner's performance since his appointment to the Board and consider that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Worner and recommends that Shareholders vote in favour of Resolution 3.

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## **5. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULES 7.1 AND 7.1A**

### **5.1 BACKGROUND**

#### ***Background to the Placement***

As announced on 3 March 2023, the Company has undertaken a placement of 82,758,621 Shares at an issue price of \$0.145 per Share (**Placement Shares**) to institutional and sophisticated investors to raise \$12 million (before associated costs) (**Placement**). The Placement Shares were issued on 13 March 2023.

Under the Placement, 38,723,356 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 4) and 44,035,265 Placement Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 26 May 2022.

The issue of the Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

### ***Purpose of the Placement***

The Company intends to apply the funds raised under the Placement towards:

- (a) the Company's share of the final development capital and operating costs for the Walyering Gas Project;
- (b) Perth Basin exploration activities, including farm-in expenditure of the recently acquired L7/EP437 permit; and
- (c) general working capital and transaction costs associated with the Placement and share purchase plan announced on 3 March 2023,

(together, the **Placement Funding Purposes**).

For further details in respect of the Placement, refer to the announcement released by the Company on its ASX's Market Announcement Platform on 3 March 2023 entitled "\$14 million capital raising to complete funding requirements at Walyering and accelerate Perth Basin exploration activities".

### ***Joint Lead Managers***

The Company engaged Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243480) and Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFSL 234666) (together, the **Joint Lead Managers**) to act as joint lead managers to the Placement pursuant to a mandate entered into in respect of the Placement (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Company agreed to pay the Joint Lead Managers the following fees (exclusive of GST) based on the gross proceeds raised under the Placement (**Proceeds**):

- (a) a management fee of 2.0% of the Proceeds;
- (b) a selling fee of 1.5% of the Proceeds; and
- (c) an incentive fee of 1.5% of the Proceeds.

No fees were payable on proceeds from the share purchase plan associated with the Placement.

Wilson's Corporate Finance Limited was engaged as co-manager to the Placement (**Co-Manager**) under a separate agreement between the Joint Lead Managers and the Co-Manager. It was agreed that the Co-Manager would be paid a fixed fee of \$25,000 (plus GST) by the Company and a 2% (plus GST) fee on any final allocations arranged directly by the Co-Manager.

## **5.2 Listing Rules 7.1 and 7.1A**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue, or agree to issue, without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12-month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 6 being passed by the requisite majority at this Meeting.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

### **5.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

### **5.4 Technical information required by Listing Rule 14.1A**

If Resolutions 4 and 5 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the dates of issue of the Placement Shares.

If Resolutions 4 and 5 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the dates of issue of the Placement Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 6 being passed at this Meeting.

### **5.5 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Placement Shares were issued to institutional and sophisticated investors who are clients of the Joint Lead Managers and the Co-Manager. The recipients were identified through a bookbuild process, which involved the Joint Lead Managers and the Co-Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 82,758,621 Placement Shares were issued on the following basis:
  - (i) 38,723,356 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4); and
  - (ii) 44,035,265 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5);
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued on 13 March 2023;
- (f) the issue price was \$0.145 per Placement Share under both the issue of Placement Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise \$12,000,000 (before associated costs), which funds will be applied towards the Placement Funding Purposes; and
- (h) the Placement Shares were not issued under an agreement.

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## 6. RESOLUTION 6 – APPROVAL OF 7.1A MANDATE

### 6.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$112,816,713 (based on the number of Shares on issue as at the date of this Notice and the closing price of Shares on the ASX on 17 April 2023).

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

It should be noted that, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **6.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 6:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

### **(c) Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the acquisition of new assets and investments (including expenses associated with such acquisitions and investments), continued expenditure on the Company's current assets, including its portfolio of Perth Basin and Mongolian assets, ongoing project administration and general working capital.

### **(d) Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 17 April 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.09	\$0.18	\$0.27
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	627,182,967 Shares	62,718,296 Shares	\$5,644,646	\$11,289,293	\$16,933,939
50% increase	940,774,451 Shares	94,077,445 Shares	\$8,466,970	\$16,933,940	\$25,400,910
100% increase	1,254,365,934 Shares	125,436,593 Shares	\$11,289,293	\$22,578,586	\$33,867,880

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are 627,182,967 Shares on issue, comprising the 626,759,514 Shares currently on issue as at the date of this Notice plus the 423,453 Shares proposed to be issued per the Company's notice of proposed issue of securities released on 17 April 2023.
2. The issue price set out above is the closing market price of the Shares on the ASX on 17 April 2023 (being \$0.18).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending in their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.

8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 26 May 2022 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 25 May 2022, the Company issued 88,035,265 Shares pursuant to the Previous Approval, which represent approximately 20% of the total diluted number of Equity Securities on issue in the Company on 25 May 2022, which was 435,652,648 (on a post-consolidation basis).

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12-month period preceding the date of this Meeting are set out in Schedule 1.

### 6.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## 7. RESOLUTION 7 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

### 7.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

Clauses 60.1 and 60.2 of the Constitution also provide that the total aggregate remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increased by ordinary resolution of Shareholders in a general meeting.

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$300,000.

Resolution 7 seeks Shareholder approval for the purposes of clause 60 of the Constitution and Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to \$400,000.

The maximum aggregate amount of fees proposed to be paid to non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

### 7.2 Technical information required by Listing Rule 10.17

If Resolution 7 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by \$100,000 to \$400,000. Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the increase to the maximum aggregate amount of fees payable may enable the Company to:

- (a) fairly remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.



If Resolution 7 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at \$300,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past 3 years, the Company has issued an aggregate of 2,050,000 Shares, 5,875,000 Options and 22,258,948 Performance Rights (all on a post-consolidated basis) to non-executive Directors pursuant to Listing Rules 10.11 and 10.14.

These securities were issued to the following non-executive Directors:

- (a) 1,550,000 Shares, 2,625,000 Options and 16,383,948 Performance Rights were issued to David Casey;
- (b) 2,000,000 Options and 4,000,000 Performance Rights were issued to Matthew Worner;
- (c) 1,000,000 Options were issued to Doug Jendry;
- (d) 500,000 Shares, 250,000 Options and 750,000 Performance Rights were issued to Peter Stickland;
- (e) 562,5000 Performance Rights were issued to Graham Dore; and
- (f) 562,5000 Performance Rights were issued to Stephen Jenkins.

### **7.3 Board Recommendation**

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

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## **8. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – GREG COLUMBUS**

### **8.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 2,000,000 Options to Mr Greg Columbus (or his nominee) (**Columbus Options**) on the terms and conditions set out below.

Resolution 8 seeks Shareholder approval for the issue of the Columbus Options to Mr Columbus (or his nominee).

### **8.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Columbus Options to Mr Columbus (or his nominee) constitutes giving a financial benefit and Mr Columbus is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Columbus who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Columbus Options because

the agreement to issue the Columbus Options, reached as part of the remuneration package for Mr Columbus, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **8.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Columbus Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The issue therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 8 seeks the required Shareholder approval for the issue of the Columbus Options under and for the purposes of Listing Rule 10.11.

### **8.4 Technical information required by Listing Rule 14.1A**

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Columbus Options to Mr Columbus (or his nominee) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Columbus Options (because approval is being obtained under Listing Rule 10.11), the issue of the Columbus Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Columbus Options. As a result, the Board will need to evaluate other forms of performance linked incentive components to the remuneration package of Mr Columbus.

### **8.5 Technical information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) the Columbus Options will be issued to Greg Columbus (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Columbus is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Columbus Options to be issued is 2,000,000;
- (c) the terms and conditions of the Columbus Options are set out in Schedule 2;

- (d) the Columbus Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Columbus Options will occur on the same date;
- (e) the issue price of the Columbus Options will be nil. The Company will not receive any consideration in respect of the issue of the Columbus Options (other than in respect of funds received on exercise of the Columbus Options);
- (f) the purpose of the issue of the Columbus Options is to provide a performance linked incentive component in the remuneration package for Mr Columbus to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Columbus, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Columbus;
- (g) the current total remuneration package for Mr Columbus is \$100,000, comprising of Director's fees of \$100,000. If the Columbus Options are issued, the total remuneration package of Mr Columbus will increase by \$187,000 to \$287,000, being the total value of the Columbus Options (based on the valuation and pricing methodology provided at Schedule 3), plus the total value of the RP Performance Rights if Resolution 9 is approved. It should be noted that Mr Columbus was only recently appointed as a Director on 3 April 2023;
- (h) the Columbus Options are not being issued under an agreement;
- (i) the number of Columbus Options to be issued to Mr Columbus (or his nominee) has been determined based upon a consideration of:
  - (i) current market standards and practices of other ASX listed companies of similar size and stage of development to the Company;
  - (ii) the remuneration of Mr Columbus; and
  - (iii) incentives to attract and retain the service of Mr Columbus who has appropriate knowledge and expertise, while preserving the Company's cash reserves which can otherwise be used to advance the Company's business; and
- (j) a voting exclusion statement is included in Resolution 8 of the Notice.

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## 9. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – GREG COLUMBUS

### 9.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 2,000,000 Performance Rights (**RP Performance Rights**) to Greg Columbus (or his nominee) on the terms and conditions set out below. The classes of the RP Performance Rights to be issued is as follows:

Tranche A	Tranche B
20-day VWAP of at least \$0.245	20-day VWAP of at least \$0.29
1,000,000	1,000,000

Resolution 9 seeks Shareholder approval for the issue of the RP Performance Rights to Mr Columbus (or his nominee).

## **9.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 8.2 above.

The issue of the RP Performance Rights to Mr Columbus (or his nominee) constitutes giving a financial benefit and Mr Columbus is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Columbus who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the RP Performance Rights because the agreement to issue the RP Performance Rights, reached as part of the remuneration package for Mr Columbus, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## **9.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 8.3 above.

The issue of the RP Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The issue therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 9 seeks the required Shareholder approval for the issue of the RP Performance Rights under and for the purposes of Listing Rule 10.11.

## **9.4 Technical information required by Listing Rule 14.1A**

If Resolution 9 is passed, the Company will be able to proceed with the issue of the RP Performance Rights to Mr Columbus (or his nominee) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the RP Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the RP Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the RP Performance Rights. As a result, the Board will need to evaluate other forms of performance linked incentive components to the remuneration package of Mr Columbus.

## **9.5 Technical information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 9:

- (a) the RP Performance Rights will be issued to Greg Columbus (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Columbus is a related party of the Company by virtue of being a Director;
- (b) the maximum number of RP Performance Rights to be issued is 2,000,000, comprising 1,000,000 Tranche A Performance Rights and 1,000,000 Tranche B Performance Rights;
- (c) the terms and conditions of the 2 classes of the RP Performance Rights are set out in Schedule 4;
- (d) the RP Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the RP Performance Rights will occur on the same date;

- (e) the issue price of the RP Performance Rights will be nil. The Company will not receive any consideration in respect of the issue of the RP Performance Rights;
- (f) the purpose of the issue of the RP Performance Rights is to provide a performance linked incentive component in the remuneration package for Mr Columbus to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Columbus, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Columbus;
- (g) the current total remuneration package for Mr Columbus is \$100,000, comprising of Director's fees of \$100,000. If the RP Performance Rights are issued, the total remuneration package of Mr Columbus will increase by \$318,500 to \$418,500, being the total value of the RP Performance Rights (based on the valuation and pricing methodology provided at Schedule 5), plus the total value of the Columbus Options if Resolution 8 is approved. It should be noted that Mr Columbus was only recently appointed as a Director on 3 April 2023;
- (h) the RP Performance Rights are not being issued under an agreement;
- (i) the number of RP Performance Rights to be issued to Mr Columbus (or his nominee) has been determined based upon a consideration of:
  - (i) current market standards and practices of other ASX listed companies of similar size and stage of development to the Company;
  - (ii) the remuneration of Mr Columbus; and
  - (iii) incentives to attract and retain the service of Mr Columbus who has appropriate knowledge and expertise, while preserving the Company's cash reserves which can otherwise be used to advance the Company's business; and
- (j) a voting exclusion statement is included in Resolution 9 of the Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**7.1A Mandate** has the meaning given in Section 6.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**Associated Body Corporate** means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Columbus Options** has the meaning given in Section 8.1, being Options issued on the terms and conditions set out in Schedule 2.

**Company** means Talon Energy Ltd (ACN 153 229 086).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Joint Lead Managers** means Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243480) and Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFSL 234666).

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share, including a Columbus Option.

**Optionholder** means a holder of an Option.

**Performance Right** means a right to acquire a Share, subject to satisfaction of any vesting conditions.

**Placement** has the meaning given in Section 5.1.

**Placement Shares** has the meaning given in Section 5.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2022.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**RP Performance Right** means a Performance Right issued on the terms and conditions set out in Schedule 4.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – ISSUES OF EQUITY SECURITIES UNDER LISTING RULE 7.1A SINCE 25 MAY 2022

Date	Recipients	Number and Class of Equity Securities Issued	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Total Cash Consideration and Use of Funds
Issue – 2 December 2022 Appendix 2A – 9 December 2022	Professional and sophisticated investors as part of a placement announced on 9 December 2022. The placement participants were identified through a bookbuild process, which involved Canaccord Genuity (Australia) Limited and Chieftain Securities WA Pty Ltd (as joint lead managers) and Bell Potter Securities Limited (as co-manager), seeking expressions of interest to participate in the placement from non-related parties of the Company.	44,000,000 Shares <sup>2</sup>	\$0.14 (representing a discount to Market Price of 12.5%)	<p>Amount raised or to be raised = \$11,950,000 under the placement (\$6,160,000 pursuant to the Shares issued under Listing Rule 7.1A capacity).</p> <p>Amount spent to 31 March 2023 = \$7,950,000</p> <p>Use of funds: Funding exploration and development costs related to the Company's resource projects, corporate overheads and general working capital.</p> <p>Amount remaining = \$4,000,000</p> <p>Proposed use of remaining funds<sup>3</sup>: Funding exploration and development costs related to the Company's resource projects (primarily Gurranties), corporate overheads and general working capital.</p>
Issue and Appendix 2A – 13 March 2023	Professional and sophisticated investors as part of a placement announced on 3 March 2023. The placement participants were identified through a bookbuild process, which involved Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited (as joint lead managers) and Wilsons Corporate Finance Limited (as co-manager) seeking expressions of interest to participate in the placement from non-related parties of the Company.	44,035,265 Shares <sup>2</sup>	\$0.145 (representing a discount to Market Price of 3.33%)	<p>Amount raised or to be raised = \$12,000,000 under the Placement (\$6,385,113 pursuant to the Shares issued under Listing Rule 7.1A capacity).</p> <p>Amount spent to 31 March 2023 = \$2,500,000</p> <p>Use of funds: Final development capital and operating costs for the Walyering Gas Project; Perth Basin exploration activities; and general working capital.</p> <p>Amount remaining = \$9,500,000</p> <p>Proposed use of remaining funds<sup>3</sup>: Final development capital and operating costs for the Walyering Gas Project, Perth Basin exploration activities and general working capital.</p>

### Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: TPD (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.



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## SCHEDULE 2 – TERMS AND CONDITIONS OF COLUMBUS OPTIONS

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(a) **Entitlement**

Each Columbus Option entitles the holder to subscribe for one Share upon exercise of the Columbus Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Columbus Option will be \$0.26 (**Exercise Price**).

(c) **Expiry Date**

Each Columbus Option will expire at 5:00 pm (WST) on the date that is five (5) years from the date of issue (**Expiry Date**). A Columbus Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Columbus Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Columbus Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Columbus Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Columbus Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Columbus Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five (5) Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Columbus Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Columbus Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Columbus Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Columbus Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Columbus Options without exercising the Columbus Options.

(k) **Change in exercise price**

A Columbus Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Columbus Option can be exercised.

(l) **Transferability**

The Columbus Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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**SCHEDULE 3 – VALUATION OF COLUMBUS OPTIONS**

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The Columbus Options to be issued to Greg Columbus pursuant to Resolution 8 have been valued by internal management with the assistance of an independent expert.

Using the Hoadley's ESO1 option model and based on the assumptions set out below, the Columbus Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	17 April 2023
Market price of Shares	18 cents
Exercise price	26 cents
Expiry date (length of time from issue)	5 Years from issue date
Risk free interest rate	3.0%
Volatility (discount)	70%
<b>Indicative value per Columbus Option</b>	9.35 cents
<b>Total Value of Columbus Options</b>	\$187,000

**Note:** The valuation noted above is not necessarily the market price that the Columbus Options could be traded at and is not automatically the market price for taxation purposes.

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## SCHEDULE 4 – TERMS AND CONDITIONS OF RP PERFORMANCE RIGHTS

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The following is a summary of the key terms and conditions of the RP Performance Rights:

(a) **Vesting Conditions**

The Performance Rights shall vest as follows:

- (i) **Tranche A Performance Rights:** subject to the Company achieving a 20-day volume weighted average price of Shares of at least \$0.245; and
- (ii) **Tranche B Performance Rights:** subject to the Company achieving a 20-day volume weighted average price of Shares of at least \$0.29;

(each, a **Vesting Condition**).

(b) **Notification to holder**

The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.

(c) **Conversion**

Subject to paragraph (o), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) **Lapse of a Performance Right**

A Performance Right will automatically lapse upon the earlier to occur of:

- (i) the date that is five (5) years from the date of issue of the Performance Right; and
- (ii) the holder ceasing to be an officer (and employee, if applicable) or an employee of the Company (where they are not an officer at the time of issue), as applicable, unless otherwise determined by the Board at its absolute discretion.

(e) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other existing Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the Listing Rules.

(h) **Timing of issue of Shares on Conversion**

Within five (5) Business Days after the date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
  - (B) having been declared unconditional by the bidder; or

- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the relevant Vesting Conditions, Performance Rights will accelerate Vesting Conditions (notwithstanding if the Vesting Conditions have not been satisfied, as applicable) and will automatically convert into Shares on a one-for-one basis.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraphs (c) or (n) would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within 7 days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.

## SCHEDULE 5 – VALUATION OF RP PERFORMANCE RIGHTS

The RP Performance Rights to be issued to Greg Columbus pursuant to Resolution 9 have been valued by internal management with the assistance of an independent expert.

Using a combined Hoadley's Barrier1 Model and Hoadley's Parisian Model and based on the assumptions set out below, the RP Performance Rights were respectively ascribed the following value:

Item	Tranche A	Tranche B
Value of the underlying Shares/Share price at deemed grant date	18 cents	18 cents
Valuation date	17 April 2023	17 April 2023
Commencement of performance/vesting period	On issue date	On issue date
Expiry date	5 years from issue date	5 years from issue date
Exercise price	Nil	Nil
Term of the Performance Right	5 years	5 years
Volatility	70%	70%
Risk-free interest rate	3.0%	3.0%
VWAP hurdle	24.5 cents	29 cents
<b>Fair value per RP Performance Right</b>	16.27 cents	15.58 cents
<b>Total fair value of RP Performance Rights</b>	<b>\$162,700</b>	<b>\$155,800</b>

**Note:** The valuations noted above are not necessarily the market price that the RP Performance Rights could be traded at and is not automatically the market price for taxation purposes.



Talon Energy Ltd  
ABN 88 153 229 086

TPDRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:30pm (AWST) on Sunday, 28 May 2023.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

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### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Talon Energy Ltd hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Talon Energy Ltd to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on Tuesday, 30 May 2023 at 3:30pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 7, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 7, 8 and 9 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Issue of Options to Related Party – Greg Columbus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director - Greg Columbus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Issue of Performance Rights to Related Party – Greg Columbus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director - Matthew Worner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 4	Ratification of prior issue of Shares - Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Ratification of prior issue of Shares - Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 7	Increase in total aggregate remuneration for non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

