

Condensate Processing and Sale Agreement Finalised

- Path to market secured for forthcoming Walyering Condensate production with processing services agreement and liquids aggregation agreement executed with Santos Limited.
- Marketing of condensate expected to generate more than A\$10m in revenue per annum for the project.
- Construction ongoing with start-up still on track for 1H/23.

Talon Energy Ltd (Talon or Company ASX:TPD) and the L23/EP447 Joint Venture (Talon 45% and Strike Energy 55% Operator) are pleased to announce the path to market for the Walyering liquids has been secured with a condensate processing and sales agreement being executed with Santos Limited.

Talon and Strike will sell the condensate produced from the Walyering field to Santos via a delivery point at Port Bonython where the Joint Venture anticipates premium pricing to Brent due to the high quality of the condensate. Including haulage and processing related costs, the Operator estimates breakeven pricing to be US\$45-50 per barrel. The condensate is a by-product relative to the gas, but with the Walyering field expected to produce 250bbl/d, the JV expect this to equate to over A\$10 million in revenue per annum (where Brent is an average US\$75 per barrel), giving the project a considerable secondary revenue and income stream.

All regulatory approvals secured for the Walyering gas field's construction, commissioning and production operations with the Safety Case having been recently accepted by DMIRS. Construction progress of the project is on-track with the workover rig demobilising after finishing production completions of the Walyering 5 and 6 wells. Pipework and vessels have arrived on site and are being assembled on the recently completed prefabricated footing and foundations. Construction progress has been steady since the last update with the foundations and prefabricated footings have been dug and installed with pipework and vessels now being placed on site. The construction phase is preparing to move to 24/7 operations and subject to weather events, productivity and trade availabilities remains on track for start-up before the end of the quarter.

Talon's Managing Director & CEO, Colby Hauser, commented: "Further to our Gas Sales Agreement announced in December of last year, we are pleased to be working with Santos yet again to secure our path to market for Walyering condensate. These contracts will provide Talon with a meaningful revenue stream, that will be used to fund our exciting exploration portfolio and is another significant step as we transition to a true E&P company."

This Announcement is authorised for release by the Managing Director and Chief Executive Officer.

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