

ASX ANNOUNCEMENT

30 MAY 2023

Gurvantes Pilot Well Drilling Concludes

- **Pilot Well Drilling Program at the Gurvantes XXXV Coal Seam Gas Project in Mongolia completed safely, on time and on budget**
- **All three production wells secure having successfully run production casing (slotted liner) over the production interval**
- **All three wells intersected at least 60 metres of gassy coal, with Lucky Fox -3, the thickest intersection of the three pilot production wells (68m)**
- **Installation of pumps and remaining surface facilities to occur over the coming weeks before commencement of the dewatering process**

Talon Energy Ltd (ASX: TPD) ("Talon" or the "Company") is pleased to provide an update on the drilling operations from the Gurvantes XXXV CSG Project's pilot production well drilling program (Talon 33%, TMK Energy Ltd 67% & Operator) in the South Gobi Basin of Mongolia.

The drilling campaign has been successfully completed at the third and final well in the current drilling program, with the Lucky Fox – 3 pilot production well intersecting the thickest coal interval of the three wells of approximately 68 metres of gassy coal. The drilling of all three pilot wells was completed safely, on time and on budget. Major Drilling, the pilot well drilling contractor, has commenced demobilising the rig from site.

Throughout June, work will continue with the installation of pumps and the remaining surface facilities. The pilot well pumps will then be commissioned, and the dewatering process will commence in a controlled manner with the first gas breakthrough conservatively expected within one or two months following the wells being placed on pump.

The data gathered from the pilot well drilling will now be integrated into the overall geological model over the coming weeks to optimize pump speeds and the dewatering process.

Mr Colby Hauser, Talon Energy's Managing Director and Chief Executive Officer commented:

"We are very pleased to report that our 3-well drilling campaign at Gurvantes has been drilled safely, on time and on budget. Credit to our Joint Venture Partner TMK Energy and drilling contractor Major Drilling for their successful completion. Having penetrated at least 60m of gassy net coal is an outstanding result for all three wells and bodes well for the subsequent production test which will assess if the project can deliver gas at commercial rates. We look forward to the final stages of the Pilot Well Program over the coming months and are optimistic about dewatering the wells and flowing gas to surface."



Figure 1 – Aerial View of drilling operations for the Lucky Fox-3 Pilot Production Well (image provided by TMK Energy)

This Announcement was authorised for release by the Managing Director.

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