

ASX ANNOUNCEMENT

25 JULY 2023

Response to Media Coverage

- **Talon received a non-binding and indicative proposal from Strike Energy Limited.**

Talon Energy Ltd (ASX: TPD) (“**Talon**” or the “**Company**”) refers to recent media coverage in relation to a potential change of control proposal for the Company.

On Wednesday evening, 19 July 2023, the Company received an unsolicited confidential, non-binding indicative proposal from Strike Energy Limited (“**Strike**”) pursuant to which the Company would demerge its Mongolian assets to its existing shareholders and Strike Energy would then acquire all of the shares in Talon Energy by way of a scheme of arrangement (the “**Unsolicited Proposal**”). Under the terms of the Unsolicited Proposal, Talon shareholders would receive:

- 0.4586 Strike shares for every Talon share held (representing approximately 10.8% of the merged group); and
- an ownership interest in Talon’s Mongolian assets pro rata to their shareholdings in Talon.

The Unsolicited Proposal provided limited other information regarding the proposed demerger of the Mongolian assets. The Unsolicited Proposal was subject to a number of conditions and assumptions including that the Company enter into a process agreement with Strike that imposed various restrictions on the Company including an obligation to provide Strike with exclusivity and requested a response by no later than 12.00pm (Perth time) on Sunday, 23 July 2023 accepting all of the proposed terms.

On Sunday morning, 23 July 2023, the Company wrote to Strike advising that it intended to undertake a process of evaluation of the Unsolicited Proposal before it would be in a position to respond to Strike’s request for due diligence access. It advised that it had appointed advisors in relation to the Unsolicited Proposal. It also advised that it expected to be in a position to respond to Strike’s request for due diligence access in approximately one week.

Shortly thereafter, Strike wrote to Talon advising that it had withdrawn the Unsolicited Proposal with immediate effect. Accordingly, shareholders do not need to take any action in relation to the Unsolicited Proposal.

Prior to the receipt of the Unsolicited Proposal, Talon had not received any other written proposal from Strike regarding a potential change of control transaction for the Company.



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This Announcement was authorised for release by the Board of Talon Energy Ltd.

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