



INVESTOR WEBINAR:

GURVANTES DIVESTMENT

18 OCTOBER 2023

www.talonenergy.com.au

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It should be noted that the investor webinar and this presentation is focused on the divestment of Talon's interest in the Gurvantes Project, and no information will be provided in relation to the proposed scheme of arrangement with Strike Energy Limited outside of what has already been announced to ASX by Talon and Strike.

BENEFITS OF TMK TRANSACTION TO DIVEST GURVANTES

- 1

Realised Value

 - By finalising the divestment, subject to approval, shareholders **realise the value of the asset**
- 2

Retain Interest in Mongolian Project

 - Subject to approvals, Talon shareholders **retain an exposure to the Mongolian Project** via shares and listed options in TMK Energy
- 3

Liquidity of the Consideration Received

 - Obtaining listed shares and options allows Talon shareholders **optionality in ownership**
- 4

Consolidated Ownership

 - Allows TMK Energy to **advance the asset** to the benefit of the combined shareholders
- 5

Corporate and Operational Synergies

 - Talon shareholders (via TMK equity) would get exposure to the value created from **corporate and operational synergies** with the removal of the Joint Venture

DIVESTMENT OPTIONS

Other alternatives	Considerations
Status Quo	<ul style="list-style-type: none"> ▪ No asset spin out or divestment, with Gurvantes asset (and value) going to Strike Energy (combined group) ▪ No extra value for the asset to Talon shareholders beyond the proposed consideration (assuming scheme of arrangement with Strike Energy is implemented)
SpinCo	<ul style="list-style-type: none"> ▪ Material uncertainty with successfully listing on the ASX, therefore, spin-out entity would initially be an unlisted, public company ▪ No active market for SpinCo shares ▪ SpinCo would require further funding for its share of JV commitments
Sale to another entity	<ul style="list-style-type: none"> ▪ Talon shareholders would receive consideration (most likely shares) in another company ▪ No consolidation of ownership for Gurvantes, JV remains in place
Sale to TMK	<ul style="list-style-type: none"> ▪ On balance, the favoured option given the benefits highlighted and alternatives above

TRANSACTION DETAILS

Gurvantes Transaction with TMK Energy	<ul style="list-style-type: none"> Talon has executed a Binding Heads of Agreement with TMK Energy Limited (TMK) to consolidate ownership of the Gurvantes XXXV Project to TMK.
Return to Shareholders	<ul style="list-style-type: none"> Subject to approval, the TMK Shares and Listed Options to be distributed in specie to Talon shareholders currently implies: <ul style="list-style-type: none"> Approximately \$0.02 per Talon share; comprising of <ul style="list-style-type: none"> Approximately 1.56x TMK Shares per 1 TPD share held; and Approximately 0.78x TMK Listed Options per 1 TPD share held.
Recommendation	<ul style="list-style-type: none"> The proposed transaction with TMK was considered against a potential de-merger and spin-out transaction for Talon shareholders. The Talon board considered the transaction with TMK was, on balance, superior to the de-merger and spin-out scenario considering various quantifiable and qualitative factors. Talon’s board of directors unanimously recommends that Talon shareholders vote in favour of the proposed transaction with TMK. Each director of Talon intends to vote all Talon shares they hold or control in favour of the proposed transaction with TMK at an extraordinary general meeting.
Next Steps	<ul style="list-style-type: none"> Talon shareholders will be asked to approve the TMK Transaction (50% approval threshold) at an extraordinary general meeting (“EGM”), which is expected to take place in late November 2023 <ul style="list-style-type: none"> This will be separate to any scheme meeting convened in accordance with the Revised SID (below). Further details in relation to the TMK Transaction will be provided by Talon to its shareholders in due course. The Notice of Meeting is expected to be sent to Talon shareholders by late October 2023.
Strike Scheme Transaction	<ul style="list-style-type: none"> The proposed transaction with TMK does not impact or change the scheme consideration that Talon shareholders could receive under the proposed scheme of arrangement between Talon and Strike. Talon and Strike executed a restated and amended scheme implementation deed on 10 October 2023 (“Revised SID”) to reflect and enable the proposed Transaction with TMK as described in this presentation.

TRANSACTION DETAILS

Transaction Conditions

- **Approvals**
 - Approval being obtained from TMK shareholders for the issue of the Shares and Listed Options (50% approval threshold required)
 - Approval being obtained from Talon shareholders for the in-specie distribution (50% approval threshold required)*
 - The parties obtaining all necessary corporate, governmental, regulatory and third-party approvals, consents and waivers to complete the Transaction.

Voting Intention Statements

- **TMK's Largest Shareholder**
 - TMK's largest shareholder, Tsetsen Zantav, who has a relevant interest in TMK of ~32.06%, has confirmed to TMK that he intends to vote in favour of the Transaction at the planned TMK shareholder meeting required as part of the Transaction.
- **TMK's Directors**
 - In addition, each director of TMK intends to vote all TMK shares they hold or control in favour of the Transaction.

* Note: Talon to confirm with its legal advisors where any change to its constitution (75% approval threshold) is required to facilitate the in-specie distribution

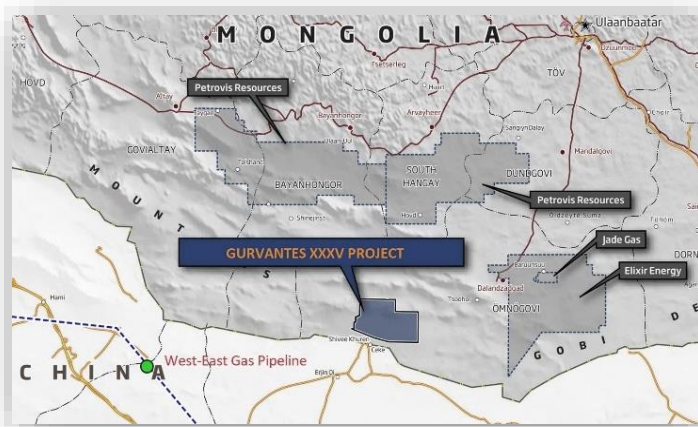
INDICATIVE TIMETABLE

Proposed Transaction Timetable

Announcement of Transaction	11 October 2023
Dispatch of Talon and TMK meeting materials	Late October 2023 *
Talon EGM and TMK EGM	Late November 2023 *



GURVANTES XXXV OPERATIONS UPDATE



World class discovery in first exploration campaign

- **8,400km²** permit located in South Gobi Basin, one of the most prospective CSG basins in the world
- Closest project to Chinese Energy Market
- Independently certified (NSAI) contingent resource (2C), the **largest to date in Mongolia** (1C - 398 / 2C - 1,214 / 3C - 2,361 Bcf)
 - 100% drilling success with strong results observed across all technical parameters:
 - ✓ Coal Thickness ✓ Gas Content ✓ Permeability



Operations Update as of 9 October 2023

- Pilot production wells continue to perform in line with expectations with continuous gas flares from each of the three pilot wells
- Thick 45 metre gassy coal seam intersected at 'Terra' exploration area 100 kilometres east of Nariin Sukhait (pilot well location)
- Exploration program at 'Terra' expanded to include four (4) additional wells
- 2D seismic program underway and additional exploration activities being conducted in northern part of the license area

Contingent Resource (1C, 2C & 3C) Estimate Information and Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are unrisks, probabilistically determined and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of moveable hydrocarbons. Resource estimates for the Gurvantes XXXV project shown here are from the TPD ASX release 9th November 2022 "Maiden Contingent CSG Resource Estimate – Gurvantes XXXV".

CONCLUSION

Subject to approval from Talon and TMK shareholders:

- ✓ Talon shareholders retain exposure to the Gurvantes Project
- ✓ Talon shareholders receive tangible value for Gurvantes asset
- ✓ Shares and listed options allow for ownership optionality
- ✓ Project ownership is consolidated to one company
- ✓ Significant ongoing corporate costs will be eliminated by removing the joint venture structure
- ✓ Proposed transaction supported by Talon Directors and TMK Energy Directors (with major shareholder support)





QUESTIONS?

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TALON'S AND TMK'S PROJECT INFORMATION

Talon's Resources

Information in this presentation relating to the Resource Estimates for:

- The Gurvantes Contingent Resource is set out in TPD ASX announcements dated 9 November 2022 "Maiden Contingent CSG Resource Estimate – Gurvantes XXXV" and 18 August 2021 "Gurvantes XXXV Maiden Prospective Resource". Talon equity interest is 33% and TMK equity interest is 67%.

The above announcements are available to view on Talon Energy's website at www.talonenergy.com.au.

Talon confirms it is not aware of any new information or data that materially affects the information included in the above referenced announcements relating to its Reserves and Resources and that all the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply.

Cautionary statement on prospective resources

Prospective resources are those quantities of hydrocarbons which are estimated as of a given date to be potentially recoverable from undiscovered accumulations by the application of future development projects. These estimates have both an associated risk of discovery and a risk of development. The prospective resources shown in this presentation are probabilistically determined and unrisks and should not be construed as reserves or contingent resources; they represent exploration opportunities and quantify the development potential in the event a hydrocarbon discovery is made. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

TMK Reserves and Resource

Information in this presentation relating to the Reserve and Resource Estimates for:

- The Gurvantes Contingent Resource is set out in TMK ASX announcements dated 9 November 2022 "1.2Tcf Contingent Gas Resource (2C) Independently Certified" and 16 December 2021 "Acquisition of Strategic Mongolian Coal Seam Gas Project". Talon equity interest is 33% and TMK equity interest is 67%.

This reserves and resources estimates must, therefore, be read in conjunction with the full text of the TMK and TPD ASX releases referred to. The Reserves and Resources are unrisks.

TMK is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in the above releases continue to apply and have not materially changed.

Talon has not conducted due diligence in relation to TMK's petroleum estimates and has not independently verified all such information and expressly disclaims any responsibility for it, to the maximum extent permitted by law. No representation or warranty, express or implied, is made as to the fairness, currency, accuracy, adequacy, reliability or completeness of TMK's petroleum estimates. Given Talon has not independently validated TMK's petroleum estimates, it should not be regarded as reporting, adopting or otherwise endorsing those estimates.

Competent Persons Statement

The information in this report that relates to Contingent Resource information for the Gurvantes XXXV Project is based on information compiled by Mr. John Hattner, an employee of Netherland, Sewell & Associates, Inc, and who is a Qualified Petroleum Reserves and Resources Evaluator (QPRRE) as defined by ASX listing rules. This information was subsequently reviewed by Dr Darren Ferdinando PhD, BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears. Dr Ferdinando is an employee of Talon, with approximately 30 years relevant experience in the petroleum industry and is a member of The American Association of Petroleum Geologists (AAPG) and a Fellow of the Petroleum Exploration Society of Australia (PESA). The Resources included in this report have been prepared using definitions and guidelines consistent with the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). The resources information included in this Report are based on, and fairly represents, information and supporting documentation reviewed by Dr Ferdinando. Dr Ferdinando is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.