

TALON PETROLEUM

UK NORTH SEA STRATEGY OVERVIEW

121 Oil and Gas Investment Conference
May 2019



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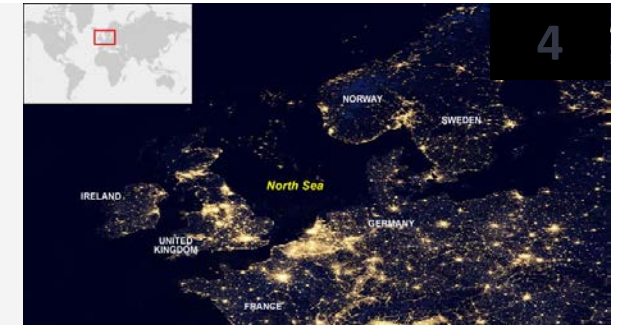
Competent Persons Statement The information in this report that relates to Prospective Resource information in relation to the Skymoos and Rocket Prospects are based on information compiled by Mr Graham Dore and Mr Paul Young, directors of EnCounter Oil Limited. This information was subsequently reviewed by Mr Paul Senyia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senyia is a consultant to the Company, with more than 35 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senyia. Mr Senyia 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.

The information in this report that relates to Contingent Resource information in relation to Curlew-A is based on information compiled by technical employees of independent consultants, Software Information Solutions Schlumberger Oilfield UK and overseen by Mr. Charles M. Boyer II. This information was subsequently reviewed by Mr Paul Senyia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senyia is a consultant to the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senyia. Mr Senyia 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.

UK NORTH SEA OVERVIEW

A WORLD CLASS OIL PROVINCE

- ✓ Prolific oil and gas province with over 50 years of oil and gas production and ~43 billion barrels of oil and gas recovered
- ✓ The timing is right with a number of strong opportunities available, and increased activity within the region, including regular bid rounds for further acreage capture
- ✓ Abundant and world-class infrastructure allowing for development capex reductions
- ✓ Significant recoverable resource potential remains and major discoveries still being made
- ✓ OGA recently advised that finding costs in 2018 were just over \$1 per barrel
- ✓ Low sovereign risk jurisdiction, with a stable and supportive regulatory environment with solid fiscal terms
- ✓ High quality subsurface database



TALON'S UK NORTH SEA INVESTMENT CRITERIA

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- ✓ Utilize significant technical expertise for early stage entry via bidding rounds; farm-out for carry
- ✓ Non-operated equity positions up to 20% - after farm-out
- ✓ Talon to be a partner of choice for well-known companies operating within targeted areas of the North Sea
- ✓ Primary aim of drilling multiple wells per calendar year
- ✓ Drilling fundamentals:
 - ✓ appraisal of known discoveries
 - ✓ low-risk exploration
- ✓ Tie-backs to nearby infrastructure
- ✓ Timed exit at the right time of the development cycle



ACQUISITION OF ENCOUNTER OIL

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- ✓ Delivers 100% interest in two high-quality exploration licenses
 - ✓ L2363 – Skymoos Prospect: 107mmbo best estimate prospective resource
 - ✓ L 2392 - Rocket Prospect: 27mmbo best estimate prospective resource
- ✓ Highly experienced UK based North Sea oil finders Graham Doré and Paul Young joining Talon team
- ✓ Staged, incentive-based transaction structure
- ✓ EnCounter formed by former members of EnCore Oil PLC
- ✓ EnCore discoveries include Breagh, Cladhan, Catcher, Varadero and Burgman
- ✓ EnCore acquired by Premier Oil in 2011 for £221 million



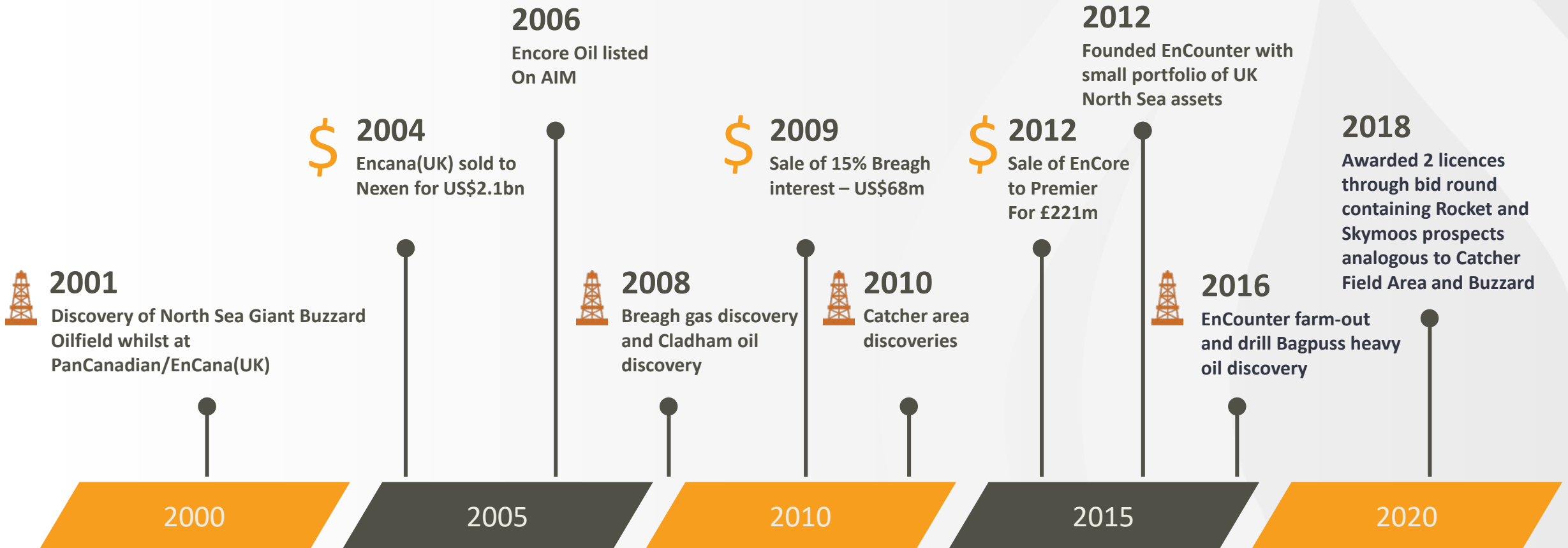
Catcher FPSO



Breagh production platform

ENCOUNTER'S SUCCESS IN THE NORTH SEA

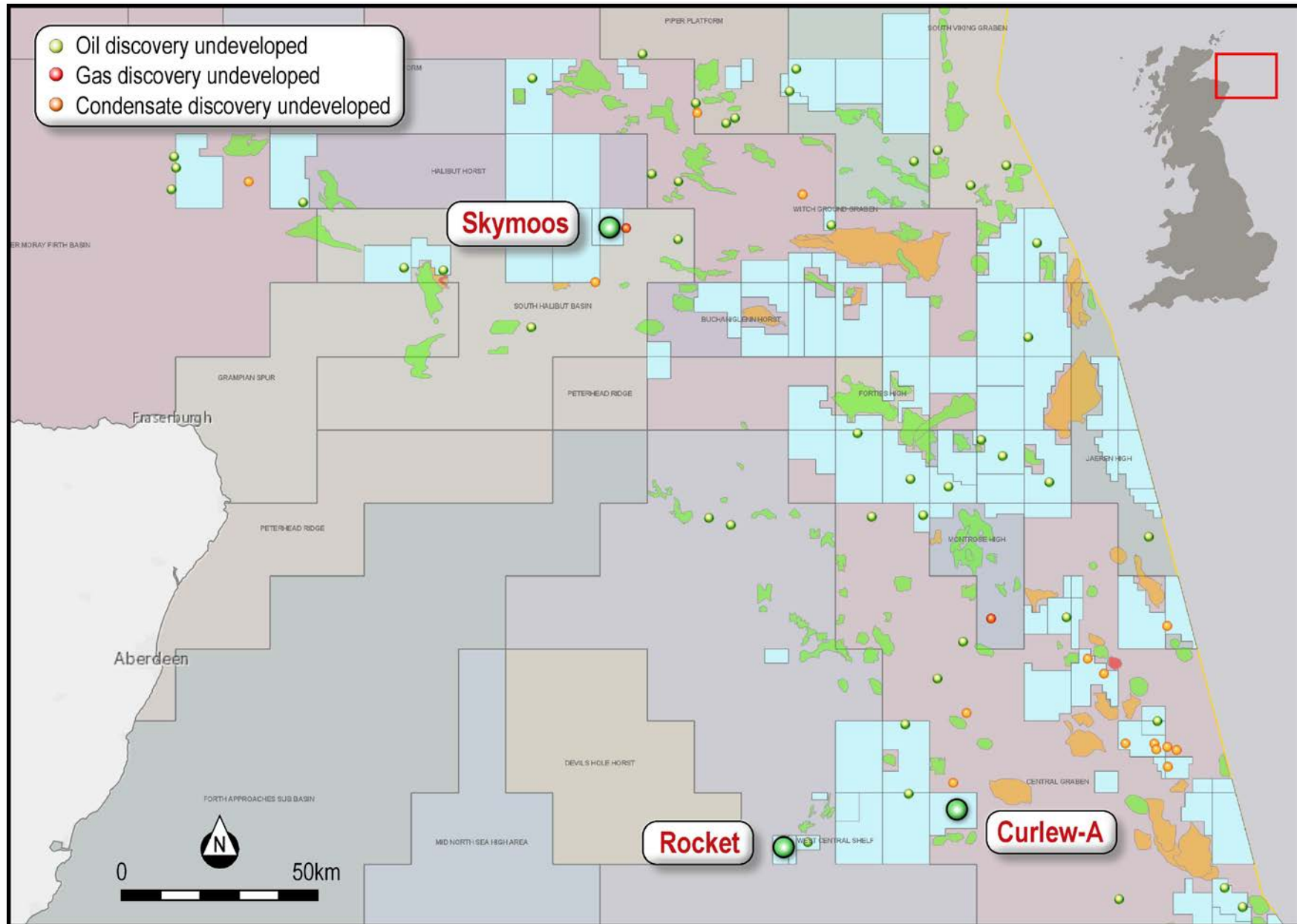
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TALON PORTFOLIO



High impact exploration and low-risk appraisal

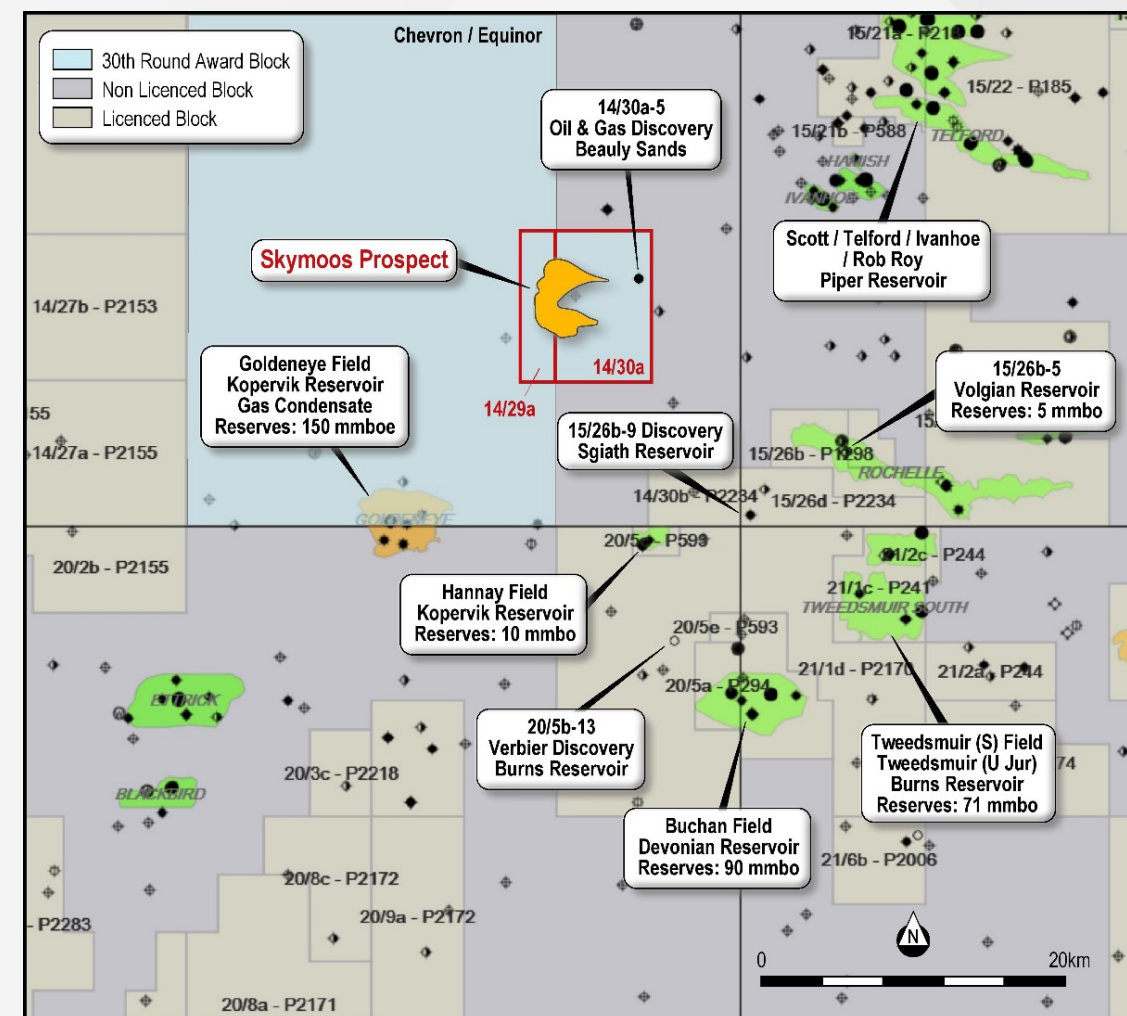


Talon North Sea acreage location

107mmboe best estimate prospective resource*

- ✓ Direct analogue to the Upper Jurassic Buzzard Field - UK North Sea's largest producing oil field
- ✓ Large Jurassic age Stratigraphic trap
- ✓ Imaged on high-quality 3D seismic
- ✓ On trend with several developed oil and gas discoveries in an area of prolific hydrocarbon charge
- ✓ Relatively shallow, low-cost drilling of normally pressured reservoir
- ✓ EnCounter team intimate with play type having been instrumental in Buzzard Field discoveries
- ✓ Farmout process underway

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



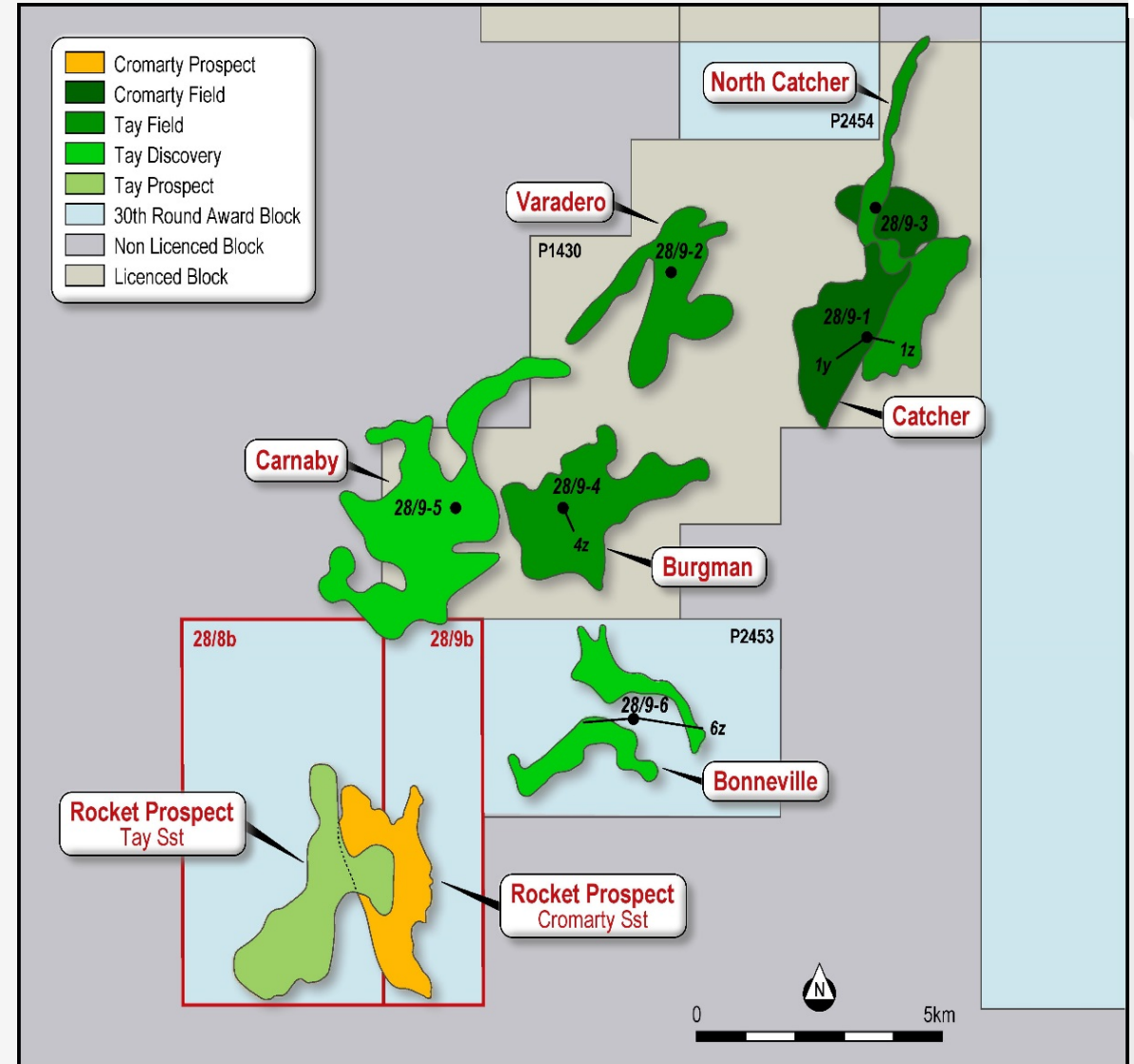
Skymoos location and nearby fields

27mmbo best estimate prospective resource*

- ✓ Direct analogue to amplitude supported oil fields to the north-east
- ✓ Imaged on excellent quality 3D seismic
- ✓ Shallow, low-cost drilling of high quality tertiary reservoirs
- ✓ Low-cost tieback to existing infrastructure
- ✓ EnCounter team intimate with play type having been responsible adjacent field discoveries
- ✓ Farmout process underway

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

*Refer to ASX announcement dated 31 January 2019 for more information on prospective resources



Map showing location of Licence P2392 (area in red) and proximity to Catcher Field Area discoveries made by the EnCounter team

CURLEW-A APPRAISAL

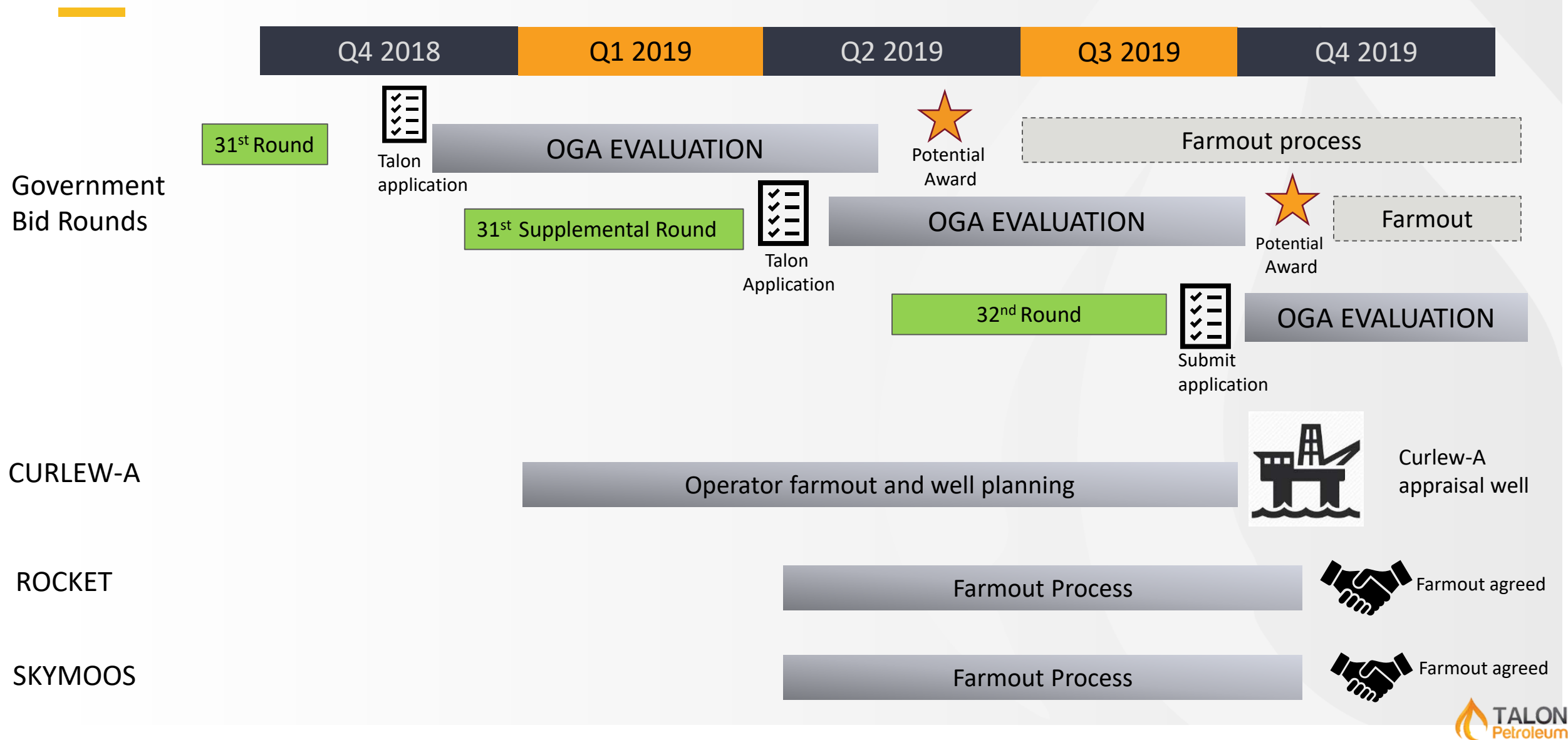
- ✓ 10% interest in 45mmboe 2C discovery*
- ✓ Located in Cromarty Sandstone, which houses several major discoveries
- ✓ Appraisal of significant Tertiary aged oil discovery made by Shell in 1979
- ✓ Low cost, low risk appraisal of discovered oil
- ✓ High quality shallow oil in good quality reservoir
- ✓ Straight forward drilling in normally pressured rocks
- ✓ Simple tie-back to nearby infrastructure
- ✓ Significant exploration upside in prolific Forties sands to be tested as part of appraisal drilling
- ✓ Drilling planned for Q4 2019

*Refer to ASX announcement dated 26 October 2018 for more information on contingent resources



Curlew-A location and nearby Cromarty Sandstone Fields

FORWARD INDICATIVE TIMELINE



TALON CORPORATE

CORPORATE STRUCTURE

Ordinary shares (ASX:TPD)	1,776,789,525*
Options exercisable @ \$0.005 each	97,500,000
Encounter Performance Shares – vest on farmout and drill of Skymoos and Rocket Prospects (50/50)	300,000,000
Market Capitalisation @ \$0.003	\$5.3 million
Cash	\$2.8 million
Enterprise Value	\$2.5 million
Top 20 Shareholders	~62%

* Includes 100m Encounter Consideration Shares subject to 12 month escrow (May 2020)

TALON TEAM

PETER STICKLAND	<i>NON-EXEC CHAIRMAN</i>	Mr Stickland has over 25 years global experience in oil and gas exploration. Mr Stickland is currently a non-executive Chairman of Entek Energy and non-executive director of Melbana Energy.
MATT WORNER	<i>MANAGING DIRECTOR</i>	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.
ROGER STEINEPREIS	<i>NON-EXEC DIRECTOR</i>	Mr Steinepreis is a lawyer and Chairman of Perth based firm, Steinepreis Paganin. Mr Steinepreis has practised as a lawyer for over 25 years, with a focus on company restructures, initial public offerings and takeovers.
GRAHAM DORÉ	<i>NON-EXEC DIRECTOR</i>	Mr Doré is a founder of EnCounter Oil and has over 30 years experience as an exploration geologist. A proven oil finder, Mr Doré has been involved in some of the most significant hydrocarbon discoveries in the UK North Sea this century.
PAUL YOUNG	<i>GEOSCIENCE MANAGER</i>	Mr Young is a founder of EnCounter Oil and has over 35 years experience as an exploration geophysicist. In his career at PanCanadian, EnCana and EnCore Oil, Mr Young has been involved in the discovery of several substantial oil and gas fields in the UK North Sea.
PAUL SENYCIA	<i>TECHNICAL ADVISOR</i>	Mr Senycia has over 35 years international oil and gas experience with companies including Beach Energy Limited, Woodside Energy Limited, Shell International and was most recently head of Exploration and New Ventures at Otto Energy Limited where he is now an non-executive director.

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