

TALON PETROLEUM

UK NORTH SEA STRATEGY OVERVIEW

RIU Good Oil Conference
September 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, Vantage, Thelma, Louise and Buffalo Prospects are based on information compiled by Mr Graham Dore and Mr Paul Young. Mr Dore and Mr Young are a Director and consultant to the Company respectively. 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.

THE STORY SO FAR...

- ✓ **Revitalised Company**
 - ✓ Strengthened balance sheet
 - ✓ Reset register – supportive HNW shareholder base
- ✓ **Established UK North Sea strategy after global opportunity review**
- ✓ **Built team of UK North Sea experts with a long history of:**
 - ✓ Exploration success
 - ✓ Delivering significant shareholder value
- ✓ **Rapidly built a quality portfolio of exploration and appraisal assets**
- ✓ **Talon poised for success**
 - ✓ Right time
 - ✓ Right place
 - ✓ Right team



ASX:TPD

TALON CORPORATE

CORPORATE STRUCTURE

Ordinary shares (ASX:TPD)	1,776,789,524
Options exercisable @ \$0.005 each	97,500,000
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	\$2.6 million
Enterprise Value	\$2.7 million
Top 20 Shareholders	~62%

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 director of XCD Energy and 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.
STEVE JENKINS	<i>NON-EXEC DIRECTOR</i>	Mr Jenkins has 35 years experience as a geologist and oil executive and was founder and CEO of UK North Sea focussed Nautical Petroleum plc, which was built up and eventually sold to Cairn Energy for £414 million. Mr Jenkins is currently Chairman of AIM listed Savannah Petroleum plc and the UK Oil and Gas Independent's Association and has strong networks in industry, government and capital markets
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.

UK NORTH SEA OVERVIEW

A WORLD CLASS OIL PROVINCE



- Prolific oil and gas province
- Over 50 years of oil and gas production
- ~43 billion barrels of oil and gas recovered



- Currently there is renewed interest in the province
- Great opportunities available through regular competitive bid rounds



- Abundant and world-class infrastructure allows for capital efficient development
- Low cost, competitive drilling environment



- Significant recoverable resource potential
- Major discoveries still being made



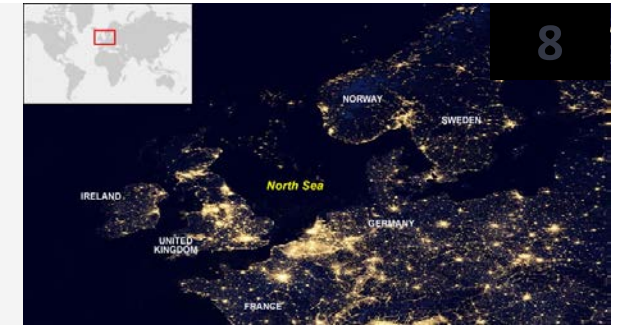
- OGA advises that finding costs in 2018 were just over \$1 per barrel



- Low sovereign risk
- Stable and supportive regulatory environment
- Favourable fiscal terms



- High quality subsurface database in 2019 National Data Repository



TALON'S UK NORTH SEA INVESTMENT STRATEGY

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- ✓ Leverage our internal technical expertise for early stage entry via bid rounds; farm-out for carry
- ✓ Non-operated equity positions up to 20% - after farm-out
- ✓ Talon to be a partner of choice for established Operators 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

ACQUISITION OF ENCOUNTER OIL

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- ✓ Completed in July 2019
- ✓ Delivered 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, Steve Jenkins, Graham Doré and Paul Young have joined Talon team
- ✓ Staged, incentive-based transaction structure
- ✓ EnCounter formed by former key members of EnCore Oil PLC
- ✓ EnCore discoveries include Breagh, Cladhan, Catcher, Varadero and Burgman
- ✓ EnCore acquired by Premier Oil in 2011 for £221 million



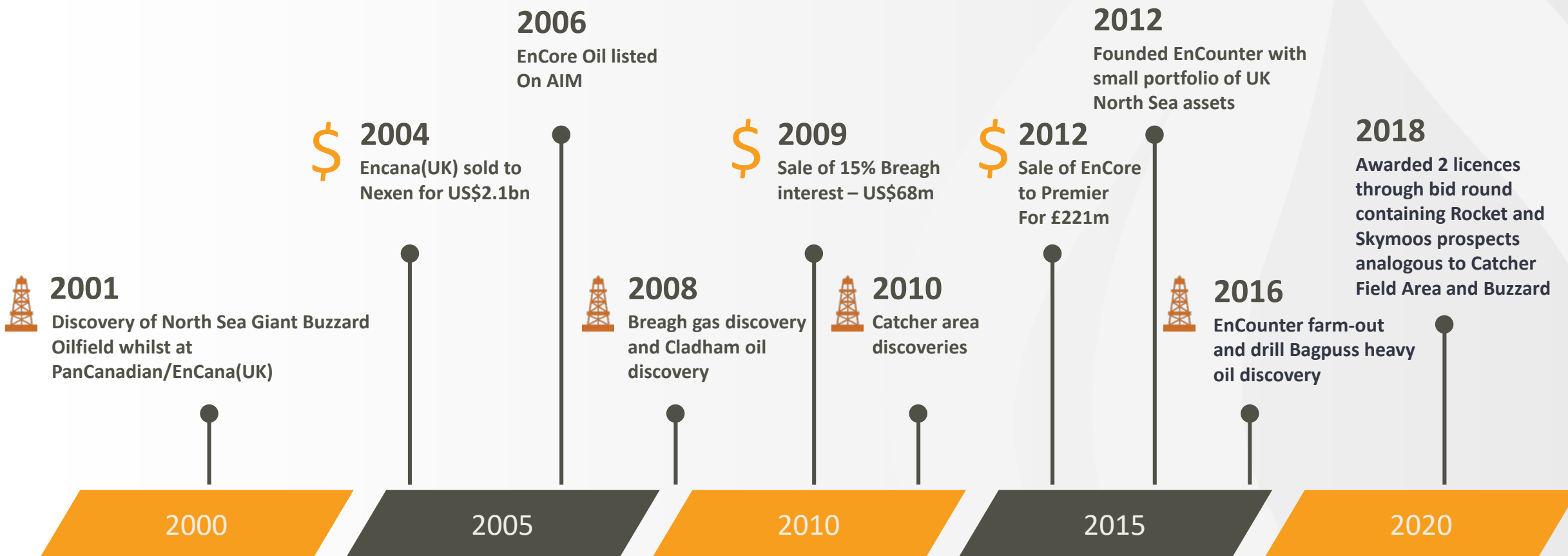
Catcher FPSO



Breagh production platform

ENCOUNTER'S SUCCESS IN THE NORTH SEA

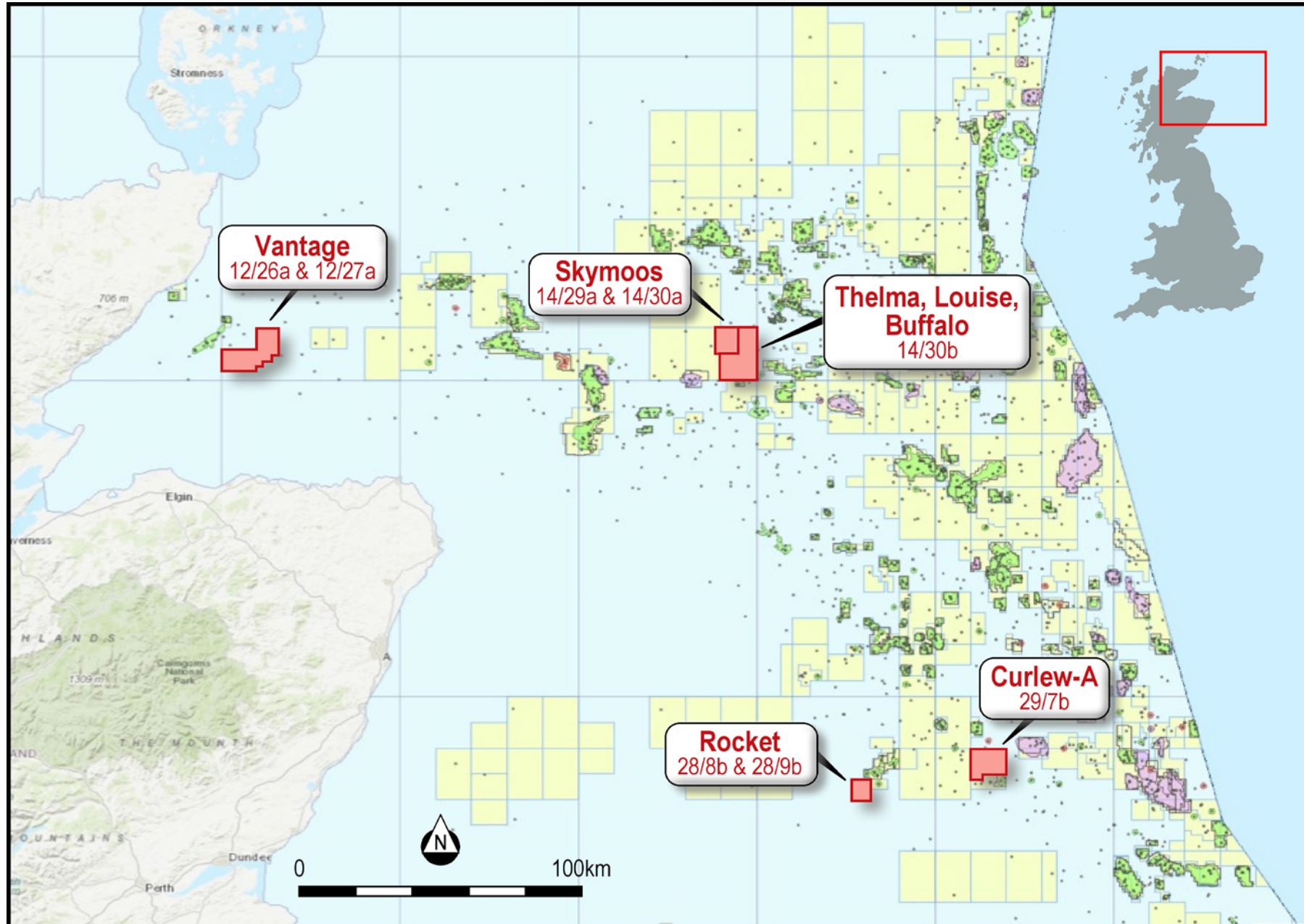
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TALON PORTFOLIO

High impact exploration and low-risk appraisal

TALON ACREAGE POSITION

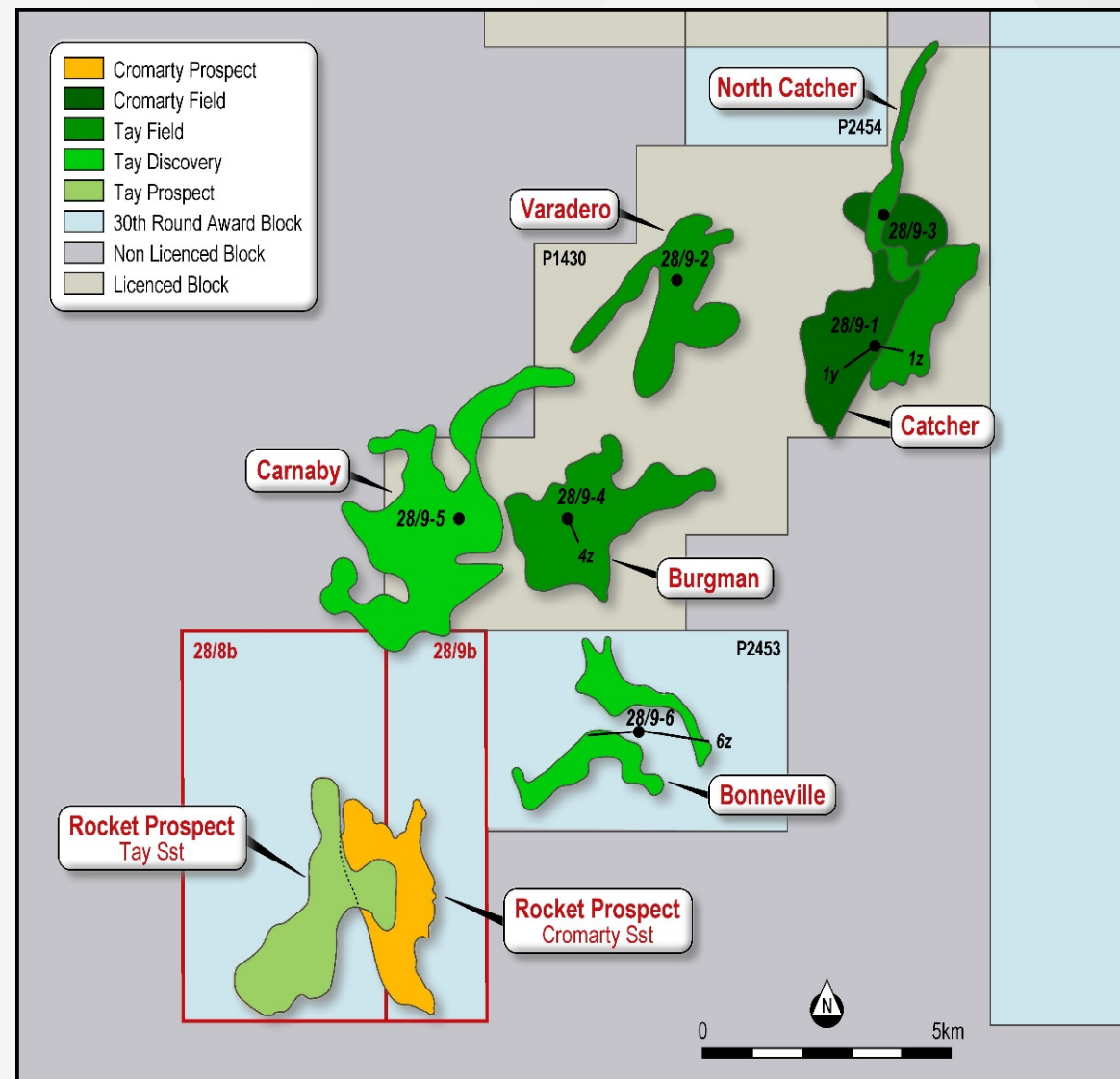


27mmbo best estimate prospective resource*

- ✓ 100% working interest
- ✓ 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



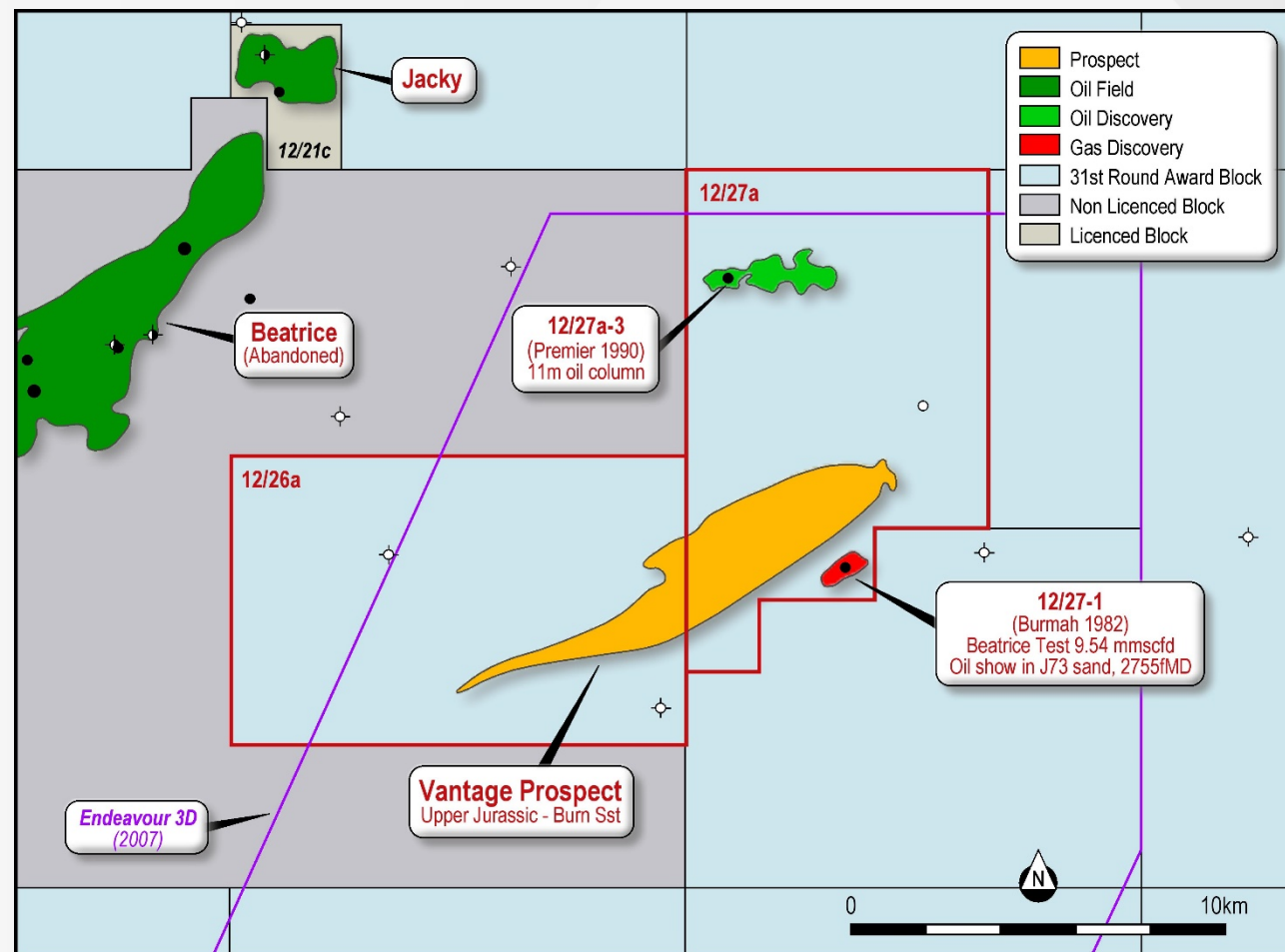
Map showing location of Licence P2392 (area in red) and proximity to Catcher Field Area discoveries made by the EnCounter team

44mmbo gross best estimate prospective resource*

- ✓ Offer of award – 31st Offshore Round, June 2019, 2 year initial term
- ✓ 50% working interest
- ✓ Imaged on excellent quality 3D seismic
- ✓ Upper Jurassic stratigraphic trap up-dip from known oil
- ✓ To be readied for farmout post formal issue of licence late 2019

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 5 June 2019 for more information on prospective resources



Map showing location of Blocks 12/26a and 12/27a (area in red) and Vantage Prospect straddling the block boundaries

CURLEW-A APPRAISAL

- ✓ 10% working interest in 39mmboe 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 Q2 2020



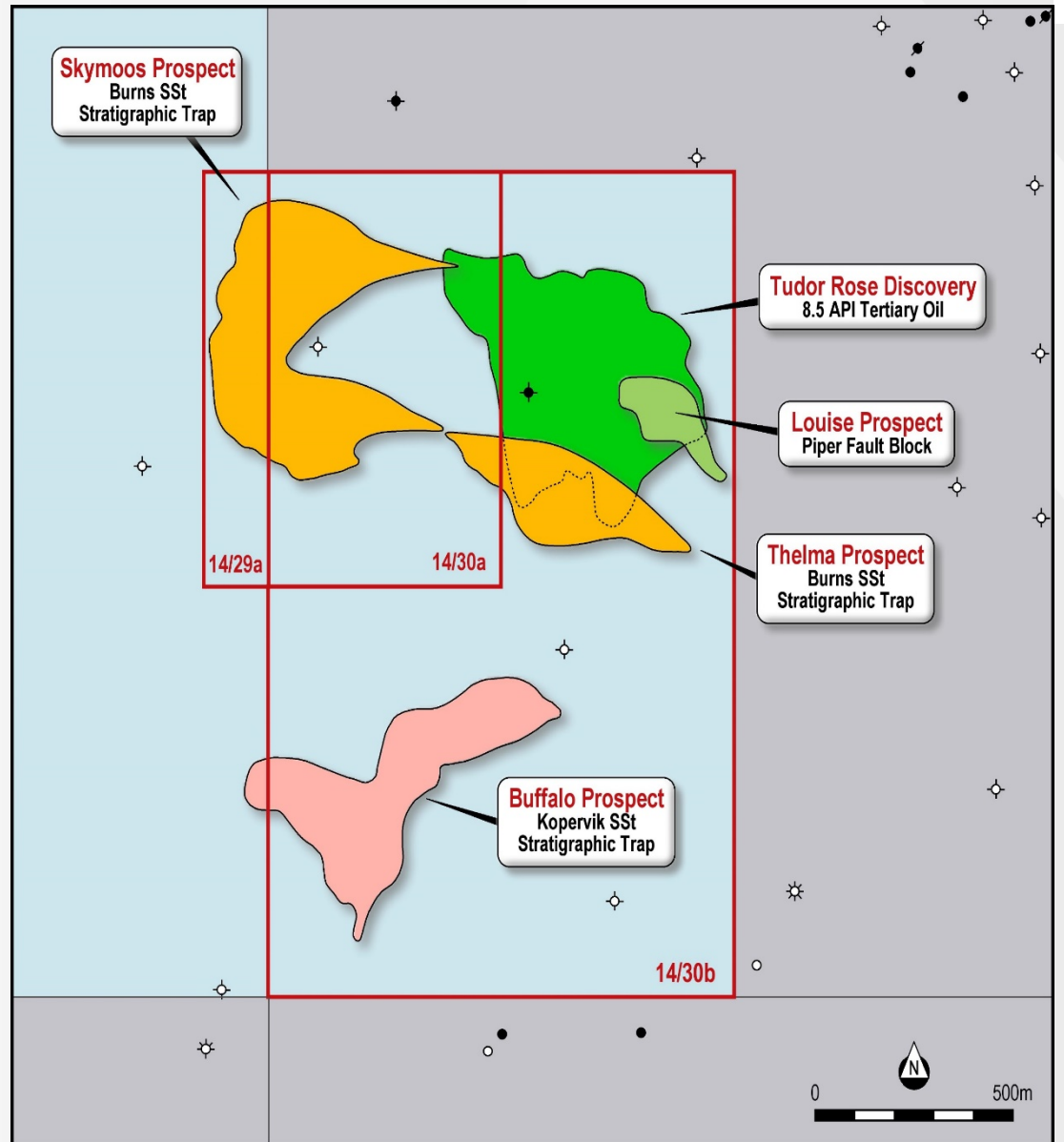
Curlew-A location and nearby Cromarty Sandstone Fields

*Refer to ASX announcement dated 30 July 2019 for more information on contingent resources

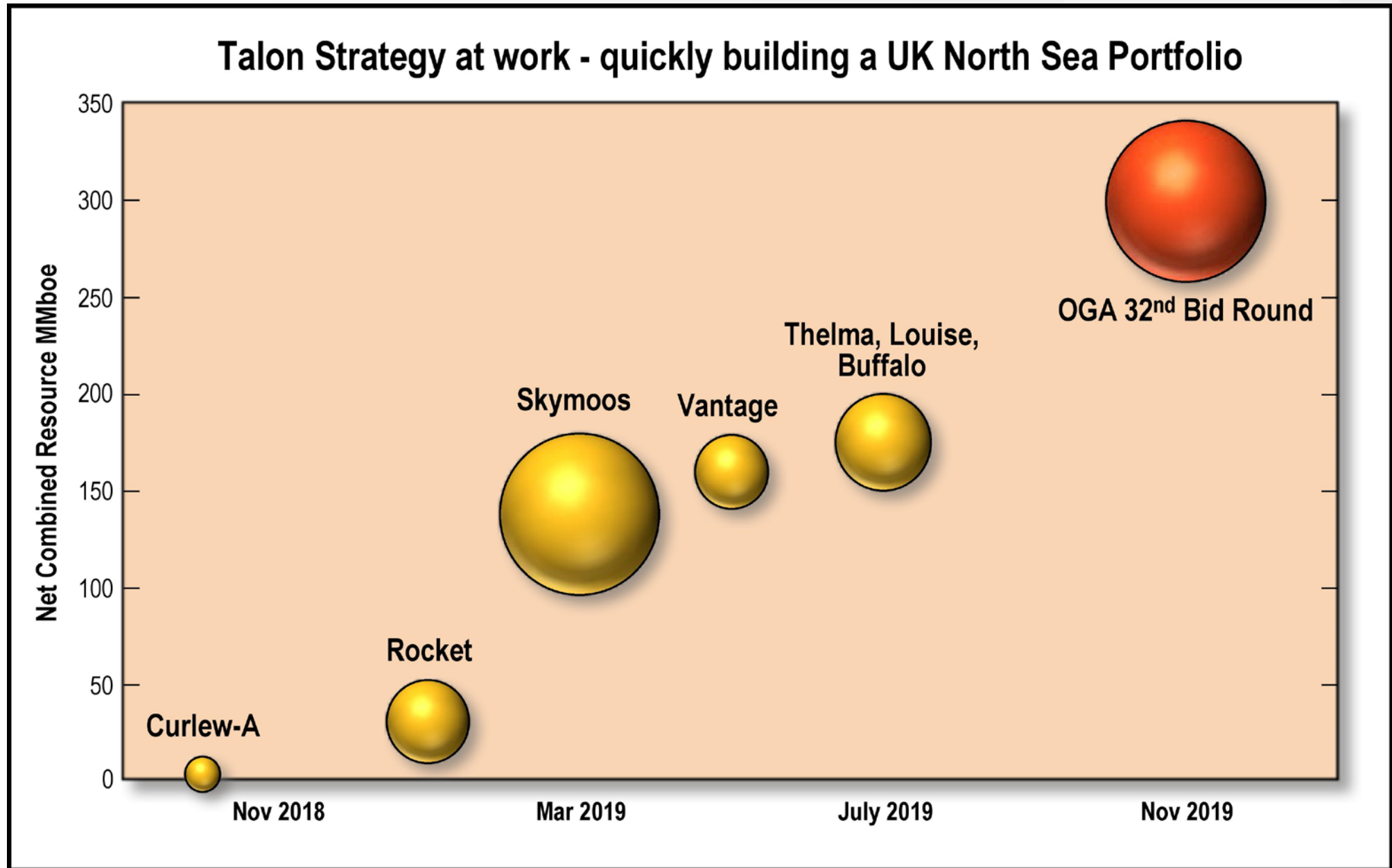
- ✓ Talon 50% participating interest
- ✓ Contains*
 - ✓ 29mmbo (best estimate) Thelma Prospect
 - ✓ 17mmbo (best estimate) Louise Prospect
 - ✓ 160Bcf (best estimate) Buffalo Prospect
- ✓ Prospects sit adjacent to Talon's Skymoos Prospect
- ✓ Strategic acquisition by Talon to secure its position in the area
- ✓ Provides leverage to Skymoos drilling success
- ✓ Block to be prepared for farmout post formal award later in 2019

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 23 July 2019 for more information on prospective resources

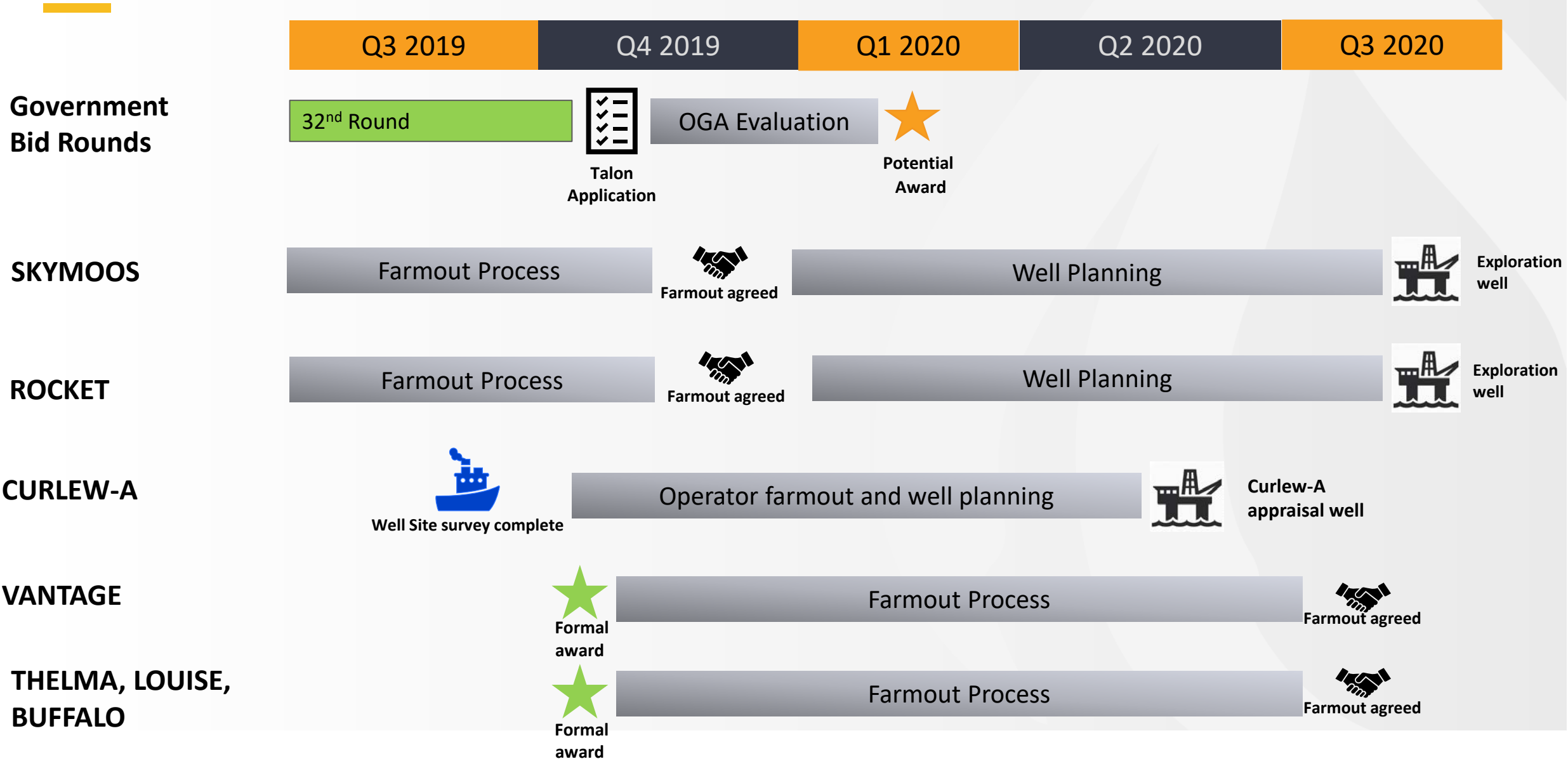


Block 14/30b location and proximity to Skymoos



*Curlew-A is classified as contingent resource with other prospects noted above being classified as prospective resources. Refer to respective slides in this presentation for more information on relevant resources

FORWARD INDICATIVE TIMELINE



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