

CORPORATE UPDATE

Summary:

- **Talon is well placed see out this period of volatility and commodity price downturn, with no committed expenditure on its exploration portfolio, cash of \$1.5m and zero debt**
- **In order to preserve its balance sheet, Talon has implemented a series of cost saving measures across its business including reductions in Director fees and salaries**
- **Company is maintaining active engagement with potential farmin partners for its Skymoos and Rocket prospects**

Talon Petroleum Limited (**ASX:TPD**) (**Talon** or the **Company**) has built a portfolio of high impact, low-risk exploration assets in the UK North Sea across four separate licences.

Prospects within these licences total 250mmboe of best estimate prospective resource¹ and are in addition to its 10% interest in the Curlew-A discovery which provides Talon with a 3.9mmboe 2C contingent resource.²

The Company's Directors have resolved to reduce Board fees and salaries, with a reduction of 50% for Non-executive Directors and 40% for the Company's Managing Director, effective from 1 March 2020.

It is proposed that these fee reductions will be partially offset by the issue of securities largely linked to Company performance, calculated at a premium to current share price and at value levels less than any cash amount foregone; demonstrating the team's commitment to the Company and its belief in its asset portfolio.

Any proposed issue of securities will be put to shareholders at Talon's AGM to be held in May 2020. Additional cost control measures will be implemented, and further reductions taken as required or identified.

Notwithstanding the current market conditions, the Company remains actively engaged with multiple operating companies for its Skymoos and Rocket prospects. Technical feedback has been excellent, with discussions moving to the next stage.

The calibre of companies reviewing the opportunities is evidence of the quality of the prospects held by Talon in its UK North Sea portfolio. Talon aims to round out this process as soon as possible and is working with potential partners to set a timeline considering current conditions.

--Ends--

Authorised for lodgement by the Board

For more information, please contact Matt Worner: matt@talonpetroleum.com.au

¹ See ASX releases dated 31 January 2019; 5 June 2019; and 23 July 2019 for more information on prospective resources

² See ASX release dated 26 October 2018 for more information on contingent resources