

TALON PETROLEUM LIMITED

IMPORTANT INFORMATION IN REGARD TO SHAREHOLDER MEETING VOTING

In light of the global outbreak of the Coronavirus (COVID 19) and the guidance and restrictions on travel and public gatherings, the Board of Talon Petroleum Limited ('**Talon Petroleum**' or '**Company**') has decided that special arrangements will apply to our upcoming Shareholder Meeting.

Notice is hereby given that the Shareholder Meeting will be held at 1202 Hay Street, West Perth on Friday 29 May 2020 at 3pm (WST) however

IN THE INTERESTS OF PUBLIC HEALTH AND SAFETY OF OUR SHAREHOLDERS, THE COMPANY IS STRONGLY DISCOURAGING SHAREHOLDERS FROM PHYSICALLY ATTENDING THE SHAREHOLDER MEETING AND ENCOURAGING SHAREHOLDERS TO LODGE PROXIES WHICH MUST BE RECEIVED BY 3PM (WST) on 27 MAY 2020.

How Shareholders Can Participate:

1. Shareholders are strongly urged to **appoint the Chair of the Meeting as their proxy**. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions are set out in the Proxy Form attached to the Notice of Meeting.
2. Shareholders may **submit questions in advance of the Shareholder Meeting** to the Company. Questions may be submitted by e-mailing info@talonpetroleum.com.au. Responses will be lodged on the ASX Platform prior to the commencement of the Meeting, for all valid questions received prior to 3pm (WST) 27 May 2020.
3. The Shareholder Meeting will be accessible to all Shareholders via a **live webinar**, which will allow Shareholders to listen and observe the Meeting. To register and access the Shareholder Meeting by webinar Shareholders should register by clicking [here](#) or copying the link below to your web browser **https://zoom.us/webinar/register/WN_pnUBPRBuQnirjXjrCm3OPA**
4. The situation regarding COVID-19 is evolving rapidly and Talon Petroleum is following the health advice of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements for any further updates in relation to arrangements for the Company's Shareholder Meeting

TALON PETROLEUM LIMITED

ACN 153 229 086

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3PM WST

DATE: Friday, 29 May 2020

PLACE: 1202 Hay Street, West Perth

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm WST on 27 May 2020.

In the interests of public health and safety of our Shareholders in light of the global outbreak of the Coronavirus (COVID 19), the Company is strongly discouraging Shareholders from physically attending the Shareholder Meeting. Please refer to the front page of this Notice of Meeting for further information on how Shareholders can participate.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
 - (b) a Closely Related Party of such a member.
- However, a person (the **voter**) described above may cast a vote on this Resolution:
- (a) if the voter is proxy or attorney for the person entitled to vote on the Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution that way; or
 - (b) if the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel;
 - (c) if the voter is holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - PETER STICKLAND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 57.1 of the Constitution, and for all other purposes, Peter Stickland, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 - ELECTION OF DIRECTOR - GRAHAM DORÉ

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 56.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Graham Dorè, a Director, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 4 - ELECTION OF DIRECTOR - STEPHEN JENKINS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 56.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Stephen Jenkins, a Director, retires, and being eligible, is elected as a Director.”

5. RESOLUTION 5 - APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6. RESOLUTION 6 - APPROVAL OF SHARE RIGHTS PLAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Exception 13 to ASX Listing Rule 7.2 and for all other purposes, shareholders approve the grant of share rights from time to time, and the subsequent issue of fully paid ordinary shares in the Company on the vesting of those rights, under the Talon Petroleum Share Rights Plan (the terms and conditions of which are summarised in the Explanatory Statement accompanying this Notice).”

Voting Prohibition: A vote must not be cast on this Resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this Resolution. However, a person described above may cast a vote on this Resolution if: (a) the person is the Chair of the Meeting; and (b) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) a person who is eligible to participate in the Talon Petroleum Share Rights Plan (except one who is ineligible to participate in any employee incentive scheme of the Company); or (b) an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 - ISSUE OF PERFORMANCE RIGHTS TO MATTHEW WORNER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14 and for all other purposes, subject to the passing of Resolution 6, shareholders approve the grant of up to 20,000,000 Class A Performance Rights, 20,000,000 Class B Performance Rights, 20,000,000 Class C Performance Rights and 20,000,000 Class D Performance Rights and the subsequent issue of fully paid ordinary shares in the Company on the vesting of those Performance Rights, to Mr Matthew Worner or his nominee, under the Talon Petroleum Share Rights Plan (the terms and conditions of which are summarised in the Explanatory Statement accompanying this Notice).”

Voting Prohibition: A vote must not be cast on this Resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this Resolution. However, a person described above may cast a vote on this Resolution if: (a) the person is the Chair of the Meeting; and (b) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) any Director of the Company who is eligible to participate in the Talon Petroleum Share Rights Plan; or (b) an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 8 - ISSUE OF PERFORMANCE RIGHTS TO PETER STICKLAND

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14 and for all other purposes, subject to the passing of Resolution 6, shareholders approve the grant of up to 7,500,000 Class A Performance Rights and 7,500,000 Class B Performance Rights, and the subsequent issue of fully paid ordinary shares in the Company on the vesting of those Performance Rights, to Mr Peter Stickland or his nominee, under the Talon Petroleum Share Rights Plan (the terms and conditions of which are summarised in the Explanatory Statement accompanying this Notice).”

Voting Prohibition: A vote must not be cast on this Resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this Resolution. However, a person described above may cast a vote on this Resolution if: (a) the person is the Chair of the Meeting; and (b) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) any Director of the Company who is eligible to participate in the Talon Petroleum Share Rights Plan; or (b) an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 9 - ISSUE OF PERFORMANCE RIGHTS TO GRAHAM DORÉ

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of section 195(4) of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14 and for all other purposes, subject to the passing of Resolution 6, shareholders approve the grant of up to 5,625,000 Class A Performance Right and 5,625,000 Class B Performance Rights, and the subsequent issue of fully paid ordinary shares in the Company on the vesting of those Performance Rights, to Mr Graham Doré or his nominee, under the Talon Petroleum Share Rights Plan (the terms and conditions of which are summarised in the Explanatory Statement accompanying this Notice).”

Voting Prohibition: A vote must not be cast on this Resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this Resolution. However, a person described above may cast a vote on this Resolution if: (a) the person is the Chair of the Meeting; and (b) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) any Director of the Company who is eligible to participate in the Talon Petroleum Share Rights Plan; or (b) an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 10 - ISSUE OF PERFORMANCE RIGHTS TO STEPHEN JENKINS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14 and for all other purposes, subject to the passing of Resolution 6, shareholders approve the grant of up to 5,625,000 Class A Performance Right and 5,625,000 Class B Performance Rights, and the subsequent issue of fully paid ordinary shares in the Company on the vesting of those Performance Rights, to Mr Stephen Jenkins or his nominee, under the Talon Petroleum Share Rights Plan (the terms and conditions of which are summarised in the Explanatory Statement accompanying this Notice).”

Voting Prohibition: A vote must not be cast on this Resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this Resolution. However, a person described above may cast a vote on this Resolution if: (a) the person is the Chair of the Meeting; and (b) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of: (a) any Director of the Company who is eligible to participate in the Talon Petroleum Share Rights Plan; or (b) an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. RESOLUTION 11 - AMENDMENT TO CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act, and for all other purposes, the Constitution of the Company be amended in the manner set out in the Explanatory Statement.”

Dated: 22 APRIL 2020

By order of the Board



MATT WORNER
Managing Director

Voting in person

In the interests of public health and safety of our Shareholders in light of the global outbreak of the Coronavirus (COVID-19), the Company is strongly discouraging Shareholders from physically attending the Shareholder Meeting.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6319 1900

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.talonpetroleum.com.au.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

As announced on 3 April 2020, the Company has implemented a range of cost saving measures in order to preserve cash considering current market circumstances. These cuts included, amongst other things, significant reductions to fees and salaries of Directors and were effective from 1 March 2020.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - PETER STICKLAND

2.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Peter Stickland, who has served as a director since 1 October 2018, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr Stickland has over 25 years global experience in oil and gas exploration. Peter is currently Non-Executive Chairman of XCD Energy (ASX:ECD) & a Non-Executive Director of Melbana Energy (ASX:MAY). Mr Stickland was CEO of Melbana from 2014 until early 2018 during which time he led the restructuring of the company and secured the Block 9 PSC in Cuba.

Mr Stickland was also CEO of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a South East Asia/Australia focused E&P Company. Previously, Mr Stickland had a successful career with BHP Billiton including a range of technical and management positions.

Mr Stickland is an Honorary Life Member of the Australian Petroleum Production and Exploration Association Limited (APPEA) and was a member of the APPEA Board from 2009 to 2017.

2.3 Independence

Mr Stickland has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

If elected the Board considers Mr Stickland will be an independent director.

2.4 Board recommendation

The Board supports the re-election of Mr Stickland and recommends that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 - ELECTION OF DIRECTOR - GRAHAM DORÉ

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Graham Doré, having been appointed by other Directors on 15 May 2019 (which was after the notice of meeting was despatched for the Company's 2019 AGM) in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

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.

3.3 Independence

Mr Doré is a director of Geoscience Services Limited (GSL). GSL holds an interest in Licence P2477 (Vantage Prospect) alongside the Company as a 50/50 joint venture partner. The Board considers that this interest might influence, or may reasonably be perceived to influence, in a material respect Mr Doré's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders as they relate to Licence P2477.

On this basis, if elected the Board considers Mr Doré a non-independent director

3.4 Board recommendation

The Board supports the election of Mr Doré and recommends that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 - ELECTION OF DIRECTOR - STEPHEN JENKINS

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Stephen Jenkins, having been appointed by other Directors on 7 June 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

A geologist by profession and with a career spanning 35 years, Mr Jenkins is widely recognised as one of the most capable oil and gas executives in the United Kingdom.

Stephen was founder and CEO of Nautical Petroleum plc, an AIM listed E&P company with a significant portfolio of exploration and appraisal assets in the UK North Sea, including the pre-development projects at the Mariner, Kraken and Catcher Field areas. Having listed on AIM with a single asset in 2005, Nautical Petroleum was acquired by Cairn Energy plc in 2012 for £414 million.

Stephen is currently Chairman of the UK Oil and Gas Independents Association, and Non-Executive Chairman of both Savannah Petroleum plc, an AIM listed E&P company focused on Africa and Terrain Energy a private company with oil and gas interests onshore UK and Germany. Stephen was a founding shareholder and director of EnCounter Oil plc, which was acquired by Talon.

4.3 Independence

Mr Jenkins has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

If elected the Board consider Mr Jenkins will be an independent director.

4.4 Board recommendation

The Board supports the election of Mr Jenkins and recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 - APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) in addition to, and without using, that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1 such that a company's total annual placement capacity will be 25% of its issued capital.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation that is less than \$300,000,000 (based on the number of Shares on issue and the closing price of Shares on the ASX on 14 April 2020).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being Shares (ASX Code: TPD).

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Shareholders do not approve Resolution 5, the Company will not be able to access the 10% Placement Capacity and will remain subject to its existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 14 April 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0005 50% decrease in Issue Price	\$0.001 Issue Price	0.002 50% increase in Issue Price
1,776,789,525 (Current Variable A)	Shares issued - 10% voting dilution	177,678,953 Shares	177,678,953 Shares	177,678,953 Shares
	Funds raised	\$88,839.48	\$177,678.95	\$355,357.91
2,665,184,288 (50% increase in Variable A)	Shares issued - 10% voting dilution	266,518,429 Shares	266,518,429 Shares	266,518,429 Shares
	Funds raised	\$133,259.21	\$266,518.43	\$533,036.86
3,553,579,050 (100% increase in Variable A)	Shares issued - 10% voting dilution	355,357,905 Shares	355,357,905 Shares	355,357,905 Shares
	Funds raised	\$177,678.95	\$355,357.91	\$710,715.81

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,776,789,525 existing Shares as at the date of this Notice of Meeting; and
2. The issue price set out above is the closing price of the Shares on the ASX on 14 April 2020, being \$0.001.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

10. Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new assets and investments (including expenses associated with such acquisitions) continued expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration), general working capital etc; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, excluding previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company did not issue any Equity Securities during the 12-month period preceding the date of the Meeting, being on and from 29 May 2019.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

6. RESOLUTION 6 - APPROVAL OF SHARE RIGHTS PLAN

6.1 General

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Under ASX Listing Rule 7.2 (Exception 13), shareholders may approve the issue of securities under an employee incentive plan as an exception to ASX Listing Rule 7.1, in which case issues of securities under the employee incentive plan will not be considered for the purposes of calculating the capacity of the company to issue securities under ASX Listing Rule 7.1 without shareholder approval.

The purpose of Resolution 6 is for Shareholders to consider, and if thought fit to approve, the issue of securities under the Talon Petroleum Share Rights Plan (**Plan**) for the purposes of ASX Listing Rule 7.2 (Exception 13).

If Resolution 6 is approved, any securities issued under the Plan during the next three years will not count towards calculating the capacity of the Company to issue securities under ASX Listing Rule 7.1 without obtaining prior Shareholder approval.

If Resolution 6 is not passed then the Plan will not be adopted by the Company and the Company will withdraw Resolutions 7,8,9 and 10 by which approval is being sought from Shareholders to the issue of 117,000,000 Performance Rights to Directors, Matthew Worner, Peter Stickland, Graham Doré and Stephen Jenkins under the Plan as detailed in Section 7 below (including the consequences of Resolutions 7,8,9 and 10 not being passed).

6.2 Summary of Plan

The objective of the Plan is to attract, motivate and retain key employees and Directors. The Company believes that encouraging employees and Directors to become Shareholders is the best way of aligning their interests with those of its Shareholders.

A summary of the Plan is set out below. Unless the context provides otherwise, capitalised terms used in the summary have the meanings given in the Plan. The full terms and conditions of the Plan may be obtained free of charge by contacting the Company Secretary.

(a) **Purpose of the Plan:** The purpose of the Plan is to provide an incentive for employees and Directors of the Company and its subsidiaries (**Eligible Participants**) by enabling them to participate in the future growth of the Company and, upon becoming Shareholders, to participate in the Company's profits and development. Under the Plan, Eligible Participants may be granted rights to acquire shares in the capital of the Company (**Rights**) upon the satisfaction of specified performance criteria and specified periods of tenure. The provision of this incentive is expected to result in future benefits to the Shareholders and employees of the Company.

(b) When an Eligible Participant satisfies specified criteria imposed by the Board, the Board may grant the Eligible Participant Rights following a written offer to the Eligible Participant. Among other things, the written offer of Rights to an Eligible Participant will specify the number of Rights being offered (or the method by which the number will be calculated) and the vesting conditions (if any) that must be met by the Eligible Participant before the Rights will vest.

Under the Plan, the types of Rights that may be granted are performance rights (**Performance Rights**). Terms entitle the Eligible Participant to ordinary shares in the Company upon Performance Rights vesting. Performance Rights vest upon satisfaction of certain performance criteria being met.

(c) **Number of Rights offered:** The number of Rights that may be offered to an Eligible Participant pursuant to an offer is entirely within the discretion of the Directors. Each Right will, upon vesting, entitle the Eligible Participant to one fully paid ordinary share in the capital of the Company.

(d) **Vesting Conditions:** The Rights will not vest unless the vesting conditions imposed by the Board (if any) have been satisfied.

(e) **Exercise price:** Unless the Board determines otherwise, an Eligible Participant will not be required to make any payment in return for a grant of Rights.

(f) **Lapse of Rights:** Rights that have not vested will lapse in accordance with the terms of the Rights, or on the first to occur of certain specified events, including:

- (i) the nominated expiry date of the Rights;
- (ii) a failure to meet the vesting conditions;
- (iii) the Right lapsing in accordance with the rules of the Plan;
- (iv) any other circumstances specified by the Board in the offer.

- (g) **Shares allotted upon exercise of Rights:** The Company will issue or transfer shares to the Eligible Participant after the vesting of Rights and upon exercise of the Rights by the holder. The shares allotted under the Plan will be of the same class and will rank equally with shares in the Company at the date of issue. The Company will seek listing of the new shares on ASX within a reasonable time after the shares are issued.
- (h) **Transfer of Rights:** A Right is only transferable with the consent of the Board or by force of law upon death to the Eligible Participant's legal personal representative or upon bankruptcy to the Eligible Participant's trustee in bankruptcy and in each case the transfer complies with the Corporations Act. Where a holder of Rights transfers Rights in breach of this restrictions, the Right will automatically lapse.
- (i) **Takeover or scheme of arrangement:** Subject to an offer providing otherwise, in the event of a Takeover Bid under which a bidder has acquired a relevant interest in at least 50.1% of the Company's shares and the bid is declared unconditional, or a court approves a proposed compromise or arrangement for the purpose of a scheme for the reconstruction of the Company or its amalgamation with another company, the Board may, in its absolute discretion, determine that all or a specified number of unvested Rights vest. Any Right which the Board determines does not vest will lapse, unless the Board determines otherwise.
- (j) **Bonus issues and capital reorganisation:** In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues or a capital reorganisation, there are provisions in the Plan which provide for a method of adjustment of the number of Rights to prevent such a reduction.
- (k) **Participation in new issues:** Other than as summarised in the paragraph above and further detailed in the Plan, there are no participating rights or entitlements inherent in the Rights and the holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Rights. In addition, holders of Rights will not be entitled to vote or receive dividends as a result of their holding of Rights.
- (l) **Administration of the Plan:** The Plan is administered by the Directors of the Company, who have the power to:
- (i) determine appropriate procedures for administration of the Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) suspend, amend or terminate the Plan (subject to restrictions on amendments to the Plan which reduce the rights of a participant of the Plan in respect of any Rights or Shares already granted).
- (m) **Number of Shares to be issued upon exercise of Rights:** The Company must have reasonable grounds to believe that the number of Shares to be issued on exercise of the Rights when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three years under:
- (i) an employee incentive plan of the Company covered by ASIC Class Order 14/1000; or

- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Rights is made (but disregarding any securities issued as the result of an offer that can be disregarded in accordance with ASIC Class Order 14/1000).

- (n) **Cessation of employment:** Unless the Board determines otherwise, an unvested Right will lapse if the holder ceases to be an Eligible Participant for the purposes of the Plan by reason of resignation, termination for poor performance or termination for cause. Unless the Board determines otherwise, if the holder of Rights granted under the Plan ceases to be an employee for any other reason, including but not limited to retirement, total and permanent disablement, death, redundancy or termination by agreement, then any Rights which have not lapsed will continue to held by the holder as if it was still an Eligible Participant, except that any continuous service condition will be deemed to have been waived

6.3 Disclosure of previous issues under the Plan

In accordance with ASX Listing Rule 7.2, Exception 13(b), the Company is required to inform Shareholders of the number of securities issued under the Plan since the date of the last approval given by Shareholders. The Plan has not previously been approved by Shareholders and, accordingly, no securities have been issued under the Plan as at the date of this Notice.

6.4 Maximum number of securities proposed to be issued under the Plan

In accordance with ASX Listing Rule 7.2, Exception 13(b), the Company is required to inform Shareholders of the maximum number of securities it proposes to issue under the Plan following Shareholder approval. The maximum number of securities the Company proposes to issue under the three (3) year term of the Plan following Shareholder approval is 200,000,000.

6.5 Directors' recommendation

The Directors decline to make a recommendation in respect of Resolution 5 because each of the Directors have the ability to participate in issues under the Plan.

7. RESOLUTIONS 7, 8, 9 AND 10 ISSUE OF PERFORMANCE RIGHTS TO MATTHEW WORNER, PETER STICKLAND, GRAHAM DORÉ AND STEPHEN JENKINS

7.1 General

The Company has agreed to issue 117,000,000 Performance Rights to Directors, Matthew Worner, Peter Stickland, Graham Doré and Stephen Jenkins under the Plan referred to in Section 6 above but subject to Shareholders approving the Plan by the passing Resolution 6. If Resolution 6 is not passed then the Plan will not be adopted by the Company and the Company will withdraw Resolutions 7,8,9 and 10 and, accordingly, the Resolutions will not be passed.

The issue of the Performance Rights rewards and incentivises the Directors by linking their remuneration to the achievements of the strategic goals and long term performance of the Company and having regard to the reduction in Director fees and salaries being undertaken by the Company.

A summary of the proposed Performance Rights to be issued to the Directors is outlined below.

Director	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Class D Performance Rights
Matthew Worner	20,000,000	20,000,000	20,000,000	20,000,000
Peter Stickland	7,500,000	7,500,000	Nil	Nil
Graham Dorè	5,625,000	5,625,000	Nil	Nil
Stephen Jenkins	5,625,000	5,625,000	Nil	Nil
Total	38,750,000	38,750,000	20,000,000	20,000,000

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the Company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 to 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Rights to the Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 8, 9, 10 and 11 seek Shareholder approval for the grant of the Performance Rights to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins (or their nominees) for the purposes of Listing Rule 10.14.

If Resolutions 7, 8, 9 and 10 are passed, the Company will issue the Performance Rights to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins and this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1. If Resolutions 7, 8, 9 and 10 are not passed then the Company will not issue the Performance Rights to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins.

7.2 Performance Rights

The Performance Rights will be subject to the Vesting Conditions outlined below:

Performance Rights	Vesting Conditions	Expiry Date
Class A Performance Rights	<p>The 20-day volume weighted average price (VWAP) of the Company's Shares exceeds Vesting Price A at any time after the date of the Meeting (29 May 2020) but prior to 30 June 2022. Vesting Price A is the greater of \$0.003/share and 200% of the 20-day VWAP immediately prior to the date of the Meeting (29 May 2020).</p> <p>The holder the Class A Performance Rights is employed or otherwise continues to be engaged as a Director or consultant of the Company as at 30 June 2021.</p>	30 June 2025
Class B Performance Rights	<p>The 20-day volume weighted average price (VWAP) of the Company's Shares exceeds Vesting Price B at any time after the date of the Meeting (29 May 2020) but prior to 30 June 2024. Vesting Price B is 400% of the 20-day VWAP immediately prior to the date of the Meeting (29 May 2020).</p> <p>The holder the Class B Performance Rights is employed or otherwise continues to be engaged as a Director or consultant of the Company as at 30 June 2021.</p>	30 June 2027
Class C Performance Rights	Prior to 31 December 2021, the Company completes a successful farm-out transaction in respect of one of the Company's projects and the Company elects to move into the drilling phase in respect of the licence the subject of the farm-out.	30 June 2025
Class D Performance Rights	<p>Satisfaction of the Vesting Condition for the Class C performance Rights.</p> <p>Prior to 31 December 2022, the Company completes a successful farm-out transaction in respect of one of the Company's projects (not being the project the subject of the satisfaction of the Vesting Condition for the Class C performance Rights) and the Company elects to move into the drilling phase in respect of the licence the subject of the farm-out.</p>	30 June 2026

Once the applicable Vesting Condition has been satisfied, the number of Performance Rights specified in the above table will vest.

The above Performance Rights will each convert into a Share for no consideration on exercise by the holder prior to the Expiry Date of the relevant Performance Shares once vested.

If a Vesting Condition of a Performance Right is not achieved by the applicable Milestone Date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

The principle terms of the Performance Rights are summarised in Schedule 1. Further terms and conditions of the Performance Rights are set out in the Plan a summary of which is provided in Section 6.

Shareholder approval is required for the grant of the Performance Rights under the Plan to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins under Listing Rule 10.14 because they are Directors of the Company. As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights to the Directors will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

7.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins constitutes giving a financial benefit and Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins are related parties of the Company by virtue of being Directors.

After a review of publicly available information relating to the remuneration structures of several of its peer companies, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins is considered reasonable remuneration.

7.4 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

The Director Matthew Worner has a material personal interests in the outcome of Resolution 7. The Director Peter Stickland has a material personal interests in the outcome of Resolution 8. The Director Graham Dorè has a material personal interests in the outcome of Resolution 9. The Director Stephen Jenkins has a material personal interests in the outcome of Resolution 10.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue of the Performance Rights to Shareholders to resolve upon.

7.5 Information required by Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided in relation to Resolutions 7, 8, 9 and 10:

- (a) The maximum number of securities to be issued to:
- (i) Mr Worner (or his nominee) under Resolution 7 is 20,000,000 Class A Performance Rights, 20,000,000 Class B Performance Rights, 20,000,000 Class C Performance Rights 20,000,000 Class D Performance Rights;
 - (ii) Mr Stickland (or his nominee) under Resolution 8 is 7,500,000 Class A Performance Rights and 7,500,000 Class B Performance Rights;
 - (iii) Mr Dorè (or his nominee) under Resolution 9 is 5,625,000 Class A Performance Rights and 5,625,000 Class B Performance Rights; and
 - (iv) Mr Jenkins (or his nominee) under Resolution 10 is 5,625,000 Class A Performance Rights and 5,625,000 Class B Performance Rights;
- (b) Approval is required to issue the Performance Rights to Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins as they fall within Listing Rule 10.14.1 by virtue of being Directors.
- (c) The value attributed to each of the Performance Rights is outlined below. These values are based on an independent valuation by RSM Bird Cameron with a deemed grant date of 29 May 2020.

Performance Right	Value per Performance Right
Class A Performance Right	\$0.000824
Class B Performance Right	\$0.000809
Class C Performance Right	\$0.001
Class D Performance Right	\$0.001

The Black & Scholes valuation methodology has been used to attribute a value to the Performance Rights. For valuation purposes these Performance Right are considered zero priced options given they will be issued for nil consideration and no consideration is payable on their conversion into Shares. The vesting conditions have not been taken into account in assessing the fair value of the Performance Rights. Key input assumptions to the Black & Scholes valuation include, the Company's Share price on the deemed grant date of 29 May 2020, the exercise price, the term of the Performance Right, the expected volatility of the underlying Shares (based on 12 month historic volatility of the Shares), the expected dividend yield and the risk-free interest rate for the term of the Performance Rights.

- (d) The Directors total remuneration package based on the indicative values attributed to the Performance Rights outlined above is outlined in the table below.

Director	Cash Remuneration	Remuneration Performance Rights	Total
Matthew Worner	\$150,000	\$47,660	\$197,660
Peter Stickland	\$30,000	\$12,248	\$42,248
Graham Dorè	\$20,000	\$9,186	\$29,186
Stephen Jenkins	\$20,000	\$9,186	\$29,186

In accordance with Accounting Standards the total value of the Performance Rights will be expensed over the vesting period of the Performance Rights. The Directors' effective 12-month remuneration package, based on the indicative values attributed to the Performance Rights outlined above and expensing the total security-based remuneration over a 12-month period, is outlined in the table below.

Director	Cash Remuneration	12 months security Remuneration Performance Rights	Total
Matthew Worner	\$150,000	\$37,633	\$187,633
Peter Stickland	\$30,000	\$11,260	\$41,260
Graham Dorè	\$20,000	\$8,445	\$28,445
Stephen Jenkins	\$20,000	\$8,445	\$28,445

- (e) The Plan has not previously been approved by Shareholders and, accordingly, no securities have been issued to Matthew Worner, Peter Stickland, Graham Dorè or Stephen Jenkins under the Plan as at the date of this Notice.
- (f) The Performance Rights will be granted with the vesting conditions, milestone date and expiry dates as set out in Section 7.2 above. The principle terms of the Performance Rights are summarised in Schedule 1. Further terms and conditions of the Performance Rights are set out in the Plan a summary of which is provided in Section 6.
- (g) The Company has decided to adopt the Plan in order that it can grant Performance Rights as part of short and long term programs to reward and incentivise staff and Directors.

The Performance Rights proposed to be issued to each of Matthew Worner, Peter Stickland, Graham Dorè and Stephen Jenkins:

- (i) are to reward and incentivise them by linking their remuneration to the achievements of the strategic goals and long-term performance of the Company by aligning remuneration and reward to the growth in Shareholder value with share based vesting targets and operational milestones;

- (ii) are in lieu of cash remuneration over the course of the 2020 year. As the Company continues to manage its cash costs to progress towards a more sustainable cash flow position this form of remuneration represents a cash cost saving and also highlights the Directors' commitment to the Company having chosen to receive the Performance Rights in lieu of a portion of their cash salary. The Performance Rights will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); and
- (iii) will be issued for nil cash consideration. The Company has determined the Performance Rights to be issued to the Directors having regard to the current exploration focussed stage of the Company, the level of fees to be foregone by those Directors, as well as a review of peer group companies operating in the resources sector. No funds will be raised from the issue of the Performance Rights. Upon conversion of the Performance Rights, Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.
- (h) A summary of the Plan is set out in Section 6 above.
- (i) The Performance Rights will be issued no later than 3 month's after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (j) The Company has not made any loans to Matthew Worner, Peter Stickland, Graham Dorè or Stephen Jenkins in relation to the grant of the Performance Rights.
- (k) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (l) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 8, 9, 10 and 11 are approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (m) A voting exclusion statement is included in the Notice.

8. RESOLUTION 12 - AMENDMENT TO CONSTITUTION

8.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 12 seeks the approval of Shareholders to amend the Constitution. Resolution 12 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Company is seeking an amendment to the Constitution:

- (a) as a result of ASX's introduction of several changes to the escrow regime in the ASX Listing Rules effective 1 December 2019 to make aspects of the listing process and ongoing compliance with the ASX Listing Rules more efficient for issuers and for ASX; and

- (b) in order for Shareholders to be able to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy).

8.2 Amendment to Clause 25

ASX has introduced a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under the proposed amended clause 25 of the Constitution (see below), holders of Restricted Securities will be taken to have agreed in writing that Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the ASX Listing Rules or ASX.

The specific amendments to Rule 25 of the Constitution are to delete Clauses 25.2 and 25.5 which deal with Restricted Securities and replace Clause 25.2 with the following:

25.2 *The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:*

- (a) *a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- (b) *if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- (c) *the Company will refuse to acknowledge any disposal (including without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- (d) *a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and*
- (e) *if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a Disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.*

8.3 Insertion of new Provision in the Constitution to permit Direct Voting

The Company also proposes to insert a new provision in the Constitution which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy).

Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

8.4 Requesting a copy of the amended Constitution

A copy of the proposed amended Constitution is available for review by Shareholders at the office of the Company. A copy of the proposed amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 4.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Class A Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1.

Class B Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1.

Class C Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1.

Class D Performance Rights means the Performance Rights issued on the terms and conditions outlined in Schedule 1.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Talon Petroleum Limited (ACN 153 229 086).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Performance Right means a performance right issued under the Plan.

Plan means the Talon Petroleum Share Rights Plan, an overview of the key terms of which is set out in Section 6 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Restricted Securities has the meaning set out in the ASX Listing Rules.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - KEY TERMS AND CONDITIONS OF PERFORMANCE

The Performance Rights will be granted with the Vesting Conditions and Expiry Dates as follows:

Performance Rights	Vesting Conditions	Expiry Date
Class A Performance Rights	<p>The 20-day volume weighted average price (VWAP) of the Company's Shares exceeds Vesting Price A at any time after the date of the Meeting (29 May 2020) but prior to 30 June 2022. Vesting Price A is the greater of \$0.003/share and 200% of the 20-day VWAP immediately prior to the date of the Meeting (29 May 2020).</p> <p>The holder the Class A Performance Rights is employed or otherwise continues to be engaged as a Director or consultant of the Company as at 30 June 2021.</p>	30 June 2025
Class B Performance Rights	<p>The 20-day volume weighted average price (VWAP) of the Company's Shares exceeds Vesting Price B at any time after the date of the Meeting (29 May 2020) but prior to 30 June 2024. Vesting Price B is 400% of the 20-day VWAP immediately prior to the date of the Meeting (29 May 2020).</p> <p>The holder the Class B Performance Rights is employed or otherwise continues to be engaged as a Director or consultant of the Company as at 30 June 2021.</p>	30 June 2027
Class C Performance Rights	Prior to 31 December 2021, the Company completes a successful farm-out transaction in respect of one of the Company's projects and the Company elects to move into the drilling phase in respect of the licence the subject of the farm-out.	30 June 2025
Class D Performance Rights	<p>Satisfaction of the Vesting Condition for the Class C performance Rights.</p> <p>Prior to 31 December 2022, the Company completes a successful farm-out transaction in respect of one of the Company's projects (not being the project the subject of the satisfaction of the Vesting Condition for the Class C performance Rights) and the Company elects to move into the drilling phase in respect of the licence the subject of the farm-out.</p>	30 June 2026

Once the applicable Vesting Condition has been satisfied, the Performance Rights will vest.

Each Performance Right will convert into a Share for no consideration on exercise by the holder once vested.

If a Vesting Condition of a Performance Right is not achieved by the applicable milestone date, then the Performance Right will lapse. If a vested Performance Right is not exercised on or before the Expiry Date, then the Performance Right will lapse.

The achievement of the Vesting Conditions for the Performance Rights outlined above will be determined by the Board from time to time.

A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of the Company's Shareholders.

A Performance Right does not entitle a holder to any dividends.

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

If there is a reorganisation (including, without limitation, consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of a holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.

A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

PROXY FORM

TALON PETROLEUM LIMITED
ACN 153 229 086

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 3.00pm WST, on Friday 22 May 2020 at 1202 Hay Street West Perth WA 6005, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Peter Stickland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Graham Dorè	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Stephen Jenkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Performance Rights to Matthew Worner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Performance Rights to Peter Stickland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Performance Rights to Graham Dorè	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Performance Rights to Stephen Jenkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** In the interests of public health and safety of our shareholders, the company is not able to allow shareholders to physically attend the shareholder meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Talon Petroleum, 1202 Hay Street, West Perth Western Australia 6005 or
 - (b) email to the Company at info@talonpetroleum.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.