

TALON SECURES COMMITMENTS FOR \$5M PLACEMENT FOR WALYERING FARMIN

Highlights

- **Successful placement to new and existing institutional and sophisticated investors**
- **Issue price at a 33% premium to 20-day VWAP**
- **Funds to be applied to drilling of the Walyering Prospect, in EP447 operated by Strike Energy**

Talon Petroleum Ltd (ASX: **TPD**, “**Talon**” or the “**Company**”) is pleased to announce that it has received firm commitments from new and existing institutional and sophisticated investors to raise A\$5 million by way of a share placement (**‘Placement’**).

The Placement was very strongly supported and will see the Company issue approximately 2.5 billion new fully paid ordinary shares (**‘New Shares’**) at an issue price of \$0.002 per New Share under the Placement, which represents a 33% premium to the Company's 20 volume weighted average share price.

New Shares will be issued alongside a free attaching unlisted option on a 1 for 2 basis, with an exercise price of \$0.004, expiring 28 February 2022. Chieftain Securities Pty Ltd (Chieftain) acted as Lead Manager to the Placement.

Proceeds of the Placement will be applied towards a farmin for 45% participating interest in EP447, located onshore Perth Basin and operated by Strike Energy Limited (ASX:STX), to drill an exploration well on the Walyering Prospect, and general working capital costs.

For more information on the farmin and the Walyering Prospect, refer to Talon's ASX release dated 21 July 2020 and entitled “*Talon to farmin to EP447 and drilling at Walyering*”.

Commenting on the capital raising, Talon's newly appointed Managing Director, David Casey said: *“The excellent support received for the placement is a strong indication of the way the Perth Basin and the exciting opportunities it holds is resonating with investors. Talon has a strong mix of oil and gas exploration assets in both the Perth Basin and the UK North Sea, which have the potential to deliver significant value for investors. The Board thanks existing shareholders for their support and welcome new shareholders in what is an exciting step forward for Talon.”*

The Placement will be conducted in two tranches. Tranche 1 will issue 266,518,428 New Shares under the Company's 7.1 capacity and 177,678,952 New Shares under the Company's 7.1A placement capacity for a total of 444,197,380 shares. Funds received from Tranche 1 placement will total ~\$888,400.

Tranche 2 of the Placement of up to 2,055,802,619 New Shares together with approximately 1,250,000,000 free attaching options ('**Option**') for every two New Shares issued. Funds received from Tranche 2 will total ~\$4,111,605. Upon receipt of funds, Talon will have ~\$6.4 million cash at bank.

The Options issued in Tranche 2 will be unlisted, exercisable at A\$0.004 on or before 28 February 2022. Issue of Tranche 2 will be subject to Shareholder approval at the Company's General Meeting to be held late August.

The Company will pay a cash fee of 5% on total funds raised under the Placement and \$30,000 administration fee, plus 75,000,000 ordinary shares (subject to shareholder approval) to Chieftain as Lead Manager. Chieftain Securities, a boutique corporate advisory firm that holds an AFSL, had eligible clients that participated in the Placement and will receive a pro-rata share of the standard raising fee for their share of the funds raised in the Placement.

Additionally, the Company will issue 50,000,000 Broker Options (subject to shareholder approval) on the same terms as the free attaching options to incentivise long term shareholder value.

Authorised for lodgement by the Board.

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