



PERTH BASIN RESOURCE NUMBERS

Talon Petroleum Limited ("**Talon**" or the "**Company**") provides the following information in relation to Prospective Resource and Contingent Resource numbers relevant to Talon's recently announced Perth Basin farmin transaction with Strike Energy Limited (**Strike**) and successful \$5 million share placement.

Under the terms of the proposed farmin with Strike, Talon will acquire a 45% interest in EP447, which contains the Walyering wet gas prospect as well as a right of first refusal over EP495, which contains the Ocean Hill gas discovery.

Upon completion of the assignment of interest to Talon in EP447, Talon will hold a net 45% interest the Licence and in the following Prospective Resource at Walyering Prospect.

Walyering A & B Sands Conventional Wet Gas Prospective Resource			
Talon Share (45%)*	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
Gas (GIIP bcf)	21.6	38.7	63.9
Condensate (mmbbl STOIP)	0.55	0.981	1.62

*subject to completion of farmout

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

Ocean Hill currently has 360BCF and 1.18mmbbls of associated condensate 2C Contingent Resource resulting from the initial discovery found by Ocean Hill-1. Ocean Hill is currently held 100% by Strike and currently no Contingent Resources are ascribed to Talon.

Authorised for lodgement by the Company Secretary.

-- Ends --

Competent Persons Statement

The information in this report that relates to Prospective Resource information in relation to the Walyering Prospect and Contingent Resource information in relation to Ocean Hill is based on information compiled by the operator of these assets, Strike Energy Limited. This information was subsequently reviewed by Mr Peter Stickland BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears.

Mr Stickland is a director of the Company, with more than 25 years relevant experience in the petroleum industry and is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia. The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Stickland.

Mr Stickland is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources Reporting Notes for Walyering Prospect reported for the first time

(i) The prospective resources information in this document is effective as at 9 June 2020 (Listing Rule (LR) 5.25.1). (ii) The prospective resources information in this document has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2). (iii) The prospective resources information in this document is reported according to the Company's proposed 45% economic interest in each of the resources subject to final formal assignment of a corresponding 45% interest in EP447, located onshore Perth Basin, Western Australia (LR5.25.5). (iv) The prospective resources information in this document has been estimated and prepared using the probabilistic method and is raw gas in place (LR 5.25.6). (v) Prospective resources are reported on a low, best and high estimate basis (LR 5.28.1). (vi) For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR5.28.2). (vii) In respect to the prospective resources referred to in this statement, upon completion of the acquisition of an interest in EP447, Talon will hold a 45% working interest in licence EP447, located onshore Perth Basin (LR 5.35.1). (viii) The prospective resources have been estimated on the following basis (LR5.35.2): the estimated prospective resource calculation was based on 3D seismic data, rock physics, quantitative interpretation along with wireline and flow test data from the original Walyering wells as well as offset wells in adjacent fields. (ix) based on current information and without taking into account any future information, the operator of EP447, Strike Energy Limited estimates the chance of discovering hydrocarbons and proving a developable resource is 38% (LR5.35.3). (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development (LR5.35.4)

Contingent Resources Reporting Notes for the Ocean Hill Discovery reported for the first time (LR5.33)

- **LR5.33.1:** The Contingent Resources at Ocean Hill are located within Licence EP495 located in the onshore North Perth Basin, Western Australia. Strike Energy Limited (**Strike**) holds a 100% interest in EP495. Pursuant to a non-binding term sheet executed with Strike, Talon has a first right of refusal to be assigned an interest in EP495.
- **LR5.33.2** The resource volumes associated with the Jurassic Cattamarra Coal Measures (**CCM**) and Cadda Formation in Ocean Hill are classified as Contingent in this evaluation. Gas was discovered in EP495 when the Ocean Hill-1 well intersected approximately 800 metres of gas shows within the Cadda Formation and CCM. Evaluation of electric logs from Ocean Hill-1 indicates the presence of over 100m of net gas pay. A drill stem test flowed gas at a rate of 0.7 MMcf/d from the interval 3063m to 3130m.

- **LR5.33.3** a brief description of:
 - the analytical procedures used to estimate the Contingent Resources Standard geological and engineering methods generally accepted by the petroleum industry were used in the estimation of Ocean Hill Contingent Resources. Probabilistic methods were used to determine the Contingent Resource volumes in the CCM and Cadda Formation of the Ocean Hill Discovery. The appropriate range of values for each reservoir parameter were incorporated in the volumetric calculation and recovery factor to estimate the unrisked Low Estimate (1C), Best Estimate (2C), and High Estimate (3C) Gas Initially In Place (GIIP) and recoverable Contingent Resources. These calculations were based on data and maps provided to DeGolyer and MacNaughton by Green Rock Energy Limited or publicly available data. Comparisons were made to similar properties for which more complete data were available for reservoir properties required in the volumetric estimates but not available in the data provided. Talon notes that Strike as the operator of Ocean Hill has confirmed that it is not aware of any new information or data that materially affects the contingent Resources as set out herein and that all material assumptions and technical parameters underpinning the estimate continue to apply.
 - the key contingencies that prevent the CR's from being classified as reserves The Contingent Resources are contingent on completing sufficient flow testing to establish commercial productivity, undertaking development and production operations, and securing project funding.
 - any further appraisal drilling and evaluation work to be undertaken to assess the potential for a commercial discovery and to progress the project Strike plans to shoot 230km² of 3D seismic to improve subsurface resolution and improve the chance of successful drilling activity of Ocean Hill. After the acquisition and interpretation of new 3D dataset, Strike plans to drill an appraisal well at Ocean Hill. The objective of the appraisal well will be to intersect gas-bearing CCM and Cadda Formation reservoirs and prove commercially viable reserves.

SPE definitions

Reserves represent that part of resources which are commercially recoverable and have been justified for development, while contingent and prospective resources are less certain because some significant commercial or technical hurdle must be overcome prior to there being confidence in the eventual production of the volumes. Talon does not yet have reported reserves.

Contingent resources are less certain than reserves. These are resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles. For contingent resources to move into the reserves category, the key conditions, or contingencies, that prevented commercial development must be clarified and removed. As an example, all required internal and external approvals should be in place or determined to be forthcoming, including environmental and governmental approvals. There also must be evidence of firm intention by a company's management to proceed with development within a reasonable time frame (typically 5 years, though it could be longer).

Prospective resources are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled. This class represents a higher risk than contingent resources since the risk of discovery is also added. For prospective resources to become classified as contingent resources, hydrocarbons must be discovered, the accumulations must be further evaluated and an estimate of quantities that would be recoverable under appropriate development projects prepared.