

ASX Announcement
Date: 22 July 2014



Talon Petroleum Limited
ABN 88 153 229 086

Level 16, 344 Queen Street
Brisbane, Qld Australia 4000

Postal: GPO Box 402
Brisbane, Qld Australia 4001

Telephone: +61 7 3211 1122
Fax: +61 7 3211 0133

Directors:

Jeff Forbes
Clifford S. Foss
Angus Douglas
Bruce Cowley

Company Secretary:

Anastasia Maynes

Contact:

Clifford Foss
President & CEO
cfoss@texozep.com

or:

Jeff Forbes
Chairman
jeff.forbes@talonpetroleum.com.au

Website:

www.talonpetroleum.com.au

ASX Code: TPD

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Talon announces 1-for-1 fully underwritten Entitlement Offer to raise up to A\$1.12 million

Talon Petroleum Limited (ASX: TPD) (**Company**) has today launched a fully-underwritten non-renounceable pro-rata entitlement offer to raise up to approximately A\$1.12 million (before offer costs) (**Entitlement Offer**) to assist with funding its immediate forward work program.

The Entitlement Offer will be fully underwritten by Morgans Corporate Limited and partially sub-underwritten by Mr Jeff Forbes, the Company's Chairman, and Mr Angus Douglas and Mr Bruce Cowley, both Non-Executive Directors of the Company.¹

Details of the Entitlement Offer

Eligible shareholders will be entitled to subscribe for 1 new fully paid ordinary share in the Company (**Share**) for every 1 Share held at 7pm (Brisbane time) on Monday 28 July 2014 (**Record Date**) at an issue price of \$0.011 per new Share. The issue price of \$0.011 under the Entitlement Offer represents a discount of approximately 15.4% to the last close of \$0.013 per Share on Monday, 21 July 2014.

Eligible shareholders are those shareholders at the Record Date with a registered address in Australia or New Zealand. Persons in the United States or persons acting for the account or benefit of persons in the United States will not be eligible to exercise entitlements

The Entitlement Offer is non-renounceable and entitlements cannot be traded on the ASX. Entitlements not taken up will lapse. Eligible shareholders may also apply for Shares in addition to their entitlement.

Holdings on different registers or sub-registers will not be aggregated to calculate entitlements. New Shares issued under the Entitlement Offer will be fully paid and will rank equally in all respects with existing Shares in the Company.

The timetable for the Entitlement Offer is set out overleaf.

Further information

Further details of the Entitlement Offer, including details on the use of proceeds, who is an eligible shareholder and underwriting arrangements are contained in the Entitlement Offer Booklet, which will be released to the ASX and posted on the Company's website today and despatched to eligible shareholders on or around 31 July 2014.

¹ Directly or through their associated entities.

Event	Date
Announcement of terms of the Entitlement Offer	Tuesday, 22 July 2014
Existing Shares quoted on an 'ex-entitlement' basis	Thursday, 24 July 2014
Record Date (7pm (Brisbane time))	Monday, 28 July 2014
Entitlement Offer opens Entitlement Offer Booklet and acceptance forms despatched	Thursday, 31 July 2014
Entitlement Offer closes (5pm (Brisbane time))	Monday, 18 August 2014
Announcement of shortfall (if any) under the Entitlement Offer	Thursday, 21 August 2014
Issue date of new Shares issued under the Entitlement Offer	Monday, 25 August 2014
Despatch of holding statements for new Shares issued under the Entitlement Offer.	Tuesday, 26 August 2014
Normal trading of new Shares issued under the Entitlement Offer	Tuesday, 26 August 2014

The timetable is subject to change and the Company reserves the right to withdraw or vary the timetable for the offer without notice. In particular, the Company reserves the right to extend the closing date for the Entitlement Offer, to accept late applications whether generally or in particular cases, or to withdraw the Entitlement Offer without prior notice, subject to applicable laws.

-ends

About Talon Petroleum Limited:

Talon Petroleum Limited is a Texas and Gulf Coast focused exploration and appraisal company listed on ASX (ASX code: TPD). Talon's strategy is to invest in multi-well oil projects that are located within areas with good production infrastructure employing horizontal drilling and advanced fracking technologies. The projects target oil in resource plays (shales) or in low permeability conventional reservoirs that originally produced only a small fraction of the hydrocarbons in-place (old fields with tight reservoirs) where recoveries can be improved with new technologies. Funding to drill the proof of concept tests in the early projects will come from selling down in large acreage blocks.

Talon's current portfolio reflects the strategy and consists of consists of seven projects located in East and South Texas, USA. Talon is headquartered in Brisbane, Australia with an office in Houston, Texas, USA. Additional information is available on Talon's website: www.talonpetroleum.com.au