

ASX Announcement
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ASX Code: TPD

Talon's Entitlement Offer closes oversubscribed

Talon Petroleum Limited (ASX: TPD) (**Company** or **Talon**) is pleased to announce that the Company's fully-underwritten non-renounceable pro-rata entitlement offer to raise approximately A\$1.12 million (before offer costs) (**Entitlement Offer**) has closed oversubscribed.

The Entitlement Offer was oversubscribed with demand exceeding the 102,615,433 fully paid ordinary shares in the Company (**Shares**) available under the Entitlement Offer by 49%. All Non-Executive Directors of the Company subscribed for their full entitlements.¹

The Company's Managing Director, President and CEO, Mr Clifford Foss said: "We value the very solid support received from our shareholders to enable Talon to pursue its immediate forward work program."

The Company received applications totalling A\$1.68 million (or 152,996,940 new Shares) in respect of the Entitlement Offer, comprising:

- applications for entitlements of A\$0.65 million (or 58,775,916 new Shares); and
- applications for additional Shares of A\$1.04 million (or 94,221,024 new Shares).

Scale-back of applications for additional Shares

Shareholders who submitted valid applications for their entitlements will receive their entitlements in full. Given the strong demand for additional new Shares (**Additional Shares**) under the Entitlement Offer, it has been necessary to scale back applications for Additional Shares.

Under the scale back policy, those shareholders that applied for Additional Shares will receive, in addition to their entitlement, an allocation of Additional Shares capped at an amount equal to their original entitlement under the Entitlement Offer. The remaining 13,389,769 shortfall Shares will be taken up by the underwriter, Morgans Corporate Limited, and sub-underwriters, in accordance with the terms of the underwriting agreement.

Allotment and issue of new Shares under the Entitlement Offer will occur on Monday, 25 August 2014. The new Shares are expected to commence normal trading on the ASX on Tuesday, 26 August 2014. Holding statements will also be despatched to shareholders on Tuesday, 26 August 2014.

¹ Directly or through their associated entities.

Refund of application monies

Refunds for unfilled applications for Additional Shares will be despatched to shareholders on or around 1 September 2014. Eligible shareholders who have applied to Additional Shares which are not satisfied out of the shortfall will receive a refund of their application monies by cheque sent to their registered address. No interest will be paid on any application monies refunded.

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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 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