

ASX Announcement
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Talon to Test Coolangatta Prospect At Nil Cost

Talon Petroleum Limited (ASX: TPD) ("Talon" or "Company") is pleased to announce that the Company has reduced its obligation in the Coolangatta prospect to a nil cost basis. Pending final agreements, Talon will receive \$37,500 USD plus other consideration to reduce its 25% interest in the Coolangatta prospect such that it will have no cost basis in the first test well on the prospect through logging. The Company will retain a 6.25% WI at casing point if the well logs show the well to be productive. Talon's estimated cost to complete the well is approximately \$45,000 USD subject to Talon's election to participate. The well is planned to spud mid-December 2014.

Mr Cliff Foss, Talon President, Managing Director and CEO stated: "We are happy that Talon was able to negotiate a nil cost basis for this higher risk exploration wildcat at the Coolangatta prospect. Talon still retains the option to participate in the completion should the well be successful. This sell down continues Talon's strategy of reducing its cost basis proportionate to the risks involved in this conventional exploration well."

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Glossary:

Talon or Company: Talon Petroleum Limited

USD: U.S. dollars, unless otherwise stated

WI: working interest, a cost bearing interest of an oil and gas project

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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 fracturing 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