

ASX Announcement

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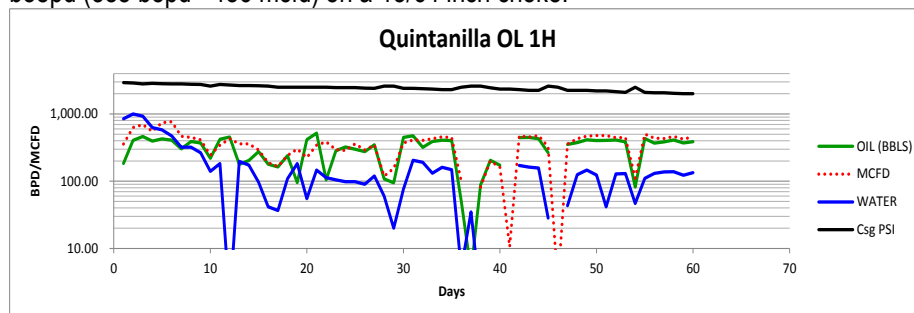
Website:

www.talonpetroleum.com.au

ASX Code: TPD

MR Olmos Project – Sixty Day Production Update

Talon Petroleum Limited (ASX: TPD) (“Talon” or “Company”) is pleased to announce that during the first two months of production the Quintanilla OL 1H produced 21,766 boe (18,592 bo +19,040 mcf) on restricted chokes. The current production rate is 464 boepd (388 bopd +456 mcf) on a 13/64 inch choke.



Periods showing no production are due primarily to paraffin accumulation in the choke manifold as a result of cold weather. Cliff Foss, President and CEO stated that “we are extremely happy with the excellent well performance during the first 60 days of production while on the restricted chokes. We are particularly excited that the original 2900 psi flowing casing pressure has only declined to 2000 psi after producing 21,766 boe during the first 60 days. Although it is early in the well’s productive life, the pressure data continues to remain extremely encouraging”.

The company has a 10% working interest in this lease and holds a 100% working interest in 3600 acres adjoining the Quintanilla lease, subject to third parties options to acquire collectively a 50% WI.

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Glossary:

US\$ U.S. dollars, unless otherwise stated
WI working interest, a cost bearing interest of an oil and gas project
bopd barrels of oil per day
mcf thousands of cubic feet of gas per day
bwpd barrels of water per day
boepd barrels of oil equivalent per day at 6:1 gas to oil

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 fracing 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 six 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