



**Talon Petroleum Limited**  
Suite 2, 24 Bolton Street  
Newcastle NSW 2300

30 March 2015

Dear Option Holder

### **Entitlement Offer – notice to option holders**

Talon Petroleum Limited (**Talon**) intends to conduct a two for nine non-renounceable entitlement offer of fully paid ordinary shares in Talon (**New Shares**) to raise approximately \$500,000 (**Entitlement Offer**).

The purpose of the Entitlement Offer is to fund general working capital. The Entitlement Offer entitles eligible shareholders to subscribe for two new shares for every nine existing Talon ordinary shares (**New Shares**) held at 7.00pm (AEST) on Tuesday, 7 April 2015 (**Record Date**) at an issue price of \$0.012 per new share (**Entitlement**).

Your options do not entitle you to participate in the Entitlement Offer.

You may exercise your options in time for shares to be issued before the Record Date if you wish to participate in the Entitlement Offer. Accordingly, if you wish for some or all of the shares underlying your options to be counted as part of your Entitlement under the Entitlement Offer, you will need to exercise that portion of your options for which you wish to participate and pay the current exercise price for them so that those shares are issued to you before the Record Date.

If you do not wish to participate in the Entitlement Offer (in respect of your options) you need not take any action. The options confer no right to a change in exercise price, or a change to the number of underlying shares over which they can be exercised, as a result of the Entitlement Offer.

Should you have any queries about this matter, please do not hesitate to contact me on +61 2 4925 3800.

Yours sincerely

Andrew Crawford  
Company Secretary  
Talon Petroleum Limited