

ASX Announcement

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Bonner 1H Fracing Successful

Talon Petroleum Limited ("Talon") advises that the Roundhouse Prospect proof of concept well (Bonner 1H) has now been successfully fraced and the flow back testing has begun as scheduled. Talon holds approximately a 24% WI in the Bonner 1H well and the approximately 600 acres surrounding the well.

Talon has over 7,000 net acres under lease in the Roundhouse Prospect, and based on analog production from vertical wells, each horizontal well is estimated to have a gross potential of 440 mboe/well on 160 acre spacing.

Cliff Foss, the President, CEO and Managing Director of Talon, stated: "We are very pleased that the Bonner 1H well has been successfully fraced and are looking forward to the outcome of the testing operations that have recently begun."

The final frac design was a hybrid of the two techniques used in stages 4 and 5. Frac operations for stages 6 through 13 commenced on 4 November 2013 and were successfully completed on 6 November 2013. Frac plugs were then drilled out with coiled tubing and the well turned to flow through surface flow back equipment. As anticipated, the well died after a short flow back period after producing approximately 12,600 bbls of the total load pumped into the well during frac operations of 113,500 bbls. Tubing and a packer were installed mid-November and the well was placed on a down hole jet pump to move large volumes of fluid. The jet pump is recovering approximately 1,500 bbls of frac load water per day and it is anticipated that recovery of at least 50% of the frac load may be required before the well starts to recover oil.

The jet pumping operation has demonstrated that the deliverability of the well has been substantially enhanced over that of vertical field development wells that were originally utilized for this area.

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Glossary:

bbl: barrel
mboe: thousand barrels of oil equivalent (including gas converted to oil equivalent barrels on basis of 6 mcf to 1 barrel of oil equivalent)
mcf: thousand cubic feet
WI: Working Interest