

ASX Announcement

Date: 26 March 2014



Talon Petroleum Limited

ABN 88 153 229 086

Head Office:

Level 16, 344 Queen Street
Brisbane, Qld Australia 4000

Postal: GPO Box 402
Brisbane, Qld Australia 4001

Telephone: +61 7 3211 1122

Fax: +61 7 3211 0133

US Office:

Suite 280, 20445 State Highway 249
Houston, Texas, 77070, USA

Telephone: +1 281 419 4976

Fax: +1 281 419 4930

Directors:

Jeff Forbes (Chairman)
Bruce Cowley
Angus Douglas
Clifford Foss
David Mason

Company Secretary:

Anastasia Maynes

Contact:

Clifford Foss
President, CEO & Managing Director
+1 281 419 4976
cfoss@texozep.com

or:

Jeff Forbes
Chairman
+61 7 3211 1122
jeff.forbes@talonpetroleum.com.au

Website:

www.talonpetroleum.com.au

Settlement reached with Sundance Energy

Talon Petroleum Limited (ASX: TPD) ("Talon") previously reported that on 7 September 2013 it received a notice from Sundance Energy Australia Limited (ASX: SEA) ("SEA") asserting claims under the Scheme Implementation Agreement ("SIA") dated 13 November 2012 between SEA and Talon's previous parent entity Texon Petroleum Limited ("Texon") and the Demerger Deed between Talon and Texon dated 14 January 2013.

Talon is pleased to announce that it has reached an agreement to settle SEA's claims. As part of the settlement, US\$300,000 of the approximately US\$1.35 million held in escrow in respect of liabilities under the SIA will be released to SEA, with the balance released to Talon. Talon has also agreed to assign to SEA its interest in the Austin Chalk and co-operate with SEA in the reallocation of certain pre-demerger costs to entities now controlled by SEA.

The Board determined that in order to avoid a prolonged and distracting legal dispute, it was in the interests of Talon shareholders to settle the claims. Management will also be able to focus on its production targets and the balance of the escrow funds (approximately US\$1.05 million) will be able to be immediately released to Talon as part of the settlement.

—ends