

TALON Petroleum Ltd

North Sea Asset Update

December 2020



Disclaimer



This presentation is provided for information purposes only and is not a disclosure document as defined under the Corporations Act 2001 (Cth). This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase, sale or issue of any securities or any financial product nor does it constitute financial product or investment advice. The presentation does not contain all the information that may be required for evaluating the Company's assets, prospects or potential opportunities and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation. Neither the Company, its related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, related bodies corporate, affiliates, agents or advisers makes any representations or warranties that this presentation is complete or that it contains all material information about the Company or which a prospective investor may require in evaluating a possible investment in the Company or acquisition of securities. To the maximum extent permitted by law, none of those persons accept any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns (if any) contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Neither the Company nor its related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, related bodies corporate, affiliates, agents or advisers guarantees any return or generally the performance of the Company or the price at which its securities may trade. Any investment in the Company is subject to investment risks including the possibility of loss of capital invested and no return of income or payment of dividends. Before making an investment decision, you should assess whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances and consider seeking your own independent legal, financial and commercial advice. Past performance is no guarantee of future performance.

The distribution of this document in jurisdictions outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe any such restrictions.

This presentation may contain certain “forward-looking statements” with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the management of the Company. Forward looking statements can generally be identified by words such as ‘may’, ‘could’, ‘believes’, ‘plan’, ‘will’, ‘likely’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this presentation. Indications of, and guidance on, future exchange rates, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Any forward-looking statements, opinions and estimates provided in this presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of the Company. Such statements may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this presentation.

The information in this presentation is current as at the date on the cover of the presentation and remains subject to change without notice, in particular the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Competent Persons Statement. The information in this report that relates to Prospective Resource information set out in this document is based on information compiled by Mr Graham Dore and Mr Paul Young. Mr Dore and Mr Young are both consultants to the Company respectively.. This information was subsequently reviewed by Mr David Casey BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Casey is a director of the Company, with approximately 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE), the Australian Institute of Mining and Metallurgy (AusIMM) and the Petroleum Exploration Society of Australia. The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Casey. Mr Casey is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources Reporting Notes for Prospects reported for the first time. (i)The prospective resources information in this document in relation to the Carnaby, Shadow, Seahorse, Chisum, Whitebear, Bluestring and Glowbuzzer Prospects as well as the Misty Moon Lead is effective as at XX December 2020 (Listing Rule (LR) 5.25.1). (ii) The prospective resources information in this document has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2). (iii) The prospective resources information in this document is reported according to the Company’s 100% economic interest in each of the resources subject to final formal issuance of Licence P2527, Licence P2549 and Licence P2526 (LR5.25.5). (iv) The prospective resources information in this document has been estimated and prepared using the probabilistic method and is oil in place (LR 5.25.6). (v) Prospective resources are reported on a low, best and high estimate basis (LR 5.28.1). (vi) For prospective resources for each of the Carnaby, Shadow, Seahorse, Chisum, Whitebear, Bluestring and Glowbuzzer Prospects as well as the Misty Moon Lead, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR5.28.2). (vii) In respect to the prospective resources referred to in this statement, upon completion of the acquisition of an interest in Licence P2527, Licence P2549 and Licence P2526, Talon will hold a 100% working interest in each of these licences, located offshore UK Central North Sea (LR 5.35.1). (viii) The prospective resources have been estimated on the following basis (LR5.35.2): the estimated prospective resource calculation was based on a consideration of offset well information and seismic expression, a combination of volumetric assessment and field analogues have been used to estimate the prospective resources; exploration drilling will be required to assess these resources. (ix) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province (chance of success is for each prospect is set out in the above portion of this announcement). There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development. (LR5.35.3). (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development (LR5.35.4).

Talon's UK North Sea Strategy

UK North Sea

There's still plenty of life left...

- The North Sea is a prolific oil and gas province with over 50 years of oil and gas production and **~43 billion barrels of oil and gas recovered**
- High upside assets imaged on high-quality 3D seismic targeting **low risk exploration targets analogous to prior discoveries made by Talon team**
- Talons largest prospect Skymoos is a direct analogue to the Buzzard Field - UK North Sea's largest producing oil field
- Relatively shallow, low-cost drilling of well-known reservoirs
- Low-cost tiebacks to existing infrastructure



Talon's UK team have made some of the most significant North Sea discoveries in the past two decades

Strategy

- Identify and target entry into to early-stage prospect opportunities via bid rounds and farmout for carry
- Non-operated equity positions of around 20% post farmout
- Talon to be partner of choice for established operators
- Primary aim of drilling multiple wells per calendar year
- Drilling fundamentals:
 - Appraisal of known discoveries
 - Low-risk exploration
- Timed exit at the right time of the development cycle



Low-cost portfolio build by Talon's UK North Sea expert technical team

UK North Sea Asset Overview

UK North Sea

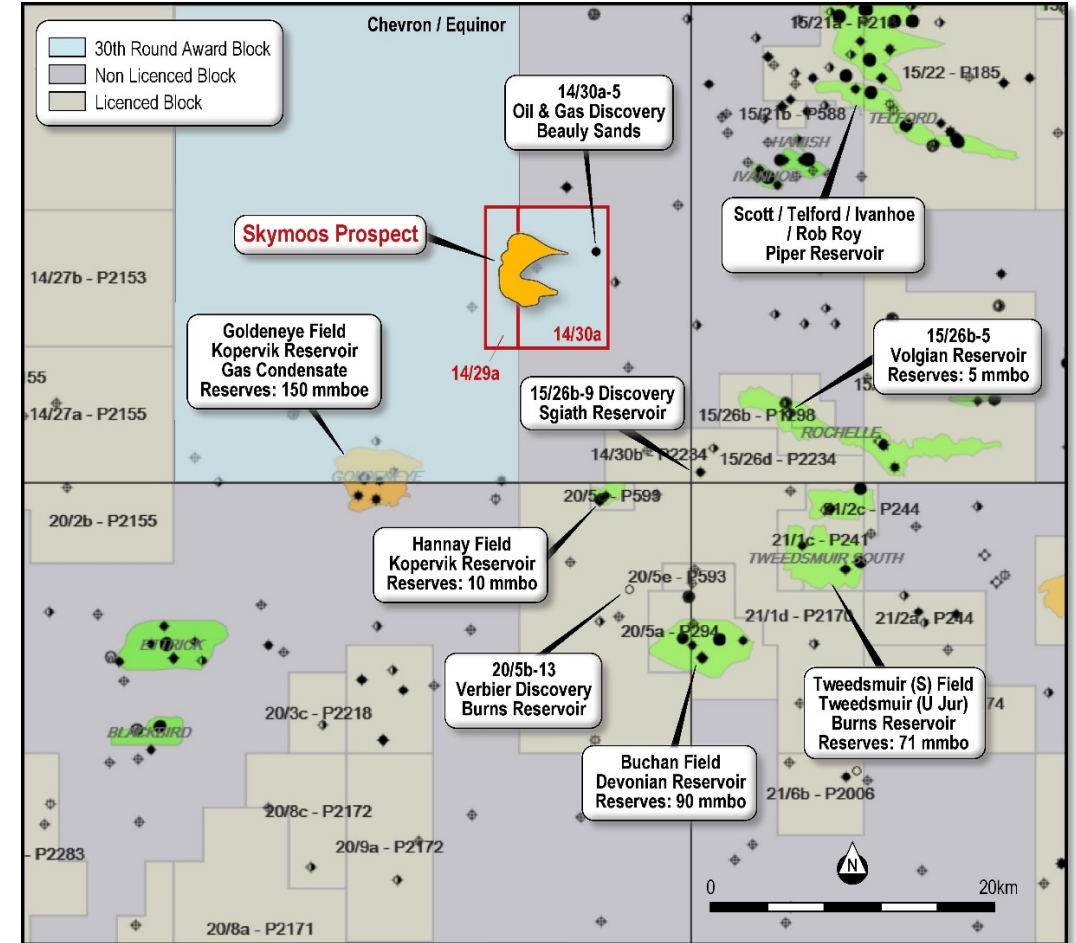
Skymoos prospect

107mmboe Best Estimate Prospective Resource

- Direct analogue to the Upper Jurassic Buzzard Field - UK North Sea's largest producing oil field
- Large Jurassic age Stratigraphic trap
- Imaged on high-quality 3D seismic
- On trend with several developed oil and gas discoveries in an area of prolific hydrocarbon charge
- Relatively shallow, low-cost drilling of normally pressured reservoir
- Farmout process underway and licence term extended until September 2021

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Refer to ASX announcement dated 31 January 2019 for more information on prospective resources. Talon confirms that it is not aware of any new information or data that materially affects the information included in those announcement and that all the material assumptions and technical parameters underpinning the estimates contained in that announcement have not materially changed and continue to apply



Talon team has intimate knowledge of play having been instrumental in Buzzard Field discoveries

UK North Sea

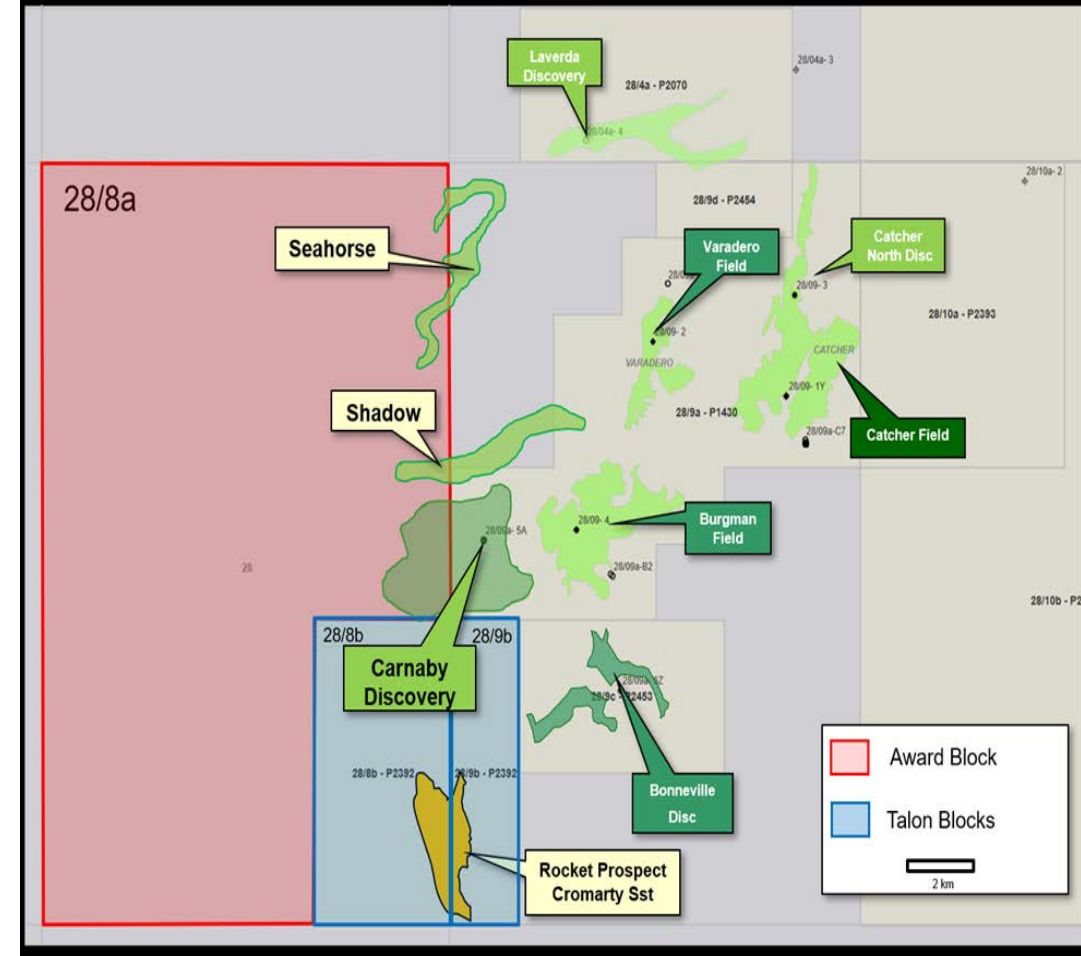
Rocket prospect

27mmboe Best Estimate Prospective Resource

- Direct analogue to amplitude supported oil fields to the north-east
- Imaged on excellent quality 3D seismic
- Shallow, low-cost drilling of high quality tertiary reservoirs
- Low-cost tieback to existing infrastructure
- Farmout process underway and licence term extended until September 2021

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Refer to ASX announcement dated 31 January 2019 for more information on prospective resources. Talon confirms that it is not aware of any new information or data that materially affects the information included in those announcement and that all the material assumptions and technical parameters underpinning the estimates contained in that announcement have not materially changed and continue to apply



Talon team responsible for adjacent field discoveries

UK North Sea

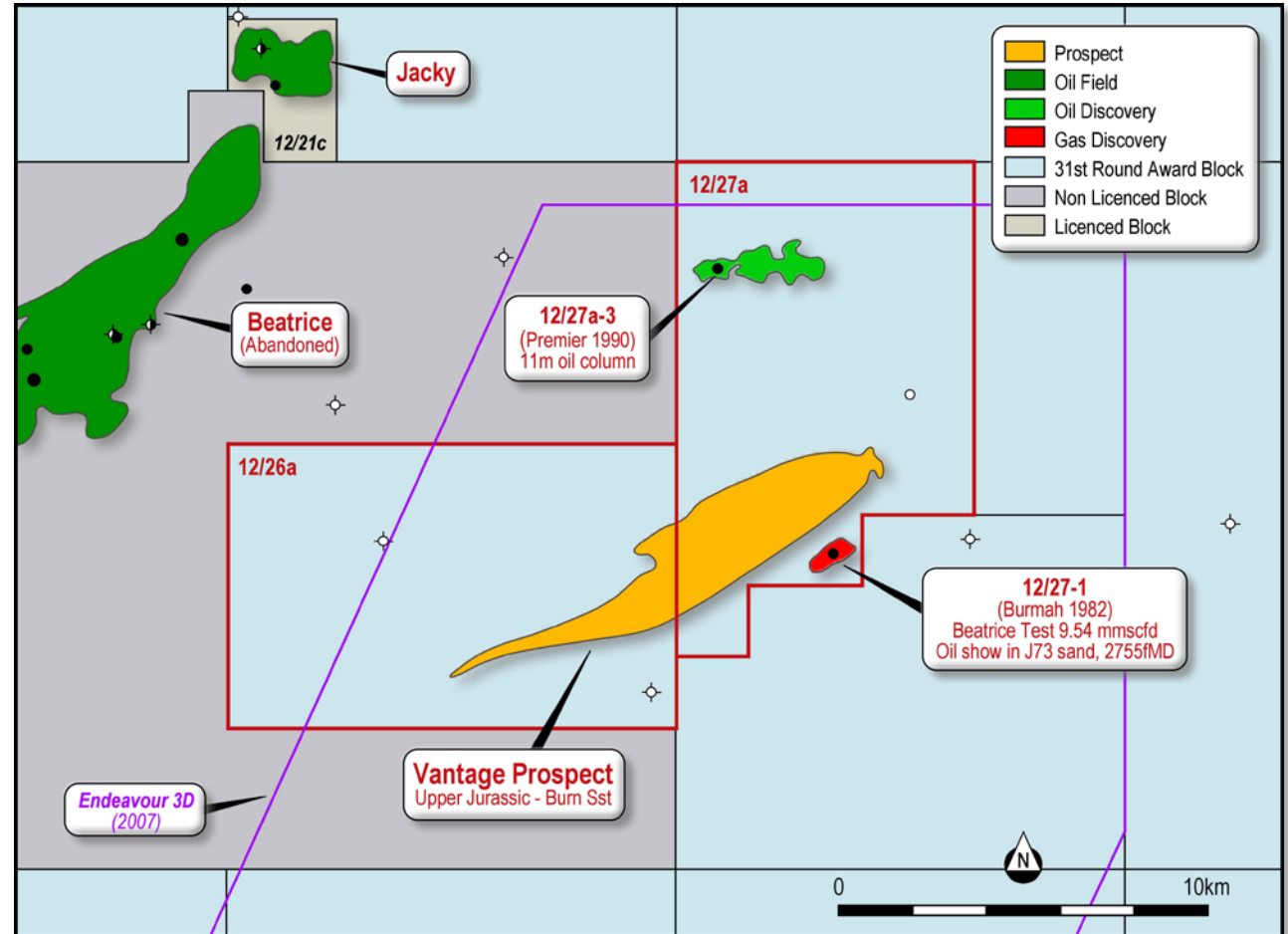
Vantage prospect

44mmboe Gross Best Estimate Prospective Resource

- Offer of award – 31st Offshore Round, June 2019, 2 year initial term
- Talon 50% working interest
- Imaged on excellent quality 3D seismic
- Upper Jurassic stratigraphic trap up-dip from known oil
- Farmout process underway

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Refer to ASX announcement dated 5 June 2019 for more information on prospective resources. Talon confirms that it is not aware of any new information or data that materially affects the information included in those announcement and that all the material assumptions and technical parameters underpinning the estimates contained in that announcement have not materially changed and continue to apply

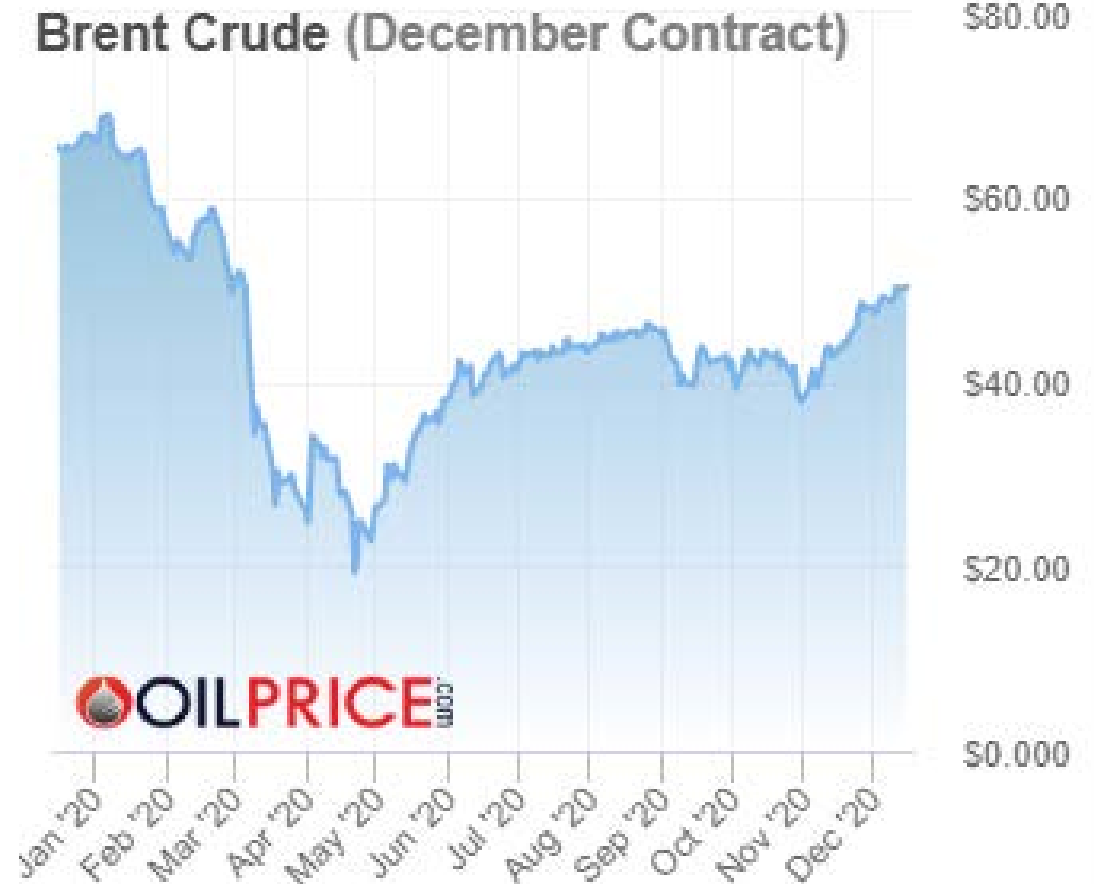


North Sea assets have come back into focus for potential partners as oil prices have stabilised

UK North Sea

Farmout update

- Talon continuing with farmout process for Skymoos, Rocket and Vantage
- Anticipated conclusion of process in 2020 has been severely hampered by COVID-19 and associated oil price conditions
- With stabilization of both the health and oil price aspects of COVID-19, reinvigorated interest has been pleasing with both existing and newly interested parties engaging



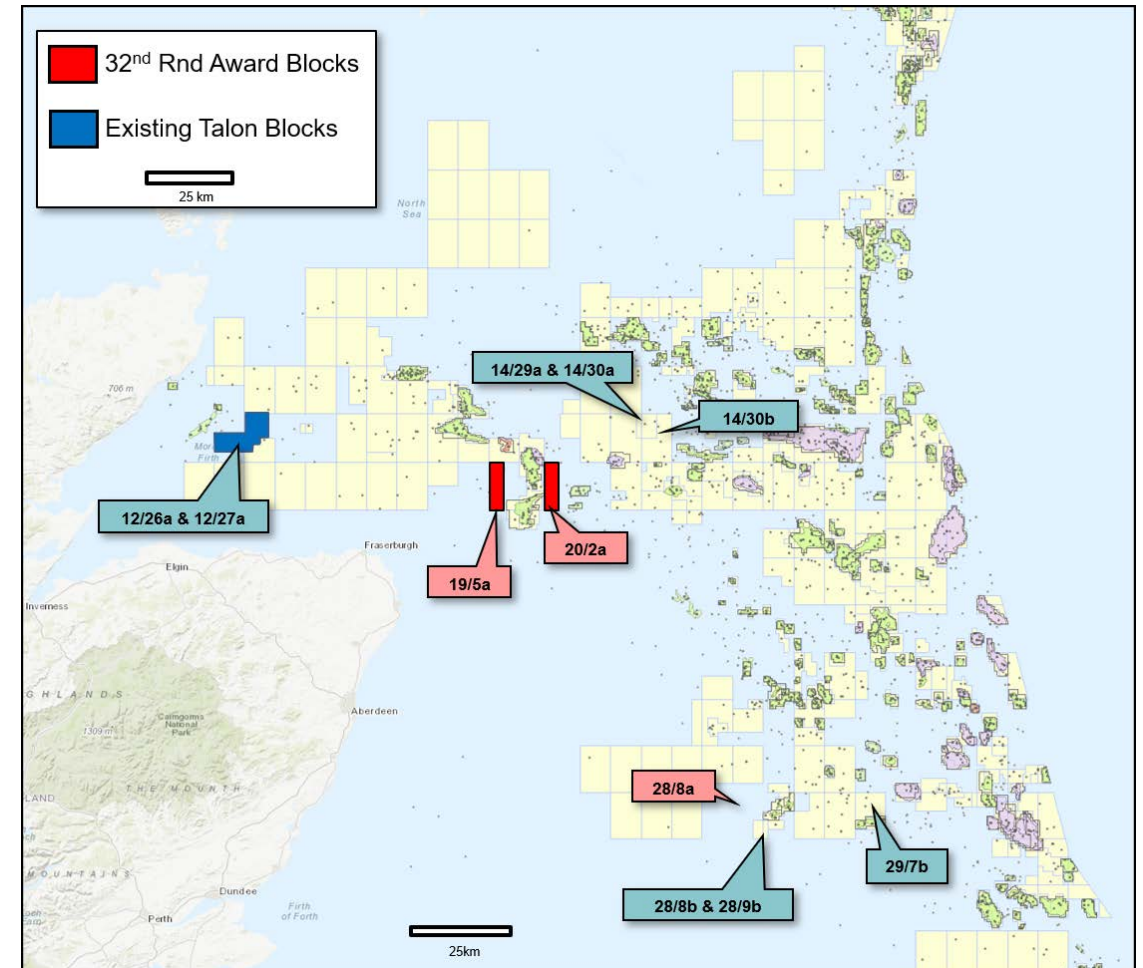
Highly regarded Talon team has curated excellent portfolio and generated significant farmout interest

32nd Licensing Round Awards

UK North Sea

32nd Licensing Round summary

- Talon has been awarded three new licences in the most recent UK Offshore Licensing Round
- 32nd Round was well supported with 113 new licences awarded to 65 companies (including several majors)
- Competitive nature of round demonstrates strong exploration interest that still exists in the UK North Sea
- Talon now holds interests in eight exploration and appraisal licences in the UK Central North Sea
- Enquiries by potential partners regarding Talon's most recent licence awards have already been received



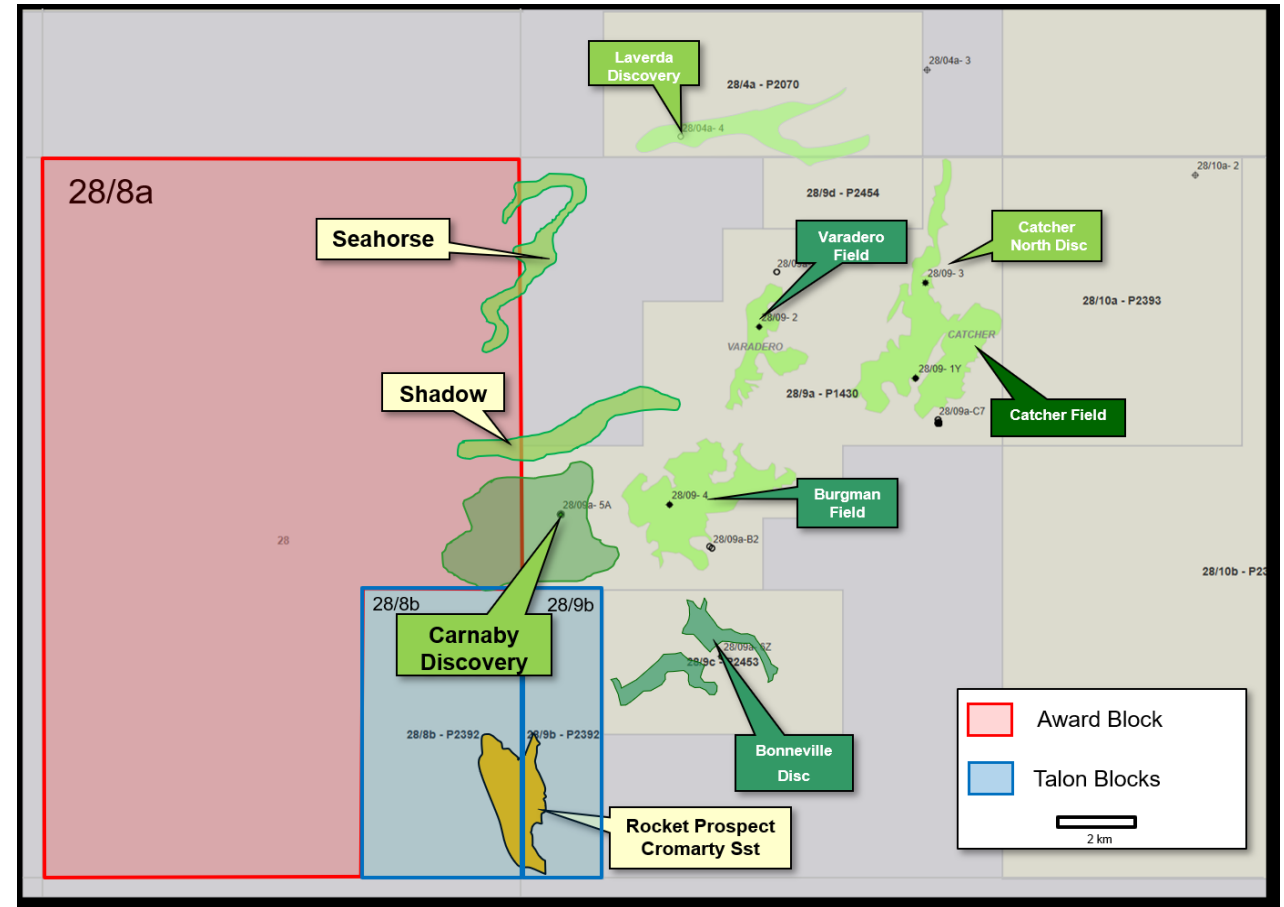
Recently awarded Licences are near infrastructure and significant discoveries made previously by Talon team

UK North Sea

Block 28/8a (Licence P2549)

- 3 year initial term from December 2020 with work program cost estimated at £60,000
- Talon 100% working interest
- Prospects are amplitude anomalies which have been drilled with 100% success rate around Catcher
- 90m water depth, directly west of the producing Catcher, Burgman and Varadero Fields (discovered by Talon team whilst at EnCore Oil)
- Adjacent to Talon's Rocket Prospect

Name	Type	Prospective Resource ¹						Geological Chance of Success
		Oil mmbbls			Oil on block mmbbls			
		Low	Best	High	Low	Best	High	
Carnaby	Discovery	23	52	102	8	18	35	100%
Seahorse	Prospect	2	13	34	1	6	12	73%
Shadow	Prospect	4	17	41	1	5	7	58%



The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

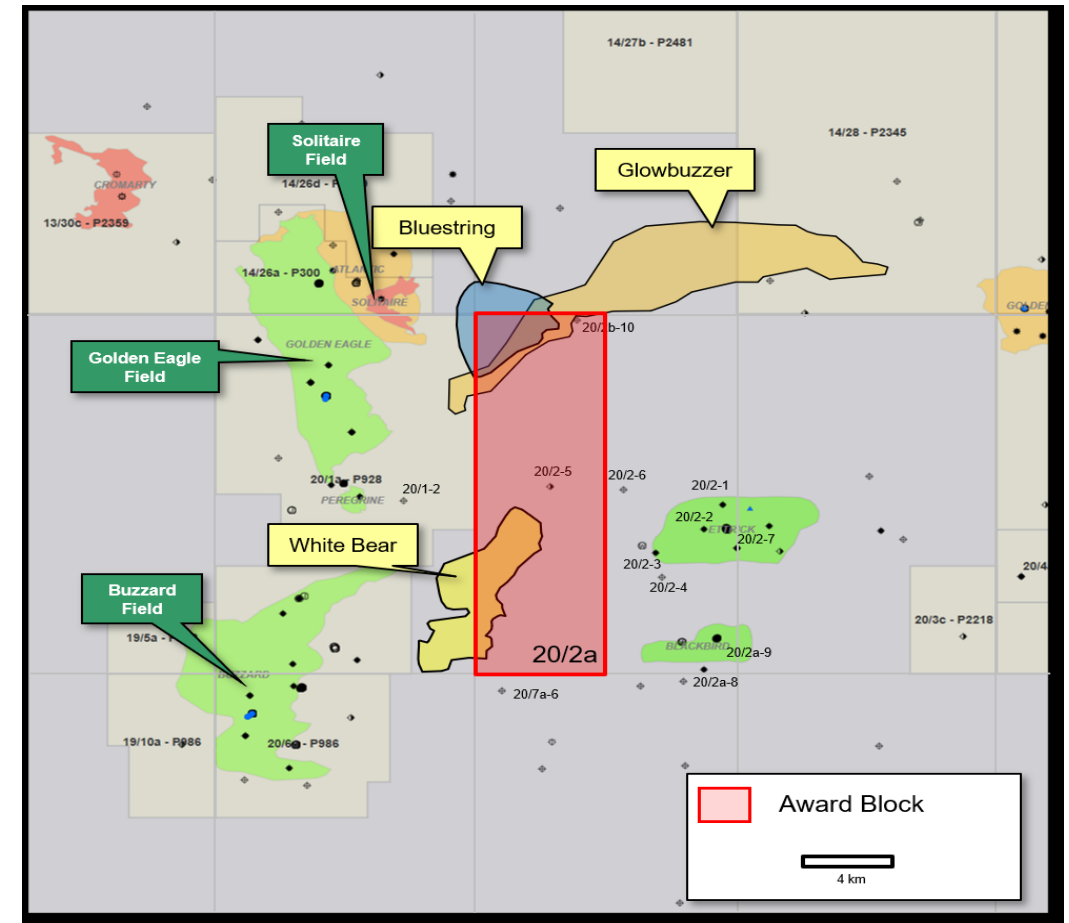
Builds Talon's presence around it's Rocket Prospect and the Catcher system previously discovered by our team

UK North Sea

Block 20/2a (Licence P2527)

- 4 year initial term from December 2020
- Talon 100% working interest
- Imaged on excellent quality 3D seismic
- 3 Upper Jurassic stratigraphic prospects analogous to the Buzzard and Golden Eagle Fields discovered by Talon team
- Block 20/2a sits just east of these prolific oil fields
- Work program cost for initial term: £40,000

Name	Type	Prospective Resource ¹						Geological Chance of Success
		Oil mmbbls			On Block Oil mmbbls			
		Low	Best	High	Low	Best	High	
White Bear	Prospect	8	75	353	1	23	187	22%
Bluestring	Prospect	27	128	422	6	53	287	15%
Glowbuzzer	Prospect	34	151	602	0	5	72	12%



The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

Substantial exploration potential analogous to prolific fields in Buzzard and Golden Eagle

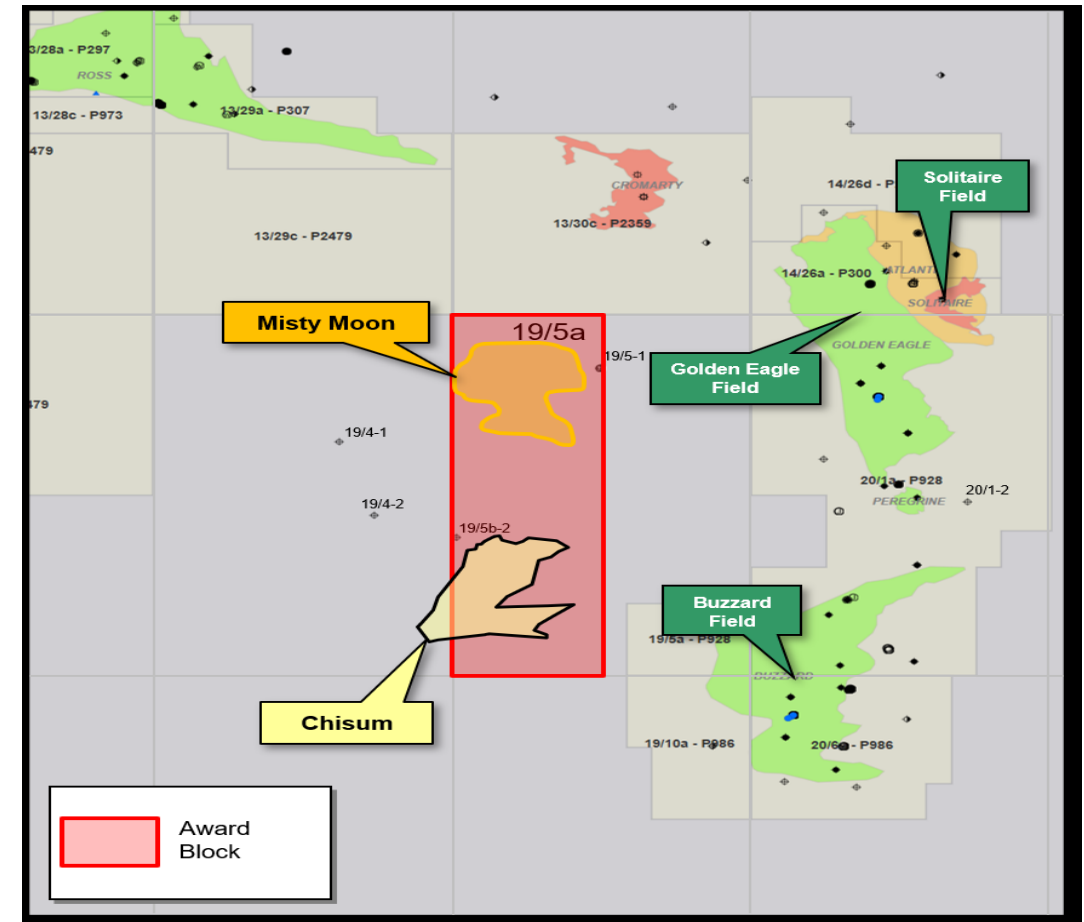
UK North Sea

Block 19/5a (Licence P2526)



- 3 year initial term from December 2020
- Talon 100% working interest
- Imaged on excellent quality 3D seismic
- Chisum Prospect is an Upper Jurassic stratigraphic prospects analogous to the Golden Eagle Field
- Block 20/2a sits just west of Golden Eagle and Buzzard Fields
- Initial term work program estimate: £10,000

Name	Type	Prospective Resource ¹						Geological Chance of Success
		Oil mmbbls			Oil on Block mmbbls			
		Low	Best	High	Low	Best	High	
Chisum	Prospect	1	47	270	1	34	216	14%
Misty Moon	Lead	3	35	279	3	35	279	16%



The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

Talon's UKCS strategy at work: low cost to mature prospectivity, infrastructure nearby, play type well known by Talon team

Address

1202 Hay Street
West Perth WA 6005

Contact Info

David Casey – Managing Director & CEO
Phone: +61 8 6319 1900

www.talonpetroleum.com.au

