

# TALON ENERGY LIMITED

Building a next generation energy company

RIU Good Oil & Gas Energy Conference

8<sup>th</sup> September 2021

David Casey – Managing Director & CEO



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**Competent Persons Statement:** Any information in this report that relates to Prospective Resource information in relation to the Skymoos and Rocket, Vantage, Thelma, Louise and Buffalo Prospects are based on information compiled by Mr Graham Dore and Mr Paul Young. Mr Dore and Mr Young are each consultant to the Company. Information in this report that relates to Prospective Resource information in relation to the Walyering Prospect and Contingent Resource information in relation to Ocean Hill is based on Prospective Resource and Contingent Resource information compiled by Strike Energy Limited, the operator both EP447 and EP495. Information in this report that relates to Prospective Resource that relates to the Condor Structure is based on information compiled by Mr John Begg and Mr John Lamberto, both consultants to the Company. This information was subsequently reviewed by Mr David Casey BSc (Hons), 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.

## Fully funded drilling program

### Capital Structure

Ordinary shares on issue (ASX:TPD)	6,048,789,525
Cash Balance	~\$9.2m
Unlisted Options ( <i>exercisable at \$0.004 expiring 28/02/2022</i> )	937,000,000
Unlisted Options ( <i>exercisable at \$0.006 expiring 28/02/2024</i> )	300,000,000
Unquoted Performance Shares ( <i>unvested - expire 30/09/2021</i> )	300,000,000
Unquoted Performance Rights	430,178,954
<b>Market Capitalisation @ \$0.008c (undiluted)</b>	<b>\$48.4 million</b>



### Board & Management

Doug Jendry	Non-Executive Chairman
David Casey	Managing Director & CEO
Matt Worner	Executive Director
Steve Jenkins (UK)	Non-Executive Director

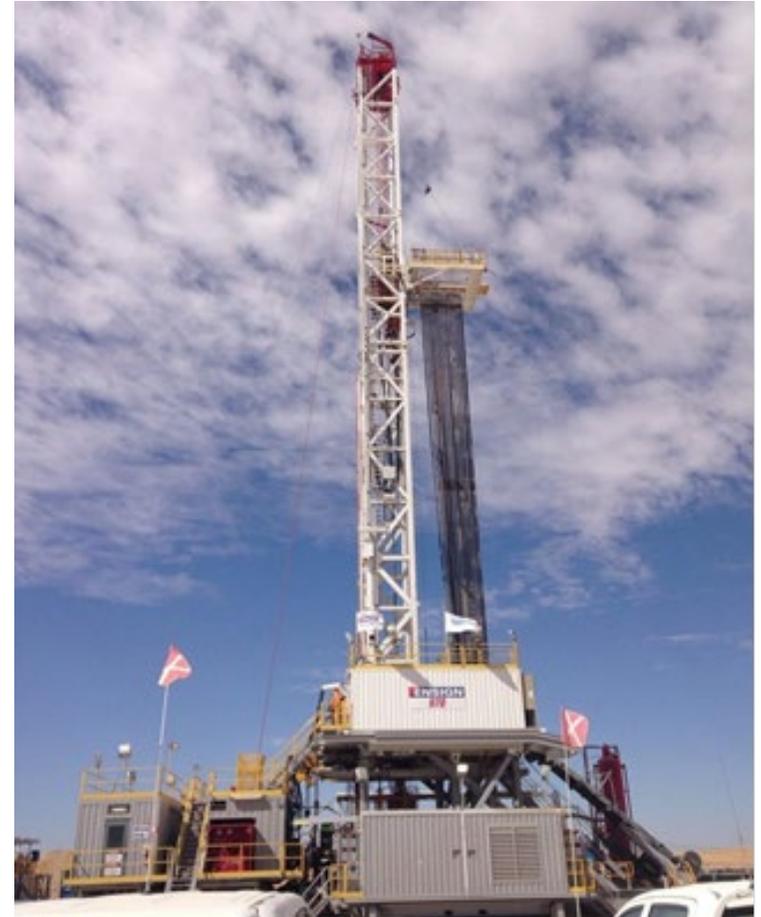
- Raised over **\$10M** to fund drilling programs in the Perth Basin and Mongolia
- Market cap has grown from around \$2M to as high as \$70M
- Share price has increased from \$0.001 to \$0.012
- There are a number of [near term catalysts](#) that should see a significant further re-rating of Talon

Talon has an experienced Board and Management that has done it before

# Building a diversified portfolio

## Foundations are in place...

- Farmed into 45% of Walyering discovery with Strike Energy (STX) – [Spud Early Oct 2021](#)
- Acquired Right of First Refusal (ROFR) on [Ocean Hill Prospect](#) with STX
- Acquired 100% of the (P50) 408BCF Prospective Resource [Condor Structure](#)
- Farmed into 33% of multi-TCF Mongolian [Gurvantes Coal Seam Gas \(CSG\) Project](#)
- Agreements to utilise [leading edge, game changing CCS technology](#) to meet Talons (and others) emission obligations



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The last 15 months have been truly transformative for Talon

# Near Term catalysts

Perth Basin

## Viewing an old discovery from a different perspective...

- Walyering is an **existing discovery** - flow tested at 13.5mmscfd
- Operator Strike Energy (STX) has been able to use new 3D seismic data and interpretation (similar to West Erregulla) to reconcile past results with the intensity or otherwise of amplitude “blooms”
- This process has enabled past results to be put into perspective and has identified **larger lower risk targets**
- Ideally located with proven path to market and with **CO<sub>2</sub> of less than 1% possibly cheapest gas to produce in entire basin**
- Work ongoing to better define numerous **follow up** Jurassic exploration leads in EP 447



Preparing the wellsite now....

### Net Talon Prospective Gas Resource (bcf)\*

Low (P90)	Best (P50)	High (P10)
21.6	38.7	63.9

### Net Talon Prospective Condensate Resource (mmbbls)\*

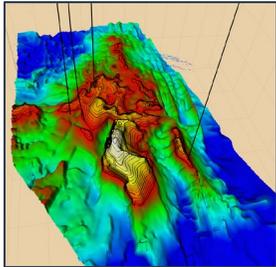
Low (P90)	Best (P50)	High (P10)
0.55	0.98	1.62

\* As at 9 June 2020 and calculated using the probabilistic estimation method. Net to Talon and subject to completion of farmin and assignment of 45% in EP447 to Talon. For more information on Prospective Resources, refer to ASX announcement dated 24 July 2020. Talon confirms that it is not aware of any new information or data that materially effects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates contained in that announcement have not materially changed and continue to apply.

**Cautionary Statement:** 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.

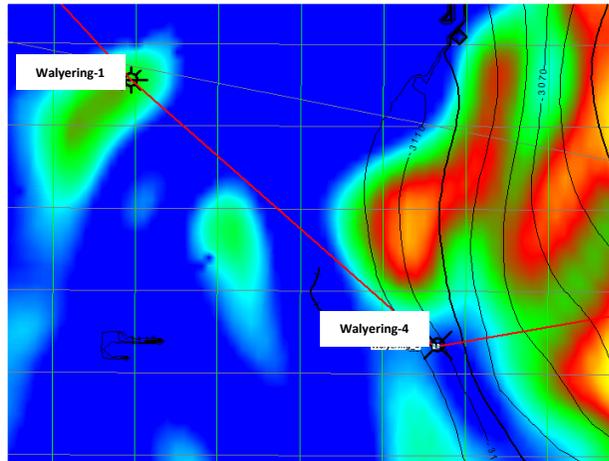
Ideally located and a partner with technical and commercial “runs on the board” in the Perth Basin

## Reconciling amplitudes greatly increases confidence



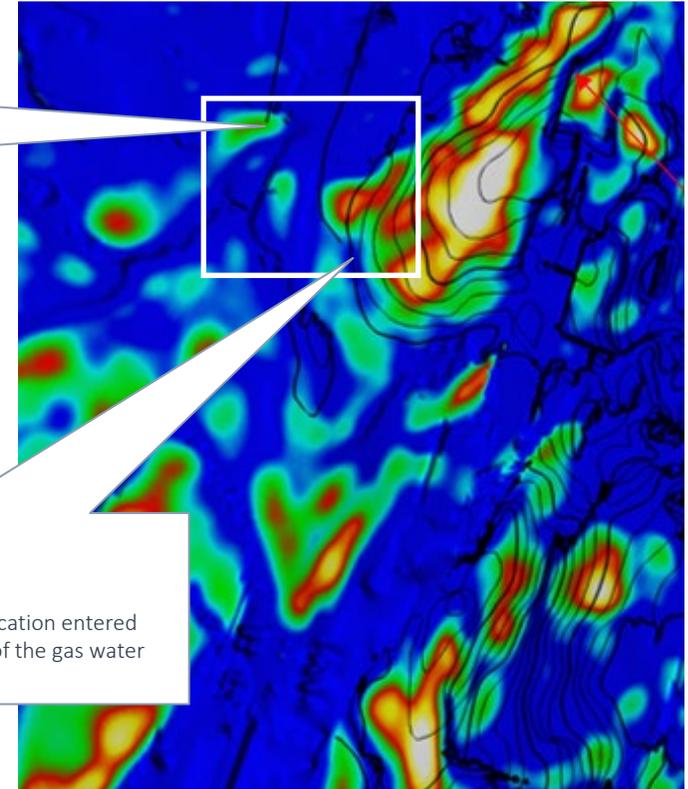
### Walyering-1

- Conventional gas discovery that flowed from multiple zones up to 13.5mmscf/d
  - Watered out after 0.25 BCF
- Evidence on new 3D Data:**
- Small faulted compartment (hence low recovery)
  - Amplitude response evident over well bottom hole location indicating conventional quality coarse channel sands.



### Walyering-4

- Water wet sands
- Evidence on new 3D Data:**
- Structural map shows bottom hole location entered into the water leg and was down dip of the gas water contact



Walyering-5 is targeting brighter and much larger amplitude blooms similar to Walyering-1

## A Walyering Field analogue...

- The conventional sandstone reservoir targets are much shallower at Condor than offset fields (up to 1500m <), which should translate to better quality reservoir and cheaper drilling costs
- Similarly adjacent to infrastructure and with low processing costs, albeit **higher** expected condensate ratios than Walyering

### Net Talon Prospective Gas Resource (bcf)\*

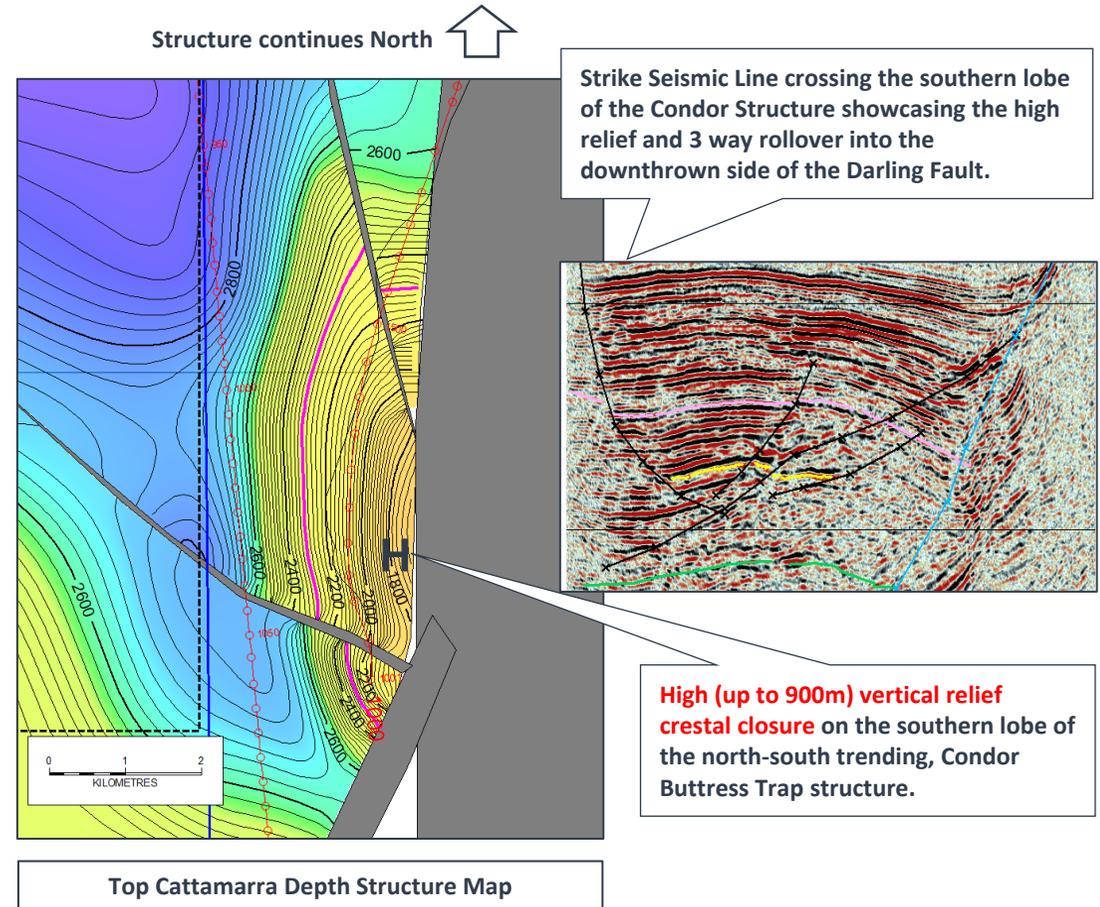
Low (P90)	Best (P50)	High (P10)
202	<b>408</b>	710

### Net Talon Prospective Condensate Resource (mmbbls)\*

Low (P90)	Best (P50)	High (P10)
9.5	<b>20.2</b>	39

For more information on Prospective Resources, refer to ASX announcement dated 17 March 2021. The Resource Estimates were prepared and estimated using the Probabilistic method. Talon confirms that it is not aware of any new information or data that materially effects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates contained in that announcement have not materially changed and continue to apply.

**Cautionary Statement:** 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.



Success at Walyering-5 will see a significant upgrade to the prospectivity of Condor

# Near Term Catalysts

Mongolia



# Mongolia – Coal Seam Gas

## Building on extensive 1800 borehole data set

- Exploration Licence expected by end of September
- Planning and logistics well underway with equipment already landing in Mongolia for this years drilling program
- Drilling and testing program to commence in November will see certification of Mongolia's **largest Contingent Resource in early 2022**



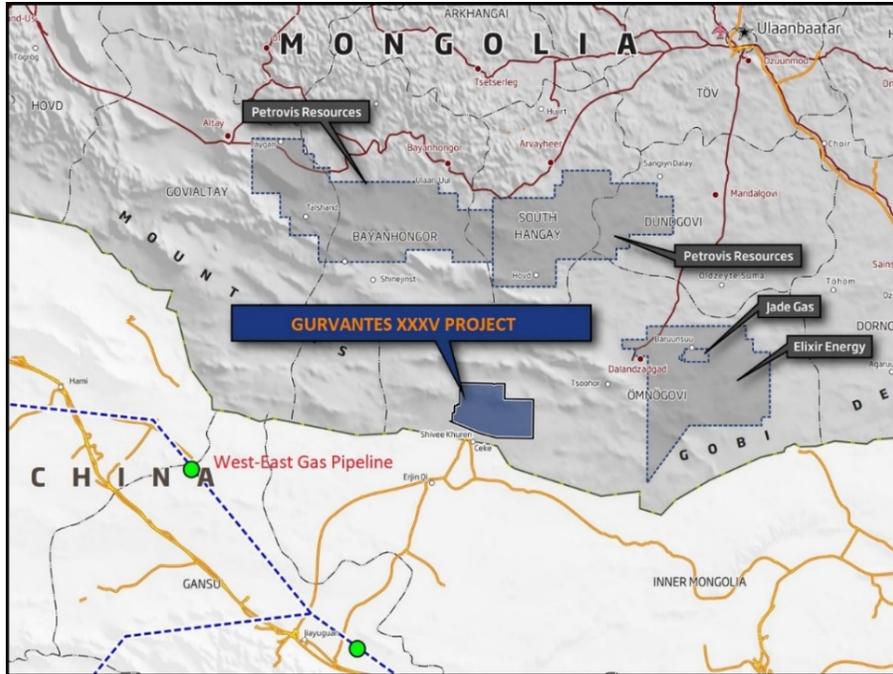
Gas content cannisters being unloaded in Mongolia



The 2021 program will represent most efficient return on capital per Contingent resource “booked”

# Mongolia – Coal Seam Gas

## Scope scale and additional upside...



- Large Project area - 8,400km<sup>2</sup> covering the western portion of the South Gobi Basin
- World class basin hosting multiple very thick (>50m), high-quality, sub-bituminous rank, coal seams extending 160km along strike
- **Gurvantes XXXV is 20km from the Chinese border and is the closest project to West-East Gas Pipeline network and the fastest growing gas market in the world**



- **Very few surface constraints** (no private land ownership, flat landscape, no vegetation, no access issues)



Gurvantes gas will have significant price advantage over current suppliers to China

There is gas in them coals...

But don't do this at home...or in Mongolia for that matter!



<https://www.youtube.com/watch?v=wqIhDfTcY5s>

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A clear advantage and point of differentiation for Talon & Telmen is their coals are fully gas saturated

# Carbon Capture & Storage

GreenFlame Energy

## Talon's strategy to remain relevant in a carbon constrained world

- Every energy company has no choice but to develop a strategy to manage their emissions footprint while still providing for the world's energy needs
- Talon has chosen to approach this from a technology perspective and look at it as an opportunity
- Talon's goal is that our patented GreenFlame, and other technologies we plan to use, will offset Talons emissions while still increasing production and profitability



### Shell: Europe's biggest oil firm sets out carbon neutral plans

By Tom Espiner  
Business reporter, BBC News



Global investment in carbon capture and storage by region



Source: BloombergNEF. Note: expenditure commitments considered only if recipient is announced.

Talon is determined to remain an important energy provider by managing its emission offset obligations

In summary...

Talon ticks all the boxes from a short and long-term investment perspective

### Cashed Up

- Funded for Perth Basin and Mongolian drilling programs

### Near Term Catalysts

- Walyering-5 spuds early next month, with drilling in Mongolia commencing in November

### Scope & Scale

- Best case Prospective Resource estimates of 408BCF and 1970BCF (1.97TCF) for Condor and Gurvantes respectively

### Emissions Strategy

- GreenFlame Energy provides Talon with technology and strategy to potentially manage its own carbon emissions and maybe others

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Talon has laid the foundations for success...

**Thank You...**  
[www.talonenergy.com.au](http://www.talonenergy.com.au)

