

MONGOLIA - GURVANTES XXXV PSA AWARDED

- Gurvantes XXXV Production Sharing Agreement awarded in Ulaanbaatar signing ceremony
- Formal Farm-in and Joint Operating Agreements will now be executed by Telmen and Talon
- Independently certified Prospective Resource to be completed imminently

Talon Energy Ltd (Talon or the Company) is pleased to advise that Telmen Resource JSC (Telmen) was awarded the Gurvantes XXXV coal bed methane (CBM) Production Sharing Agreement (PSA) in Mongolia at a signing ceremony in the Mongolian capital of Ulaanbaatar yesterday. This followed approval of the PSA at a meeting of the Mongolian Cabinet on 7 July 2021. The timely award of the PSA in these challenging times is further testament to the Mongolian Government's commitment to the country's emerging coal seam gas industry.

With the PSA now awarded, Talon and Telmen will move to finalise the Project Operating Agreements, and look to immediately complete the Maiden Independent Prospective Resource certification for the Gurvantes XXXV Project. Additionally, as equipment has already begun to land in country, the Joint Venture will push ahead to finalise this year's exploration program, and formalise agreements with drilling contractors and other service providers.

Ganzorig Vanchig, CEO of Telmen Resource JSC commented, "Telmen are pleased to advise Talon that the PSA for the Gurvantes XXXV Project was awarded to Telmen by the Mineral and Petroleum Authority of Mongolia on the 27th July 2021. This is a significant milestone for Telmen as it allows us to commence the work program and advance the Project. We would like to thank Talon and its team for their support and investment thus far and we look forward to working closely with Talon in undertaking the upcoming exploration, evaluation, and development of the Gurvantes XXXV Project. This is an exciting phase for Telmen, Talon and more broadly for the emerging Mongolian CBM industry."

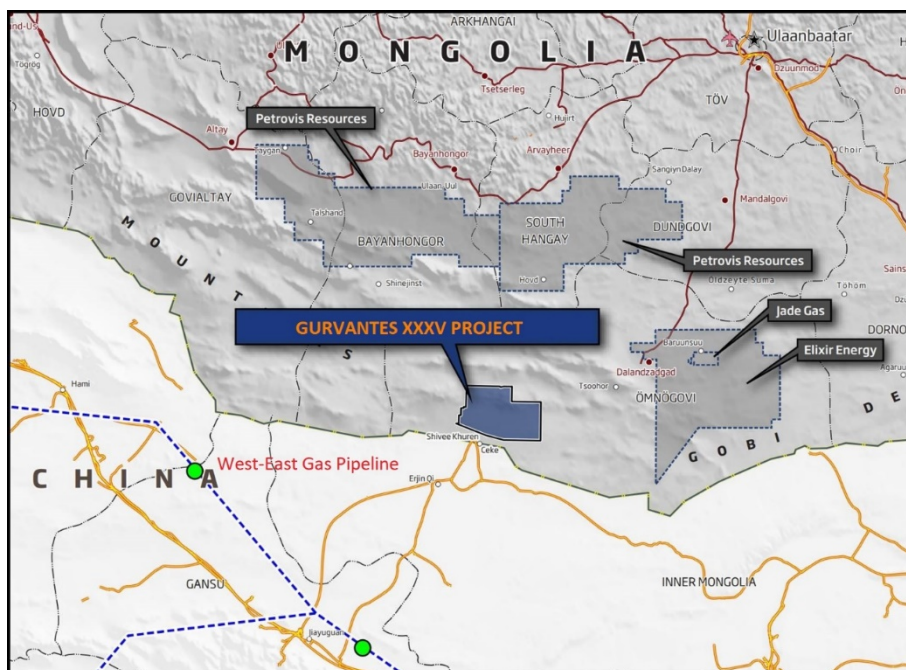
Commenting on award of the PSA, Talon's Managing Director, David Casey said: "Once again we have been very impressed with the efforts of all concerned, both in Australia and Mongolia, in getting us to this point, in very challenging circumstances. We would like to congratulate our partner Telmen Resource JSC for this achievement. And with planning well underway, Talon is looking forward to kicking off this year's exploration program which we believe will yield Mongolia's largest contingent gas resource."



PSA Signing Ceremony – Ulaanbaatar, Mongolia

Gurvantes XXXV Overview

The Gurvantes XXXV PSA covers a significant area of 8,400km² and is in, what is considered one of the most prospective coal seam gas basins globally. Gurvantes XXXV is situated less than 20km from the Chinese-Mongolian border and close the extensive Northern China gas transmission and distribution network. It is also proximate to several large-scale mining operations with high energy needs. Gurvantes is therefore ideally placed for future gas sales to satisfy both local Mongolian, as well as Chinese, energy requirements.



This Announcement is authorised for market release by the Managing Director.

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