

MAIDEN BEST (P50) RESOURCE OF 408 BCF AT CONDOR

- Condor Structure (formerly Muchea) has up to 710 BCF (High/P10) of conventional gas resource potential
- Condor could be the Perth Basin's largest untested wet gas structure
- With just over 20 MMbbl (P50) condensate, Condor represents additional significant liquids upside at current prices in excess of US\$60/bbl
- Further upside if Walyering Prospect (TPD 45%, STX 55%) is successfully drilled this year

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 Petroleum Limited ("Talon" or the "Company") is pleased to advise that it has estimated initial, recoverable Prospective Resources over the high relief Condor Structure contained within EP494 and SPA-0081, located onshore Perth Basin.

Condor Structure Unrisked Prospective Resources (Talon 100%)

Permit	LOW (P90)		BEST (P50)		HIGH (P10)		Mean		COS
	Cond (MMbbl)	Gas (Bcf)	Cond (MMbbl)	Gas (Bcf)	Cond (MMbbl)	Gas (Bcf)	Cond (MMbbl)	Gas (Bcf)	
EP494	9.5	202	20.2	408	39	710	22.6	433	15

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As announced on 20 January 2021, Talon and Macallum Group Limited (**Macallum**) executed a non-binding terms sheet providing for the acquisition by Talon of a 100% interest and Operatorship in the area covering the Condor Structure (formerly Muchea). The formal agreement in respect of this acquisition has now been executed by Talon and Macallum.

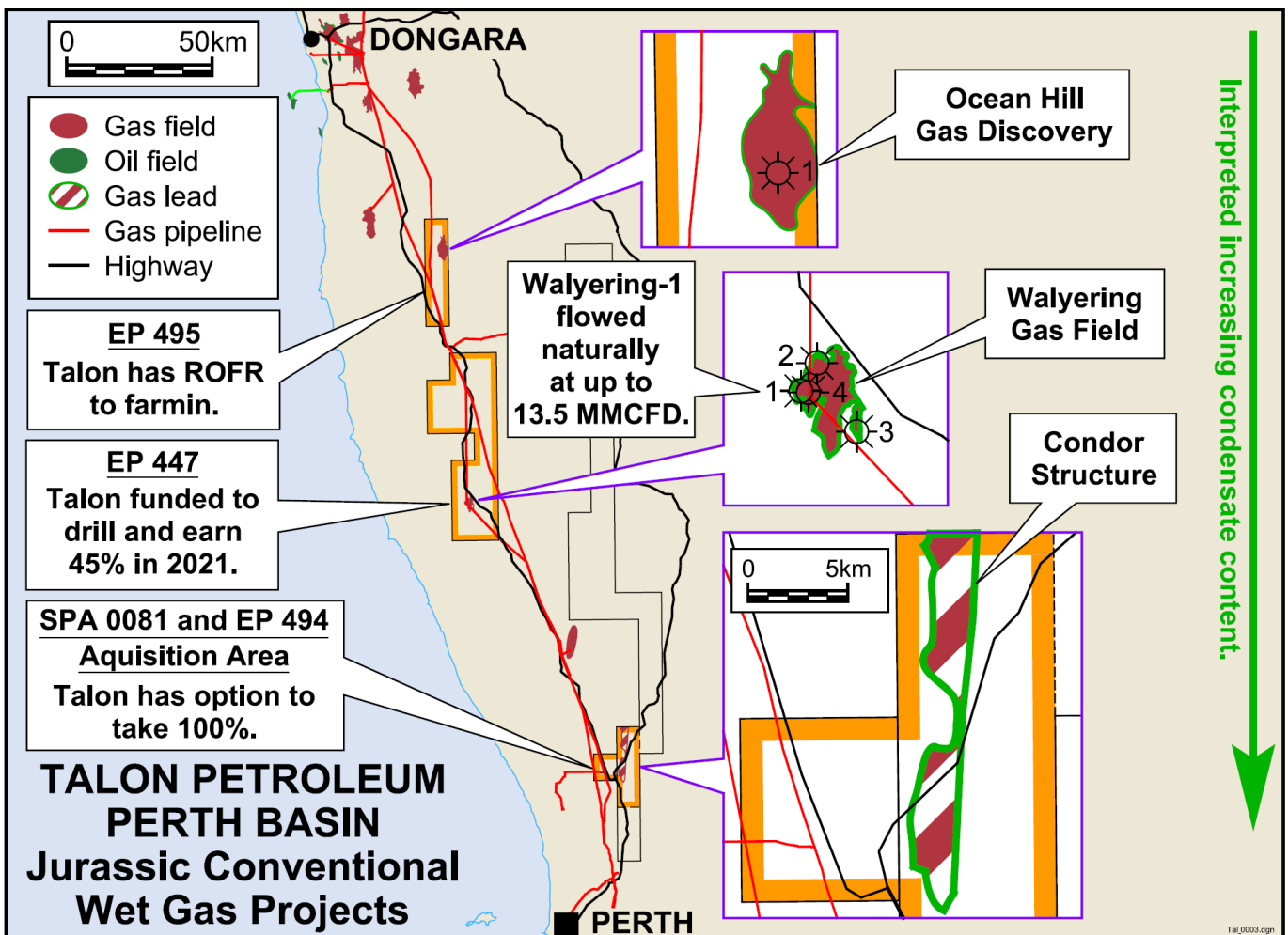
Condor provides Talon with an important follow-on drilling opportunity in the event of success at its planned maiden Perth Basin well Walyering-5, that will appraise the Walyering wet gas discovery. This important well is to be drilled with partner and Operator Strike Energy Limited, later in 2021.

The structure of the Macallum transaction allows the Company to undertake low-cost initial exploration work to better define the potential at Condor while progressing towards and through drilling at Walyering. The assessment of such a significant Prospective Resource at Condor represents another, important step forward for Talon in building its Perth Basin asset portfolio. The Company's strategy for the Basin, underway for less than 12 months, has now yielded entries into Walyering, Condor and the securing of a right of first refusal over the Ocean Hill gas discovery in EP495 (see map below). All projects have very low CO₂ gassy conventional targets supplemented by strong projected yields of condensate (light oil). If the high levels of condensate can be proven at Condor there is potential to yield significant additional value given the recent strengthening in oil price.

Commenting on the initial Prospective Resource at Condor, Talon MD David Casey said:

"This is an exciting step forward for Talon in its Perth Basin strategy. Talon now has access to another conventional gas play that could, if matured by our planned work programs, deliver up to 10 times the resources we are targeting with appraisal drilling at Walyering. Additionally,, there is potential for the gas composition to contain an even higher, value-adding component of condensate than is projected for Walyering.

The addition of Condor further demonstrates the Talon's team's ability to both identify and capture high-impact exploration and appraisal assets at modest cost and we look forward to progressing initial exploration activities at Condor alongside ongoing work in the rest of our portfolio in the Perth Basin, Mongolia and the UK North Sea."



Background Information to Interpretation and Resource Estimation

The Condor Structure is located principally within the southern part of existing EP 494. As with any onshore exploration area in WA, careful management of heritage and environmental factors is required. There is a Heritage Agreement in place and vendor Macallum has already conducted on ground activities, notably 2D seismic directly over the Condor Structure.

Estimation of Prospective Resources for the Condor Structure have been made on a probabilistic basis, estimated as at 15 March, 2021. These figures are Unrisked in that the volumes have not been multiplied by the Geological Chance of Success (COS) or the Chance of Development, as defined under SPE PRMS terms.

The structure, now based on Talon's own mapping and interpretations, is mapped primarily as an elongate, North-South trending closure into the downthrown side of the major, basin bounding Darling Fault. There appear to be two crestal areas within what Talon interprets to be an overall 3-way closure wrapping into the fault.

As mapped, the structure has a high vertical or structural relief that positively impacts the volumetric potential. However, because additional seismic will be needed before the structure can be confirmed and matured to drillable status, at this stage, a conservative 15% chance of exploration success has been applied.

Notwithstanding, Talon considers that the well is well placed adjacent to mature source rocks within the Jurassic age, Cattamarra Coal Measures Formation and that effective intraformational shales can affect top seals. Lateral seal would be expected by the Darling Fault itself or juxtaposition of sealing, basement rocks across the fault.

The Cattamarra also hosts the targeted conventional sandstone reservoirs. These sandstone reservoirs are widespread in the Basin, including in all the relevant offset well control and are stratigraphic equivalents of those that have tested at strong natural flow rates in Walyering (up to 13.5 MMCFD) and the Gin Gin area (up to 12.1 MMCFD plus 832 B/d condensate in the Red Gully -1 well that was brought into production for over four years beginning in mid 2013).

At Condor, the reservoirs could be up to 1,500m shallower than in those discoveries with beneficial effects not only on reservoir quality but on reducing the cost to drill and complete.

Condor's moderate drill costs, low CO₂ and proximity to key transport and pipeline infrastructure, mean it is ideally placed for commercial development in the event of exploration success.

This announcement is authorised for lodgement by David Casey, Managing Director & CEO of Talon Petroleum.

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Competent Persons Statement. The information in this report that relates to Prospective Resources as set out in this document is based on information compiled by Mr John Lamberto and Mr John Begg who are geoscientists each with over 30 years of industry experience and 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.

Prospective Resources Reporting Notes for Prospects reported for the first time. (i) The Prospective Resources information in this document in relation to the Condor Prospect is effective as at 12 March, 2021 (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 Condor (subject to the completion of the transaction with Macallum) (LR5.25.5). (iv) The Prospective Resources information in this document has been estimated and prepared using the probabilistic method and are recoverable (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 the Condor Prospect, 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 at Condor, Talon will hold a 100% working interest in that area, located in the onshore Perth Basin (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; further seismic acquisition and 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 the Condor Structure 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).