

TALON PETROLEUM LIMITED

Building a Diversified Energy Company

Investor Update

Imminent near term catalysts...large Prospective Resource confirmed for Condor Prospect

March 2021



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 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.

Strategy

Focus on the basics

- Target assets that Board & Management have direct knowledge of and experience with
- Apply latest technology and processes
- Assets must be close to available infrastructure
- There must be ready access to markets
- Management and JV partners with a proven track record of success



Talon actively manages risk through commodity and portfolio diversification

Corporate Overview

Drill ready diversified portfolio

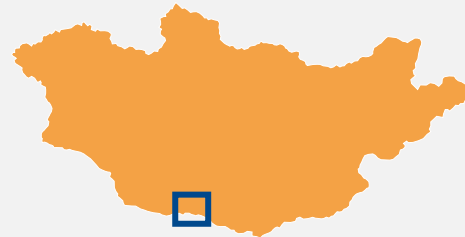
Key Assets



EP447 (Walyering) 45% interest with STX Operator - targeting conventional Jurassic wet gas play in Perth Basin W.A.

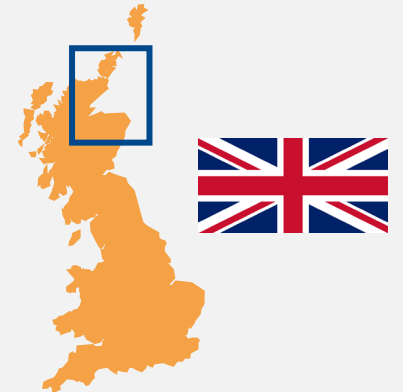
EP494 (Condor, formally Muchea) 100% - targeting conventional Jurassic wet gas play in Perth Basin W.A.

EP495 (Ocean Hill) ROFR with STX - targeting conventional Jurassic wet gas play in Perth Basin W.A.



Gurvantes XXXV 33% - targeting coal seam gas in southern Mongolia

UK North Sea 100% – significant prospect portfolio on the UK Continental Shelf (UKCS)



The Walyering transaction has been transformative for Talon...but there also is real upside in rest of portfolio

Corporate Overview

Fully funded 2021 work program

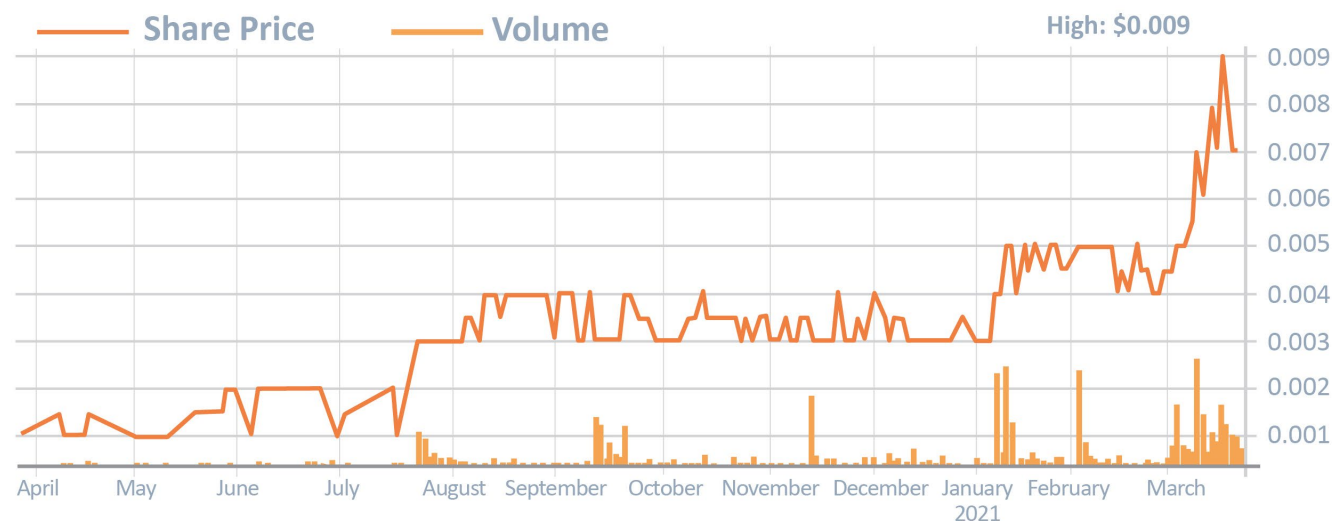


Capital Structure

Ordinary shares on issue (ASX:TPD)	5,351,789,525
Cash Balance	~\$9.6m
Unlisted Options (exercisable at \$0.004 expiring 28/02/2022)	1,300,000,000
Performance Shares	327,678,954
Unquoted Performance Shares	300,000,000
Unquoted Performance Rights	117,500,000
Market Capitalisation @ \$0.007c (undiluted)	\$37.5 million

Board & Management

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



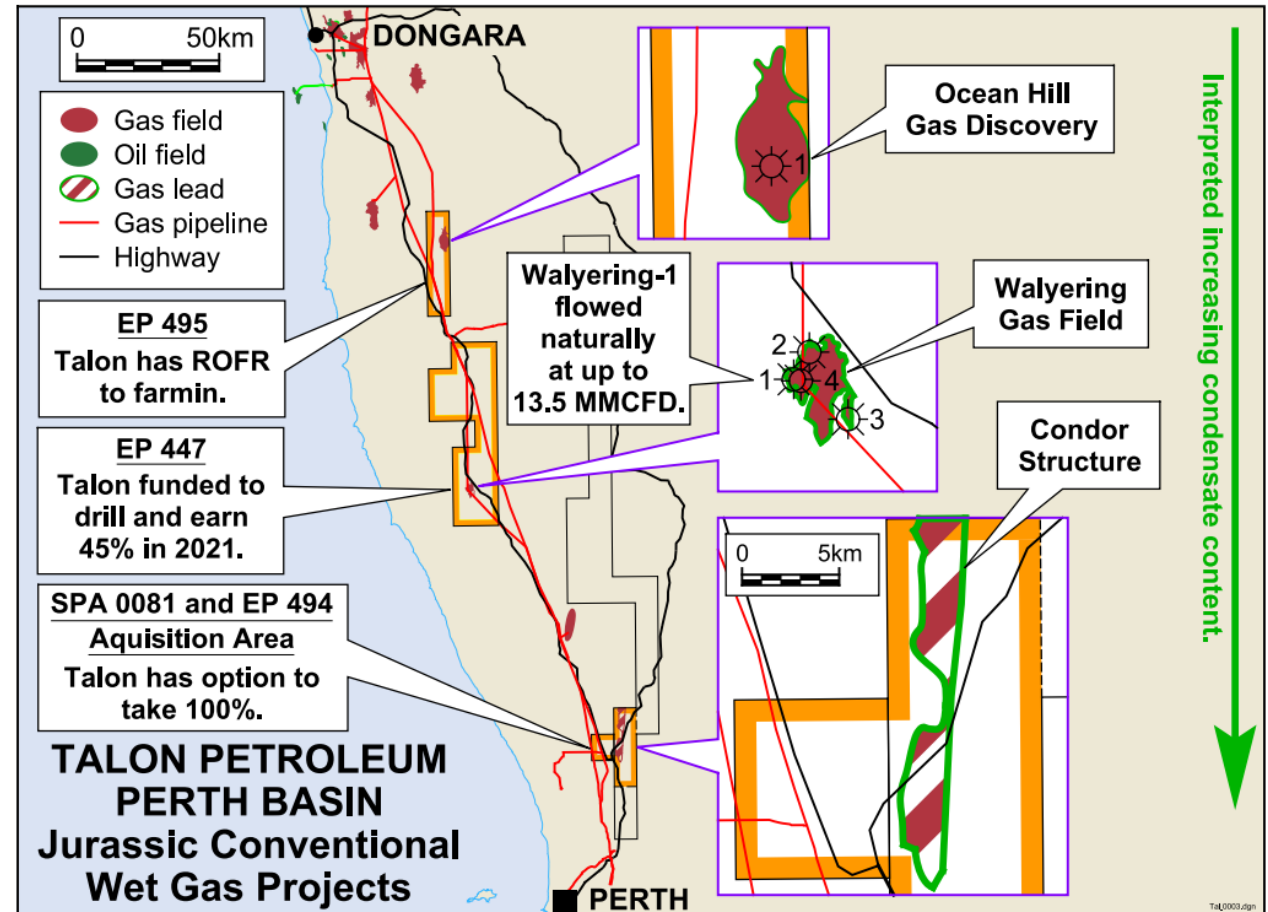
Talon has an experienced Board and Management that has done it before

Perth Basin

Perth Basin – Jurassic Wet Gas Plays

Using modern technology to unlock existing discoveries and further exploration potential

- Maiden project Walyering fully funded and to be drilled in 2021 by Operator Strike Energy after mapping was refined using 3D seismic
- ROFR over less mature Ocean Hill gas discovery on trend to the north
- Secured 100% of the Condor exploration structure at the south end of the trend – mapped by Talon as the largest undrilled Jurassic wet gas structure in the Basin
- Staged, optional investment profile with limited cost exposure to Condor or Ocean Hill until the results of Walyering are known
- All on or adjacent to infrastructure



Talon exploiting its Basin position, knowledge and favourable deal structuring.

Perth Basin - EP447 (Walyering)

Viewing an old discovery from a different perspective...

- Walyering is an **existing discovery** - flow tested at 13.5mmscfd
- New 3D seismic data and interpretation has been a **game changer** putting original technical challenges and results into perspective
- Operator Strike Energy (STX) has **proven successful track record** in Perth Basin
- Ideally located with proven path to market and with CO₂ of less than 1% possibly cheapest gas to produce in entire basin
- Joint gas marketing agreement with STX, and expected upcoming short supply for WA domgas market could see Walyering supplying gas into quality contracts very quickly

The Sydney Morning Herald

Strike flags fertiliser push with \$2.3 billion plant near Geraldton



Net Talon Prospective Gas Resource (bcf)*

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

Net Talon Prospective Condensate Resource (mmbbls)*

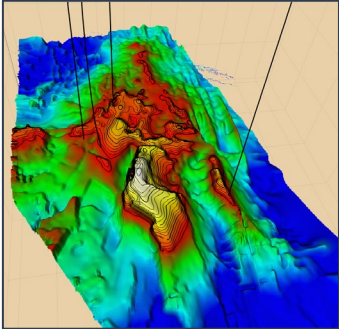
Low (P90)	Best (P50)	High (P10)
0.55	0.98	1.62

* 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.

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

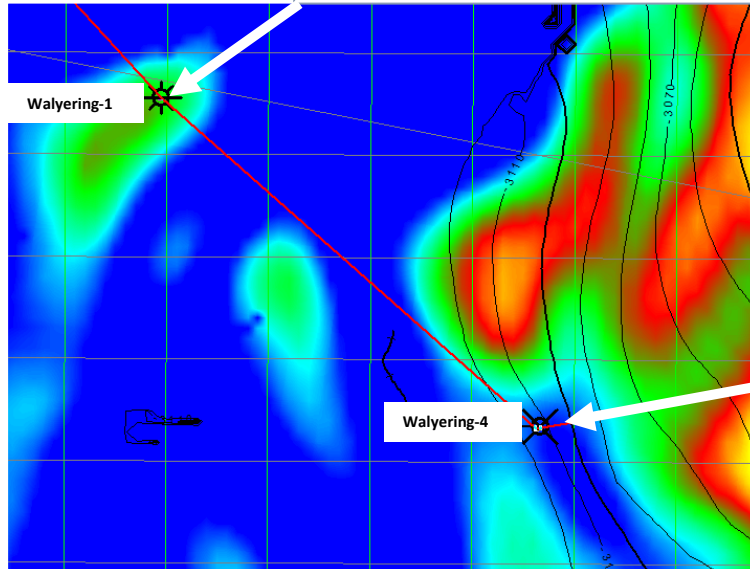


Walyering-1

- Conventional gas discovery that flowed from multiple zones up to 13.5mmscf/d
- Watered out after 0.25 BCF

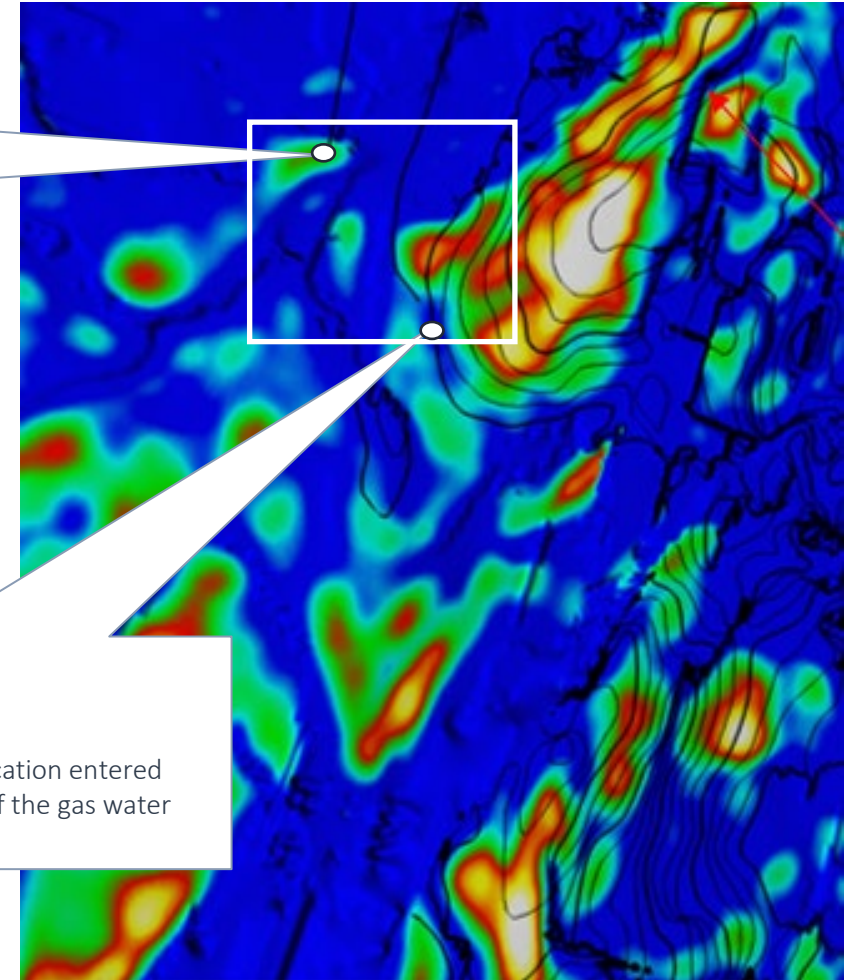
Evidence on new 3D Data:

- 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
- Structural map shows bottom hole location entered into the water leg and was downdip of the gas water contact



Amplitude analysis clearly shows why Walyering-1 watered out and Walyering-4 was a dry hole

Perth Basin - EP494 (Condor)

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
- Similarly adjacent to infrastructure and with low processing costs, albeit **higher** expected condensate ratios than Walyering

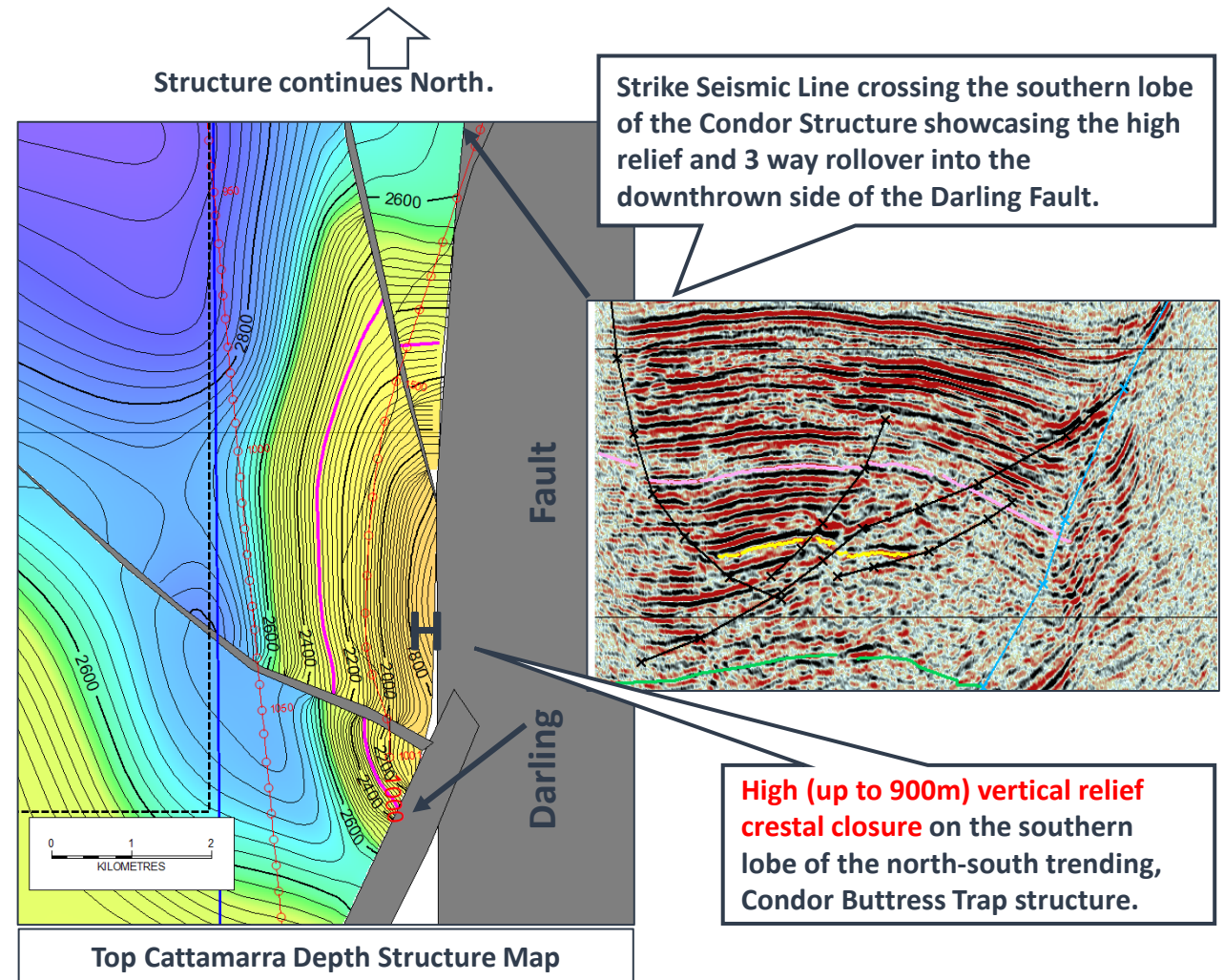
Net Talon Prospective Gas Resource (bcf)*

Low (P90)	Best (P50)	High (P10)
202	408	710

Net Talon Prospective Condensate Resource (mmbbls)*

Low (P90)	Best (P50)	High (P10)
9.5	20.2	39

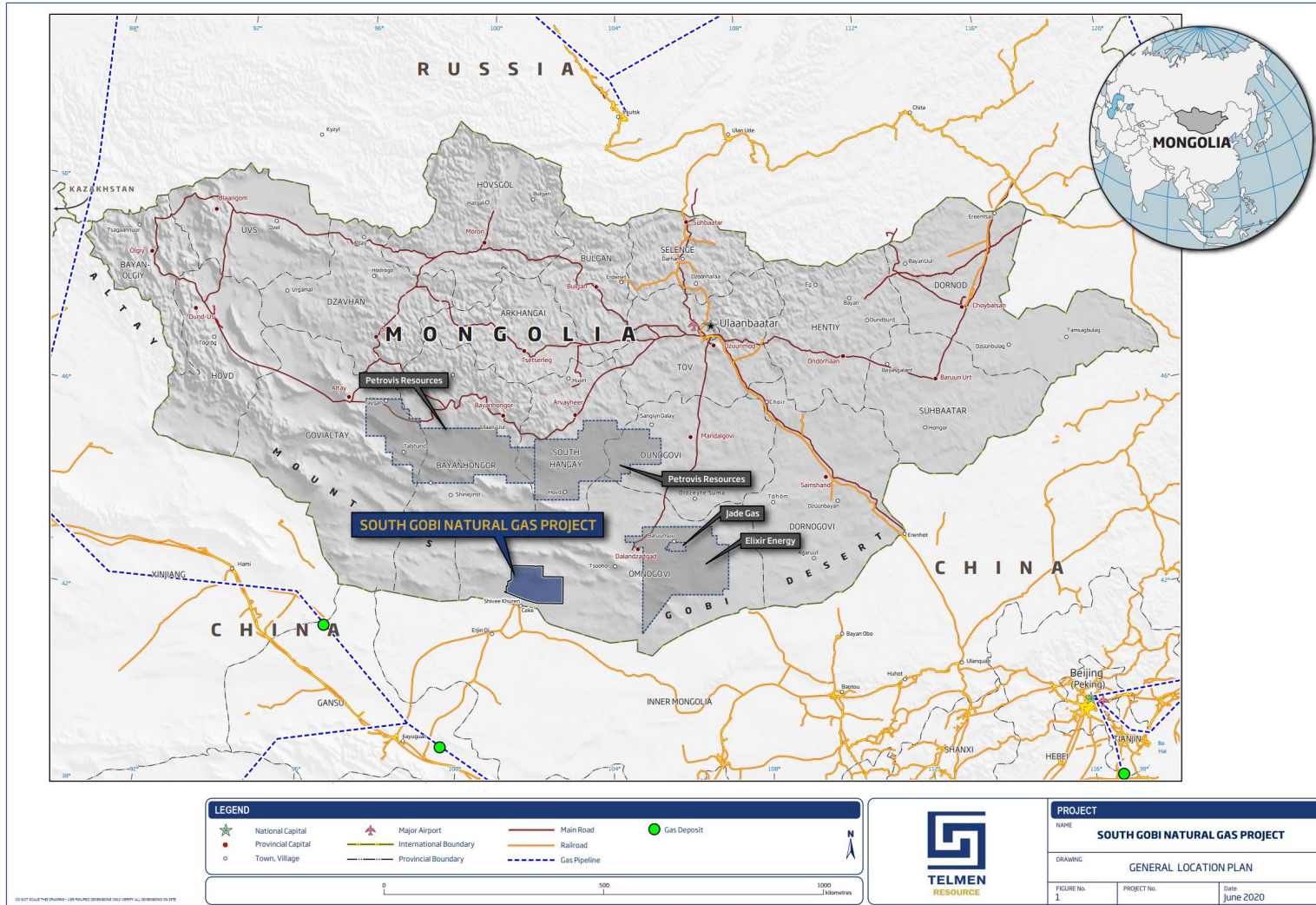
For more information on Prospective Resources, refer to ASX announcement dated 17 March 2021. Talon confirms that it is not aware of any new information or data that materially effects the information included in that announcement and that all material assumptions and technical parameters underpinning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



Game changing resource potential of up to (P10) 710 BCF of gas & 39 MMBBL's of condensate (light oil)

Gurvantes XXXV - Mongolia

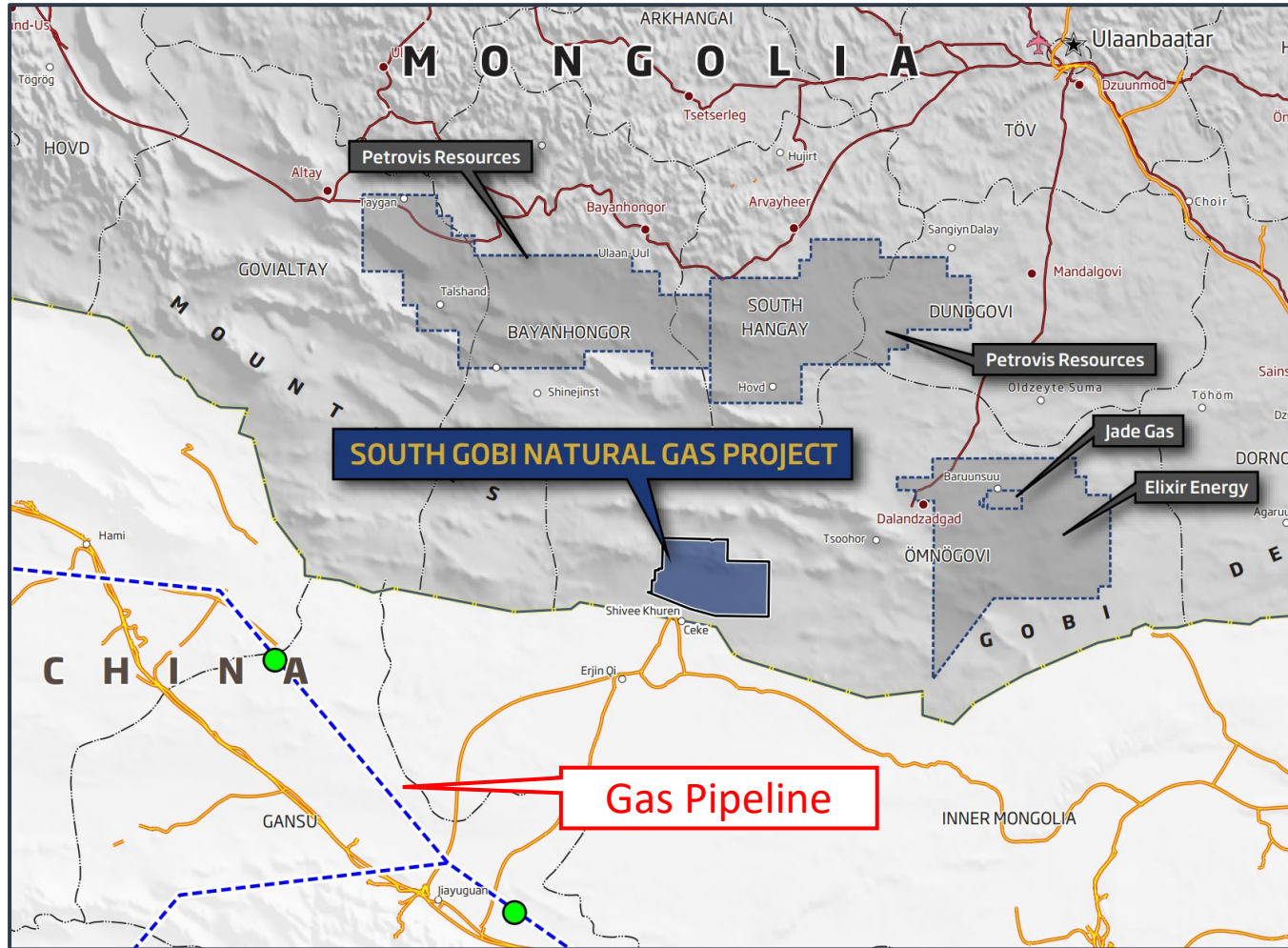
Project Overview



- Large Project area - 8,400km² 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
- High gas contents ~10m³/t (as received basis) with high methane concentration >98% CH₄
- Very few surface constraints (no private land ownership, flat landscape, no vegetation, no access issues)

Thick coals and high gas contents would support a low-cost high margin opportunity

Project Overview



- Multi TCF resource potential
- Excellent domestic and international gas marketing opportunities

STOCKHEAD

Energy: Elixir shares double after hitting the jackpot with a 51m thick coal seam in Mongolia



February 5, 2020 | Nick Sundich

Kalkin
MEDIA

News ▾ Trending Topics ▾ Companies ▾ Videos Education

Home / News / Stock Market

Elixir Energy's (ASX: EXR) Mongolian Gas Project Gathers Steam, Shares Surge

South Gobi Project ideally located to allow for monetization of gas upon success

Ticking the boxes....

Technical parameters required for a commercial CBM Project

Technical Parameter	Assessment	Comment
Area	✓	Total Area 8,400km ² Coal outcrops 160km along strike
Coal Thickness	✓	Multiple very thick (50m+) seams Net coal thickness average 80m
Coal Rank/Quality	✓	Sub-bituminous to Bituminous High Vitrinite, low Ash content - generally conducive to better permeability
Gas Content	✓	Range from 10m³/t - 15m³/t (as received) Based on 131 samples from 5 wells
Gas Composition	✓	>98% Methane Low CO ₂
Gas Saturation	✓	Limited data indicates fully gas saturated More data required
Permeability (k)	TBC	Limited data indicates >20mD which is encouraging More permeability testing undertaken as part of 2021 program
Producibility	TBC	Gas saturated coals provide larger optimal gas window Coals extend from outcrop to over 1000m so greater scope for high k fairways

Full gas saturation provides greater flexibility and allows shallower coals to be targeted to improve gas production

Work Program

2021 Exploration Program (Budget US\$1.5M)

- Exploration Drilling - 3,350m partly cored
 - Drilling within defined thick coals (80+m) at Nariin Sukhait
 - Coal samples for gas characterisation and gas composition
 - Complete hydrogeological and permeability studies
 - Prove up area for pilot well program
- 2D Seismic Program (optional)
 - In areas supported by existing drill holes
 - To support planning of exploration and pilot well program targets
 - To develop more confidence in the continuity and structure of the coal sequence
- Book first Contingent Resource
- Concept Study
- Detailed Design of 2022 Pilot Well Program



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

Export Market

- Presently, Mongolia does not export natural gas from Mongolia and the emerging Coal Seam Gas industry represents an excellent opportunity for Mongolia to develop a new export industry
- Chinese border less than 20km from Project and Telmen closest project to West-East Gas Pipeline
- Gas network already in place in Northern China
- China has enormous current demand for natural gas which is only expected to grow, particularly given China's stated energy mix and pollution reduction targets
- Telmen has commenced initial sales discussions with Chinese companies and following positive feedback will re-engage after award of PSC/A



Local Market

- MoU signed by Telmen with Mongolian gas distributor
- Market exists for onsite heat and power generation to supply large industrial sites and mining projects
- Mining projects account for ~40% of Mongolian energy consumption
- Large mining projects located in South Gobi region – Oyu Tolgoi, Tavaan Tolgoi and South Gobi Coal Mines

South Gobi gas will have significant price advantage over current suppliers to China

North Sea

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
- Talon's 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

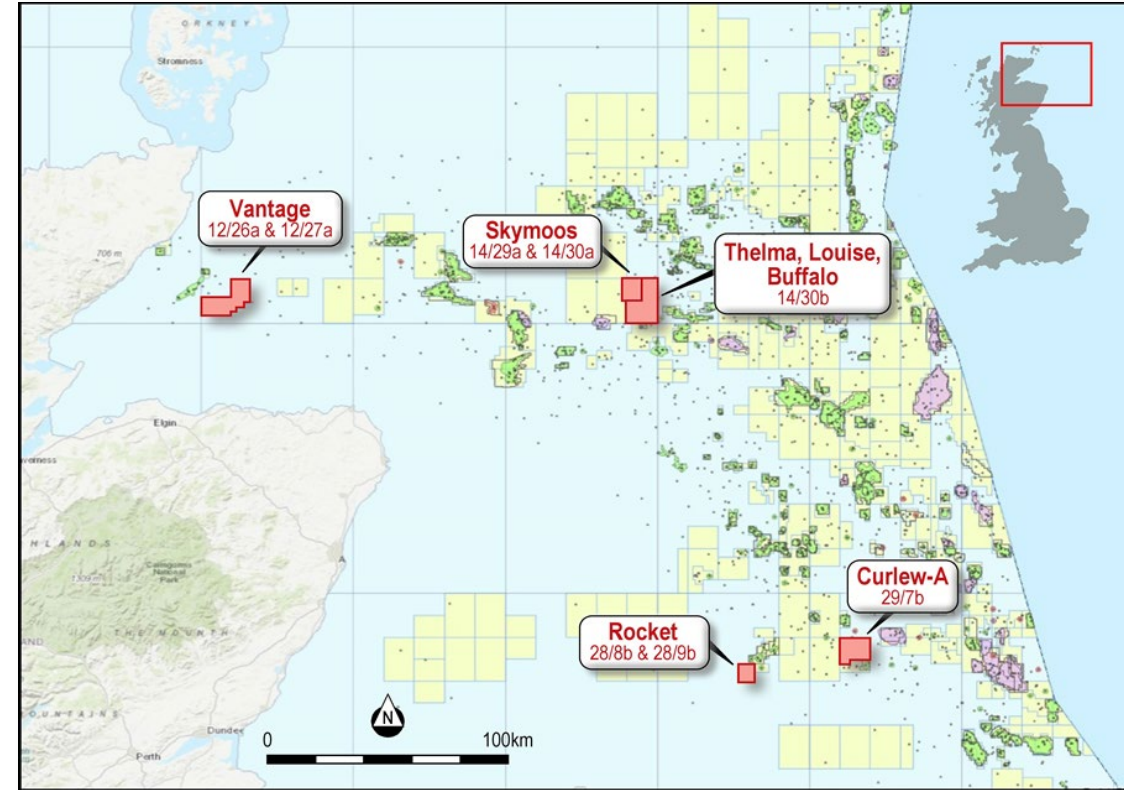


STOCKHEAD

Energy

Rock Yarns Podcast: Ansila's UK gas endeavours look perfectly timed to ride the oil and gas rebound

22 hours ago | [Peter Strachan](#)



The Market Herald
FIRST WITH THE NEWS THAT MOVES MARKETS

Ansila Energy (ASX:ANA) completes Hartshead purchase, raises \$8M

Energy

ASX:ANA MCAP \$44.39M

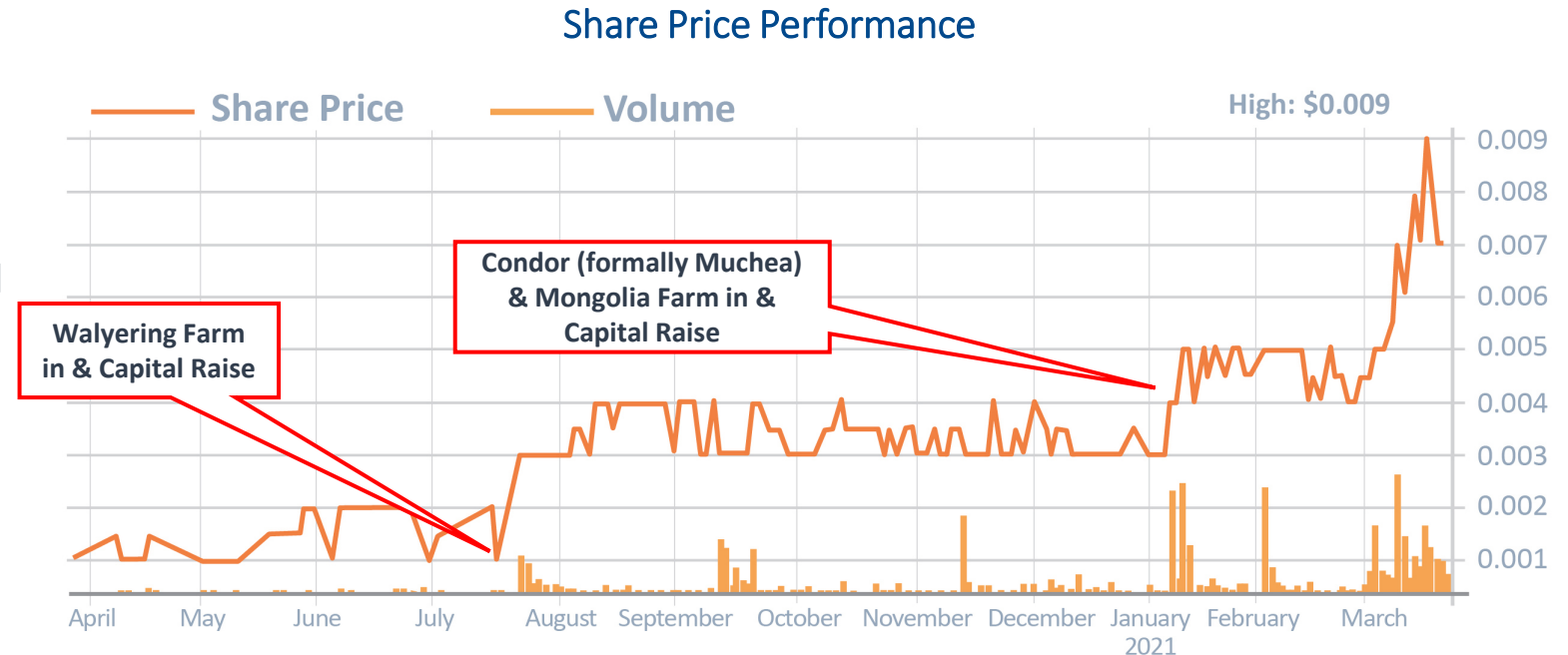
Talon's UK team have made some of the most significant North Sea discoveries in the past two decades

What makes TPD different...what does the next 12 months look like?

What makes TPD different

Talon's point of differentiation is its people

- Board and management have direct and recent experience in the Perth Basin and more recently with the very successful WE-2 discovery
- David Casey has significant coal seam gas experience and success – over 10 years working on CSG projects in China and former MD of Eastern Star Gas, which he grew from a market cap of around \$25M until ultimately being sold to Santos for a total value in excess of \$1 billion
- UK team have been involved in some of the biggest UKCS discoveries and have similarly done it before
- Encore (Graham Dorè & Paul Young) was acquired by Premier Oil for £221M and Nautical (Steve Jenkins) acquired by Cairn for £414M
- Talon's team understands understand how to build a business from the ground up
- Talon has a clear strategy with market support and is **fully funded** for 2021 work program

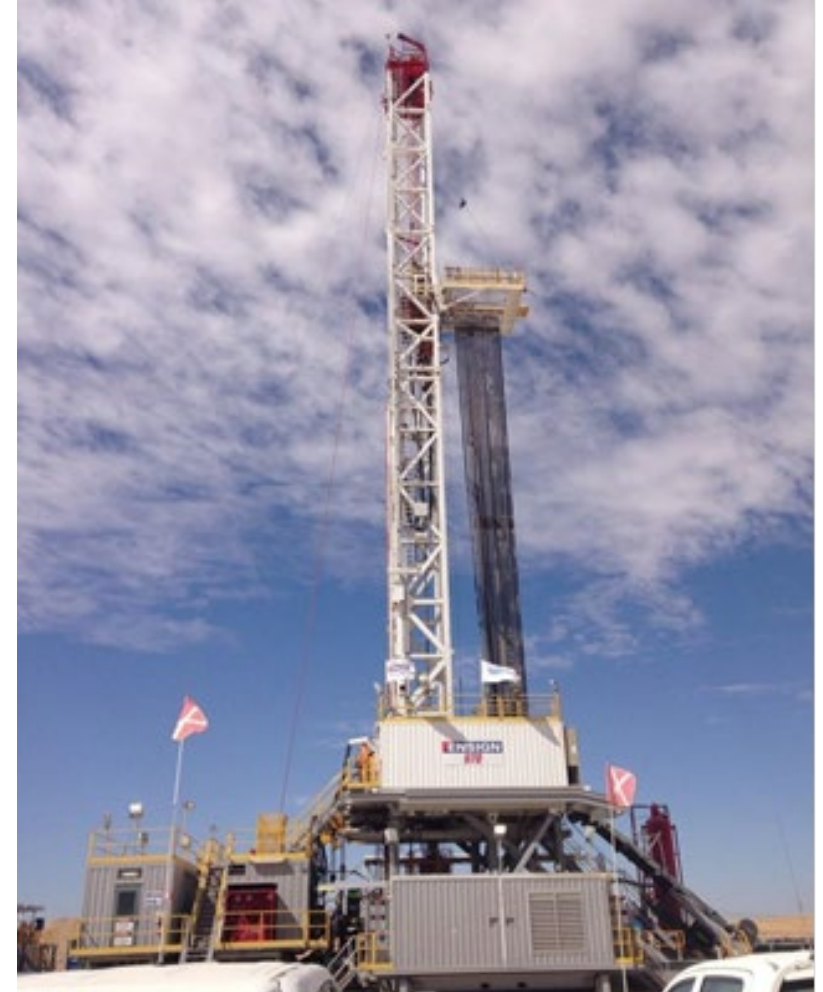


TPD market cap has increased from \$1.7m to in excess of \$40M on the back of well-structured acquisitions

Investment Catalysts

The next 12 months will be a gamechanger for Talon...

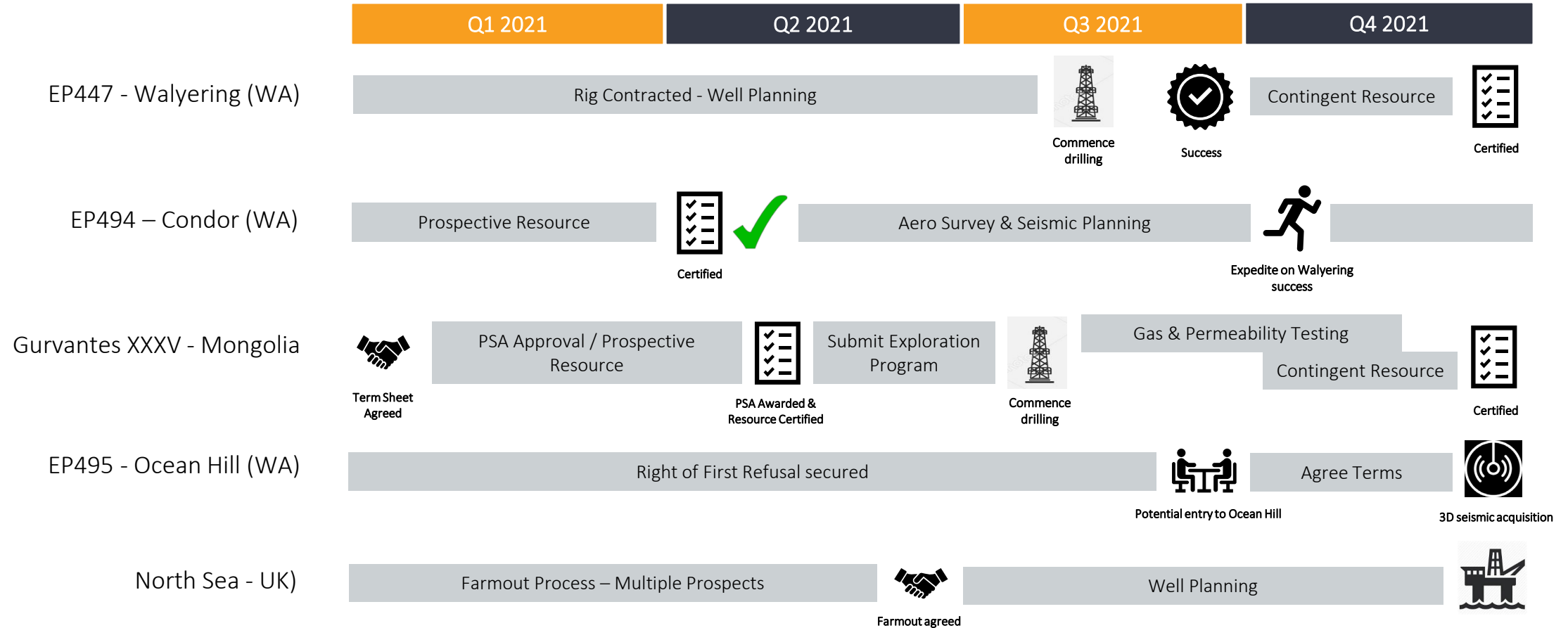
- ✓ Book Prospective Resource for Condor (EP494)
- ✓ Book independent Multi TCF Prospective Resource for Mongolia
 - Booked following award of PSA
- ✓ UK North Sea farmout
 - Despite COVID delays companies still engaged in process
- ✓ Commence multi-corehole drilling program in Mongolia
 - Regular newsflow and updates
- ✓ Drill Walyering-5 in EP447
 - Book Contingent Resource
 - Significant Condor (EP494) upside on success
- ✓ Book independent Contingent Resource for Mongolia



Talon's diversified portfolio provides numerous investment catalysts and deliberately avoids single asset risk

The next 12 months

Plenty of re-rating opportunities ahead of WA drilling!



2021 represents a year of milestones and achievements that should translate to significant shareholder value

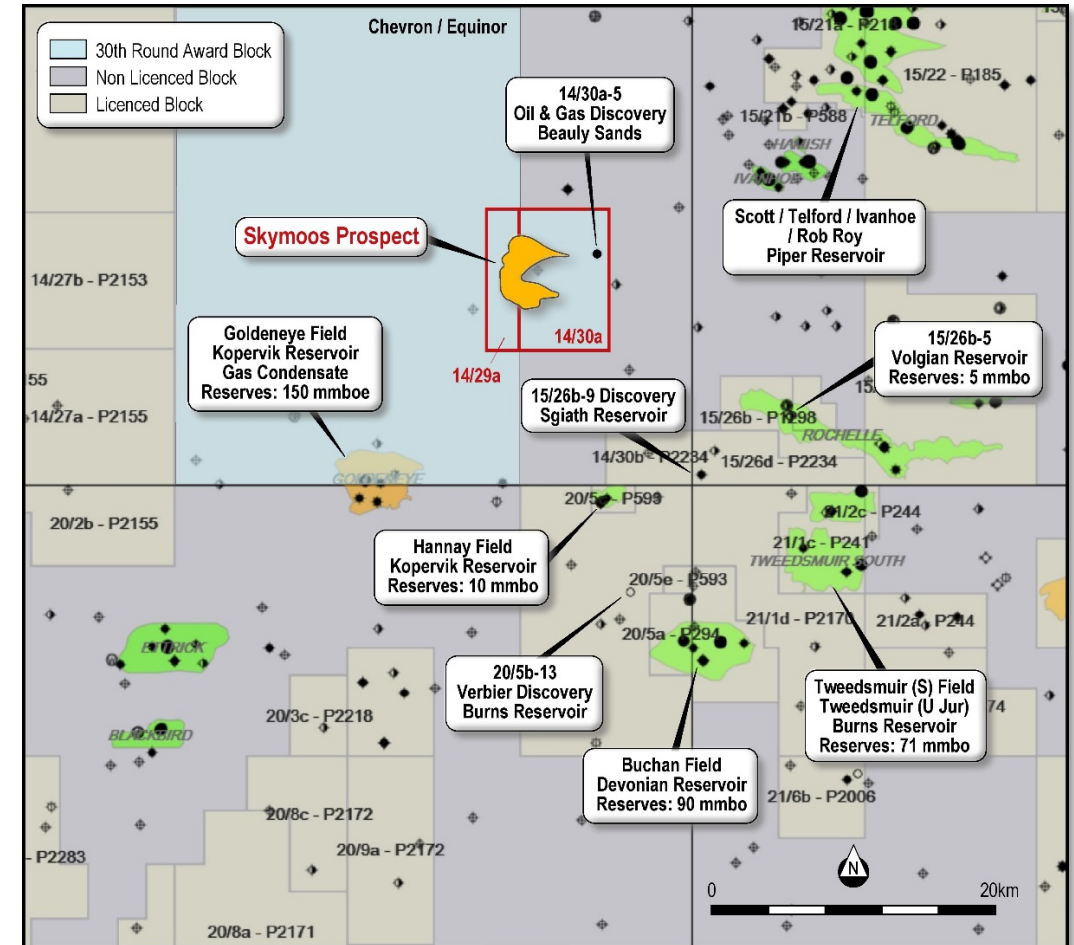
Appendix

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. For more information on Prospective Resources, refer to ASX announcement dated 31 January 2019. 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.



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

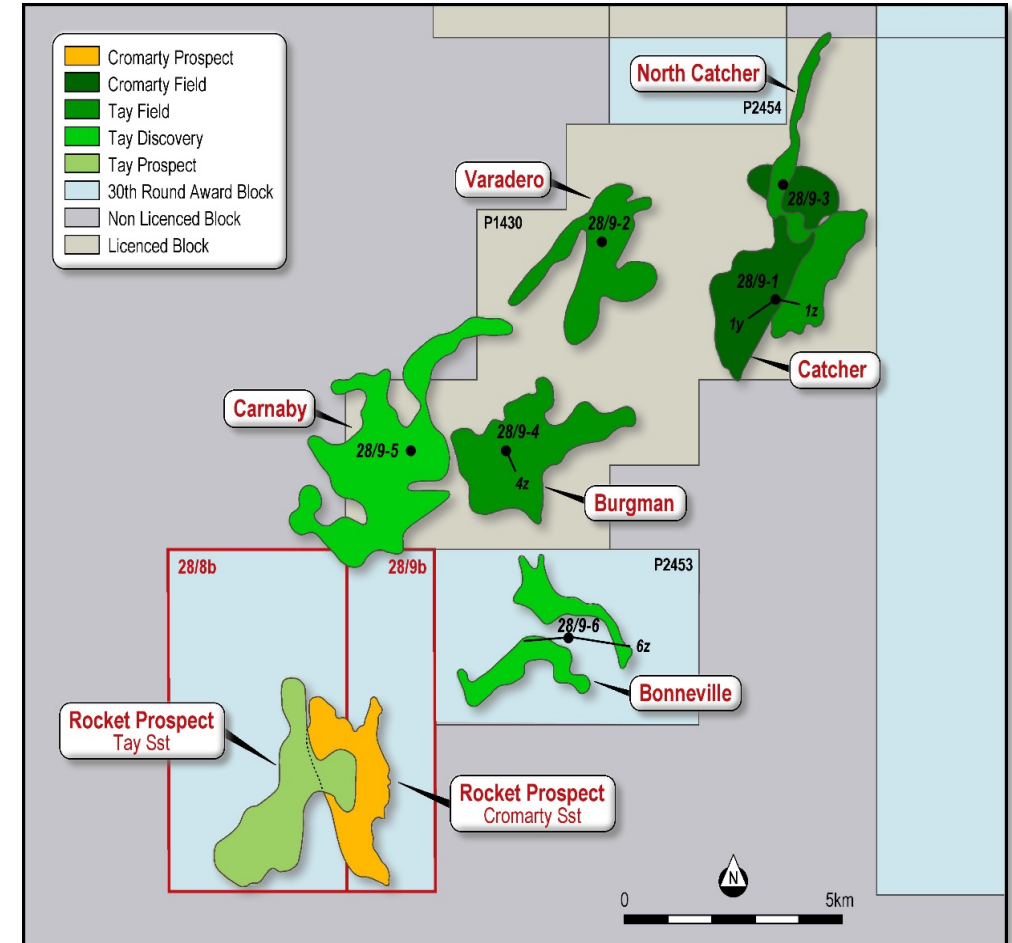
UK North Sea

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.

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. For more information on Prospective Resources, refer to ASX announcement dated 31 January 2019. 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.



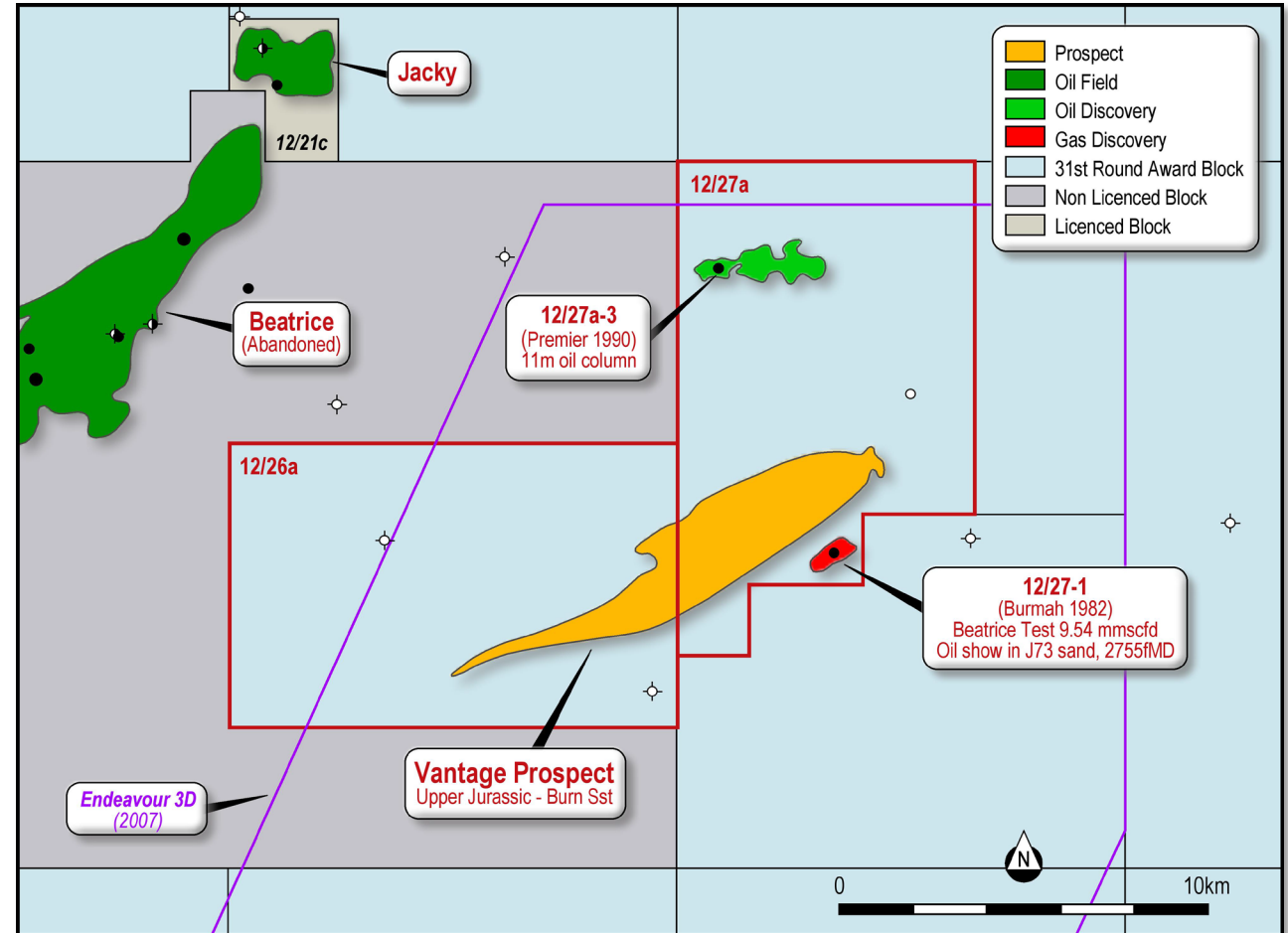
Talon team responsible for adjacent field discoveries

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. For more information on Prospective Resources, refer to ASX announcement dated 5 June 2019. 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.



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

Address

1202 Hay Street
West Perth WA 6005

Contact Info

David Casey – Managing Director & CEO
Phone: +61 8 6319 1900
www.talonpetroleum.com.au

Corporate Advisor

Chieftain Securities Pty Ltd
Phone: +61 8 6319 1900
info@chiefsec.com.au

