

South-West Connect Conference

Colby Hauser – Managing Director & CEO

19 October 2022

ASX: TPD

www.talonenergy.com.au



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Resource Information

Perth Basin

Competent Persons Statement: 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 Dr Darren Ferdinando PhD, BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears. Dr Ferdinando is the Exploration Manager of the Company, with approximately 30 years relevant experience in the petroleum industry and is a member of The American Association of Petroleum Geologists (AAPG) and a Fellow of the Petroleum Exploration Society of Australia (PESA). The resources included in this report have been prepared using definitions and guidelines consistent with the 2018 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 Dr Ferdinando. Dr Ferdinando 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.

Undeveloped Reserve – Walyering Conventional Gas Project

Cautionary Statement: The Reserves and Resources information in this Announcement are derived from the “Walyering Reserves and Resources Report EP447 Perth Basin” produced for Talon Energy by RISC on 20 July 2022 (Reserves and Resources are as at 1 July 2022) . The Reserves and Resources assessment was prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality as Reserves, Contingent Resources, or Prospective Resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk.

Prospective Resources – Condor Structure

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 exploration appraisal and evaluation is required to determine the existence of a significant

quantity of potentially moveable hydrocarbons. For more information on the above Prospective Resources, refer to Talon’s ASX announcement dated 17 March 2021. Talon confirms that it is not aware of any new information or data that materially effects the information contained in that Announcement and that all material assumptions and technical parameters underpinning the estimates contained in that Announcement have not materially changed.

Gurvantes XXXV CSG Project Mongolia

Competent Persons Statement. The information in this report that relates to Prospective Resource information for the Gurvantes XXXV Project is based on information compiled by Mr.. John Hattner, an employee of Netherland, Sewell & Associates Inc, and who is a Qualified Petroleum Reserves and Resources Evaluator (QPRRE). 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/World Petroleum Council/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers 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 – Gurvantes XXXV CSG Project

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 exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. For more information on the above Prospective Resources, refer to Talon’s ASX announcement dated 18 August 2021. Talon confirms that it is not aware of any new information or data that materially effects the information contained in that Announcement and that all material assumptions and technical parameters underpinning the estimates contained in that Announcement have not materially changed.

Corporate Overview

Emerging producer with near term cashflow and several growth catalysts



Capital Structure

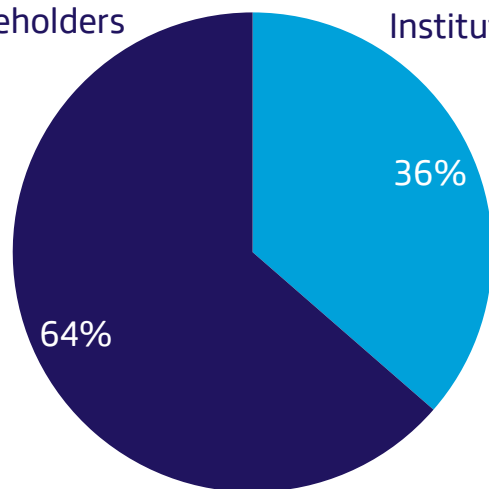
Ordinary shares on issue (ASX:TPD)	440,352,648
Cash Balance	\$10.1m (30 Jun 22)
Unlisted Options (exercisable at \$0.12 expiring 28/02/2024)	11,700,000
Unquoted Performance Rights	17,775,000
Market Capitalisation @ \$0.17 (undiluted)	~\$75 million

Board & Management

	Doug Jendry	Non-Executive Chairman
	Colby Hauser	Managing Director & CEO
	David Casey	Non-Executive Director
	Matt Worner	Non-Executive Director
	Darren Ferdinando	Exploration Manager
	David Lim	Company Secretary

Top 20 Breakdown

Retail Shareholders



Institutional Funds

- TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C>
- MCCUSKER HOLDINGS PTY LTD
- PRECISION OPPORTUNITIES FUND LIMITED <INVESTMENT A/C>

- Raised \$13.5m in May 2022
- 20:1 Share consolidation completed in July 2022
- Discussions with debt lenders well advanced with term sheets executed with preferred lender

Talon has a strong capital position and will fund growth from short term debt and imminent cash flows

Executing on a diversified portfolio

Foundations are built. Downside risk removed, significant growth imminent



< Perth Basin
AUSTRALIA

South Gobi Basin >
MONGOLIA



Permit	Share	Summary
Walyering	45% Talon Energy 55% Strike Energy (operator)	<ul style="list-style-type: none"> FID undertaken by JV, production imminent 2P Reserve 54.2PJ (24.4 PJ Talon share)
Condor	Talon Energy is earning 100%	<ul style="list-style-type: none"> Perth Basin (South) 2U 408 Bcf Prospective Resource
Gurvantes XXXV CSG	Talon earning up to 33% 67% TMK Energy (operator)	<ul style="list-style-type: none"> Five core hole drilling campaign 2U 1.97 Tcf Prospective Resource (Risked @ 33% interest)

Our non-operated position across the portfolio = capital efficient business model

Investment Highlights

Talon is an emerging oil and gas producer with a high quality diverse portfolio



#1 - Imminent cashflow

- Walyering first gas expected Q1 2023, up to \$30m p/a (net) to Talon

#2 – Exploration Upside

- Gurvantes XXXV Project rapidly developing to service China's energy demand
- Sizeable Perth Basin Jurassic Wet Gas Prospect in Condor (100% net TPD)

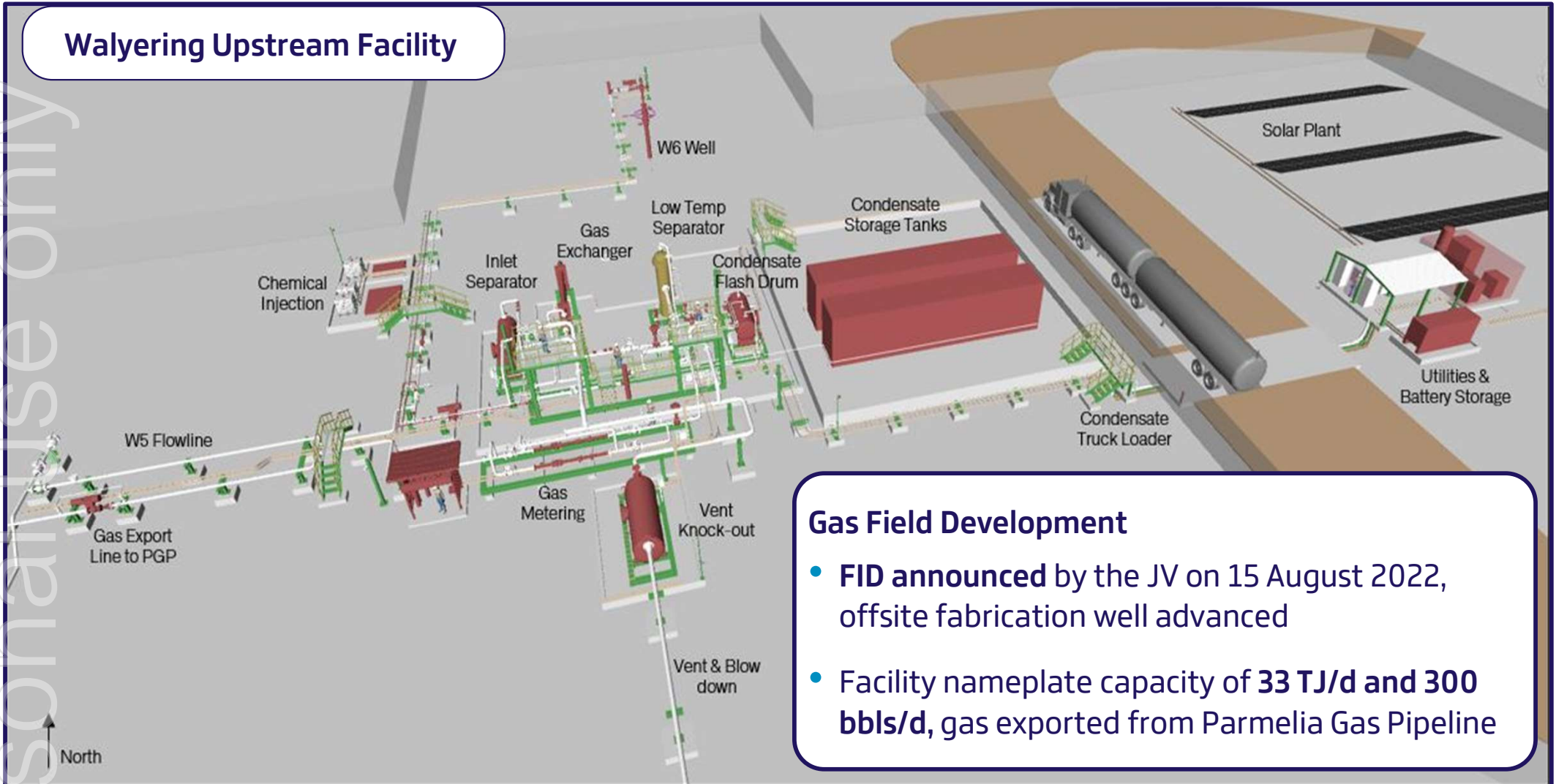
#3 – Near-term value catalysts

- Talon transitioning from Explorer to Producer in early 2023

Imminent Cashflow - Walyering Project

Low CAPEX, quick to market

Walyering Upstream Facility



Gas Field Development

- **FID announced** by the JV on 15 August 2022, offsite fabrication well advanced
- Facility nameplate capacity of **33 TJ/d** and **300 bbls/d**, gas exported from Parmelia Gas Pipeline

Low CAPEX and OPEX contribute to excellent project profitability

Imminent Cashflow - Walyering Offtake

Two Revenue Streams



Gas Markets

- Spot market pricing has **surged almost 100%** in the last 2 years
- Gas marketing term sheet executed with preferred party.
- Domestic Gas Supply is tightening, JV can expect gas sales from domestic industrial users between **\$6 – 7 / GJ**

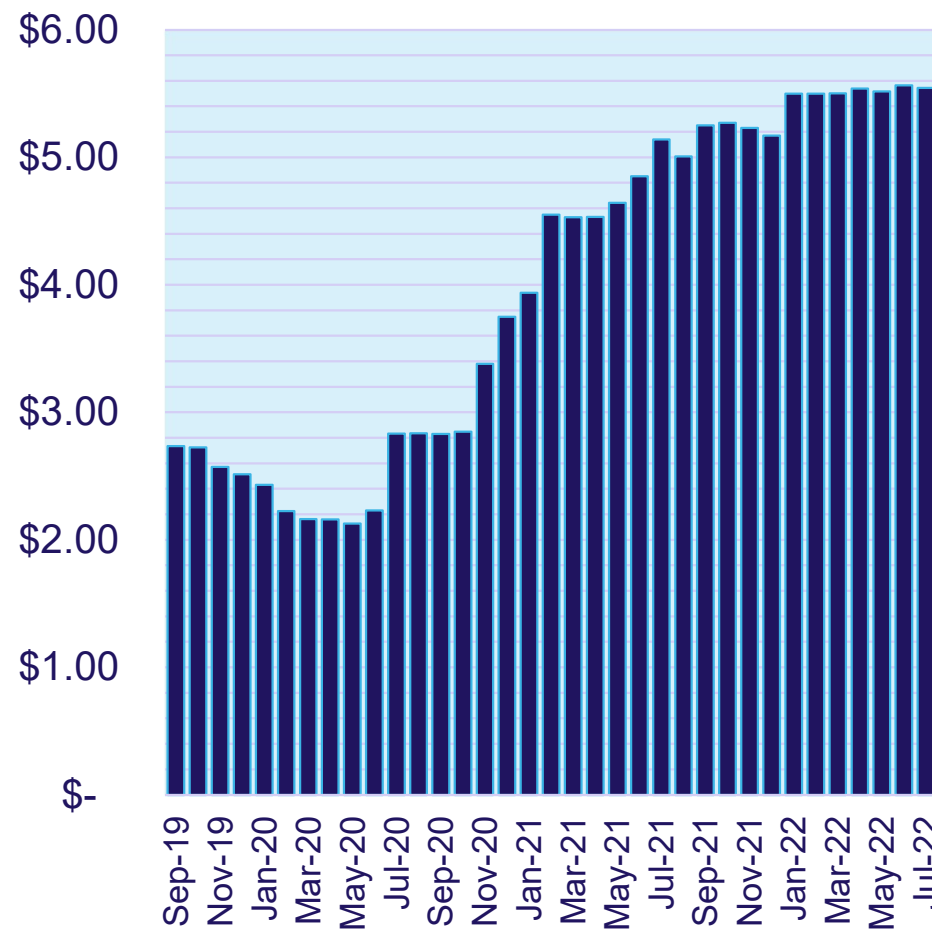
Condensate

- Daily production estimated to be between 150 -300 bbls/d
- Brent coming off a 5-year high

Cash Flow

- Both products combined are expected to produce between \$50-75m in gross cashflows per annum

WA Average Spot Gas Price (\$AUD/GJ)



Date Source: gastrading.com.au



Projected net cash flows up to \$30m per annum net to Talon

Exploration Upside: Mongolia - Gurvantes XXXV

Macro Environment Context – Mongolia / China

- Mongolia has a strong history of Resource Development
- Tens of Billions invested by international companies
- Resources is the largest sector for employment and is a main driver of economic prosperity
- Gas represents a significant opportunity for Mongolia and China to decarbonize
- China is facing its worst energy crisis in decades



Exploration Upside: Mongolia - Gurvantes XXXV

Multi Tcf CSG prospect, close to Chinese energy market



Size of the Prize:

- Two independent prospective resources
 - ~6 Tcf (~2Tcf net Talon)
- located in South Gobi Basin
- Closest project to major Chinese gas pipelines
- 100% drilling success
- MOU with **PetroChina** 
- Results from the four core holes demonstrate:
 - good seam thickness, excellent initial gas desorption rates, and strong permeability

Estimated risked Prospective Resource (2U)

NSAI (2021)	5.96 Tcf (~1.97 Tcf net Talon)
RISC (2021)	5.3 Tcf (~1.75 Tcf net Talon)



Contingent Resource to be booked end of October, looking to be the largest to date in Mongolia

Exploration Upside: Mongolia - Gurvantes XXXV

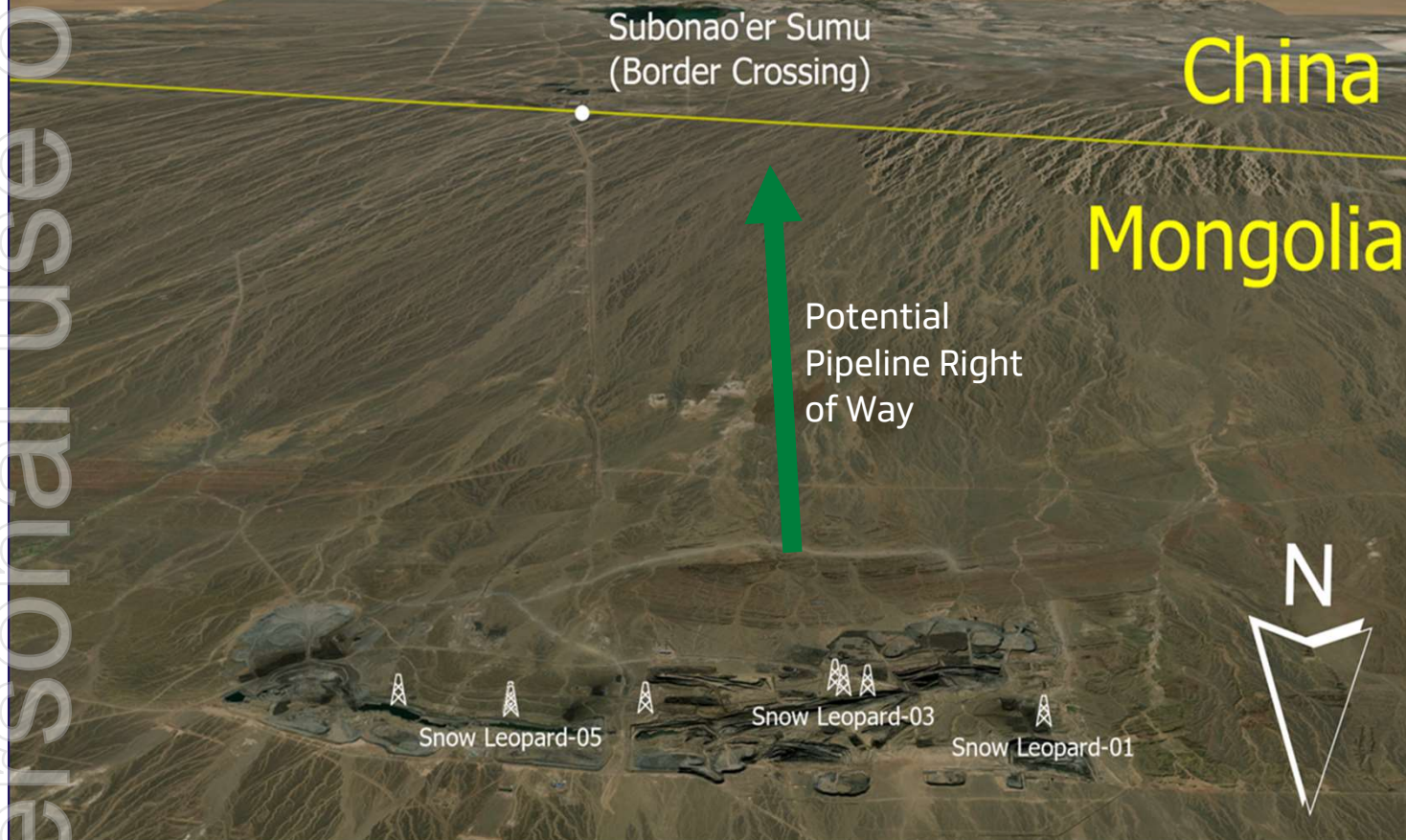


Exploration Upside: Mongolia - Gurvantes XXXV

Project highlights



Gurvantes CSG
Project looking South



Size and Scale

Huge export
market in China










No surface
constraints

Great technical
parameters

Exploration Upside: Mongolia - Gurvantes XXXV



Project Timeline

Activity	2022		2023			
	Q3	Q4	Q1	Q2	Q3	Q4
Exploration Drilling						
Desorption Testing						
Maiden Contingent Resource						
Pilot Well Program						
Reserve and Feasibility Studies						
2023 Exploration Program						
Production Well Program						
Exploitation License						
First Gas Plant						

Exploration Upside: Perth Basin – Condor

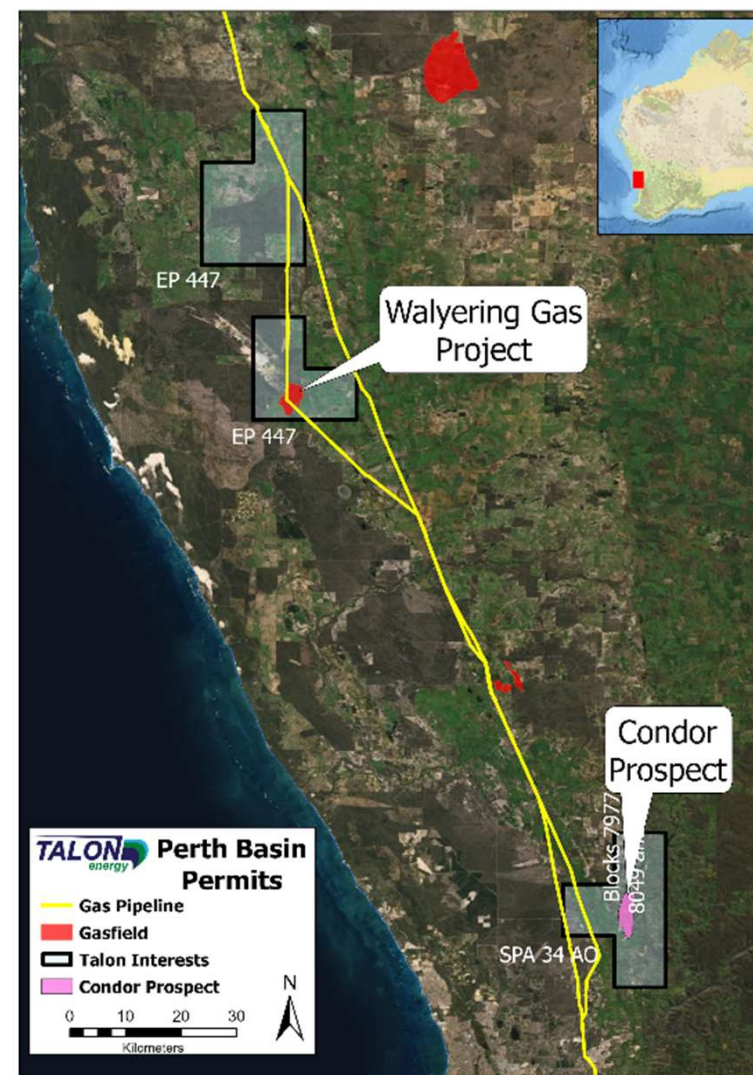
Another Walyering Field analogue...

- Talon has a binding option agreement to acquire **100%** of the Condor Structure
- Condor is the **largest untested Jurassic wet gas structure** in the Perth Basin



Prospective Resource Comparison			
Prospective Resource	Walyering	Condor	Comparative Difference
Gas	86 Bcf	408 Bcf	5X
Condensate	2.18 mmbbl	23.40 mmbbl	11X

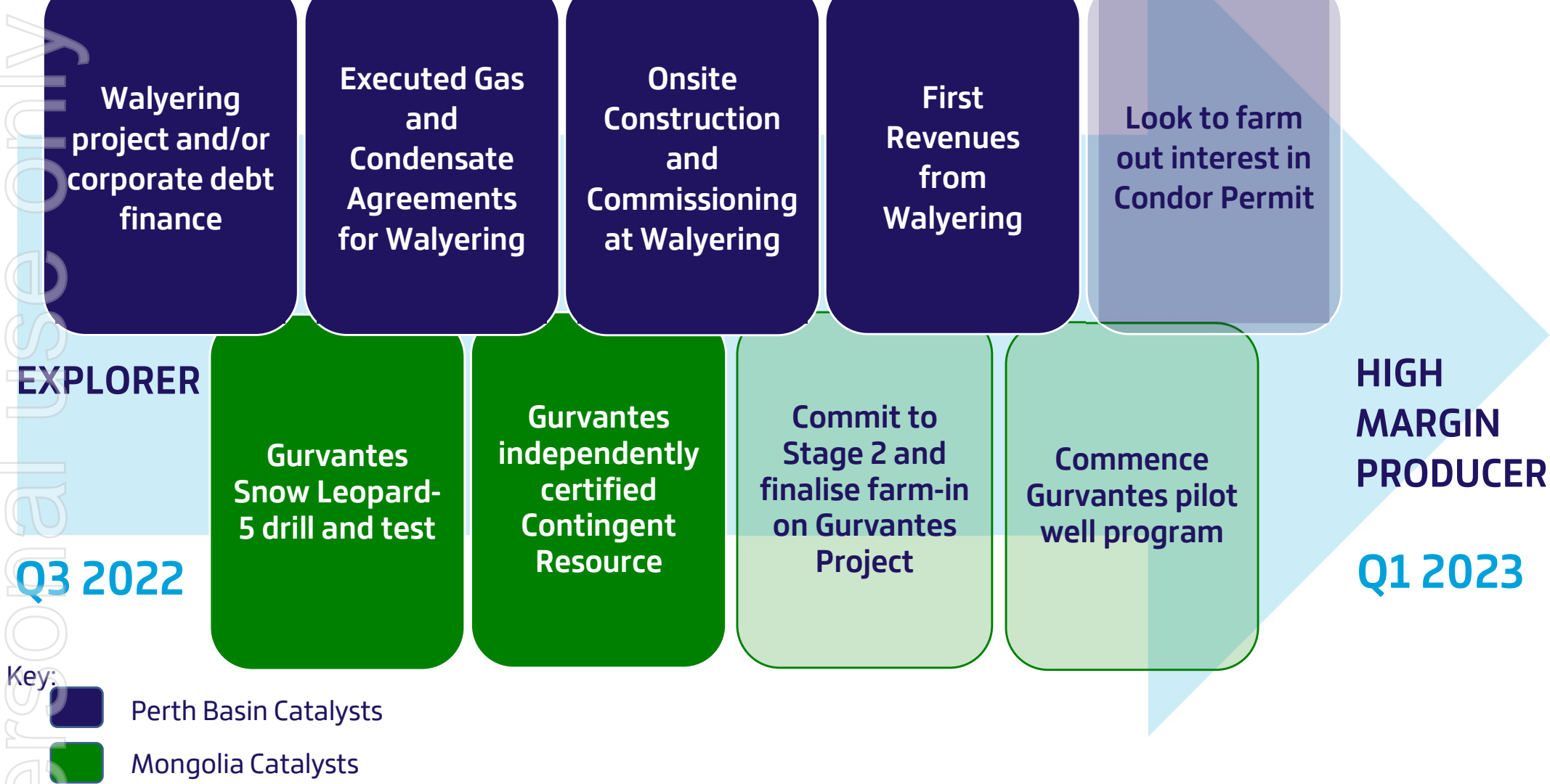
- Prospective Resource recently audited by RISC
- The conventional sandstone reservoir targets are much shallower (vs. Walyering)
- Cheaper drilling costs and better quality reservoir
- Access to market, DBNGP and PGP run through permit



Talon will hold 100% of Condor - could be up to 5X larger than Walyering

Near term value catalysts

Talon moves from Explorer to Producer



*Timelines are indicative only. Talon may choose not to farm-out Condor. Talon has the option to continue to fund Stage 2 of Gurvantes exploration to earn its interest in the project.

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