

TALON Petroleum

Switzer

Small & Micro Cap Virtual Investor Day 2020

30th October 2020

David Casey – Managing Director & CEO



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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 a Director and consultant to the Company respectively. The information in this report that relates to Contingent Resource information in relation to Curlew-A is based on information compiled by technical employees of independent consultants, Software Information Solutions Schlumberger Oilfield UK and overseen by Mr. Charles M. Boyer II. This information was subsequently reviewed by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senycia is a consultant to the Company, with more than 35 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). 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 Senycia. Mr Senycia 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.

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. This information was subsequently reviewed by Mr Peter Stickland BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Stickland is a director of the Company, with more than 25 years relevant experience in the petroleum industry and is a member of the European Association of Geoscientists & Engineers and the Petroleum and 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 Stickland. Mr Stickland 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. Refer to Talon Petroleum Limited ASX release dated 24 July 2020 entitled 'Perth Basin Resource Numbers' for more information on prospective resource and contingent resource. Talon confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates contained in that announcement have not materially changed and continue to apply.

Presentation Outline

- Talon's (TPD) Strategy
- Corporate Overview - who is TPD?
- What makes TPD different...why invest?
- What are the value drivers...why invest NOW?
- The next 12 months

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 has an experienced Board and Management that has done it before

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.

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

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



Capital Structure

Ordinary shares on issue (ASX:TPD)	4,351,789,525
Cash Balance	~\$5.5m
Unlisted Options (exercisable at \$0.005 expiring 31/12/2020)	97,500,000
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 @ \$0.004c (undiluted)	\$17.4 million

Board & Management

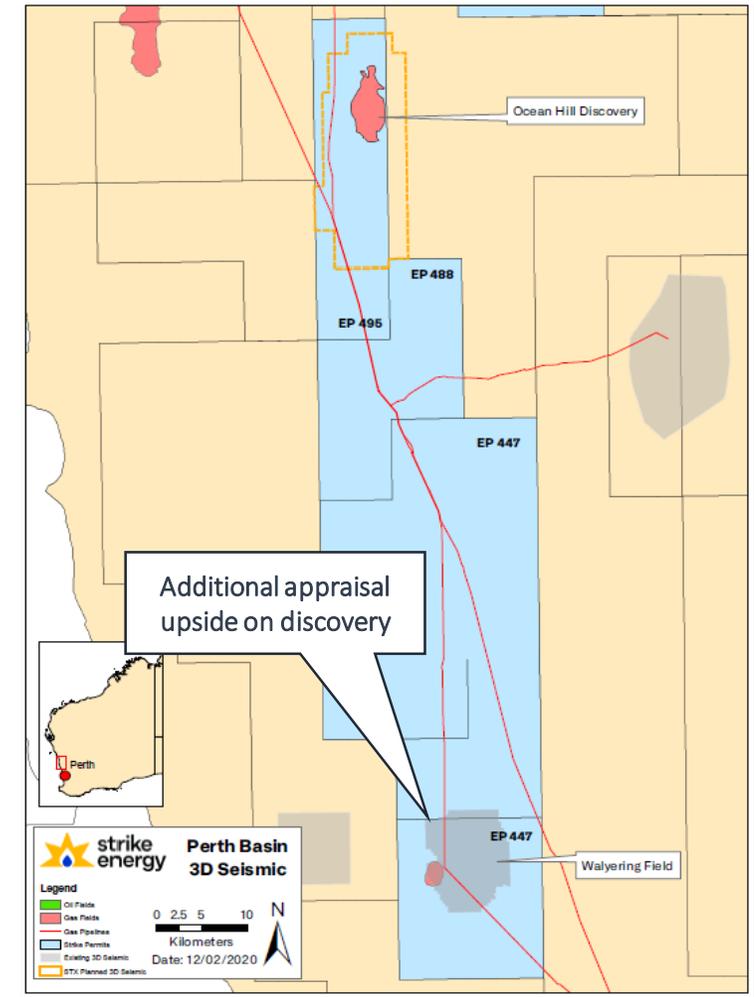
Doug Jendry	Non-Executive Chairman
David Casey	Managing Director & CEO
Matt Worner	Executive Director
Steve Jenkins (UK)	Non-Executive Director

The Walyering transaction has been transformative for Talon...but the North Sea still represents real upside

Walyering

Viewing an old discovery from a different perspective...

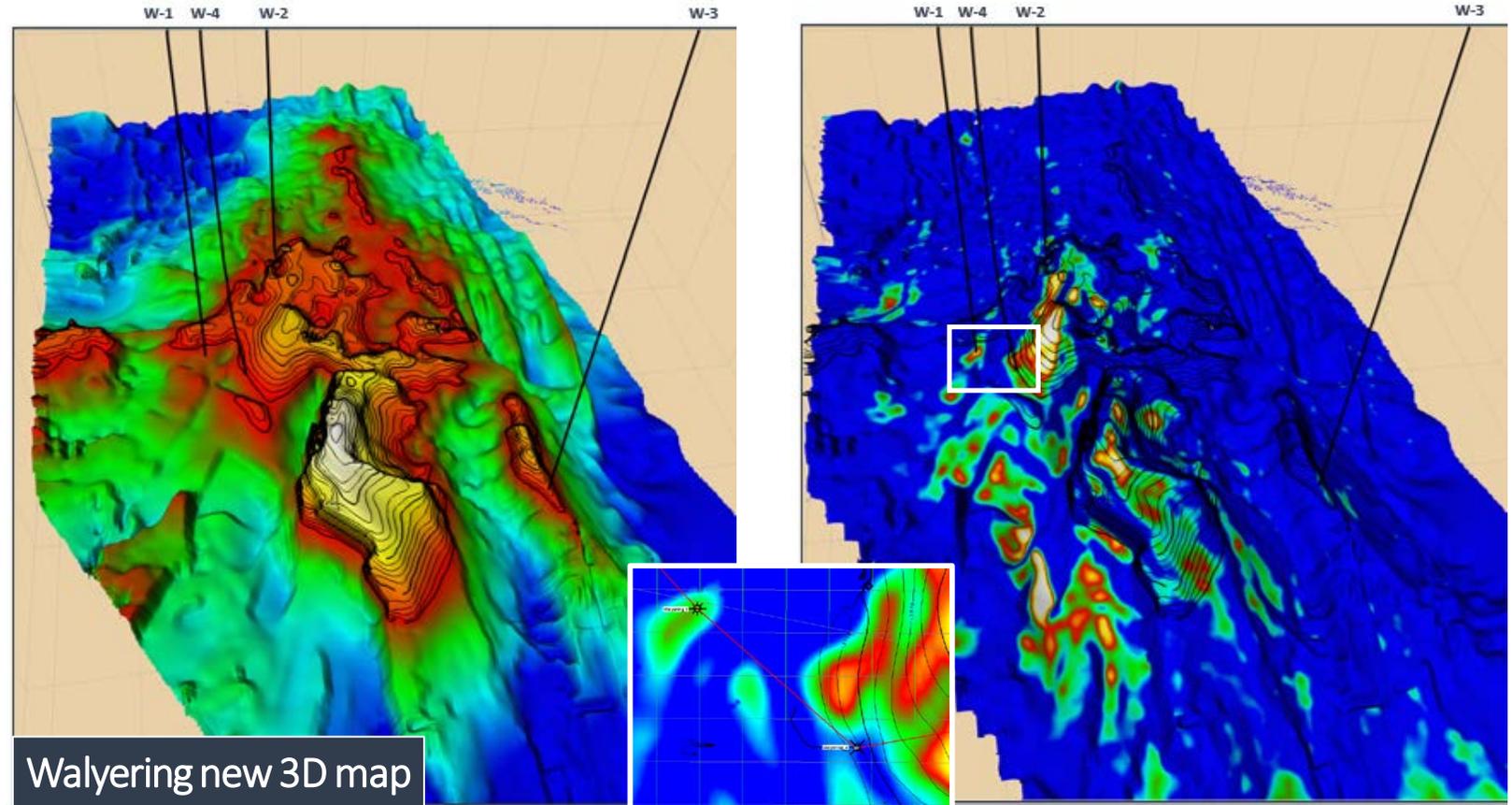
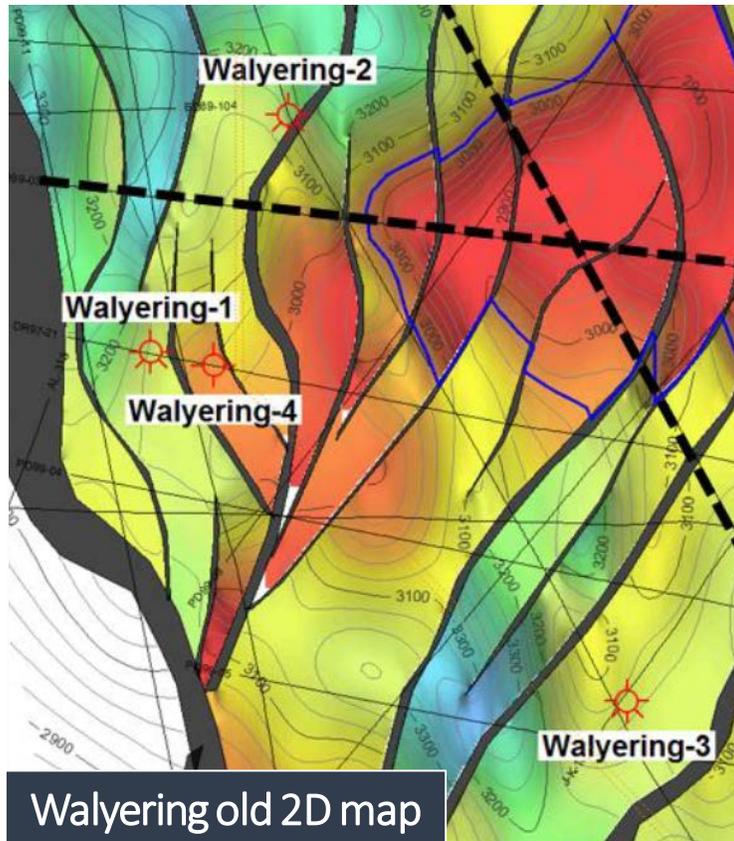
- Walyering is an **existing discovery** - flow tested at 13.5mmscfd
- New 3D seismic data and interpretation has been a **game changer** putting original technical challenges and results into perspective
- Operator Strike Energy (STX) has **proven successful track record** in Perth Basin
- Ideally located with proven path to market and value add from wet gas liquids component
- Joint gas marketing agreement with STX will see Walyering supplying gas into quality contracts very quickly



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

Walyering

3D seismic has been a game changer for the Perth Basin



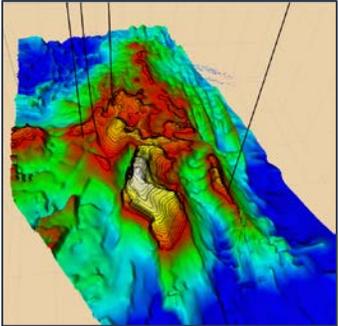
FROM THIS

TO THIS

TO THIS...

Walyering has been significantly de-risked by application of latest 3D technology and processing

Reconciling amplitudes greatly increases confidence

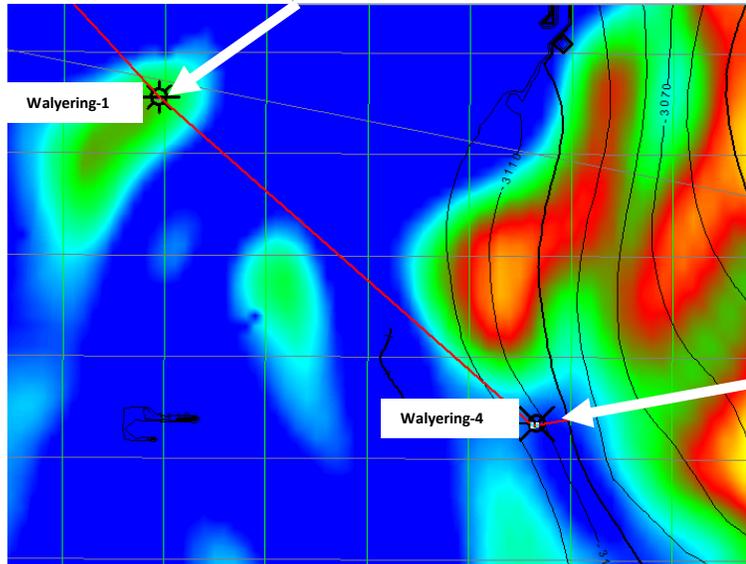


Walyering-1

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

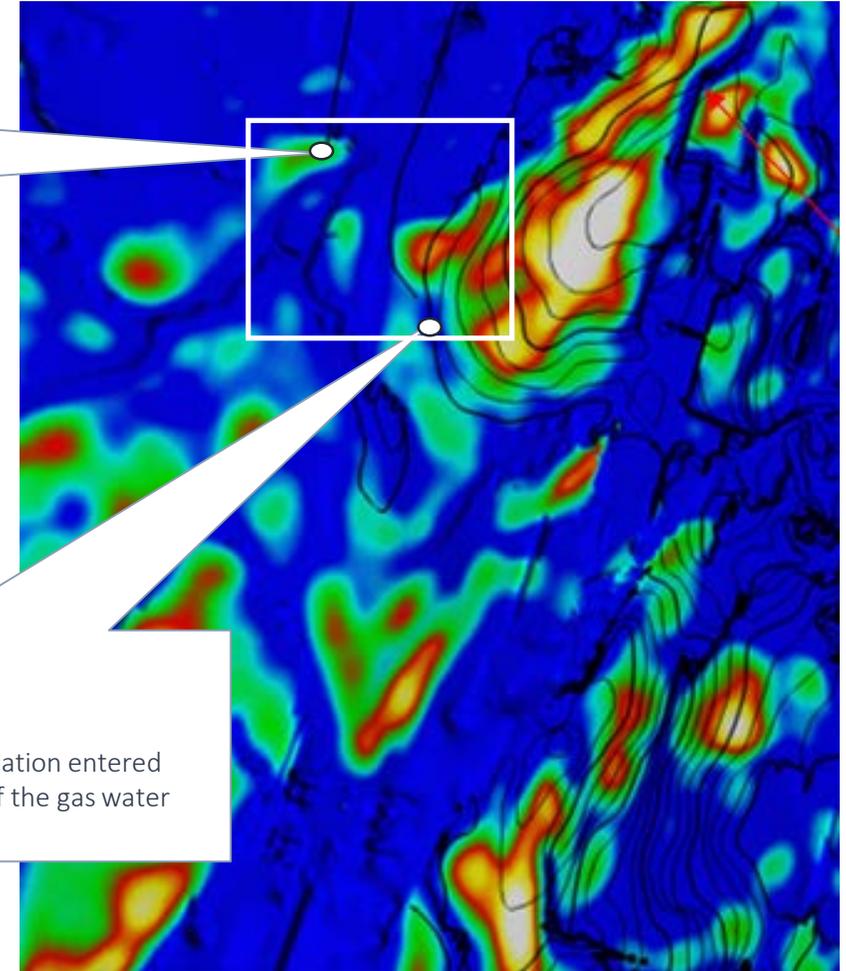
Evidence on new 3D Data:

- 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 downdip of the gas water contact

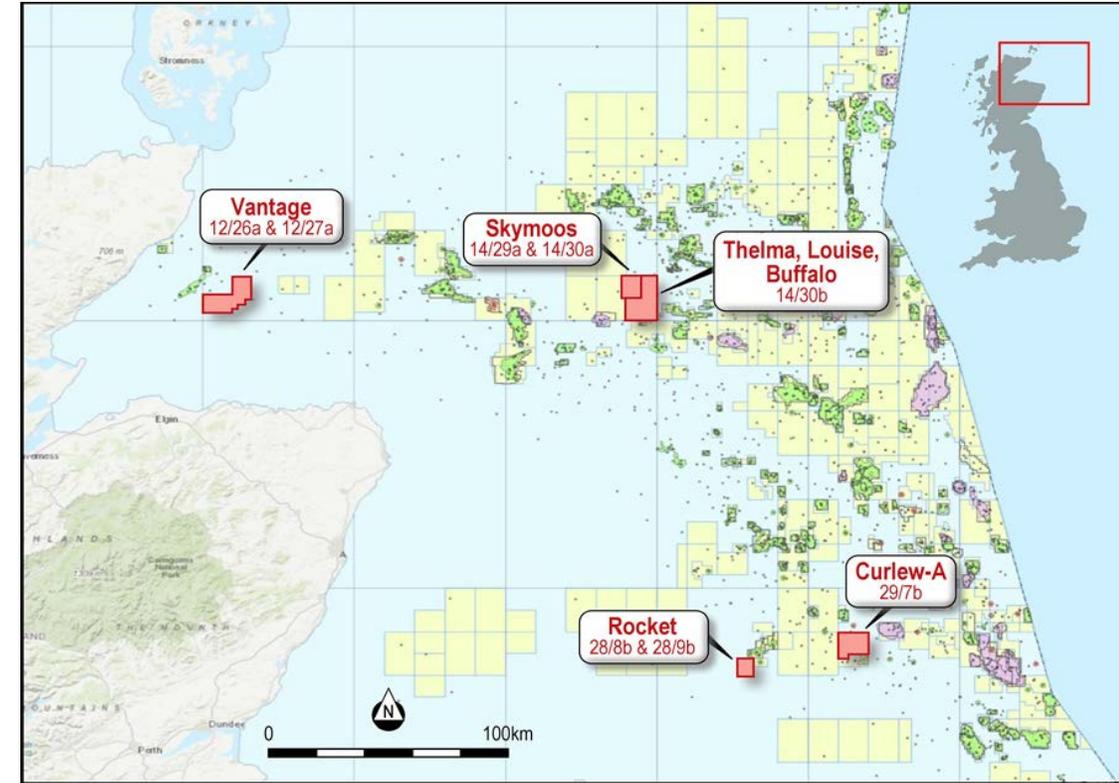


Amplitude analysis clearly shows why Walyering-1 watered out and Walyering-4 was a dry hole

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



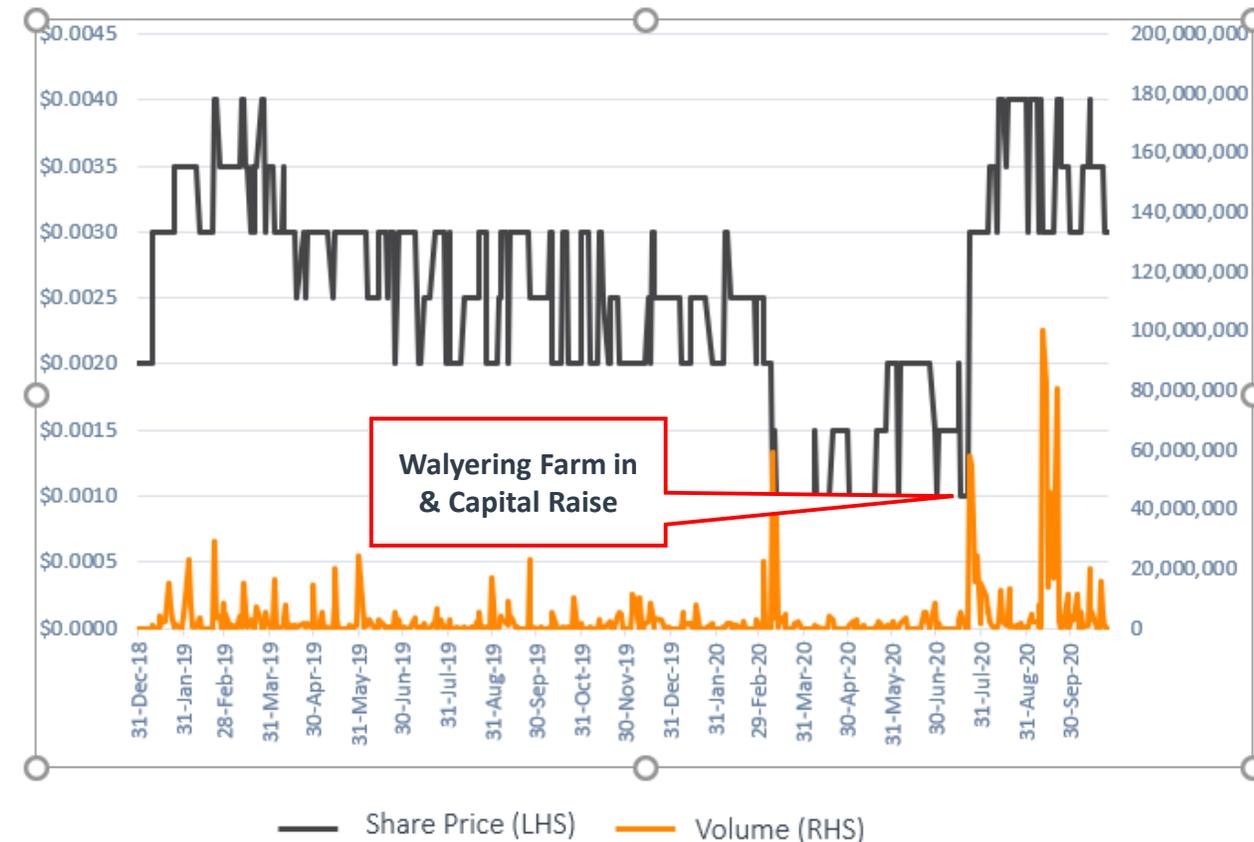
Talon's UK team have made some of the most significant North Sea discoveries in the past two decades

What makes TPD different

Why Invest?

- Talon's point of differentiation is its people
- Australian Board have direct and recent experience in the Perth Basin with very successful WE-2 well
- Have built companies from the ground up
- David Casey responsible for growth of Eastern Star Gas from market cap of around \$25M to being taken over for total in excess of \$1B
- 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 commodity and investment cycles
- Talon is funded and well supported

Share Price Performance

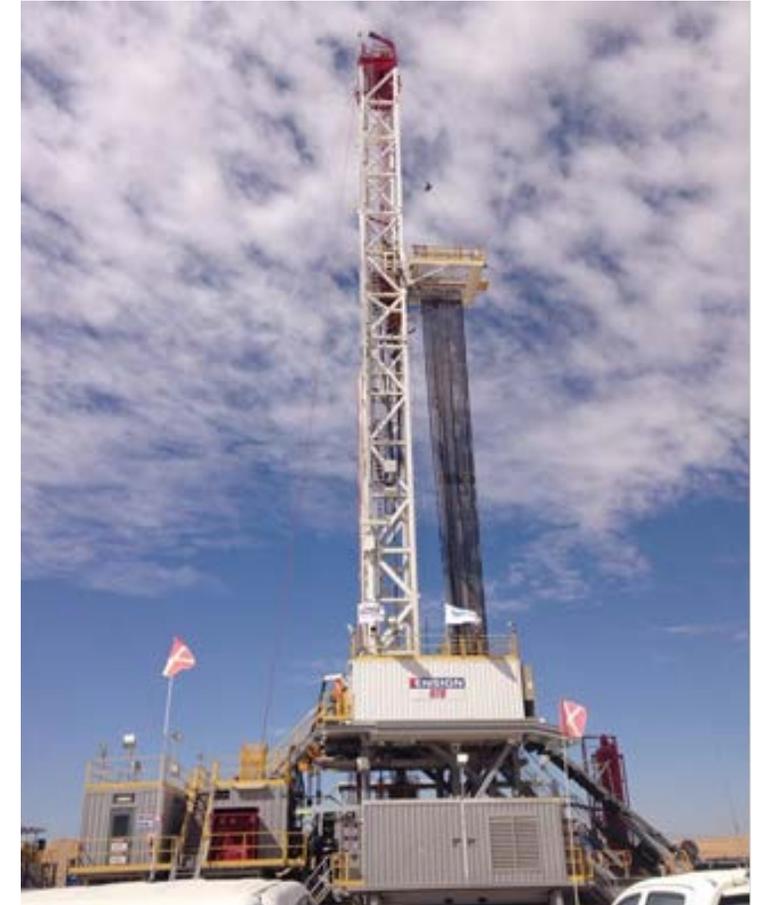


TPD market cap has increased from \$1.7m to \$17M on the back of the Walyering farmin

What are the value drivers

Why invest now?

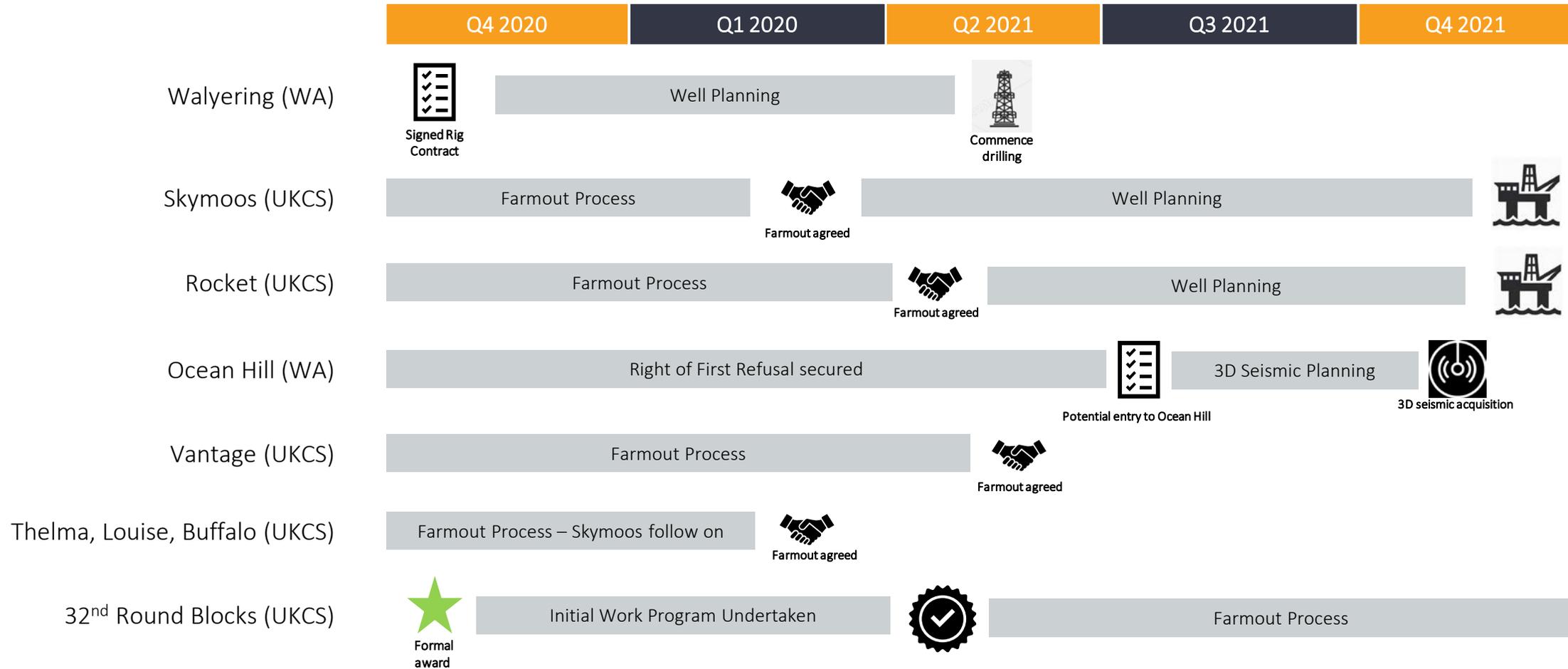
- Spot light is on the Perth Basin
- JV partner and Operator STX currently drilling three “basin significant” wells to north with same rig as W-5
- STX have proven track record of technical and operational success at West Erregulla
- **Rig slot confirmed following completion of the West Erregulla drilling campaign**
- Walyering has amplitude signatures which are similar to West Erregulla and have been shown to be coincident with porous and permeable reservoirs elsewhere
- Walyering has very low CO₂ and lowest processing costs in the basin
- Proximity of infrastructure and gas quality would support a very low cost, fast tracked development
- Potential Ocean Hill upside on back of successful results at Walyering
- Significant and ongoing gas shortages are forecast for WA
- Mature drill ready UK North Sea portfolio has seen potential farmin partners recently re-engage following stabilisation of oil prices post-COVID



STX’s knowledge of the Perth Basin and success at West Erregulla significantly de-risks Walyering

The next 12 months

Plenty of re-rating opportunities ahead of WA drilling?



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

Thank you...

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