ASX Announcement
26 August 2021
ASX: TPD

Talon Commences Perth Basin Program

- **Site works underway in preparation for Ensign Rig 970 to spud Waylering-5 this September/October.**
- **Walyering-5 will test a mapped crestal closure on the Walyering Gas Field structure.**
- **Success at Walyering will see significant upgrade of substantially larger Condor Structure (100% Talon), which has the potential to be the largest untested wet gas structure in the Perth Basin.**

Talon Energy Ltd (**Talon** or the **Company**) is pleased to announce that Operator Strike Energy (ASX: STX) (**Strike**) has commenced site works for the drilling of Walyering-5 at the Walyering gas discovery in permit EP447 onshore Perth Basin. Talon is earning a 45% interest in EP447 and is fully funded for the drilling program that will use Ensign Rig 970 with an expected spud in late September to early October.

Walyering-5 well pad preparations

Notwithstanding the additional prospectivity identified by Strike in EP447, Talon has rights over two additional, much larger exploration opportunities in the Perth Basin targeting Jurassic Age, conventional reservoirs that will be significantly upgraded by any success at Walyering-5.

In the first instance, Talon has a Right of First Refusal to negotiate an interest in the adjacent, Strike operated, exploration licence, EP495, which contains the Ocean Hill Jurassic gas discovery, and a 360 BCF 2C contingent resource (*refer TPD ASX Announcement dated 24 July 2020*).

Additionally, in January of this year Talon announced that it had executed an agreement to acquire 100% of the rights to two licence areas over the Condor Structure, by way of a staged acquisition.

Condor currently maps as a high relief structure with potential to host up to 10 times the prospective resources estimated for Walyering. Importantly, the target Jurassic reservoirs are much shallower than at either Walyering or Ocean Hill, which should result in improved reservoir quality and lower drilling costs.

Talon's Managing Director, David Casey said: "*This is an exciting step for Talon as is looks to unlock the significant potential of its Perth Basin portfolio. Success at Walyering will not only be transformational for Talon, as the prospectivity of EP447 is significantly enhanced, but it will focus attention on, and result in, a material upgrade to the resource potential of Talon's Condor prospect.*"

The Prospective Resource estimates for Walyering and Condor are as follows:

Walyering A & B Sands Conventional Wet Gas Unrisked Prospective Resource Talon's Net (Farming in to 45%)						
Permit	Low (P90)		Best (P50)		High (P10)	
	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)
EP447	**0.5**	**21.6**	**0.981**	**38.7**	**1.62**	**63.9**
Condor Structure Unrisked Prospective Resources Talon (option to acquire 100%)						
Permit	Low (P90)		Best (P50)		High (P10)	
	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)	Condensate (MMbbl)	Gas (Bcf)
EP494	**9.5**	**202**	**20.2**	**408**	**39**	**710**

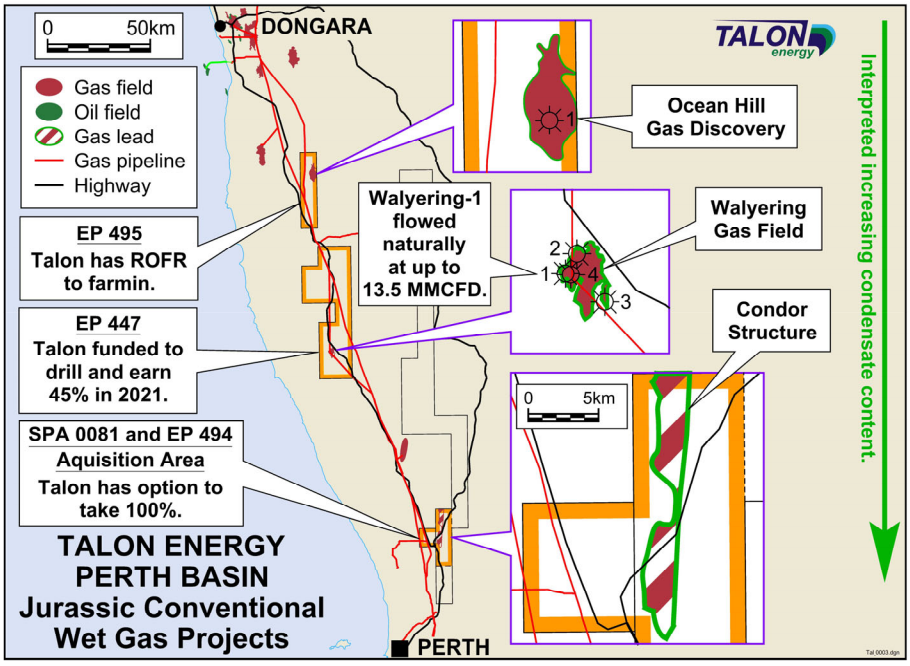
Resource Estimates in the table above were originally announced by Talon on 24 July 2020 (Walyering) and 17 March, 2021(Condor). The Resource Estimates were prepared and estimated using the Probalistic Method. The Company confirms that it is not aware of any new information or data that materially affects the information included in the table above, and all of the material assumptions and technical parameters underpinning the original estimates continue to apply and have not materially changed.

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 appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

EP447 - Walyering Overview

Located in the onshore Perth Basin within the EP447 permit area, Walyering is a conventional gas discovery made in the Cattamarra Coal Measures, a play which has seen commercial gas production from the Gin-Gin and Red Gully projects. Walyering-1 encountered good quality reservoir which flowed at a very commercial 13.5 MMscfd. Talon is earning a 45% participating interest in EP447. Recently acquired, high-quality 3D seismic over Walyering has led to an increased understanding and confidence in the Jurassic wet gas play and has indicated the presence of wet gas potential up dip of the existing Walyering-4 well.

With CO_2 of less than 1% requiring minimal processing, successful drilling at Walyering could see any discovered resource developed quickly, and at low cost given the permit's proximity to both existing pipeline infrastructure and potential commercial gas users. Likewise, the high-condensate ratio has the potential to enhance the economic potential of Walyering.



This Announcement is authorised for lodgement by the Managing Director.

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Competent Persons Statement. The information in this report that relates to Prospective Resource information for the Walyeirng Prospect and Contingent Resource information in relation to Ocean Hill is based on information compiled by Strike Energy Limited, the Operator for both EP447 and EP495 at the time of the initial Resource Estimations. Information in this report that relates to Prospective Resource for the Condor Structure is based on information complied 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.