

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**TALON PETROLEUM LIMITED**

ABN

**88 153 229 086**

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1	<sup>1</sup> Class of <sup>1</sup> securities issued or to be issued	Unlisted options
2	Number of <sup>1</sup> securities issued or to be issued (if known) or maximum number which may be issued	650,000
3	Principal terms of the <sup>1</sup> securities (e.g. if options, exercise price and expiry date; if partly paid <sup>1</sup> securities, the amount outstanding and due dates for payment; if <sup>1</sup> convertible securities, the conversion price and dates for conversion)	Exercise price per option is \$0.0675.  Options are issued in 3 tranches as follows: Tranche 1 (216,670 options), Tranche 2 (216,665 options) and Tranche 3 (216,665 options). Each tranche of the options expire on the 5th anniversary of the date on which the respective tranche of options vest.

<sup>1</sup> See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes upon exercise to fully paid ordinary shares.
5	Issue price or consideration	Nil
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Issue of unlisted options to staff as incentive to achieve the Company's strategic goals.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	
6c	Number of +securities issued without security holder approval under rule 7.1	
6d	Number of +securities issued with security holder approval under rule 7.1A	

+ See chapter 19 for defined terms.

6e	Number of <sup>†</sup> securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)					
6f	Number of <sup>†</sup> securities issued under an exception in rule 7.2					
6g	If <sup>†</sup> securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the <sup>†</sup> issue date and both values. Include the source of the VWAP calculation.					
6h	If <sup>†</sup> securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements					
7	<sup>†</sup> Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	26 August 2013				
8	Number and <sup>†</sup> class of all <sup>†</sup> securities quoted on ASX ( <i>including</i> the <sup>†</sup> securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th><sup>†</sup>Class</th> </tr> </thead> <tbody> <tr> <td>102,135,433</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	<sup>†</sup> Class	102,135,433	Fully paid ordinary shares
Number	<sup>†</sup> Class					
102,135,433	Fully paid ordinary shares					

<sup>†</sup> See chapter 19 for defined terms.

	Number	<sup>+</sup> Class
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX ( <i>including</i> the <sup>+</sup> securities in section 2 if applicable)	<p>(a) 4,050,000</p> <p>Unlisted options to acquire fully paid ordinary shares exercisable at \$0.0675</p> <p>Tranche 1 (1,416,670 options) expire 7 March 2019 (unless vest earlier)</p> <p>Tranche 2 (1,316,665 options) expire 7 March 2020 (unless vest earlier)</p> <p>Tranche 3 (1,316,665 options) expire 7 March 2021 (unless vest earlier)</p> <p>(b) 1,200,000</p> <p>Unlisted options to acquire fully paid ordinary shares exercisable at \$0.0675 expiring 20 June 2018</p>
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Directors do not consider that the payment of a dividend is appropriate at this period in the Company's development.

## Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	

<sup>+</sup> See chapter 19 for defined terms.

15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents	<p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	<sup>+</sup> Issue date	

### Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34	Type of <sup>+</sup> securities ( <i>tick one</i> )	
(a)	<input type="checkbox"/> <sup>+</sup> Securities described in Part 1	
(b)	<input type="checkbox"/> All other <sup>+</sup> securities	

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

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<sup>+</sup> See chapter 19 for defined terms.

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  
 If the additional +securities do not rank equally, please state:  
 • the date from which they do  
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now  
 Example: In the case of restricted securities, end of restriction period  
 (if issued upon conversion of another +security, clearly identify that other +security)

+ See chapter 19 for defined terms.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....

Date: 26 August 2013

Company secretary

Print name: Anastasia Maynes

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+ See chapter 19 for defined terms.