

COMPLETION OF TELMEN ENERGY LIMITED ACQUISITION

- **TMK has completed the acquisition of 100% of Telmen Energy Limited, which holds a 100% interest in the Gurvantes XXXV Coal Seam Gas Project in the South Gobi Basin of Mongolia**
- **Placement to raise \$1.96 million completed which together with existing cash, results in TMK Energy having approximately \$3.8 million on completion of the acquisition and capital raise (before costs)**
- **US\$1.5m initial work program at the Gurvantes XXXV Project is fully funded by Talon Energy Ltd (ASX: TPD) under an existing farm in deal**
- **Mr Brendan Stats appointed as Chief Executive and Mr Stuart Baker and Ms Gema Gerelsaikhon appointed to the Board**
- **Initial drilling activities to commence early March on the Gurvantes XXXV Project**

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) (formally Tamaska Oil and Gas Limited) is pleased to announce that it has completed the acquisition of Telmen Energy Limited (“**Telmen**”) and its 100% interest in the Gurvantes XXXV Coal Seam Gas Project, together with the associated capital raising and issue of securities as approved by shareholders on 11 February 2022.

The issue of securities (“**Consideration Securities**”) to the shareholders of Telmen consist of:

- 1,600,000,000 fully paid ordinary shares;
- 600,000,000 Class A Performance Shares;
- 600,000,000 Class B Performance Shares; and
- 400,000,000 Class C Performance Shares.

The major shareholders of Telmen receiving approximately 70% of Consideration Securities, have agreed to voluntary escrow arrangements in respect of the consideration they have received. Further details of these arrangements are contained in the Company’s Notice of Meeting relating to the Telmen acquisition released to the ASX on 12 January 2022.

In addition, the Company has completed a placement to raise \$1.96 million (before costs) through the issue of 245,000,000 shares at \$0.008 per share. The Company also issued 50,000,000 shares and 75,000,000 unlisted options exercisable at \$0.008 per option as introduction securities to the nominees of Chieftain Securities Pty Ltd. The unlisted options vest when the volume weighted average price of TMK shares is equal or greater than \$0.02 for 20 trading days.

Following the completion and issue of all securities, the capital structure of the Company is set out below.

	Ordinary Shares	Performance Shares	Unlisted Options
Prior Securities on issue	985,000,000	Nil	Nil
Placement Securities	245,000,000	-	-
Introduction Fees	50,000,000	-	75,000,000
Telmen Acquisition	1,600,000,000	1,600,000,000	-
Current Securities	2,880,000,000	1,600,000,000	75,000,000

In addition to the above and as disclosed in the Company's ASX announcement dated 16 December 2021, the Company intends to issue management performance rights of up to 210 million which will have vesting conditions the same as the Performance Shares. The initial award of Performance Rights is expected to occur within the next few weeks.

Management and Board Changes

Mr Brendan Stats has been appointed Chief Executive Officer of TMK and Mr Brett Lawrence will step down as Managing Director and assume a non-executive director role. Ms Gema Gerelsaikhan and Mr Stuart Baker, two of the existing non-executive directors of Telmen have been appointed to the Board of TMK and Mr Logan Robertson has resigned as a director. Mr Tsetsen Zantav, the major shareholder of TMK holding approximately 27.4%, has been appointed as an advisor to the Board.

Brendan is a Geologist with fifteen years of experience in the Natural Resources industry. He holds a Bachelor of Science (BSc, Geology (hons)) from the University of Melbourne and has been on the ground living or working in Mongolia since 2011, with a particular focus and expertise on coal projects located within the South Gobi Basin. Brendan's role as CEO of TMK Energy is to lead the Project development through the early stages of exploration and evaluation.

Performance Share Vesting Conditions

Telmen shareholders have been issued with 1.6 billion performance shares which vest in three tranches or classes. The vesting conditions for these performance shares are as follows:

- Class A: 600,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon both of the following occurring: (i) the volume weighted average price of TMK shares being equal or greater than 2 cents for 20 trading days; and (ii) commencement of a drilling program within the Gurvantes XXXV Project area within 3 years from the date of issue;
- Class B: 600,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon either: (i) intersection of 25m of coal seams in any 2 of the first 4 wells within the Gurvantes XXXV Project area; or (ii) 100 billion cubic feet (bcf) of 2C (best estimate contingent resource) Petroleum Resources Management System (PRMS) compliant resource within five years from date of issue; and
- Class C: 400,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon 100 bcf 2C PRMS resource within the Gurvantes XXXV Project area within five years from date of issue.

As at the date of completion, none of these performance hurdles have been met.

Talon Farmout Agreement

Talon Energy Limited (ASX:TPD) executed an agreement with Telmen in 2021 under which Talon is funding the initial US\$1.5 million of exploration costs (including the upcoming drilling program) at which point Talon must make an election to proceed to a second stage in which it will fund the next US\$3.15 million of the work program. Talon will earn a 33% interest in the Gurvantes XXXV Project if it fulfills its obligations under the farmout agreement.

The initial work program for the Gurvantes XXXV Project commenced upon award of the Production Sharing Agreement ("PSA") in July 2021 with the initial drilling program expected to commence in early March 2022.

For the purposes of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

Mr Brendan Stats, the Chief Executive Officer commented:

"On behalf of Telmen and its shareholders, I am delighted for us to be able to join with TMK and its shareholders in a truly exciting time in the exploration phase of the Gurvantes CSG Project, with the drilling program expected to commence in the next few weeks. I will be on the ground in Mongolia during the start of the upcoming drilling activities and am very much looking forward to delivering what we believe is a world class CSG project right next door to the largest growing gas market in the world, China."



ABOUT TMK ENERGY LTD

TMK Energy Limited is listed on the Australian Stock Exchange (ASX:TMK) and holds a 100% interest in the Gurvantes XXXV Coal Seam Gas Project located in the South Gobi Basin of Mongolia. TMK also holds 20% interest of the Talisman Deep Project, which contains the Napoleon structure. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV Project.

TMK's key focus is the development of the Gurvantes XXXV South Gobi Natural Gas Project located in the South Gobi Basin of Mongolia.

TMK is committed to responsibly developing this Project into a world class producing gas field on behalf of and for the benefit of Mongolia.

For more details on the Company please visit www.tmkenergy.com.au

Disclaimer: This announcement may contain forward looking statements concerning projected costs, approval timelines, construction timelines, earnings, revenue, growth, outlook or other matters ("Projections"). You should not place undue reliance on any Projections, which are based only on current expectations and the information available to TMK. The expectations reflected in such Projections are currently considered by TMK to be reasonable, but they may be affected by a range of variables that could cause actual results or trends to differ materially, including but not limited to: price and currency fluctuations, the ability to obtain reliable gas supply, gas reserve estimates, the ability to locate markets, fluctuations in gas prices, project site latent conditions, approvals and cost estimates, development progress, operating results, legislative, fiscal and regulatory developments, and economic and financial markets conditions, including availability of financing. TMK undertakes no obligation to update any Projections for events or circumstances that occur subsequent to the date of this announcement or to keep current any of the information provided, except to the extent required by law. You should consult your own advisors as to legal, tax, financial and related matters and conduct your own investigations, enquiries and analysis concerning any transaction or investment or other decision in relation to TMK. \$ refers to Australian Dollars unless otherwise indicated.

For further information, please contact

Brendan Stats
Chief Executive Officer
+61 8 6319 1900
bstats@tmkenergy.com.au

Dougal Ferguson
Chief Commercial Officer
+61 8 6319 1900
dferguson@tmkenergy.com.au

Directors

Stuart Baker	Non-Executive Director
Gema Gerelsaikhan	Non-Executive Director
Brett Lawrence	Non-Executive Director
Tim Wise	Non-Executive Director

