

DRILLING AND TESTING COMPLETED AT SNOW LEOPARD - 1

- Drilling and testing completed at Snow Leopard – 1 (SL-1) well at the Gurvantes XXXV Coal Seam Gas (CSG) Project in Mongolia
- 60 metres (net) of gassy coal intersected in SL-1 which was drilled to a total depth of 675 metres
- Current desorption results (ongoing) indicate gas contents in the upper end of the previously indicated range (7.5 m³/t – 12.5 m³/t as received basis)
- Gas composition consistently high in methane (averaging ~96%) and low in carbon dioxide (averaging ~3%)
- Drill Stem Test (DST) and Injection Fall Off Testing (IFOT) of selected coal intervals completed with results currently being analysed
- SL-1 well and drill site being rehabilitated with rig moving to Snow Leopard – 2 location with drilling to commence shortly thereafter

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to provide an operations update on its initial well (Snow Leopard – 1 or SL-1) at its high impact maiden drilling program within the Nariin Sukhait area of the Gurvantes XXXV CSG Project in the South Gobi Basin of Mongolia.

Drilling and testing of SL-1 has recently completed, with the well being drilled to a total depth being 675 metres with a total of 60 metres of net coal intersected in the well (44.4 metres in the upper seam and 15.5 metres thickness in the lower seam).

DST and IFOT tests were performed across selected intervals with the analysis of the data and interpretation of the results ongoing. During the DST testing, gas breakout was observed which supports the understanding the coals have high gas saturation. Further results on permeability indications from the DST and IFOT testing are expected to be available in the coming week.

Desorption testing of coal core to obtain definitive gas content data is ongoing as the cores continue to produce gas. Based on current data, it is now expected that the final gas content of the coal seams is likely to end up in the upper end of the previously indicated range of 7.5m³/t to 12.5m³/t on an as received basis (Refer to ASX Announcement 11 April 2022).

Gas composition sampling and gas chromatography testing is ongoing and the results confirm that the coal seam gas has high methane (CH₄) concentrations between 94.4% and 98.8% (average 96.0%), and low carbon dioxide (CO₂) values between 0.3% and 5.1% (average 3.0%).

SL-1 and the drill site will now be rehabilitated in accordance with local requirements. The drill rig will mobilise to approximately 5 kilometres east of the SL-1 location, with drilling of the second of the planned four well drilling program expected to commence within the next week. The next well (Snow Leopard – 2 or SL-2) is planned to target the same coal formations intersected in SL-1. Drilling and testing of SL-2 is expected to take approximately four weeks, with operational improvements implemented from experience gained from the first well.



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

Mr Brendan Stats, TMK Energy's Chief Executive Officer commented:

"We are pleased to have completed our first well in our four well program safely and with a successful result. We look forward to commencing our second well, Snow Leopard - 2, shortly. The gas content and composition results from this first well provide us with great confidence moving forward and we anticipate intersecting more thick gassy coals as we progress with the program."

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 of 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.

Talon Energy Limited (ASX:TPD) is earning a 33% Working Interest in the Project under an existing US\$4.65 million two-stage farm-out agreement executed in February 2021. Initial funding of US\$1.5 million is allocated to the current four well drilling and testing program. The second stage of funding, being US\$3.15 million, is currently budgeted towards the pilot well program being planned for later this year, should TPD elect to proceed with the second stage of the farm-out.

TMK are 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 for CNG and hydrogen, fluctuations in gas and hydrogen 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.

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