

DRILLING COMMENCES AT SNOW LEOPARD - 2

- Drilling has commenced on the Snow Leopard – 2 well at the Gurvantes XXXV Coal Seam Gas (CSG) Project in Mongolia
- Snow Leopard – 2 is the second of four wells in the current exploration program targeting thick coal seams within the CSG window
- Further results on gas content and permeability from Snow Leopard – 1 due shortly, with gas contents expected to be at the upper end of the previously indicated range (7.5 m³/t – 12.5 m³/t as received basis).
- Exploration program targeting further data to allow conversion of a portion of the independently certified 5.96 TCF (2U risked) prospective gas resource into a maiden contingent resource in 2H 2022

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to announce that drilling has commenced on the second well (Snow Leopard – 2 or SL-2) of its high impact maiden drilling program within the Nariin Sukhait area of the Gurvantes XXXV CSG Project in the South Gobi Basin of Mongolia.

Following the completion of drilling and testing of SL-1, the drilling rig underwent routine maintenance before being relocated to the SL-2 site, which is approximately 5km east of SL-1. Drilling recently commenced at SL-2 and the well was at a depth of 93 metres and drilling ahead as of Sunday evening.

SL-2 is planned to be drilled to a depth of approximately 600 metres and is targeting the same coal formations intersected in SL-1. The well will be cored, and any significant coal seams intercepted will be sampled and subjected to the same gas desorption testing as was undertaken at SL-1 to provide data on gas content, saturation, and composition at this location. Downhole geophysical surveys and downhole permeability testing are also planned to be completed to acquire further data on coal seam thickness and characteristics at the SL-2 location.

Further results on gas contents and permeability test data from SL-1 are expected to be available shortly. Samples from SL-1 have also been prepared for despatch to Australia for adsorption isotherm and petrographic analysis to provide more information on gas saturation, coal composition and coal rank.

On completion of SL-2, a further two fully cored holes within the Nariin Sukhait area are planned to be drilled and tested over the next 2-3 months. Following completion of the four well drilling program, the data collected from this initial drilling campaign will be collated and analysed to assist in the engineering and design of a pilot well program designed to further de-risk the asset and demonstrate a proof of concept for what could be a significant gas resource development over a very large area. The commencement of the pilot well program remains on track in the second half of 2022.

Additionally, the data collected from the initial four well drilling campaign is expected to enable the Company to convert a portion of the independently certified 5.96 TCF (2U risked) Gross Prospective Resource into a maiden contingent resource in 2H 2022. If so, this would be a significant step for the establishment of a world class gas project adjacent to one of the world’s largest gas markets, China.

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 advise that drilling has now commenced on the second of our four wells expected to be drilled in the current program. The results from the first well, Snow Leopard – 1, are very encouraging and the new data that will be gathered from Snow Leopard – 2 will provide a further data point to allow us to continue to prove up the potential of the Nariin Sukhait area within the highly prospective Gurvantes Coal Seam Gas project."

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 a 20% interest in 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.

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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