

## 70 METRES OF GASSY COAL AT SHALLOW DEPTHS AT SNOW LEOPARD - 2

- **70 metres of gassy coal intersected in the upper coal seam at Snow Leopard – 2 (SL-02) starting from a depth of 167 metres**
- **Preliminary gas desorption results from SL-02 coal samples indicate high gas contents, particularly encouraging given the relatively shallow depth**
- **SL-02 currently at a depth of 360 metres and drilling ahead to target potential lower coal seam**
- **Final gas contents from SL-01 samples exceed expectation ranging from 11.4 m<sup>3</sup>/t - 15.2 m<sup>3</sup>/t and averaging 13.2 m<sup>3</sup>/t (range of 14.6 m<sup>3</sup>/t - 18.8 m<sup>3</sup>/t and average of 15.7 m<sup>3</sup>/t on a dry ash free basis)**

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to advise that drilling on Snow Leopard – 2 (SL-02) has intersected approximately 70 metres of coal from the upper coal seam from a depth of 167 metres. Coal core from SL-02 has been sampled for gas desorption testing and preliminary results indicates that the coal has high gas contents. This is particularly encouraging considering the relatively shallow depth of the coal intersection, where typically coal has lower gas contents and lower gas saturation.

Drilling at SL-02 is currently at a depth of 360 metres and is drilling ahead to target a deeper coal seam interpreted to exist at this location. SL-02 is planned to be drilled to a depth of approximately 600 metres and is targeting the same coal formations intersected in SL-01. Downhole geophysical surveys and downhole permeability testing are also planned to be completed at SL-02 to acquire further data on coal seam thickness and characteristics.

Further results on gas contents and permeability test data from SL-01 confirm high gas content results for the initial 6 desorption samples from SL-01 of between 11.4 m<sup>3</sup>/t and 15.2 m<sup>3</sup>/t and averaging 13.2 m<sup>3</sup>/t (range of 14.6 m<sup>3</sup>/t – 18.8 m<sup>3</sup>/t and average of 15.7 m<sup>3</sup>/t on a dry ash free basis). The high final gas content values from the initial SL-01 desorption samples are higher than expected. The remaining 41 desorption samples from SL-01 continue to produce gas, and final gas content values will be confirmed once gas desorption rates decrease to the level required to make a final measurement.

Coal quality data indicates that the coal is a high quality coal and high volatile A to B bituminous in rank (ASTM Standard), which is consistent with most major CSG producing basins worldwide including the Surat and Bowen Basin’s in Australia.

A combination of Drill Stem Test (DST) and Injection Fall Off Test (IFOT) testing was attempted over multiple intervals in SL-01. The testing process faced several operational challenges associated with the test equipment, hole conditions and testing methods. Interpretation of the available test results indicated a flow capacity of approximately 4.1 mD.m over the upper seam interval. Further equipment suitable for a range of permeability testing methods, is currently being mobilised to site in preparation for permeability testing on SL-02.



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:**

*"The results to date from Snow Leopard – 2 are highly encouraging, having already intersected thick shallow coal with initial gas desorption results indicating high gas contents, which is an exceptional result considering the relatively shallow depth of the upper coal seam.*

*The results so far from both SL-02 and SL-01 (drilled 5 kms to the west), support our geological understanding of the Nariin Sukhait area and demonstrate the continuity of the targeted thick coal formations along strike which is one of the key objectives of the 2022 exploration program.*

*With a 100% success rate from the two wells drilled to date, our confidence in being able to prove up and convert the already independently certified prospective resources into contingent resources is growing and we look forward to this work being completed at the end of the 2022 drilling 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 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](http://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.

