

100% DRILLING SUCCESS RATE CONTINUES IN MONGOLIA

- 47 metres of gassy coal intersected in Snow Leopard – 03 (SL-03) in the upper coal seam with preliminary gas desorption results again indicating high gas contents in the coals
- Permeability testing of the upper coal seam interval in SL-03 successfully completed
- All three wells drilled to date have intersected very thick gassy coals over six kilometres (6 kms) in an east west trending strike
- SL-03 represents “three out of three” successful coal intersections in the upper coal seam from the current exploration program

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to advise that drilling on Snow Leopard – 03 (SL-03) has intersected approximately 47 metres of coal in the upper coal seam, from a depth of 190 metres. Coal core from the upper coal seam at SL-03 has been sampled for gas desorption testing and preliminary results indicate that the seams contain high gas contents.

Downhole geophysical surveys and permeability testing have been successfully completed over the upper coal seam and included both Drill Stem Testing (DST) and Injection Fall Off Testing (IFOT). Preliminary results from the testing are expected to be available shortly.

Drilling resumed following the successful testing of the upper coal seam, however, drilling is currently paused at a depth of 318 metres pending a fishing operation. When drilling recommences, the well will target the lower coal seam interpreted to exist at this location and is expected to be drilled to a depth of approximately 650m.

SL-03 is the third well of the current four well exploration program. The results from SL-03 thus far are consistent with SL-01 and SL-02 located approximately three (3) kms to the west and east of SL-03 respectively, in that all wells have intersected a very thick upper coal seam with strong indications of high gas contents.

The results to date demonstrate the continuity of the coal formations in the Narrin Sukhait area and validates the geological model that has been developed by the Company based on the extensive historical drill data that exists in the area.

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:

“This has already proven to be yet another highly successful well in our maiden exploration drilling program at the Gurvantes XXXV CSG Project. The results to date from all three wells are extremely positive with all key technical parameters being coal thickness, gas contents, gas composition and permeability, all meeting or exceeding parameters from developed coal seam gas projects around the world. The results from the multiple wells over a 6 km strike, demonstrate the enormous potential and scale of our Project.”





Figure 1 – Snow Leopard - 03 drill site at the Gurvantes XXXV CSG Project in Mongolia

ABOUT TMK ENERGY LTD

TMK Energy Limited holds a 100% interest in the Gurvantes XXXV Coal Seam Gas Project located in the South Gobi Basin of Mongolia and a 20% interest in the Talisman Deep Project, in the Barrow-Dampier sub-Basin. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV Project.

Talon Energy Limited (ASX:TPD) is earning a 33% Working Interest in the Gurvantes 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.

