

HIGH PERMEABILITY CONFIRMED AT SNOW LEOPARD - 03

- Excellent permeability of 15-20mD recorded over the upper coal seam units in Snow Leopard – 03 (SL-03)
- Total of 60 metres of gassy coal now confirmed for SL-03 in the upper coal seam (previously reported as 47 metres)
- Preliminary gas desorption results from coal samples indicate high gas contents and methane concentration
- SL-03 re-spudded to target a thick lower coal seam interpreted to exist at this location

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to announce that drilling activities at the Gurvantes XXXV CSG Project in the South Gobi Basin in Mongolia continues to deliver excellent technical results.

Preliminary results from permeability testing over the upper coal seam interval at Snow Leopard – 03 (SL-03), including both Drill Stem Testing (DST) and Injection Fall Off Testing (IFOT), indicates a flow capacity between 760mD.m to 910mD.m and coal permeability value in the order of 15mD –20mD. Final results from permeability testing completed on the upper seam at SL-02 (located approximately 3km to the east of SL-03) are now available and confirm a high permeability of 47mD over the 70 metres of coal intersected in the upper seam. The permeability results from the upper coal seam at SL-02 and SL-03 are broadly consistent and indicate permeability of the upper coal seam in this part of the Project area is high.

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 in the order of 7.5m³/t to 12.5m³/t. Gas samples have been analysed and results confirm high methane (CH₄) composition averaging 95%, and low carbon dioxide (CO₂) contents averaging only 2.8%.

After resolving issues associated with a broken core barrel at a depth of 318 metres, drilling resumed and intersected a further 13 metres of coal bringing the total net coal thickness of the upper coal seam at SL-03 to approximately 60 metres. At a depth of 348 metres, poor hole conditions required the current wellbore to be abandoned and the well has recommenced drilling on the same site to target to lower coal seam. Drilling of the new well commenced on 8 July and is currently drilling ahead at a depth of 156 metres.

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 excellent permeability results from the upper seam at SL-03 and SL-02 are very encouraging for the future commercialisation of the Project. High permeability in very thick, shallow, gas saturated coal seams should translate to lower development costs and potentially strong initial flow rates. The pilot program, currently in the planning phase, will provide definitive data on these last remaining key data points and will allow us to demonstrate to the market the ability to produce commercially viable gas from the coal seams”.



Figure 1 – Permeability testing being completed on the Snow Leopard - 03 well 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.

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