



## EARLY COMMERCIALISATION OPPORTUNITIES

- **Feasibility study underway to utilise gas produced from the 2023 Pilot Well Program**
- **Potential for onsite power generation of up to 10MW from Pilot Well Program to power the Gurvantes XXXV operations and adjacent mining operations**
- **Further studies underway to potentially grow power generation capacity to meet ~70MW of local demand<sup>1</sup>**
- **Other commercialisation concepts including CNG, mini LNG and large scale power generation in the South Gobi province also being reviewed**
- **Discussions remain open with PetroChina on strategic partnership and longer-term commercialisation opportunities**

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TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to announce that it is progressing an opportunity to utilise the expected gas production from its Pilot Well Program at the Gurvantes XXXV Coal Seam Gas (CSG) project in Mongolia.

As announced in the Company’s ASX release of 15 February 2023, an important aspect of the Pilot Well Program is to determine the most economical and environmentally efficient way to utilise the gas produced during the initial production testing phase.

Subject to regulatory approvals and sufficient gas flow rates being achieved, the Company plans to utilise the gas from the three proposed pilot wells to produce up to 10MW of power to provide electricity for the Gurvantes Project and the immediately adjacent mining operations. Additionally, the Company has commenced feasibility studies of expanding its power generation capability to supply the forecast local power demand of ~70MW<sup>1</sup> from nearby mining operations and communities thereby potentially displacing the current unreliable and higher cost alternative electricity supply.

Further studies are underway to look at other domestic opportunities that exist in CNG (Compressed Natural Gas), mini scalable LNG (Liquified Natural Gas) plants and large scale power generation in the South Gobi province. The South Gobi province hosts several very large energy users and is connected with the central power grid. Studies are currently being completed with cooperation from PetroChina subsidiary EPC service providers.

Despite the formal six month term of the previously signed Memorandum of Understanding (MOU) with PetroChina having lapsed on 6 February 2023, discussions remain ongoing with representatives of PetroChina as evidenced above, for either a more comprehensive agreement going forward or an extension of the existing MOU.

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<sup>1</sup> Source: Mongolian Energy Market – Coalbed Methane, UB Grid Consultancy Ltd, 31 August 2022



The Company's management team will continue to engage with PetroChina over the coming months as the Company works to deliver its key milestones which are aimed at delivering a proof of concept and gas to surface from the world-class resource that exists at the Gurvantes XXXV Project.

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:**

*"Operations for the upcoming Pilot Well Program are in full swing with construction of the camp well underway and long lead items and equipment being delivered to site in preparation for the commencement of drilling in early April.*

*We are currently in advanced discussions with the local mining operator on how to utilise the valuable resources of produced gas and water from the Pilot Well Program and we aim to formalise this shortly.*

*As we look forward and the project advances, we have also commenced feasibility studies on power generation to meet the immediate power needs in the local area which is up to 70MW, as well as other early commercialisation projects such as CNG and mini LNG options.*

*We continue to engage with PetroChina and other interested parties that recognise the enormous potential of the Gurvantes XXXV Project and develop these relationships as we progress through key milestones for the Project."*



*Figure 1 - Exploration Camp for Pilot Well Program Under Construction*



## ABOUT TMK ENERGY LTD

TMK Energy Limited is listed on the Australian Stock Exchange (ASX:TMK) and holds a 67% 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.

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.

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