

LUCKY FOX - 1 DRILLING COMPLETED WITH OVER 60 METRES OF NET COAL INTERSECTED

- **Lucky Fox – 1 (LF-01) has been successfully drilled to a total depth of 375 metres and has intersected approximately 60 metres of coal over the production interval (upper coal seam)**
- **LF-01 is the first production well at the Gurvantes XXXV Project in the South Gobi Desert in Mongolia and has been completed safely, on time and on budget**
- **Major drilling currently preparing to move to the next well pad for the drilling of Lucky Fox - 2**
- **On successful drilling and completion of the three pilot production wells, a six-month production test will commence to demonstrate proof of concept and produce gas to surface**

TMK Energy Limited (**ASX: TMK**) (“TMK” or the “Company”) is pleased to provide an update on operations from the Pilot Well Drilling Program at the Gurvantes XXXV CSG Project (TMK 67%, Talon Energy 33%) in the South Gobi Basin of Mongolia.

The drilling and installation of production casing at the Lucky Fox - 1 (LF-01) pilot production well was completed on 26 April 2023. LF-01 was completed to a total depth of 375 meters and intersected 60m of gassy coal in the production interval as prognosed and was drilled safely, on time and on budget. Major Drilling, one of the world’s largest international drilling services companies, has been contracted for the Pilot Well Program and the Company is pleased with Major’s performance to date.

The drilling rig will undergo routine maintenance before shortly being mobilised to the site of the of Lucky Fox – 2 (LF-02) well located approximately 200 metres from LF-01, in preparation for spudding of the second pilot production well in the Pilot Well Program.

The Pilot Well Program includes the drilling of three individual production wells spaced approximately 200 metres apart. The drilling of the remaining two production wells is expected to take approximately five weeks. Once drilling is completed, downhole pumps will be installed, and surface facilities will be connected to the wells which are expected to take approximately four weeks from the completion of drilling. The pilot well pumps will then be commissioned, and the dewatering process will commence in a controlled manner with first gas breakthrough expected within one or two months from being placed on production.

The Pilot Well Program is being primarily funded by Talon Energy, TMK’s partner in the Gurvantes XXXV Project. Talon elected to enter Stage 2 of the Farmout Agreement in early December 2022 and is paying the first US\$3.15 million towards what is budgeted to be approximately US\$3.5 million, with TMK and Talon paying their proportionate share of further costs over and above US\$3.15 million.

For the purposes of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.





Figure 1 – Aerial view of drilling operations for the Lucky Fox - 1 Pilot Production Well

Mr Brendan Stats, TMK Energy’s Chief Executive Officer commented:

“The first of our pilot production wells has been drilled safely, on time and on budget, which is very pleasing and is a great achievement for both Major Drilling and our team on the ground in both Mongolia and Australia. Intersecting a very thick, very gassy, coal seam of 60m in the production interval, at relatively shallow depth, is a unique feature of this CSG Project that bodes well for the upcoming production test.

With the Company’s recent successful \$5.7 million capital raising together with the remaining funding obligation from Talon Energy, the Company is well funded to deliver on its 2023 program which includes not only the Lucky Fox pilot well program, but also an extensive exploration program which aims to deliver further resource upgrades on what is quickly becoming a world class CSG province.”

ABOUT THE GURVANTES XXXV PROJECT

The Gurvantes XXXV Project (TMK Energy 66%, Talon Energy 33%) covers an area of 8,400km² and is in what is considered one of the most prospective coal seam gas basins globally. Gurvantes is situated less than 20km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. It is also proximate to several large-scale mining operations with high energy needs. Gurvantes is therefore ideally placed to satisfy both local Mongolian, as well as Chinese, energy requirements.

ABOUT TMK ENERGY LIMITED

TMK Energy Limited is listed on the Australian Stock Exchange. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV CSG Project.

For more details on the Company please visit www.tmkenergy.com.au

