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TMK Energy Limited (formerly Tamaska Oil & Gas)

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 December 2021

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DIRECTORS' REPORT

Your Directors present their report as the consolidated entity consisting of TMK Energy Limited (formerly Tamaska Oil & Gas Limited) ("TMK" or the "Company") and the entities it controlled as at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were Directors of TMK during or for part of the half-year and up to the date of this report:

Stuart Baker – Non Executive Director (Appointed 14 February 2022)
Gema Gerelsaikhan – Non Executive Director (Appointed 14 February 2022)
Brett Lawrence – Non Executive Director
Logan Robertson – Non Executive Director (Resigned 14 February 2022)
Tim Wise – Non Executive Director

Principal activities

The principal continuing activities of the Group during the half-year period were the acquisition, exploration and development of oil and gas projects.

There were no changes in the nature of the activities of the Group during the period.

Operating results

The net operating loss of the consolidated entity from continuing operations for the half-year ended 31 December 2021 after income tax amounted to \$519,227 (half year ended 31 December 2020: loss \$252,983).

Dividends paid or recommended

No dividend was paid or declared during the period and the Directors do not recommend the payment of a dividend.

Review of operations

In addition to the ongoing advancement of the Group's existing assets, the Company has been focused on the identification and acquisition of a new project that has sound technical and commercial merit and is expected to have significant recognition in the Australian market.

During the half-year ended 31 December 2021, the Company identified Telmen Energy Limited ("Telmen") which holds a 100% interest in the Gurvantes XXXV Coal Seam Gas ("CSG") Project in Mongolia, as a significant new opportunity and it proceeded to undertake due diligence on both Telmen and the Gurvantes XXXV CSG Project.

The proposed acquisition of Telmen was announced on 16 December 2021 and was subsequently approved by shareholders on 11 February 2022 with the acquisition completing subsequent to the reporting date on 15 February 2022.

The acquisition consisted of the issue of securities ("Consideration Securities") to the shareholders of Telmen. The Consideration Securities were made up of a combination of fully paid shares and performance shares, with the performance hurdles being linked to the Gurvantes XXXV Coal Seam Gas Project. The total Consideration Securities issued were made up of:

- 1,600,000,000 fully paid ordinary shares;
- 600,000,000 Class A Performance Shares;
- 600,000,000 Class B Performance Shares; and
- 400,000,000 Class C Performance Shares.

The Performance Share Vesting Conditions are as follows:

Class A: 600,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon both of the following occurring: (i) the volume weighted average price of TMK shares being equal or greater than 2 cents for 20 trading days; and (ii) commencement of a drilling program within the Gurvantes XXXV Project area within 3 years from the date of issue;

Class B: 600,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon either: (i) intersection of 25m of coal seams in any 2 of the first 4 wells within the Gurvantes XXXV Project area; or (ii) 100 billion cubic feet (bcf) of 2C (best estimate contingent resource) Petroleum Resources Management System (PRMS) compliant resource within five years from date of issue; and

Class C: 400,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon 100 bcf 2C PRMS resource within the Gurvantes XXXV Project area within five years from date of issue.

As at the date of completion, none of these performance hurdles have been met.

To assist in the ongoing funding, the Company received firm commitments to raise \$1,960,000 (before costs) by way of the issue of 245,000,000 fully paid shares each at an issue price of \$0.008, with Chieftain Securities acting as lead manager for the raising (Capital Raising). Chieftain was paid fees of 5% of the funds raised and receive an introduction fee of 50 million fully paid shares and 75 million options to acquire TMK shares exercisable at \$0.008 per option on or after the date that the volume weighted average price of TMK shares over 20 consecutive trading days is at least \$0.02 expiring 3 years from the date of issue.

The Company also issued 210,000,000 Performance Rights to the management and certain directors of the Company which have the same performance hurdles as the Performance Shares noted above.

The major shareholders of Telmen receiving approximately 70% of Consideration Securities, have agreed to voluntary escrow arrangements in respect of the consideration they have received. Further details of these arrangements are contained in the Company's Notice of Meeting relating to the Telmen acquisition released to the ASX on 12 January 2022.

Company Projects

Gurvantes XXXV Coal Seam Gas Project (Mongolia)

The Gurvantes XXXV CSG Project covers a significant area of 8,400 km² and is located in what is considered one of the most prospective basins for CSG globally. Within the Project area, multiple very thick, high quality coal seams outcrop at the surface and extend along an east-west strike for approximately 150km. Within the Project area there are six active coal mining operations, twenty-six coal mining leases and numerous coal exploration licenses with a significant amount of exploration for coal having been completed. Preliminary exploration for CSG was initially completed in 2004-2005 and CSG test work characterised the coal as containing high gas quantities of ~10 m³/t with very high methane concentration of >95% CH₄.

The Gurvantes XXXV CSG Project area is situated less than 20 km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. Notably, it is the closest of Mongolia's CSG projects to China's West-East Gas Pipeline. Likewise, it is proximate to several large-scale mining operations with high energy needs. As such, the Gurvantes XXXV CSG Project is ideally situated for future gas sales to satisfy both local Mongolian, as well as Chinese, energy requirements.

TMK's interest is held by its wholly owned subsidiary, Telmen Resource LLC, via a Production Sharing Agreement (PSA). On 21 January 2019, Telmen Resource LLC entered into a Petroleum Prospecting Agreement for three years on the Tenement with the Mineral Resources and Petroleum Authority (MRPAM), the main government organization in charge of minerals and petroleum related matters. On completion of the work program undertaken for the Petroleum Prospecting Agreement in September 2020, Telmen Resource LLC submitted the prospecting work report which was approved and accepted by MRPAM and a request to proceed to the award of a PSA was lodged. The PSA was subsequently awarded in July 2021.

Subsequent to the award of the PSA in July 2021, TMK submitted its request for an exploration license which was awarded in September 2021. This exploration license has a duration of 10 years and can be extended for a further 5 years in certain circumstances.



TMK will commence its high impact drilling program at the Gurvantes XXXV CSG Project in March 2022. The first phase of the exploration program will include the drilling of at least 4 fully tested cored holes where important data will be gathered to confirm coal thickness, gas contents, gas composition and permeability. The drilling program is expected to allow for the estimation of Contingent Resources and allow for the design of a pilot well program. The current plan for the second phase of the exploration program is to undertake a pilot well program, which is expected to commence on completion of the initial drilling program.

Talon Energy Farmout Agreement

The exploration program is majority funded via a farmout agreement with ASX-listed Talon Energy Limited (ASX:TPD) (**Talon**) which requires Talon to spend US\$4.65 million to earn a 33% Working Interest in the PSA via a two-stage farmout (**Farmout Agreement**). TMK will remain as the Operator under the terms of the Farmout Agreement.

The Farmout Agreement requires Talon to fund 100% of the costs of an agreed budget for an initial work program including the drilling of at least four core holes up to an amount of US\$1.5 million. At the conclusion of the initial work program, Talon shall have 90 days during which it may elect to either terminate the Farmout Agreement or elect to enter the second stage of the agreement by spending 100% of the costs of a secondary work program up to an amount of US\$3.15 million. Talon will be assigned its Working Interest in the Gurvantes XXXV CSG Project only after it has made the election to proceed with the secondary work program. Following completion of the first and second stage of the exploration program, TMK will be required to contribute 67% of the costs towards any subsequent work programs and will retain a 67% Working Interest in the PSA, with Talon having the remaining 33% Working Interest.

Independent Prospective Resource Assessment

The Gurvantes XXXV CSG Project is highly prospective for coal seam gas (CSG) and a maiden independent prospective resource assessment was completed in August 2021 by NSAI and delivered a risked 2U (best case) resource of 5.96 TCF.

Gurvantes XXXV CSG Project - Gross (100%) Prospective Gas Resources (TCF)*

Region	Unrisked Prospective Resource (TCF)			Risked Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	2U (Best)	3U (High)
Prospect Area	1.30	2.02	3.38	1.17	1.82	3.04
Lead Area	6.89	17.94	38.24	1.95	4.14	8.21
Total	8.19	19.96	41.62	3.12	5.96	11.25

Gas volumes are expressed in the table above are in trillion cubic feet (TCF) at standard temperature and pressure basis.

*Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.

**Totals of unrisked prospective resources beyond the prospect and lead levels are not reflective of volumes that can be expected to be recovered and are therefore not shown in the NSAI report.

The prospective resources shown in the table above have been estimated by NSAI using probabilistic methods and are dependent on a CSG discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate.

The above table represents 100% of the Gurvantes XXXV CSG Project which is TMK's current Working Interest. However, as disclosed above, TMK has entered into a Farmout Agreement with Talon that will entitle Talon to a 33% Working Interest in the Gurvantes XXXV CSG Project if, after completion of the initial work program, Talon elects to proceed to the second stage work program. During the initial work program, TMK retains 100% Working Interest and will continue to report prospective resources on a 100% basis. If Talon elects to enter the second stage work program, then Talon will earn a 33% Working Interest and accordingly TMK's Working Interest thereafter will reduce to 67%.

Additionally, the above table represents TMK's current Working Interest in the Gurvantes XXXV CSG Project and PSA of 100% before any Government share. As royalties are not payable in kind in Mongolia, no netting-out adjustment has been made. The Gurvantes XXXV PSA has terms that determine Government share in various ways. At this stage of the asset life, it's not possible to determine the level of Government take given significant uncertainty over possible gas prices, development and operating costs, and production rates. TMK therefore currently considers it more appropriate to report Prospective Resources on a Working Interest basis until there is more certainty with respect to the many variables that affect the overall Government share in the production from the Gurvantes XXXV CSG Project.

Napoleon Prospect in the Dampier Basin of the North-West Shelf

ERCE completed independent estimates of Prospective Resources and geological chance of success (COS) for the Napoleon Prospect, located in the Dampier basin, North-West Shelf. TMK holds the right to a 20% working interest in Napoleon comprising production licence WA-8-L at depths below 2,700m (see note 2 below).

ERCE has certified undiscovered recoverable resources (Prospective Resources) and geological chance of success for multiple stacked prospective intervals at Napoleon, with the principal target being the 197T interval. The Prospective Resources and geological chance of success for each reservoir interval are summarised below.

Table 1 – Gross Unrisked Prospective Resources and COS, Napoleon Prospect

Prospect Interval	Unrisked Gross Prospective Gas Resources (Bscf)				Unrisked Gross Prospective Condensate Resources (MMstb)				Chance of Geological Success
	1U	2U	3U	Mean	1U	2U	3U	Mean	
Napoleon 176S	23	103	456	201	0.7	3.9	19.6	8.5	19%
Napoleon 182S	22	100	443	196	0.7	3.7	19.2	8.4	20%
Napoleon 186S	20	96	435	190	0.6	3.6	18.6	8.1	26%
Napoleon 197T	149	730	3,484	1,528	5.1	28.2	151.4	66.1	24%

Table 2- Net Working Interest to TMK, Unrisked Prospective Resources and COS, Napoleon Prospect

Prospect Interval	Unrisked Gross Prospective Gas Resources (Bscf)				Unrisked Gross Prospective Condensate Resources (MMstb)				Chance of Geological Success
	1U	2U	3U	Mean	1U	2U	3U	Mean	
Napoleon 176S	5	15	44	30	0.1	0.6	1.9	1.3	19%
Napoleon 182S	4	15	43	29	0.1	0.6	1.9	1.2	20%
Napoleon 186S	4	14	42	28	0.1	0.5	1.8	1.2	26%
Napoleon 197T	30	107	324	223	1	4.1	14.1	9.7	24%

1. Gross volumes include those outside of licence WA-8-L
2. Net Working Interest volumes have been limited to licence WA-8-L and assume a conversion of TMK's 20% shareholding of the Napoleon Deep project into a direct working interest and has been applied deterministically based on GRV
3. Net Working interest = Gross prospective resources x On-block% x block interest%
4. ERCE has made estimates only for the most likely hydrocarbon phase expected in the success case. The COS shown here exclude phase risk which ERCE has estimated to be 60% gas (40% oil) for the 176S, 182S and 189S intervals and 90% gas (10% oil) for the 197T interval.
5. The Prospective Resources have also not been adjusted for the chance of development (COD). Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

A dry hole cost (prepared by AZTEC) of a 4,900m exploration well intersecting four Napoleon targets is estimated at AU\$41.1 million.

The ERCE report assesses the chance of geological success (discovery) but not the chance of development which requires consideration of economic and other contingencies, involving appraisal and feasibility work which would need to be undertaken post discovery.

It is too early to properly estimate these factors. However, given the location and potential size of Napoleon, TMK considers that there would be a high chance of development in the event of a 2U or better discovery in the 197T target.

Summary of the Napoleon Prospect

- Napoleon is located in WA-8-L, in the premier Barrow-Dampier sub-basin on Australia's North West coast. The lead is an upthrown tilted fault block with closure in the prolific North Rankin, Brigadier and Mungaroo Formations.
- Extensive 3D seismic reprocessing by Downunder Geosciences (to improve the imaging of the structure) and basin analysis studies have been completed.
- Mapping of the reprocessed seismic data indicates strong amplitudes associated with the North Rankin, Brigadier and Mungaroo Formation reservoirs. In contrast, the overlying seal facies are dominated by low amplitudes on top and on the downthrow of the structure.
- The main target is estimated to be at a total vertical depth of approximately 4,500 meters, located in about 80 meters of water depth. Accordingly, the target can be drilled by a jack-up rig.
- Detailed well planning and cost estimates for a 4,900m exploration well to intersect the four targets has been undertaken, with a preliminary dry-hole cost estimate of AU\$41.1 million.

West Klondike Project, Wilbert Sons LLC #1 well, Iberville Parish, Louisiana (11.36% Working Interest)

TMK participated in the drilling of the West Klondike discovery well in late 2012. The well commenced producing gas from the lower Nod Blan on 4 September 2014. Once the lower gas zones were produced, the Operator commenced production of the remaining Lario oil zone. At the present, the field is producing intermittently and sales occur once the tanks fill.

Tenement Summary

At 31 December 2021 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Fusselman Project	12.5%	7
West Klondike	11.36%	6
WA-8-L*	20.00%	1

*The Company owns its 20% interest via a 20% shareholding in Skye Napoleon Pty Ltd.

Corporate

Cash Position at 31 December 2021

The Company had a closing cash balance of A\$1.971 million at 31 December 2021. Subsequent to the end of the reporting period, the Company raised a further \$1.96 million (before costs) through the issue of 245,000,000 shares at \$0.008 per share.

Board and Management Changes

Subsequent to the end of the period and effective 14 February 2022 following completion of the acquisition of Telmen, Mr Brendan Stats was appointed Chief Executive Officer of TMK and Mr Brett Lawrence stepped down as Managing Director and assumed a Non-Executive Director role.

Brendan is a Geologist with fifteen years of experience in the Natural Resources industry. He holds a Bachelor of Science (BSc, Geology (hons)) from the University of Melbourne and has been on the ground living or working in Mongolia since 2011, with a particular focus and expertise on coal projects located within the South Gobi Basin.

Mr Dougal Ferguson has been appointed Chief Commercial Officer of the Company and Mr. Tsetsen Zantav, the major shareholder of TMK, has been appointed as an advisor to the Board. In addition to the above appointments, the Company now has acquired a team in Mongolia who are committed to the advancing the Gurvantes XXXV CSG Project.

Ms Gema Gerelsaikhan and Mr Stuart Baker, two of the directors of Telmen have been appointed to the Board of TMK and Mr Logan Robertson has resigned as a director.

Events subsequent to reporting date

As detailed above in the Review of Operations, TMK has completed the acquisition of Telmen and its 100% interest in the Gurvantes XXXV Coal Seam Gas Project and associated issue of securities as approved by shareholders on 11 February 2022.

The acquisition was completed on 14 February 2022, with the Company contemporaneously completing a placement to raise \$1.96 million (before costs) through the issue of 245,000,000 shares at \$0.008 per share. The Company also issued 50,000,000 shares and 75,000,000 unlisted options exercisable at \$0.008 per option as introduction securities to the nominees of Chieftain Securities Pty Ltd. The unlisted options vest when the volume weighted average price of TMK shares is equal or greater than \$0.02 for 20 trading days.

Following the completion of the acquisition of Telmen and the issue of all securities in relation to the acquisition of Telmen, the capital raise, the issue of the Performance Rights and the introduction fees, the capital structure of the Company is set out below.

	Ordinary Shares	Performance Shares	Performance Rights	Unlisted Options
Prior Securities on issue	985,000,000	-	-	-
Placement Securities	245,000,000	-	-	-
Introduction Fees	50,000,000	-	-	75,000,000
Telmen Acquisition	1,600,000,000	1,600,000,000	210,000,000	-
Current Securities	2,880,000,000	1,600,000,000	210,000,000	75,000,000

In addition to the acquisition of Telmen and the issue of securities as detailed above, shareholders approved resolutions at the General Meeting held on 11 February to change the scale of activities of the Company and also change the name of the Company to TMK Energy Limited.

There were no other material events subsequent to the reporting date.

Likely developments

The consolidated entity will continue to pursue its principal activities.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, BDO Audit (WA) Pty Ltd to provide the directors with a written Independence Declaration in relation to their review of the financial statements for the period ended 31 December 2021. The written Auditor's Independence Declaration forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



Brett Lawrence
Non-Executive Director
Perth, W.A.
11 March 2022

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**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF TMK ENERGY LIMITED
(FORMERLY TAMASKA OIL & GAS LIMITED)**

As lead auditor for the review of TMK Energy Limited (formerly Tamaska Oil & Gas Limited) for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TMK Energy Limited (formerly Tamaska Oil & Gas Limited) and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 11 March 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2021

	Consolidated	
	Half-Year End 31-Dec-21	Half-Year End 31-Dec-20
	\$	\$
Oil and gas revenue	-	1,100
Cost of sales	-	(4,368)
Amortisation of oil and gas properties	-	-
GROSS LOSS	-	(3,268)
Government grant	-	10,000
Professional services expense	(176,109)	(29,813)
Directors fees	(66,000)	(46,000)
Legal Fees	(26,791)	(4,412)
Regulatory expenses	(37,260)	(19,851)
Office and administrative expenses	(29,047)	(36,420)
Fair value loss on financial asset at fair value through profit and loss	(65,128)	-
Exploration Expenses	(118,893)	-
LOSS OF OPERATING ACTIVITIES	(519,228)	(129,764)
Foreign exchange gain/(loss)	1	(125,218)
LOSS BEFORE TAX	(519,227)	(254,982)
Income tax benefit / (expense)	-	-
LOSS AFTER TAX FROM CONTINUING OPERATIONS	(519,227)	(254,982)
OTHER COMPREHENSIVE LOSS		
ITEMS THAT WILL OR MAY BE RECLASSIFIED TO PROFIT AND LOSS		
Exchange differences on the translation of foreign operations	(1,124)	1,999
OTHER COMPREHENSIVE (LOSS)/INCOME (NET OF TAX) FOR THE PERIOD	(1,124)	1,999
TOTAL COMPREHENSIVE LOSS	(520,351)	(252,983)
LOSS ATTRIBUTED TO:		
Owners of TMK Energy Ltd	(520,351)	(252,983)
Loss per share (cents) for the loss from continuing operations attributable to the ordinary equity holders of the company:		
Basic and diluted loss per share (cents per share)	(0.055)	(0.029)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	Consolidated	
		As at 31-Dec-21 \$	As at 30-June-21 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,970,945	2,397,478
Trade and other receivables		40,038	18,758
Total Current Assets		2,010,983	2,416,236
NON-CURRENT ASSETS			
Investment in Associate (Talisman Project)		450,000	450,000
Oil and gas properties		41,823	40,430
Total Non-Current Assets		491,823	490,430
TOTAL ASSETS		2,502,806	2,906,666
CURRENT LIABILITIES			
Trade and other payables	5	194,449	79,156
Total Current Liabilities		194,449	79,156
NON-CURRENT LIABILITIES			
Restoration provision		35,974	34,776
Total Non-Current Liabilities		35,974	34,776
TOTAL LIABILITIES		230,423	113,932
NET ASSETS		2,272,383	2,792,734
EQUITY			
Issued share capital	6	31,519,783	31,519,783
Issued share options		408,890	408,890
Share based payment reserve		581,483	581,483
Other reserves		854,483	855,607
Accumulated losses		(31,092,256)	(30,573,029)
TOTAL EQUITY		2,272,383	2,792,734

The above consolidated statement of financial position should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

	Issued share capital	Issued options	Share-based payment reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	31,519,783	408,890	581,483	855,607	(30,573,029)	2,792,734
Currency translation of foreign operations	-	-	-	(1,124)	-	(1,124)
Loss for the period after tax	-	-	-	-	(519,227)	(519,227)
Total comprehensive loss for the period	-	-	-	(1,124)	(519,227)	(520,351)
Transactions with equity holders in their capacity as equity holders						
Issues of share capital	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Balance at 31 December 2021	31,519,783	408,890	581,483	854,483	(31,092,256)	2,272,383

	Issued share capital	Issued options	Share-based payment reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	31,029,783	408,890	581,483	853,286	(29,998,864)	2,874,578
Currency translation of foreign operations	-	-	-	1,999	-	1,999
Loss for the period after tax	-	-	-	-	(254,982)	(254,982)
Total comprehensive loss for the period	-	-	-	1,999	(254,982)	(252,983)
Transactions with equity holders in their capacity as equity holders						
Issues of share capital	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Balance at 31 December 2020	31,029,783	408,890	581,483	855,285	(30,253,846)	2,621,595

The consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated half year financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

	Consolidated	
	Half-Year 31-Dec-21	Half-Year 31-Dec-20
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from product sales and related customers (inclusive of GST)	-	1,100
Payments to suppliers and employees (inclusive of GST)	(112,445)	(129,342)
Payment of production cost	-	(1,100)
Government grant	-	10,000
Payments for exploration and evaluation	(314,088)	-
Net cash used in operating activities	(426,533)	(119,342)
Net increase/(decrease) in cash held	(426,533)	(119,342)
Cash and cash equivalents at the beginning of the period	2,397,478	2,912,406
Effects of exchange rate changes on the balances held in foreign currencies	-	(125,218)
Cash and cash equivalents at the end of the period	1,970,945	2,667,846

The above consolidated statement of cash flows should be read in conjunction with the notes to the consolidated half year financial statements.

NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

TMK Energy Limited ("TMK" or the "Company") is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated half-year financial statements of the Company as at, and for the six months ended 31 December 2021, comprise TMK and its subsidiaries (together referred to as the "consolidated entity" or "group"). The financial report of the consolidated entity for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 11 March 2022.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2021 is available upon request from TMK website www.tmkenergy.com.au, the ASX website or the companies registered office at 102 Forrest Street, Cottesloe, Western Australia 6011.

NOTE 2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated half-year financial statements do not include all of the notes and information normally included in annual financial statements. Accordingly this report should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2021 and any public announcements made by TMK Energy Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies applied by the consolidated entity in this consolidated half-year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2021. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

FINANCIAL REPORT PREPARED ON A GOING CONCERN BASIS

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 3. DIVIDENDS

There are no dividends paid or declared during the period (30 June 2021: Nil).

NOTE 4. SEGMENT REPORTING

The Group is organised into one operating segment, being exploration in the United States (US). This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

NOTE 5. TRADE AND OTHER PAYABLES

	Consolidated	
	31-Dec-21	30-June-21
	\$	\$
Trade creditors	181,449	6,643
Trade accruals	13,000	12,115
	194,449	18,758

NOTE 6. ISSUED SHARE CAPITAL

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Issued capital		
Opening Balance	31,519,783	31,029,783
Shares Issued	-	490,000
Cost of share issue	-	-
985,000,000 fully paid ordinary shares	31,519,783	31,519,783

	31-Dec-21 Shares	30-Jun-21 Shares	31-Dec-21 AUD	30-Jun-21 AUD
Movements in share on issue				
Beginning of the period	940,000,000	890,000,000	31,519,783	31,029,783
Share Issued				
Options Exercised ⁽¹⁾		5,000,000		40,000
Fully Paid Ordinary Shares ⁽²⁾		45,000,000		450,000
Fully Paid Ordinary Shares ⁽³⁾	45,000,000		-	
Total shares issued	985,000,000	940,000,000	31,519,783	31,519,783

(1) 5,000,000 unlisted options exercised on 2 February 2021 @ \$0.008

(2) Skye Napoleon Consideration issued 24 February 2021 @\$0.01

(3) 45,000,000 Performance Shares converted to Fully Paid Ordinary Shares on 28 October 2021

NOTE 7. RELATED PARTY TRANSACTIONS

There were no changes to transactions with key management personnel during the period.

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES

The conditions for the 45,000,000 performance shares have been met and the 45,000,000 ordinary shares have been issued during the period.

There were no other changes to contingent liabilities, contingent assets or commitments during the period.

NOTE 9. EVENTS SUBSEQUENT TO REPORTING DATE

As detailed above in the Review of Operations, TMK has completed the acquisition of Telmen and its 100% interest in the Gurvantes XXXV Coal Seam Gas Project and associated issue of securities as approved by shareholders on 11 February 2022.

The acquisition was completed on 14 February 2022, with the Company contemporaneously completing a placement to raise \$1.96 million (before costs) through the issue of 245,000,000 shares at \$0.008 per share. The Company also issued 50,000,000 shares and 75,000,000 unlisted options exercisable at \$0.008 per option as introduction securities to the nominees of Chieftain Securities Pty Ltd. The unlisted options vest when the volume weighted average price of TMK shares is equal or greater than \$0.02 for 20 trading days.

Following the completion of the acquisition of Telmen and the issue of all securities in relation to the acquisition of Telmen, the capital raise, the issue of the Performance Rights and the introduction fees, the capital structure of the Company is set out below.

	Ordinary Shares	Performance Shares	Performance Rights	Unlisted Options
Prior Securities on issue	985,000,000	-	-	-
Placement Securities	245,000,000	-	-	-
Introduction Fees	50,000,000	-	-	75,000,000
Telmen Acquisition	1,600,000,000	1,600,000,000	210,000,000	-
Current Securities	2,880,000,000	1,600,000,000	210,000,000	75,000,000

In addition to the acquisition of Telmen and the issue of securities as detailed above, shareholders approved resolutions at the General Meeting held on 11 February to change the scale of activities of the Company and also change the name of the Company to TMK Energy Limited.

There were no other material events subsequent to the reporting date.

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DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 31 December 2021

In the opinion of the directors:

- (a) the Interim financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the financial position as at 31 December 2021 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the board



Brett Lawrence
Non-Executive Director
Cottesloe, W.A.
11 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TMK Energy Limited (formerly Tamaska Oil & Gas Limited)

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of TMK Energy Limited (formerly Tamaska Oil & Gas Limited) (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 11 March 2022

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