

100% EXPLORATION SUCCESS CONTINUES AT GURVANTES CSG PROJECT IN MONGOLIA

- 40 metres of coal confirmed within the lower coal seam at Snow Leopard – 04 (SL-04) between the depths of 287m and 327m
- Preliminary results from samples indicate the coal contains moderate to high gas contents broadly consistent with results from SL-01, SL-02, and SL-03.
- Drill Stem Tests (DST) successfully completed over the coal interval with results to be interpreted shortly
- SL-04 was the fourth well in the 2022 Exploration Program, all of which have successfully intersected very thick coal seams with high gas contents
- Drilling activities have resumed on SL-03R targeting the lower seam adjacent to where the upper seam was intersected in SL-03

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to advise that SL-04 well has successfully intersected 40 metres of gassy coal within the lower coal seam at the Gurvantes XXXV CSG Project in the South Gobi Basin in Mongolia.

SL-04 intersected a net coal thickness of approximately 40 metres between the depths of 287m and 327m representing the lower coal seam and presents as a single, high quality, clean and homogenous coal seam/unit as confirmed by geophysical logging.

An additional 16 metres of coal was intersected at the top of the well, which represents the basal section of the upper coal seam, with the remaining portion of the upper coal seam above the sub-crop surface. SL-04 was not targeting the upper coal seam at this location and was designed to specifically intersect the lower coal seam at a shallower depth to get additional data on gas content and permeability of the lower seam. See Figure-1 for well location map.

Coal core has been sampled for gas desorption, adsorption and composition analysis. Gas desorption measurements from the samples collected is ongoing with preliminary results indicating that the coal seam has moderate to high gas contents (in the order of 5.0 m³/t to 10. m³/t on an as received basis) broadly consistent with the gas content results from SL-01, SL-02, and SL-03.

Drill Stem Test (DST) over the coal interval was successfully completed and results from the testing will be interpreted shortly to provide information on the permeability of the coal interval.

Drilling activities have resumed on the SL-03R well after a significant hiatus due to mechanical breakdown of the drilling rig and crew unavailability due to Covid restrictions. SL-03R is specifically targeting the lower seam adjacent to where the upper seam was intersected in SL-03.

The results from the four exploration wells completed to date (SL-01, SL-02, SL-03, SL-04), have all intersected very thick coal seams within either the upper and lower coal seams (or both) over a 10km strike.



On completion of the SL-03R well, which has already successfully intersected the upper coal seam but is yet to intersect the lower coal seam, the four well initial drilling program under the farm-out agreement with Talon Energy Limited (TPD) will be complete and TPD will then have up to 90 days to elect to proceed to the next stage of the second stage of funding, being US\$3.15 million budgeted towards the pilot well program.

The results to date from the testing of the coal seams compare very favourably with existing producing CSG fields from around the world and have provided the necessary data required for the Company to commence a contingent resource assessment and the Company continues to plan and advance the pilot well program scheduled to commence later this year.

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 exploration results continue to impress, and we are especially pleased to have made such fast progress on completing the drilling and testing of the SL-04 well. We continue to drill ahead on SL-03R well for additional data on the lower coal seam and hopefully that will be achieved in the coming weeks which will then complete the initial exploration drilling program under the Talon farm-in agreement."

Following that, we look forward to booking a maiden contingent resource and focussing our efforts on execution of the pilot well program where we hope to be able to produce gas to surface in a relatively short timeframe and prove up the commerciality of the project."



Figure 1 – 2022 Exploration Program Drill Hole Locations.





Figure 2 – TMK Energy team at SL-04 drill site

ABOUT TMK ENERGY LTD

TMK Energy Limited is listed on the Australian Stock Exchange (ASX:TMK) and 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

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