

INITIAL EXPLORATION PROGRAM COMPLETE

- Total net coal thickness at Snow Leopard-03R (SL-03R) increased by 25% to 175 metres (previously reported as 140m)
- Further deepening of SL-03R resulted in a total of 102 metres of gassy coal being intersected within the lower coal seam between 455 metres and 558 metres depth
- Geophysical logging confirmed 73 metres of gassy coal in the upper coal seam in SL-03R, with preliminary results indicating both upper and lower seams containing high gas contents
- Snow Leopard-05 re-spudded (SL-05R) after encountering difficult drilling conditions, currently at depth of approximately 320 metres
- Independent Contingent Resource assessment underway with Netherland, Sewell & Associates, Inc. (NSAI) following completion of the initial drilling program
- Initial four well program completed under Talon Energy Limited (ASX:TPD) farmout agreement, commencing TPD's 90-day election period

TMK Energy Limited (ASX:TMK) ("**TMK**" or the "**Company**") is pleased to provide an update on the Gurvantes XXXV Coal Seam Gas (CSG) Project in the South Gobi Basin in Mongolia.

Snow Leopard - 03R

Drilling and testing of SL-03R was completed on 22 September 2022, having been drilled to a total depth of 558 metres with a total net thickness of 175 metres of gassy coal intersected in the well. Geophysical logging has confirmed a total of 73 metres of net coal in the upper seam from a depth of 174 metres and 102 metres of net coal in the lower seam from a depth of 455 metres, an overall increase of 25% from the previously reported coal thickness for SL-03R.

TMK understands that SL-03R represents the thickest intersection of gassy coal in a CSG well in Mongolia to date. SL-03R was still drilling in coal within the lower seam at a depth of 558 metres, however, hole conditions were deteriorating, and it was determined to be unnecessary to proceed given the very thick coal already intersected.

The well was then subsequently logged, and permeability testing was attempted over the lower seam interval. Preliminary results indicate that permeability testing was only partially successful, and results obtained are currently being interpreted.

Preliminary results from desorption samples indicate that all coal from both the upper and lower coal seams contain high gas contents (in the order of 7.5 m³/t to 12.5 m³/t on an as received basis).

Snow Leopard - 05

After intersecting the upper seam in SL-05, difficult drilling conditions prevented further satisfactory drilling progress toward the lower seam interpreted to exist at this location. SL-05 was re-spudded



(SL-05R) and the well is currently at a depth of approximately 320 metres. The total depth of SL-05R is expected to be approximately 650 metres.

Contingent Resource Assessment

Following the completion of the initial exploration drilling program, Netherland, Sewell & Associates, Inc. (NSAI) have been engaged to commence the Company's maiden independent Contingent Resource assessment for the Gurvantes XXXV Project. NSAI are highly regarded international petroleum consultants and are considered one of the most experienced and respected coal seam gas certifiers globally.

The Contingent Resource assessment is expected to take approximately 6 weeks to complete and will integrate the new data obtained from the initial exploration drilling program conducted over what to date, is only a small percentage of the Gurvantes XXXV Project area.

Forward Program

With the completion of the fourth exploration well pursuant to the two stage farmout agreement with Talon Energy (TPD), the initial drilling obligation under Stage 1 is now complete.

Following a formal election by TPD to proceed, the next stage of the farmout agreement consists of a commitment by TPD to fund 100% of the next US\$3.15 million which is budgeted towards the pilot production well program, after which it will have earned a 33% interest in the Project.

TPD can elect at any time within 90 days from 26 September 2022 (the date formal notice was provided to TPD) to proceed with the next funding stage. The Managing Director of TPD, along with representatives from TMK, have recently returned from a field visit to Mongolia and the Gurvantes XXXV Project area.

Prior to and irrespective of any formal election from TPD with respect to the next stage of the farmout agreement, the Company has elected to fast track the planning and design process of the pilot well program.

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 completion of this highly successful initial drilling program is a significant milestone for the Company, and I congratulate our team in Mongolia for their hard work over recent months and for completing the drilling safely in what can be, challenging conditions. The excellent results achieved to date have significantly advanced our understanding and demonstrated the unique and incredible potential of the Gurvantes CSG Project.

We look forward to booking a maiden Contingent Resource and focussing our efforts on execution of the Pilot Well Program where we expect to be able to produce gas to surface and prove up the commerciality of the project."



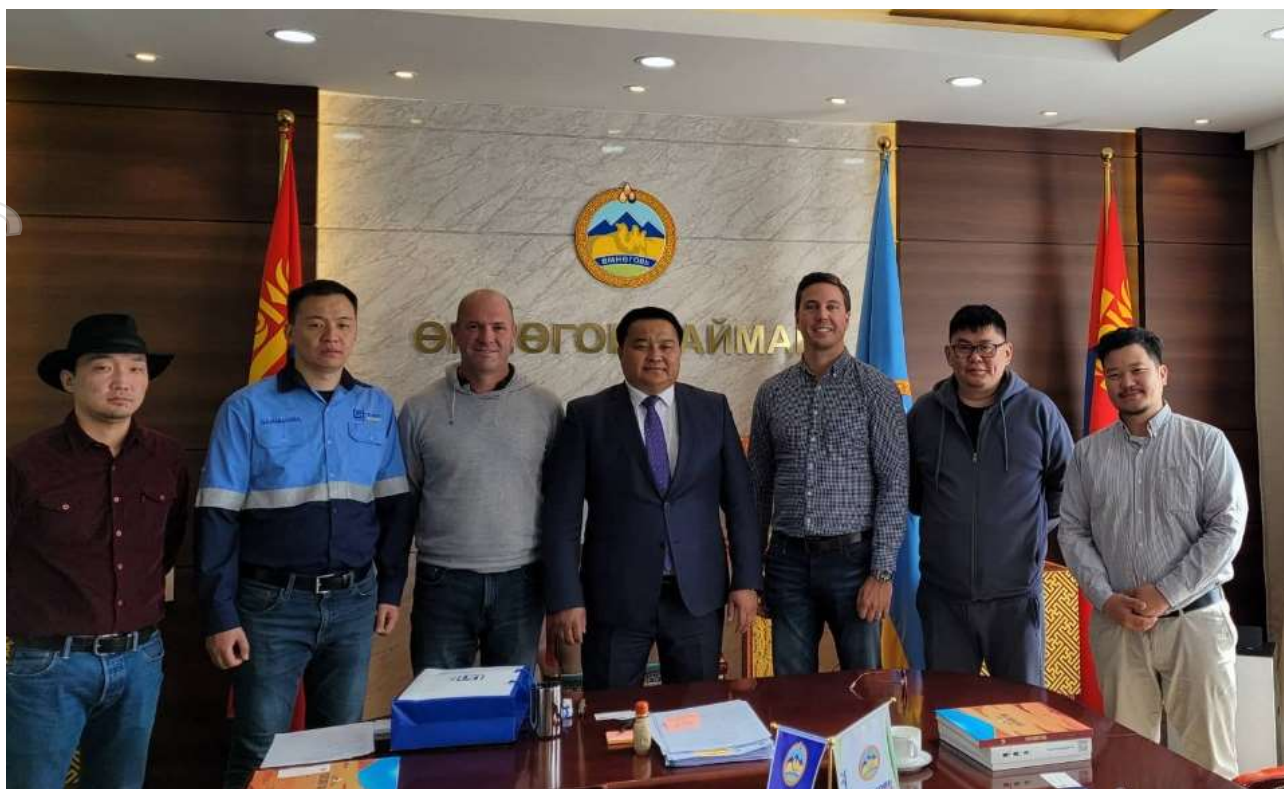


Figure 1 – Representatives from TMK Energy Limited and Talon Energy Limited meeting the Governor of South Gobi Province during recent visit to Gurvantes XXXV Project

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

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.