

SUCCESSFUL DRILLING PROGRAM COMPLETE

- The initial exploration drilling program is now complete with all five exploration wells delivering thick coal intersections with high gas contents
- The final exploration well, Snow Leopard - 05R (SL-05R) intersected a total of 69 metres of coal, including 41 metres in the upper coal seam and 28 metres in the lower coal seam
- Preliminary results from drill stem testing (DST) completed over the upper seam in SL-05R indicate the highest permeability recorded in Project area to date
- Pilot Well Program planning process underway and the initial Contingent Resource assessment targeted for completion by 31 October 2022

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

Drilling and testing of SL-05R was completed on 9 October 2022, having been drilled to a total depth of 510 metres with a total net thickness of 69 metres of coal intersected in the well. Geophysical logging has confirmed a total of 41 metres of net coal in the upper seam from a depth of 190 metres and 28 metres of net coal in the lower seam from a depth of 447 metres.

Permeability testing (via Drill Stem Test) was completed over the upper seam interval and preliminary results indicate the highest permeability value to date for the Project. Detailed analysis and interpretation of the results are underway and final permeability readings will be reported when the analysis and interpretation is complete. The lower seam was unable to be tested for permeability due to poor hole conditions.

Preliminary results from desorption samples indicate that all coal from a depth of greater than 200m contains moderate to high gas contents (in the order of 5 m³/t to 10 m³/t on an as received basis) from both the upper and lower coal seams.

Final analysis and interpretation of all data from the 2022 exploration program will progressively become available as testing continues, including final gas contents, gas composition, and permeability results. Of note, samples from SL-02 and SL-03 are currently undergoing adsorption isotherm analysis in Brisbane, with results expected in the coming weeks.

Drilling and testing for the 2022 exploration program is now completed and the drilling contractors have been demobilised from site. The focus will now shift to the advancement of the Pilot Well Program and the detailed planning and logistics that are required to deliver the proof-of-concept stage of the Project, which will be to produce first gas to surface.

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:

"It is pleasing to finish the initial exploration program on a high note with another successful well delivering excellent results. The preliminary DST results from the upper coal seam in SL-05R indicate the highest permeability recorded in our Project area to date.

The drilling program has been completed with no lost time safety incidents recorded and has delivered outstanding results. A large amount of new data has been acquired that is invaluable in the design and implementation of the Pilot Well Program and of course, provide the additional technical data required to estimate our maiden Contingent Resource estimate due out at the end of this month.

The Project is gaining significant momentum and we are working hard to expedite the next stages, being to produce gas to surface and begin to prove up the vast area we have under license. In conjunction with operations, we look forward to progressing commercial arrangements with our partner (Talon) and further delineating a commercial agreement with PetroChina pursuant to our existing MOU."

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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