



ASX ANNOUNCEMENT

8 June 2022



91 METRES OF GASSY COAL IN SNOW LEOPARD - 02

- **Two thick gassy coal seam intersections of 70 metres (upper seam) and 21 metres (lower seam) with total net coal of 91 metres at SL-02**
- **High gas contents in both coal seams indicated from preliminary desorption test work**
- **High methane (~97%) and low carbon dioxide (~1.4%) confirmed from upper seam, consistent with results from Snow Leopard - 01**
- **SL-02 has reached total depth of 540 metres with downhole geophysical surveys currently being completed**

TMK Energy Limited (ASX:TMK) (“TMK” or the “Company”) is pleased to advise that drilling on Snow Leopard – 02 (SL-02) has intersected a further 21 metres of coal in the lower seam, from a depth of 457m to 478.5m. This is in addition to the 70 metres of coal that was intersected in the upper seam at SL-02 and brings total net coal thickness intersected in SL-02 to 91 metres. Coal core from both the upper and lower coal seams at SL-02 have been sampled for gas desorption testing and preliminary results indicate that both seams contain high gas contents.

Gas composition sampling and gas chromatography testing from samples from SL-02 confirm that the coal seam gas has high methane (CH_4) concentrations between 95% and 98% (average 97%), and low carbon dioxide (CO_2) values between 0.6% and 3.3% (average 1.4%). The gas composition results from SL-02 are consistent with results from SL-01, drilled five kilometres to the west, where methane concentrations in gas samples averaged 96%.

Drilling at SL-02 is now complete with the total depth of the well at 540 metres. Downhole geophysical surveys are currently being completed on SL-02 in preparation for potentially completing further permeability testing on the coal intersections, subject to hole conditions.

On completion of testing and rehabilitation works on SL-02, the drill rig will be mobilised approximately three kilometres to the west to commence drilling of Snow Leopard – 03, the third of the planned four well exploration drilling 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:

“This has been another highly successful well in our maiden exploration drilling program at the Gurvantes XXXV CSG Project. The results to date are extremely positive and have exceeded our expectation with respect to the very thick coal intersections, high gas contents, exceptional gas quality, and excellent permeability results recorded over the upper coal seam in Snow Leopard – 02.

Our focus has now shifted to the fast tracking of the pilot production system and early commercialisation opportunities that now clearly exist given the highly encouraging results to date.”



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Figure 1 - TMK Energy's CEO Operations Manager Ganzorig Vanchig and joint venture partner Talon Energy Limited's David Casey, on site reviewing progress on SL-02

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. TMK also holds a 20% interest in the Talisman Deep Project, which contains the Napoleon structure. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV Project.

TMK's key focus is the development of the Gurvantes XXXV South Gobi Natural Gas Project located in the South Gobi basin of Mongolia.

Talon Energy Limited (ASX:TPD) is earning a 33% Working Interest in the 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.