



## DRILLING CONTRACT AWARDED

- **TMK Energy has awarded the drilling contract for the initial drilling program at Gurvantes XXXV CSG Project in the South Gobi Basin**
- **Drilling scheduled to commence in March 2022 with a minimum of 4 wells targeting known coals seams within CSG depth window**
- **Drilling and testing to begin process of converting 5.96 TCF (2U risked) Prospective Resource to Contingent Resources<sup>1</sup>**
- **All local government approvals now in place for drilling to commence**

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to announce that it has signed a contract with Ellehcor Drilling Services LLC for the maiden drilling program on the Gurvantes XXXV CSG Project in the South Gobi Basin of Mongolia due to commence in the next few weeks.

The maiden drilling program will comprise of 4 full tested cored holes within the western portion of the Gurvantes XXXV license area in the region of Nariin Sukhait which has a number of active open cut coal mining operations and has been extensively explored for coal over the last 15 years. The Nariin Sukhait area is known to contain two very thick, high quality, coal seam groups and historical coal seam gas data acquired from a series of 5 wells indicates high gas contents. The drilling program has been designed to intersect these thick coal seams at suitable depths for coal seam gas development.

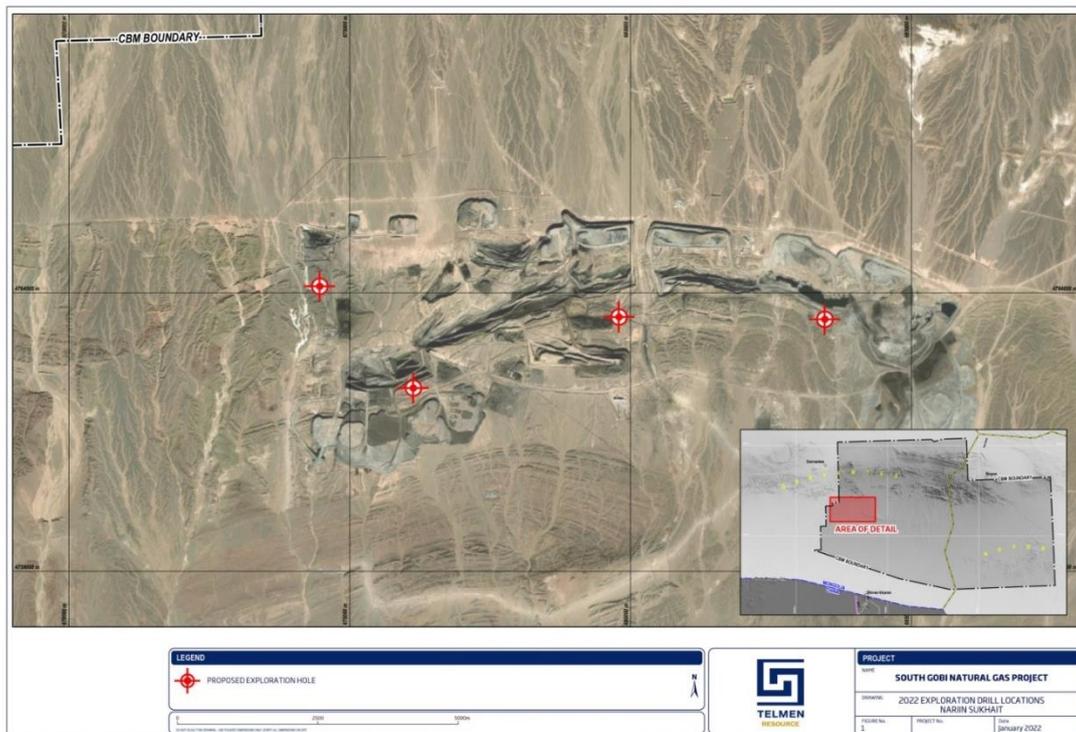


Figure 1 – Approximate location of the 4 proposed drill locations



These historical wells were not fully tested using modern CSG techniques and the testing program has been designed to provide the comprehensive data required to fully assess the commercial potential of the coal seam gas that has previously been identified, with the key commercial parameter to be confirmed being the permeability of the coal seams.

The drilling is the first step in the process of converting the independently certified 5.96 TCF (2U risked) Gross Prospective Resource<sup>1</sup> into Contingent Resources. This will be a major milestone in the potential establishment of a world class gas project adjacent to one of the world's largest gas markets, China.

The drilling program will be funded by TMK's partner Talon Energy Limited (ASX:TPD) under an existing farm out agreement. TPD is earning a 33% economic interest in the Gurvantes XXXV Production Sharing Agreement by funding the first US\$4.65 million in expenditure via a two-stage farm-in agreement.

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:**

*"I have recently arrived in Mongolia and am working with our established local team preparing for the mobilisation of the drilling team and drilling rig to the Nariin Sukhait area. The TMK operations team are well prepared for the drilling program having brought in the required specialised equipment from Australia over the last 12 months.*

*With all approvals in place and all contractors engaged, we are looking forward to commencing our maiden drilling program in early March and taking a significant step forward in our goal to deliver a world class CSG project right next door to China, the largest growing gas market in the world."*

*Note 1: Please refer to the Company's previous announcement dated 16 December 2021 for further information about the Independent Prospective Resource and the Cautionary Statement with respect to the Prospective Resource estimates.*

#### **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 20% interest of 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 of 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.

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](http://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.

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#### **Directors**

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<b>Gema Gerelsaikhan</b>	Non-Executive Director
<b>Brett Lawrence</b>	Non-Executive Director
<b>Tim Wise</b>	Non-Executive Director

