



HIGH PERMEABILITY CONFIRMED OVER UPPER COAL SEAM AT SNOW LEOPARD - 02

- High permeability confirmed over the 70 metres of gassy coal intersected in the upper coal seam test interval at Snow Leopard – 02 (SL-02)
- Detailed analysis of Drill Stem Test (DST) and IFOT (Injectivity Fall Off Test) data collected from SL-02 calculated a flow capacity of 1,090 mD.m (millidarcy metre) over the upper coal seam test interval
- High permeability, combined with high gas contents over a shallow, thick coal interval validates the prospectivity of the Gurvantes XXXV CSG Project
- SL-02 currently at a depth of 450 metres, and drilling ahead to target a potential lower coal seam

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to advise that analysis of the DST and IFOT data over the upper coal seam interval at SL-02 has been completed and has delivered a flow capacity of 1,090 mD.m (millidarcy metre) over the test interval. The results indicate that the 70 metres of coal intersected in the upper seam has a high permeability, well within the range required to be able to produce gas from the coals at the SL-02 location.

The combination of shallow, thick and high gas content coals together with good permeability are strong indicators of the commercial potential of the Gurvantes XXXV CSG Project and provides additional confidence for the Company to commence a process to fast-track planning for a pilot production facility later in the year.

Gas desorption continues on coal samples recovered from the upper coal seam of SL-02 and final gas content readings of the high gas contents already observed from initial sampling will become available and be able to be confirmed once the desorption process has been completed.

Drilling is continuing at SL-02 and is currently at a depth of 450 metres and drilling ahead to target a deeper coal seam interpreted to exist at this location. SL-02 is planned to be drilled to a depth of approximately 600 metres and is targeting the same coal formations intersected in SL-01.

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 permeability results over the upper coal seam at Snow Leopard – 02 are very positive in terms of determining the overall commercial potential of the Nariin Sukhait area within the Gurvantes XXXV Project.

Based on the current results at SL-02 indicating high gas contents, good permeability in a thick, gassy coal seam at a relatively shallow depth, we are commencing the process of fast-tracking planning for a pilot production well program later in 2022.”





TMK Energy's CEO Brendan Stats and Operations Manager Ganzorig Vanchig on site supervising 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.

