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ASX Release **15 December 2021**

ACQUISITION OF MONGOLIAN COAL SEAM GAS PROJECT

- **Binding Terms Sheet executed to acquire 100% of Telmen Energy Limited (Telmen)**
- **Telmen currently holds a 100% interest in the Gurvantes XXXV Coal Seam Gas (CSG) Project located in the South Gobi Basin in Mongolia**
- **Gurvantes XXXV CSG Project covers 8,400 km2 in what is considered one of the most prospective underexplored basins for CSG globally**
- **Independent Prospective Resource (2U) of 5.96 TCF independently assessed by NSAI**
- **Gurvantes XXXV CSG Project located less than 20km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network**
- **Initial exploration program has commenced and is fully funded by Talon Energy Ltd (ASX:TPD), with the initial high impact, low cost drilling program expected to commence in Q1 2022**
- **TPD spending the initial US$4.65m under a two-stage farmin to earn a 33% Working Interest in the Gurvantes XXXV CSG Project**
- **TMK has received commitments to raise A$1.96 million (before costs) through the issue of 245 million shares and is expected to have approximately A$3.8 million cash on completion of the Acquisition**
- **Acquisition subject to completion of due diligence and TMK shareholder approval**
- **The Telmen Acquisition is an exciting addition to TMK's 20% working interest in the Napoleon Prospect, which is located in the Dampier Basin of the North-West Shelf and has a mean gross unrisked prospective resource for the main target of 1.53 TCF of gas and 66 million barrels of condensate (see the ERCE independent resources estimate in Appendix 4)**

Tamaska Oil and Gas Ltd (ASX:TMK) (**TMK** or the **Company**) is pleased to announce that is has executed a binding Terms Sheet to acquire Telmen Energy Limited (**Telmen**) for consideration of 1.6 billion fully paid ordinary shares in TMK and 1.6 billion performance shares in TMK converting into fully paid ordinary shares upon successfully achieving certain performance targets and milestones detailed below (**Acquisition**).

Telmen is an unlisted Australian public company which owns 100% of Telmen Resource LLC, a Mongolian incorporated entity, which in turn holds a 100% interest (subject to the Talon Farmout Agreement detailed below) in the Gurvantes XXXV CSG Project located in the South Gobi Basin of Mongolia. Telmen is led by an Australian and Mongolian team which together bring the expertise and experience to explore and develop the Gurvantes XXXV CSG Project.

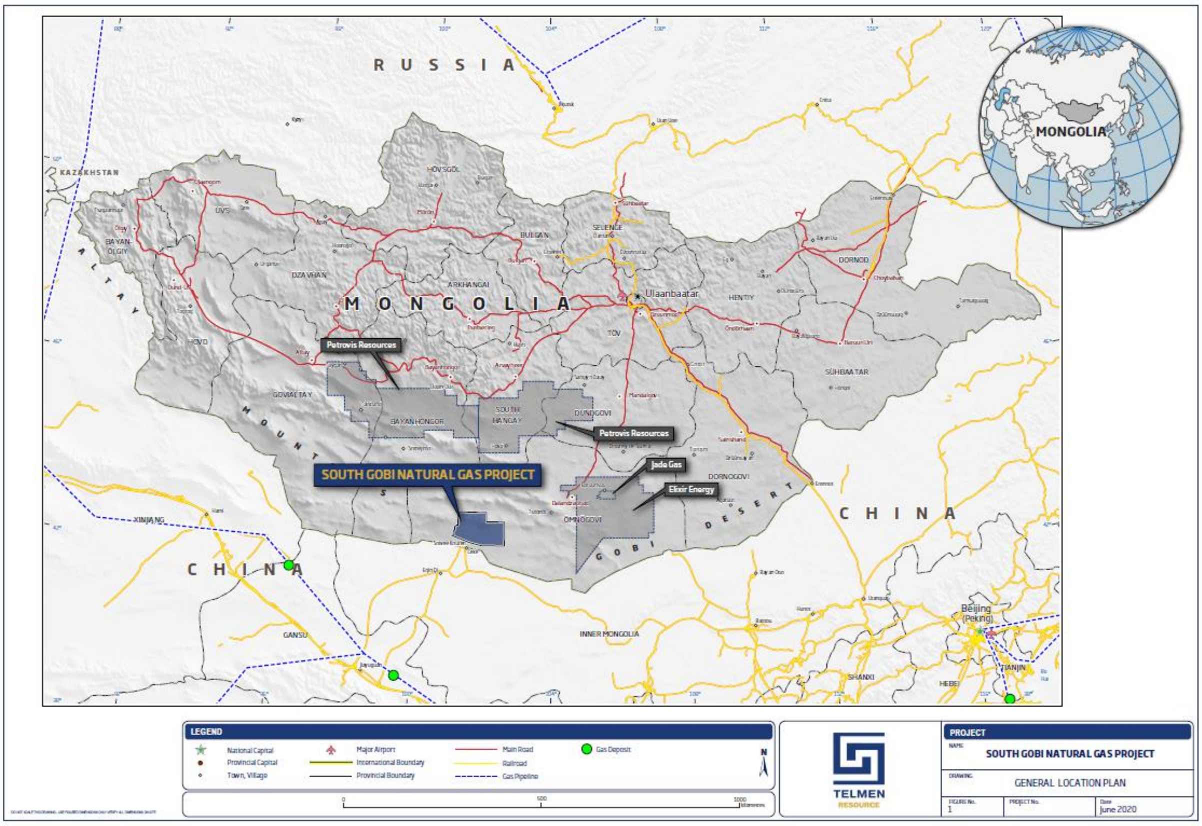
Telmen's interest is held by its wholly owned subsidiary, Telmen Resource LLC, via a Production Sharing Agreement (**PSA**). The PSA was awarded in July 2021 by the Mineral Resources and Petroleum Authority of

Mongolia. The corresponding exploration license was awarded in September 2021 with planning for an upcoming multi well exploration drilling program well underway.

Background Information on the Gurvantes XXXV CSG Project

The Gurvantes XXXV CSG Project covers a significant area of 8,400km2 and is located in what is considered one of the most prospective basins for CSG globally. The Gurvantes XXXV CSG Project area is situated less than 20km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. Notably, it is the closest of Mongolia's CSG projects to China's West-East Gas Pipeline. Likewise, it is proximate to several large-scale mining operations with high energy needs. As such, the Gurvantes XXXV CSG Project is ideally situated for future gas sales to satisfy both local Mongolian, as well as Chinese, energy requirements.

On 21 January 2019, Telmen Resource LLC entered into a Petroleum Prospecting Agreement for three years on the Tenement with the Mineral Resources and Petroleum Authority ("**MRPAM**"), the main government organization in charge of minerals and petroleum related matters. On completion of the work program undertaken for the Petroleum Prospecting Agreement on or around September 2020, Telmen Resource LLC submitted the prosecting work report which was approved and accepted by MRPAM and a request to proceed to the award of a PSA was lodged. The PSA was subsequently awarded in July 2021.



Subsequent to the award of the PSA in July 2021, Telmen submitted its request for an exploration license which was subsequently awarded in September 2021. This exploration license has a duration of 10 years and can be extended for a further five (5) years in certain circumstances. The final approval required prior to commencing field operations is the approval of an Environmental Impact Assessment which is well advanced. Telmen currently expects this final approval to be received in early 2022.

Telmen expects to commence a high impact drilling program at the Gurvantes XXXV CSG Project in mid Q1 2022. The first phase of the exploration program will include the drilling of at least 4 fully tested cored holes where important data will be gathered to confirm coal thickness, gas contents, gas composition and permeability. The drilling program is expected to allow for the estimation of Contingent Resources and allow for the design of a pilot well program. The second phase of the exploration program is to undertake a pilot well program, that is expected to be completed later in 2022.

Talon Energy Farmout Agreement

The exploration program is majority funded via a farmout agreement with ASX-listed Talon Energy Limited (ASX:TPD) (**Talon**) which requires Talon to spend US$4.65 million to earn a 33% working interest in the PSA via a two-stage farmin (**Farmout Agreement**). Telmen will remain as the Operator under the terms of the Farmout Agreement.

The Farmout Agreement requires Talon to fund 100% of the costs of an agreed budget for an initial work program including the drilling of at least four core holes up to an amount of US$1.5 million. At the conclusion of the initial work program, Talon shall have 90 days during which it may elect to either terminate the Farmout Agreement or elect to enter the second stage of the agreement by spending 100% of the costs of a secondary work program up to an amount of US$3.15 million. Talon will be assigned its working interest in the Gurvantes XXXV CSG Project only after it has made the election to proceed with the secondary work program. Following completion of the first and second stage of the exploration program, Telmen will be required to contribute 67% of the costs towards any subsequent work programs and will retain a 67% Working Interest in the PSA, with Talon having the remaining 33% Working Interest.

Independent Prospective Resource Assessment

The Gurvantes XXXV CSG Project is highly prospective for coal seam gas (**CSG**) and a maiden independent prospective resource assessment was completed in August 2021 by Netherland Sewell & Associates Inc. (NSAI) and delivered a risked 2U (best case) resource of 5.96 TCF (see table below).

Gurvantes XXXV CSG Project - Gross (100%) Prospective Gas Resources (TCF)*

Region	Unrisked Prospective Resource (TCF)			Risked Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	**2U (Best)**	3U (High)
Prospect Area	1.30	2.02	3.38	1.17	**1.82**	3.04
Lead Area	6.89	17.94	38.24	1.95	**4.14**	8.21
Total	8.19	19.96	41.62	3.12	**5.96**	11.25

Gas volumes are expressed in the table above are in trillion cubic feet (TCF) at standard temperature and pressure basis.

**Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of* *discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.*

The prospective resources shown in the table above have been estimated by NSAI using probabilistic methods and are dependent on a Coal Seam Gas (CSG) discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate.

The above table represents 100% of the Gurvantes XXXV CSG Project, but as disclosed above, Telmen has entered into a Farmout Agreement with Talon that will entitle Talon to a 33% Working Interest in the Gurvantes XXXV CSG Project if it elects to proceed to a secondary work program. In this case, the net position of Telmen will reduce by 33% on all numbers represented above. Given this election is not likely to be made until several months after the completion of the initial drilling program, the Company feels it is premature to assume Talon will make a positive election at this time.

Additionally, the PSA is a production sharing agreement with the Government of Mongolia which requires some element of production sharing based on various parameters including product pricing, cost recovery and profit-sharing arrangements. At this stage, it is commonly recognised in the industry that in a PSA regime it is almost impossible (and would be misleading) to estimate what these variables would be and accordingly, the Company has made no estimate of the ultimate split at this stage of the project's maturity.

The detailed methodology used by NSAI for calculating the prospective resources is included in Appendix 1.

Competent Persons Statement

The information in this report that relates to Prospective Resource information for the Gurvantes XXXV Project is based on information compiled by Mr. John Hattner, an employee of Netherland, Sewell & Associates Inc, and who is a Qualified Petroleum Reserves and Resources Evaluator (QPRRE). This information was subsequently reviewed by Mr David Casey BSc (Hons), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Casey is a director of the Company, with approximately 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE), the Australian Institute of Mining and Metallurgy (AusIMM) and the Petroleum Exploration Society of Australia. The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers/World Petroleum Council/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Casey. Mr Casey is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Acquisition of Telmen

TMK will acquire Telmen through the issue of 1.6 billion shares and 1.6 billion performance rights to be issued to Telmen shareholders on a pro-rata basis to their shareholding in Telmen. The performance rights will consist of three tranches, each with certain performance hurdles to be met, as outlined in Appendix 2.

In addition, TMK has agreed to issue 200 million performance rights to the management and certain board members of Telmen. These performance rights will also consist of three tranches and will have the same performance hurdles as outlined in Appendix 2.

The issue of all the consideration securities is subject to receiving TMK's shareholders' approval.

The four majority shareholders of Telmen, which represent approximately 70% of the ownership of Telmen, will be subject to voluntary escrow of their shareholding in TMK shares and performance shares at completion of the transaction (Voluntary Escrow Shares) as follows:

- 100% of the Voluntary Escrow Shares for the period commencing on completion and ending at 5.00pm (WST) on the date that is 6 months from completion (Escrow Date 1);
- 87.5% of the Voluntary Escrow Shares for the period commencing on Escrow Date 1 and ending at 5.00pm (WST) on the date that is 3 months from Escrow Date 1 (Escrow Date 2); and
- 75% of the Voluntary Escrow Shares for the period commencing on Escrow Date 2 and ending at 5.00pm (WST) on the date that is 3 months from Escrow Date 2.

The largest of the majority shareholders, Mr. Tsetsen Zantaz, owns approximately 50% of Telmen and following the completion of the acquisition, will hold approximately 28% of the fully paid shares in TMK. In the event that all of the Performance Shares vest and that no further dilution occurs through additional capital raisings in the interim, Mr Zantav will hold approximately [33%] of the fully paid shares in TMK.

As a result of Mr Zantaz obtaining a relevant interest in excess of 20% in TMK, shareholder approval will be sought for the issue of the consideration securities to Mr Zantaz under section 611 item 7 of the Corporations Act, and the shareholder approval documentation will include an independent experts report commenting on the Acquisition.

A summary of the material terms of the Acquisition are contained in Appendix 2 to this announcement.

Capital Raise and Indicative Capital Structure Post Acquisition

To assist in the ongoing funding of the Acquisition, TMK has sought and received firm commitments to raise $1.96 million (before costs) with Chieftain Securities Pty Ltd (**Chieftain**) acting as lead manager to the raise. Chieftain will be paid fees of 6% of the funds raised and receive an introduction fee of 50 million fully paid shares and 75 million options to acquire TMK shares exercisable at $0.008 per option on or after the date that the volume weighted average price of TMK shares over 20 consecutive trading days is at least $0.02 expiring 3 years from the date of issue. Completion of the capital raise is subject to shareholder approval of the issue of the capital raising shares and the consideration securities under the Acquisition.

TMK Directors' messrs Brett Lawrence and Tim Wise will participate in the capital raising in the amounts of $XX and $XX respectively.

All of the above securities will be subject to TMK shareholder approval of the Consideration Shares.

Upon completion of the Acquisition, the indicative capital structure of TMK will be as follows:

	Ordinary Shares	Performance Shares	Management Performance Rights	Unlisted Options
Current Securities	985,000,000	Nil	Nil	Nil
Placement Securities	245,000,000	-	-	-
Introduction Fees	50,000,000	-	-	75,000,000
Management Incentives	-	-	200,000,000	-
Telmen Acquisition	1,600,000,000	1,600,000,000	-	-
Pro-forma totals	**2,880,000,000**	**1,600,000,000**	**200,000,000**	**75,000,000**

Following completion of the Placement and payment of the capital raising fees, the Company will have approximately $3.8 million in cash and 2.88 billion shares on issue.

Management and Board Changes

Upon completion of the acquisition, Mr Brendan Stats will join as CEO of TMK and Mr Brett Lawrence will step down as Managing Director and assume a non-executive director role. In addition, Mr Dougal Ferguson will be appointed as Chief Commercial Officer of TMK. Ms Gema Gerelsaikhan and Mr Stuart Baker, two of the existing non-executive directors of Telmen will be appointed to the Board of TMK and Mr Logan Robertson will resign as a director.

Brendan is a Geologist with fifteen years of experience in the Natural Resources industry. He holds a Bachelor of Science (BSc, Geology (hons)) from the University of Melbourne. Brendan has been on the ground living or working in Mongolia since 2011 with a particular focus and expertise on coal projects located within the South Gobi basin. Brendan's role as CEO of Telmen is to lead the Project development through the early stages of exploration and evaluation. Brendan also leads the stakeholder engagement aspects of Telmen in both Mongolia and Australia. Based in Sydney, Australia

Ms Gerelsaikhan is currently a Partner at Exponential Partners. She is a founding Member of both Mongolian Chamber of Commerce in Hong Kong, as well as Mongolian Chamber of Trade and Commerce in Singapore (currently serving as President). Ms Gerelsaikhan has a strong background in Marketing, Business Development, and experience in the Mongolian Resources Industry as a Business Analyst. She has Master's and Bachelor's degree in Economics and Business Administration from Roskilde University in Denmark. Based in Ulaanbaatar, Mongolia. It is proposed that Ms Gererlsaikhan will be awarded 15 million Management Performance Rights (subject to Shareholder approval).

Mr Baker has more than four decades of experience in the oil and gas sector and currently provides independent advice to corporates and investors in the Australian oil and gas industry. Previously he was Executive Director, Morgan Stanley with dual roles as Co-Head Asia Oil, Gas and Chemicals Research and team leader, Australian energy, mining and utility research, with positions held over a 13-year period. He also worked as a Petrophysical Engineer at Schlumberger Inc. based in South east Asia, rising to General Field Engineer. Mr Baker is currently a member of the investment committee of resource focused ASX listed Lowell Resources Fund (ASX:LRT). Mr Baker has been a director of Central Petroleum Limited (ASX:CTP) since 7 December 2018. It is proposed that Mr Baker will be awarded 10 million Management Performance Rights (subject to Shareholder approval).

Telmen has an existing operational office in Ulaanbaatar, Mongolia, consisting of a dedicated group of employees and contractors engaged by Telmen Resource LLC, a wholly owned subsidiary of Telmen. With the travel restrictions currently in place due to COVID-19, having a fully operational local office is essential to ensure that operations can continue without any on the ground requirement for expatriates or international expertise.

In addition Mr Tsetsen Zantav, the major shareholder of Telmen (and post completion of the Acquisition the largest shareholder of TMK) will be appointed as a advisor to the board of TMK.

The material terms of the appointment of Mr Brendan Stats, Mr Dougal Ferguson and Mr Tsetsen Zantav are detailed in Appendix 3.

Timetable

The indicative timetable in relation to the Acquisition and Capital Raising are below:

Event	Date
Announcement of Acquisition	15 December 2021
Shareholder approval – Annual General Meeting	31 January 2022
Completion	7 February 2022

TMK Directors Recommendation

The Directors of TMK unanimous support the Acquisition, and recommend that TMK shareholders vote in favour of all resolutions required to implement the Acquisition.

The Directors of TMK each intends to vote in favour of the Acquisition in relation to the shares held or controlled by that Director.

Major Shareholder Voting Intention Statement

Mr Burton has confirmed his intention to vote in favour of the Acquisition. Entities related to Mr Burton have in aggregate ~20% in TMK.

TMK's Managing Director, Mr Brett Lawrence commented:

"***The Telmen Acquisition is an exciting near-term opportunity to prove a gross prospective resource (2U) of 5.96 TCF gas in a highly prospective and underexplored area for coal seam gas in Mongolia, that is located nearby to sales gas infrastructure and demand.***

The Acquisition is a material addition to TMK's 20% working interest in the Napoleon Prospect, which is located in the Dampier Basin of the North-West Shelf and has a mean gross unrisked prospective resource for the main target of 1.53 TCF of gas and 66 million barrels of condensate (see Appendix 4).

TMK look forward to obtaining shareholder approval for the Acquisition, and to working with the Telmen and Talon teams to advance the Gurvantes XXXV Project work program alongside the Napoleon Prospect."

For and on behalf of the board

For further information, please contact:

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This announcement was authorised for release by:

Brett Lawrence
Managing Director

APPENDIX 1 – NSAI Methodology for calculating Prospective Resources in the Gurvantes XXXV CSG Project

Unrisked prospective resources for CSG prospects and leads are estimated ranges of recoverable gas volumes assuming their discovery and development and are based on estimated ranges of in-place volumes. The estimates for risked resources are derived directly from the estimates for unrisked resources, incorporating a geologic risk assessment; such risked resources do not incorporate a development risk assessment. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially recoverable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes and without regard to the chance of development. For CSG prospects and leads, principal geologic risk elements include coal quantity, gas content, and coal permeability. Development risking of prospective resources for CSG prospects and leads should include consideration of whether the entire area addressed by the assessment can and will be developed; this component is generally unique to CSG accumulations because of the greater areal extent and the wide variability in thickness, rock properties, gas content, and production characteristics across that areal extent. For CSG prospects and leads, principal development risk elements are reservoir quality across the evaluated acreage, application of technology needed to commercially produce the acreage, the ability to depressure the reservoir over a reasonable period of time, project commercial conditions (financial, marketing, legal, social, and governmental factors), and a reasonable expectation of a commitment to develop the acreage. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation. Prospects and leads were differentiated based on the density of available data. Prospects were defined as regions with greater data density, while leads were defined as regions with limited data.

Data from coal exploration wells and nearby coal mines were used to determine the lateral continuity and volume of coal to identify potentially attractive target areas. However, there still exists a wide range of uncertainties regarding gas content and permeability of the coals across these areas. Telmen Resource JSC has developed an exploration plan for near-term exploration wells to determine the potential coal volume, gas content, and producibility of coals targeted for CSG production. If exploration results are favorable, pilot projects will be required to determine if permeability and producibility are adequate to justify future commercial development.

NSAI did not perform any field inspection of the prospects and leads, or investigate possible environmental liability related to the prospects and leads.

It should be understood that the prospective resources discussed and shown herein are those highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of producible CSG but where the level of proof is insufficient for classification as reserves or contingent resources. The risked prospective gas resources reported in the table above are the range of volumes that could reasonably be expected to be recovered in the event of the discovery and development of these prospects and leads.

NSAI used technical data including, but not limited to, coal properties, gas content and composition data, well logs, geologic maps, seismic data, and well test data. The reported resources have been estimated using probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE Standards). NSAI used standard engineering and geoscience methods, or a combination of methods, including volumetric analysis and analogy, that they considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2018 PRMS definitions and guidelines. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, NSAI's conclusions necessarily represent only informed professional judgment.

The data used in NSAI's estimates were obtained from Telmen Resource JSC, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. and were accepted as accurate.

APPENDIX 2 – Key Terms and Conditions of the Acquisition

The key terms of the Proposed Acquisition are as follows:

TMK will acquire 100% of the issued capital of Telmen from the shareholders of Telmen (**Shareholders**) for total consideration of:

- 1,600,000,000 fully paid ordinary shares in TMK; and
- 1,600,000,000 performance shares in TMK converting into fully paid ordinary shares on a one for one basis upon satisfaction of the following milestones:
    - Tranche 1: 600,000 performance shares shall vest and be convertible into fully paid ordinary shares upon both of the following occurring: (i) the volume weighted average price of TMK shares being equal or greater than 2 cents for 20 trading days; and (ii) commencement of a drilling program within the Gurvantes XXXV area within 3 years from date of issue;
    - Tranche 2: 600,000 performance shares shall vest and be convertible into fully paid ordinary shares upon either: (i) intersection of 25m of coal seams in any 2 of the first 4 wells; or (ii) 100 billion cubic feet (bcf) of 2C (best estimate contingent resource) Petroleum Resources Management System (PRMS) compliant resource within five years from date of issue; and
    - Tranche 3: 400,000 performance shares shall vest and be convertible into fully paid ordinary shares upon 100 bcf 2C PRMS resource within five years from date of issue.

The consideration will be issued to the Shareholders pro rata according to their shareholdings in Telmen at completion of the Proposed Acquisition and the

- The Proposed Acquisition will be conditional upon satisfaction of the following conditions precedent by 15 February 2022 (or such later date agreed by TMK and Telmen):
    - TMK and Telmen having completed due diligence on their respective assets, liabilities and operations to their respective satisfaction;
    - TMK obtaining all necessary shareholder and regulatory approvals required for the Proposed Acquisition under the ASX Listing Rules and the *Corporations Act 2001* (Cth), including approvals for the Capital Raising and the issue of the performance rights (**Shareholder Approvals**);
    - TMK having received firm commitments for an equity capital raising to raise of A$1,960,000 million (before transaction costs) at an issue price of not less than $0.008 per TMK share;
    - TMK not entering into any agreement to issue or issuing any further securities other than the consideration shares, the performance shares, the management performance rights, the introduction fee, or the securities issued pursuant to the capital raising;
    - TMK having not less than A$3,800,000 in cash at completion;

  - TMK not entering into any new exploration or production asset acquisitions or applications, which require an expenditure commitment greater than A$50,000 over any 3 month period (in aggregate);
  - there being no material adverse change in the assets or liabilities of TMK;
  - the Purchaser procuring entities associated with Mr Craig Burton to sign a voting intention statement, seven days following the execution of this Terms Sheet;
  - there being no material adverse change in the assets or liabilities of Telmen (including the PSA);
  - Telmen having not less than $100,000 in cash net of liabilities of the Telmen group excluding any liabilities that Talon will be responsible to fund under its farm in arrangement with Telmen as of the date of Settlement and Tsetsen Zantav settling his loan of US$466,000 to Telmen for US$150,000 to assist Telmen group to achieve the above; and
  - the Telmen shareholders other than the major shareholders each having entered into an agreement with TMK for the sale of their Telmen shares.

- On completion of the Proposed Acquisition, Mr Stuart Baker and Ms Gema Gerelsaikhan will be appointed as non-executive directors of TMK. TMK will also enter into am employment contract with Mr Brendan Stats (as Chief Executive Officer) and Mr Dougal Ferguson (as Chief Commercial Officer).

Major Telmen Shareholders (together holding >70% of Telmen shares on issue) have agreed to voluntarily escrow arrangements) as follows:

- 100% of the Voluntary Escrow Shares for the period commencing on completion and ending at 5.00pm (WST) on the date that is 6 months from completion (Escrow Date 1);
- 87.5% of the Voluntary Escrow Shares for the period commencing on Escrow Date 1 and ending at 5.00pm (WST) on the date that is 3 months from Escrow Date 1 (Escrow Date 2); and
- 75% of the Voluntary Escrow Shares for the period commencing on Escrow Date 2 and ending at 5.00pm (WST) on the date that is 3 months from Escrow Date 2.

Following completion of the Proposed Acquisition, TMK is proposing to issue to new members of the management team 200,000,000 performance rights (such performance rights having the same conversion milestones and to be issued in the same proportions as the performance shares referred to above being issued to the Sellers)

The four major shareholders have given customary warranties for a transaction of this nature.

APPENDIX 3 – Material Terms and Conditions of Employment

Mr Brendan Stats – Chief Executive Officer

Name	*Brendan Stats*
Position	*Chief Executive Officer (CEO)*
Location	*Sydney and Mongolia*
Contract Type	*Full Time Employee*
Remuneration	*A$250,000 per annum plus statutory superannuation (capped)*
Notice Period	*6 months payment in lieu of notice if terminated by Company, 3 months' notice by employee*
Management Performance Rights	*35,000,000*
	TMK may terminate the CEO Agreement: (a) effectively immediately and without payment of any fee if Mr Stats is convicted of a major criminal offence, commits a breach of the provisions of the CEO Agreement that is not remedied, is absent in or demonstrates incompetence with regard to or neglects the performance of duties under the CEO Agreement, is guilty of grave misconduct or is of unsound mind; or (b) without cause by giving six months written notice to Brendan Stats (**Notice Period**) or by terminating the CEO Agreement immediately and making a payment to Brendan Stats equal to the equivalent of the fee that would otherwise be payable to Brendan Stats over the Notice Period.
	Brendan Stats may at his sole discretion terminate the engagement: (a) without cause, by giving months' written notice; or (b) within one month of a material reduction in the fee or a material diminution in the responsibilities or powers assigned to Mr Stats, by giving notice that the termination is effective immediately.

Mr Tsetsen Zantav – Advisor to the Board

Name	*Tsetsen Zantav*
Position	*Advisor to the Board*
Contract Type	*Part Time Consultancy*
Remuneration	*US$5,000 per month plus GST*
Term	*12 months, but may be terminated by Company with 6 months payment in lieu of notice.*
Management Performance Rights	*35,000,000*
	TMK may terminate the Consultancy Agreement: (a) effectively immediately and without payment of any fee if Mr Zantav is convicted of a major criminal offence, commits a

	breach of the provisions of the Consultancy Agreement that is not remedied, is absent in or demonstrates incompetence with regard to or neglects the performance of duties under the Consultancy Agreement, is guilty of grave misconduct or is of unsound mind; or (b) without cause by giving six months written notice to Mr Zantav (**Notice Period**) or by terminating the Consultancy Agreement immediately and making a payment to Dougal Ferguson equal to the equivalent of the fee that would otherwise be payable to Tsetsen Zantav over the Notice Period.
	Tsetsen Zantav may at his sole discretion terminate the engagement: (a) without cause, by giving two months' written notice; or (b) within one month of a material reduction in the fee or a material diminution in the responsibilities or powers assigned to Mr Zantav, by giving notice that the termination is effective immediately.

Mr Dougal Ferguson - Chief Commercial Officer

Name	*Dunedin Capital Advisors Pty Ltd (Dougal Ferguson)*
Position	*Chief Commercial Officer (CCO)*
Contract Type	*Part Time Consultancy (minimum 2.5 days per week)*
Remuneration	*A$15,000 per month plus GST*
Term	*12 months, but may be terminated by Company with 6 months payment in lieu of notice.*
Management Performance Rights	*30,000,000*
	TMK may terminate the CCO Agreement: (c) effectively immediately and without payment of any fee if Mr Ferguson is convicted of a major criminal offence, commits a breach of the provisions of the CCO Agreement that is not remedied, is absent in or demonstrates incompetence with regard to or neglects the performance of duties under the CCO Agreement, is guilty of grave misconduct or is of unsound mind; or (d) without cause by giving six months written notice to Dougal Ferguson (**Notice Period**) or by terminating the CCO Agreement immediately and making a payment to Dougal Ferguson equal to the equivalent of the fee that would otherwise be payable to Dougal Ferguson over the Notice Period.
	Dougal Ferguson may at his sole discretion terminate the engagement: (a) without cause, by giving two months' written notice; or (b) within one month of a material reduction in the fee or a material diminution in the responsibilities or powers assigned to Mr Ferguson, by giving notice that the termination is effective immediately.

APPENDIX 4 – ERCE Independent Resources Estimate for the Napoleon Prospect

TMK announced on 4 October 2021 that ERCE completed independent estimates of Prospective Resources and geological chance of success (COS) for the Napoleon Prospect, located in the Dampier basin, North-West Shelf. TMK holds the right to a 20% working interest in Napoleon comprising production licence WA-8-L at depths below 2,700m (see note 2 below).

ERCE certified undiscovered recoverable resources (Prospective Resources) and geological chance of success for multiple stacked prospective intervals at Napoleon, with the principal target being the 197T interval. The Prospective Resources and geological chance of success for each reservoir interval are summarised below.

Table 1 – Gross Unrisked Prospective Resources and COS, Napoleon Prospect

Prospect Interval	Unrisked Gross Prospective Gas Resources (Bscf)				Unrisked Gross Prospective Condensate Resources (MMstb)				Chance of Geological Success
	1U	2U	3U	Mean	1U	2U	3U	Mean	
Napoleon 176S	23	103	456	201	0.7	3.9	19.6	8.5	19%
Napoleon 182S	22	100	443	196	0.7	3.7	19.2	8.4	20%
Napoleon 186S	20	96	435	190	0.6	3.6	18.6	8.1	26%
Napoleon 197T	**149**	**730**	**3,484**	**1,528**	**5.1**	**28.2**	**151.4**	**66.1**	**24%**

Table 2- Net Working Interest to Tamaska, Unrisked Prospective Resources and COS, Napoleon Prospect

Prospect Interval	Unrisked Gross Prospective Gas Resources (Bscf)				Unrisked Gross Prospective Condensate Resources (MMstb)				Chance of Geological Success
	1U	2U	3U	Mean	1U	2U	3U	Mean	
Napoleon 176S	5	15	44	30	0.1	0.6	1.9	1.3	19%
Napoleon 182S	4	15	43	29	0.1	0.6	1.9	1.2	20%
Napoleon 186S	4	14	42	28	0.1	0.5	1.8	1.2	26%
Napoleon 197T	**30**	**107**	**324**	**223**	**1**	**4.1**	**14.1**	**9.7**	**24%**

1. *Gross volumes include those outside of licence WA-8-L*
2. *Net Working Interest volumes have been limited to licence WA-8-L and assume a conversion of Tamaska's 20% shareholding of the Napoleon Deep project into a direct working interest and has been applied deterministically based on GRV*
3. *Net Working interest = Gross prospective resources x On-block% x block interest%*
4. *ERCE has made estimates only for the most likely hydrocarbon phase expected in the success case. The COS shown here exclude phase risk which ERCE has estimated to be 60% gas (40% oil) for the 176S, 182S and 189S intervals and 90% gas (10% oil) for the 197T interval.*
5. *The Prospective Resources have also not been adjusted for the chance of development (COD). Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing.*

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

HIGHLIGHTS

- The Mean Gross Unrisked Prospective Resources for the main target (197T) are 1,528 Bcf of gas and 66 million barrels of condensate.
- ERCE attributes a 24% geological chance of success for 197T.
- In the success case, ERCE attributes a phase risk of 60% gas / 40% oil to the three prospective intervals above the 197T. These intervals are significant oil targets, which adds to the overall prospectivity.
- ERCE evaluated the following risk elements with analysis in line with TMK in-house studies:
  - Source
  - Reservoir
  - Containment
  - Volumetrics
  - Recovery

The full ERCE Independent Report can be found on the Company's website at *www.tamaska.com.au*

TMK's technical advisor Dariusz Jablonski said: "We engaged ERCE to provide us with an independent assessment of Napoleon and are delighted that it has confirmed a world class gas condensate target. The mean Gross Unrisked Prospective Resources for the primary 197T target of 1.5 Tcf of gas and 66 million barrels of condensate confirms in TMK's view a large, exciting exploration play located in shallow water right in the heart of the North-West Shelf. Proximity to existing infrastructure substantially increases the potential viability.

TMK believes the seismic inversion and amplitude distribution at 197T provide hydrocarbon and gas/water contact indications that favour the 3U outcome, comprising gross unrisked volumes of **3.5 Tcf** of gas and **151 million barrels** of condensate. This larger closure has structural analogues such at the lower Jurassic Caribou-Gnu-Reindeer and potentially Corvus discoveries and represents a very large upside case."

A dry hole cost (prepared by AZTEC) of a 4,900m exploration well intersecting four Napoleon targets is estimated at AU$41.1 million.

The ERCE report assesses the chance of geological success (discovery) but not the chance of development which requires consideration of economic and other contingencies, involving appraisal and feasibility work which would need to be undertaken post discovery.

It is too early to properly estimate these factors. However, given the location and potential size of Napoleon, TMK considers that there would be a high chance of development in the event of a 2U or better discovery in the 197T target.

*ERCE is an independent energy consulting group that provides certified Reserves and Resources estimates for international stock exchanges. The work performed by ERCE on behalf of TMK and Skye Napoleon is in accordance with the Petroleum Resources Management System 2018 (PRMS). The information in this announcement which relates to Prospective Resources is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Dr Stewart Easton, a qualified petroleum reserves and resources evaluator, employed by ERCE and a Fellow of the Geological Society and a member of the Society of Petroleum Engineers.