TAMASKA
OIL & GAS LIMITED

ASX Release 31 January 2022

December Quarterly Activity Report

Highlights - Acquisition of Strategic Mongolian Coal Seam Gas Project

- A Binding Term Sheet has been executed to acquire 100% of Telmen Energy Limited (Telmen) (see announcement made 16 December 2021)
- 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 km^2 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 Netherland, Sewell & Associates, Inc. (NSAI)
- Gurvantes XXXV CSG Project is located less than 20 km 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 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 transaction
- The proposed acquisition is subject to completion of due diligence, and TMK shareholder approval at the General Meeting to be held on 11 February 2022 (see earlier announcement for the Notice of Meeting)
- The proposed 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 later in this report)
- Tamaska had a net cash position of approximately A$1.97 million at 31 December 2021 (no debt)

**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.*

Acquisition of Strategic Mongolian Coal Seam Gas Project

Tamaska Oil and Gas Ltd (ASX:TMK) (**TMK** or the **Company**) 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.

Planning and preparations are well advanced for an upcoming multi well exploration drilling program, expected to commence in Q1 2022.

Background Information on the Gurvantes XXXV CSG Project

The Gurvantes XXXV CSG Project covers a significant area of 8,400 km^2 and is located in what is considered one of the most prospective basins for CSG globally. Within the Project area, multiple very thick, high quality coal seams outcrop at the surface and extend along an east-west strike for approximately 150km. Within the Project area there are six active coal mining operation, twenty-six coal mining leases and numerous coal exploration licenses with a significant amount of exploration for coal having been completed. Preliminary exploration for CSG was initially completed in 2004-2005 and CSG test work characterised the coal as containing high gas quantities of ~10 m^3/t with very high methane concentration of >95% CH_4.

The Gurvantes XXXV CSG Project area is situated less than 20 km 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.

Telmen's interest is held by its wholly owned subsidiary, Telmen Resource LLC, via a Production Sharing Agreement (**PSA**). 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 in 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 awarded in September 2021. This exploration license has a duration of 10 years and can be extended for a further 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 and expected 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 current plan for the second phase of the exploration program is to undertake a pilot well program, which is expected to commence on completion of the initial drilling program.

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 NSAI and delivered a risked 2U (best case) resource of 5.96 TCF (see table over page and methodology in Appendix 1).

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.*

***Totals of unrisked prospective resources beyond the prospect and lead levels are not reflective of volumes that can be expected to be recovered and are therefore not shown in the NSAI report.*

The prospective resources shown in the table above have been estimated by NSAI using probabilistic methods and are dependent on a 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 which is Telmen's current Working Interest. However, 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, after completion of the initial work program, Talon elects to proceed to the second stage work program. During the initial work program, Telmen retains 100% Working Interest and will continue to report prospective resources on a 100% basis. If Talon elects to enter the second stage work program, then Talon will earn a 33% Working Interest and accordingly Telmen's Working Interest thereafter will reduce to 67%.

Additionally, the above table represents Telmen's current Working Interest in the Gurvantes XXXV CSG Project and PSA of 100% before any Government share. As royalties are not payable in kind in Mongolia, no netting-out adjustment has been made. The Gurvantes XXXV PSA has terms that determine Government share in various ways. At this stage of the asset life, it's not possible to determine the level of Government take given significant uncertainty over possible gas prices, development and operating costs, and production rates. Telmen therefore currently considers it more appropriate to report Prospective Resources on a Working Interest basis until there is more certainty with respect to the many variables that affect the overall Government share in the production from the Gurvantes XXXV CSG Project.

Competent Persons Statement

The information in this report that relates to Prospective Resource information for the Gurvantes XXXV CSG Project was performed by NSAI on behalf of Telmen and Talon.

The resources included in the 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 2018 Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation compiled by Mr. John Hattner, an employee of NSAI. Mr Hattner is a Qualified Petroleum Reserves and Resources Evaluator (QPRRE) and 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 shares to be issued to Telmen shareholders on a pro-rata basis to their shareholding in Telmen. The performance shares 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 210 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 Zantav, owns approximately 50% of Telmen and following the completion of the proposed 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 could hold up to approximately 35% of the fully paid shares in TMK.

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

The Company has entered into a Terms Sheet with Telmen and its major shareholders. In addition the Company is proposing to enter into short form sale agreements with all other Telmen shareholders.

Agreements for the sale and purchase of Telmen shares have been signed by all Telmen shareholders, and will be signed by the Company upon settlement of the Acquisition following TMK shareholder approval.

Capital Raise and Indicative Capital Structure Post Acquisition

To assist in the ongoing funding of the proposed 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 capital raising, and be paid fees of 5% of the funds raised. Chieftain was the deal facilitator and corporate advisor to the transaction, and will 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 and 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 proposed Acquisition.

TMK Directors' messrs Brett Lawrence and Tim Wise will participate in the capital raising in the amounts of $15,000 and $20,000 respectively, subject to shareholder approval along with the transaction at a General Meeting of shareholders.

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

Upon completion of the proposed 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	-	-	210,000,000	-
Telmen Acquisition	1,600,000,000	1,600,000,000	-	-
Pro-forma totals	**2,880,000,000**	**1,600,000,000**	**210,000,000**	**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 proposed 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. Mr Tsetsen Zantav will be appointed as an advisor to the Board.

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 has more than ten years of experience in marketing/communications and business development in real estate, mining and hospitality sectors. Previously she was Director of Communications / Marketing at Shangri-La Hotel, Ulaanbaatar. She also headed the Singapore and Hong Kong offices of Asia Pacific Investment Partners (APIP) as Chief Marketing & Business Development Officer. Prior to joining APIP, Ms Gerelsaikhan was Business Analyst at SouthGobi Resources, a TSX & HKEx listed coal mining company (TSX:SGQ & HKEx:1878). 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). She holds Master's and Bachelor's degree in Economics and Business Administration from Roskilde University in Denmark. 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 proposed Acquisition the largest shareholder of TMK) will be appointed as an advisor to the board of TMK.

Timetable

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

Event	Date
Announcement of Acquisition	16 December 2021
Shareholder Meeting	11 February 2022
Completion of Capital Raising and Acquisition	14 February 2022

TMK Directors Recommendation

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

The Directors of TMK each intend to vote in favour of the proposed 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 proposed 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 proposed 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 below).

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

Existing Project - Napoleon Prospect in the Dampier Basin of the North-West Shelf

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 has 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 of ERCE Independent Resources Estimate for Napoleon

- 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.

Summary of the Napoleon Prospect

- Napoleon is located in WA-8-L, in the premier Barrow-Dampier sub-basin on Australia's North West coast. The lead is an upthrown tilted fault block with closure in the prolific North Rankin, Brigadier and Mungaroo Formations.
- Recent seismic mapping and geo-technical studies suggest a large unrisked volume of hydrocarbons, a target of similar significance to the Dorado, Wanaea and Angel discoveries.
- Extensive 3D seismic reprocessing by Downunder Geosciences (to improve the imaging of the structure) and basin analysis studies have been completed.
- 3D geochemical modelling has been completed, which evaluated the composition of hydrocarbons and assessed their migration and entrapment within the structure.
- Results of the reprocessed 3D seismic indicate evidence of reservoir and hydrocarbon charge (including the presence of hydrocarbon escape features).
- The geochemical modelling suggests (mostly) in-situ hydrocarbon charge from Lower to Middle Jurassic (mostly) marine source rocks that remained in the liquid maturity window for a significant period of geological time.
- Mapping of the reprocessed seismic data indicates strong amplitudes associated with the North Rankin, Brigadier and Mungaroo Formation reservoirs. In contrast, the overlaying seal facies are dominated by low amplitudes on top and on the downthrow of the structure.
- The main target is estimated to be at a total vertical depth of approximately 4,500 meters, located in about 80 meters of water depth. Accordingly, the target can be drilled by a jack-up rig.
- Detailed well planning and cost estimates for a 4,900m exploration well to intersect the four targets has been undertaken, with a preliminary dry-hole cost estimate of AU$41.1 million.
- Additional targets in the overlying Athol Formation and Murat Siltstone also exist above the primary objective. These may offer additional prospectivity within the Lower to Middle Jurassic succession and are being evaluated.
- Quantitative Interpretation (QI) techniques have been used to evaluate the presence of effective reservoirs and likely fluid composition.

- The seismic reprocessing, basin analysis and geochemical modelling has been completed, and the subsurface interpretation has been updated. An independent risked prospective resource estimate has been calculated in accordance with SPE-PRMS.

Existing Project - West Klondike

Tamaska participated in the drilling of the West Klondike discovery well in late 2012. The well commenced producing gas from the lower Nod Blan on 4 September 2014. Once the lower gas zones were produced, the Operator commenced production of the remaining Lario oil zone.

At the present, the field is producing intermittently and sales occur once the tanks fill. The field is potentially large enough for another production well, but the decision to drill is contingent on improved production performance from the Lario, and improved economic conditions.

	March 2021 Quarter	June 2021 Quarter	September 2021 Quarter	December 2021 Quarter
	*Estimate**	*Estimate**	*Estimate**	*Estimate**
Net Produced Oil	5 bbls	5 bbls	5 bbls	5 bbls
Revenue net of sales tax and royalty	~$200	~$250	~$300	~$300

*The Company is awaiting final sales off take figures from the Operator.

Tenement Summary

At 31 December 2021 the Company held the following interests in tenements:

Project	Percentage Interest	Number of Tenements
Fusselman Project	12.5%	7
West Klondike	11.36%	6

Related Party Payments

During the quarter ended 31 December 2021, the Company made payments of $33,000 to related parties and their associates. These payments relate to Directors fees.

Cash Position

TMK had approximately A$1.97 million of working capital at 31 December 2021.

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 proposed Telmen 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: 600,000,000 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: 600,000,000 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: 400,000,000 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 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 the 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 accepting US$150,000 in full and final settlement all loans owed to him and his related entities (estimated at US$466,000) with no further amounts being owed to any of those entities at Settlement; 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), Mr Dougal Ferguson (as Chief Commercial Officer) and Mr Tsetsen Zantav (Advisor to the Board).

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 210,000,000 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 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Tamaska Oil & Gas Limited	
ABN	**Quarter ended ("current quarter")**
66 127 735 442	31 December 2021

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(256)	(256)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(42)	(90)
	(e) administration and corporate costs	(8)	(22)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(306)**	**(368)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	-	(58)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**(58)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	In-specie Capital Distribution	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,277	2,397
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(306)	(368)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(58)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,971**	**1,971**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,971	2,397
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,971**	**2,397**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	306
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	306
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,971
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,971
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: Brett Lawrence, Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.