



ASX ANNOUNCEMENT

31 October 2024



DRILLING UPDATE

- The second pilot production well (LF-06) has been successfully drilled and cased to a total depth of 475 metres
- LF-06 intersected approximately 60 metres of net coal, on prognosis and consistent with the existing pilot production wells and the recently drilled LF-05 pilot production well
- The third and final well in the current drilling program (LF-04) is expected to commence drilling within the next 24 hours
- Installation of the downhole pumps to commence shortly on LF-05 and LF-06, in parallel with the drilling of LF-04 which will be completed last

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to announce that the second of the three additional pilot production wells at the Gurvantes XXXV Coal Seam Gas (CSG) Project, being drilled as part of the 2024 drilling program, has been successfully drilled to a total depth of 475 metres and has intersected approximately 60 metres of net coal, which is as per prognosis and consistent with the existing three surrounding pilot production wells and the recently drilled LF-05 pilot production well.

The second well in the program, like the first, was drilled trouble free and with no geological surprises being encountered in the primary objective, the upper coal seam. The rig will now be moved to the third and final well location, being LF-04, which is the last well in the 2024 drilling program. On conclusion of the drilling activities, completion and commissioning of the wells will commence and the wells are currently scheduled to be on production in late November 2024.

The objective of the program is to prove that commercial rates of gas can be produced from the upper coal seam at this location and gather more data from the very thick productive zones within the upper coal seam through the installation of the Distributed Temperature Sensing (DTS) technology.

Mr Dougal Ferguson, TMK Energy’s Chief Executive Officer commented:

“Having two wells now successfully drilled is yet another major de-risking event accomplished. Our team is executing this program safely and efficiently and it is a credit to all involved, including Major Drilling who are performing to a high standard. Our minds now turn to the completion of the production wells including installation of the DTS technology, which will be yet another major milestone and important data gathering exercise.

With a great response from our shareholders providing an additional \$1.6 million of funding, we look forward to delivering the drilling program on time and on budget and are expecting a positive outcome once the additional production wells are placed on production. With six pilot production wells all producing in close proximity to each other, we are confident of being able to reach the critical desorption pressure required and deliver increased gas flows in our stated timeframe.”



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For the purposes of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

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About TMK Energy

TMK Energy Limited is an oil and gas exploration company listed on the Australian Stock Exchange (ASX:TMK). TMK holds a 100% interest in the Gurvantes XXXV Project in the South Gobi Desert of Mongolia which is highly prospective for coal seam gas (CSG).

TMK is focussed on the responsible development of the Gurvantes XXXV Project and establishing itself as a key supplier of cleaner energy to support Mongolia's development and address the significant domestic issues around energy security, reliability, and independence. The Gurvantes Project XXXV is also strategically located less than 20 kms from the Chinese border and close to existing gas infrastructure in northern China, presenting a significant advantage to supplying the world's largest energy market.

