

OPERATIONS UPDATE – APRIL 2026

- Independent Technical Review (ITR) completed, which considered the upcoming pilot well drilling plans, the current reservoir management plan (RMP) and some new initiatives to be implemented
- Average daily gas production in April 2026 was 663m³/day, a 13% increase over February's average gas production and the second highest monthly rate on record, exceeded only by March's record
- LF-07's gas rate continues to increase following prior curtailment of the significantly higher rates achieved in March 2026, with pump speeds and fluid levels being managed to return the well to higher rates without compromising the well (see graph below)
- High level discussions commenced with government and private consortiums to advance the use of natural gas in Mongolia's power generation sector in an increasingly energy short power system
- Beneficial use of gas elevated to a priority project to further improve reliability of power supply at the Pilot Project and demonstrate proof of concept to all stakeholders, including government and regulators

TMK Energy Limited (ASX: TMK) ("TMK" or the "Company") is pleased to announce that daily gas production continues to increase on a steady trend line despite the necessary curtailment of the significant increase in gas rates achieved in March 2026.

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

"Having just returned from 10 days in Mongolia, I am pleased to advise that we have made significant progress on various fronts and are geared up for a very active 2026. Gas production continues to be a focus for both TMK and our shareholders, but ensuring we are positioned for much higher gas production in the coming months is of equal importance.

Our immediate focus is the upcoming pilot well drilling program, as well as the important need to have the beneficial use of gas initiative in place as soon as possible, to not only reduce the flaring of gas, but also to lock in our own permanent power supply for the Pilot Project. Both these projects are key to allowing us to rapidly increase gas production from the current rates to what we predict will be much higher gas production rates in the near future.

During my visit, I also had credible discussions with both government and private consortiums that have a strong incentive to improve Mongolia's energy supply, of which gas will likely play an important role in the future. Although discussions remain preliminary at this stage, it demonstrates the attention that our Project is attracting from both political and private stakeholders in the energy market in Mongolia."

Since the curtailment of LF-07 production in late March, the wells continue to be managed in accordance with the Company's existing reservoir management plan (RMP), which has been successful in delivering a steady increase in gas rates (with relatively stable water rates) for the last 9 months. In support of that methodology, LF-07 has continued to increase in gas rate since that curtailment (see Figure 1) and other than a recent mechanical pump failure in LF-03, the Company has not experienced any pump blockages or workovers, which has led to high pump uptime and ultimately, more water extraction over the period in question.

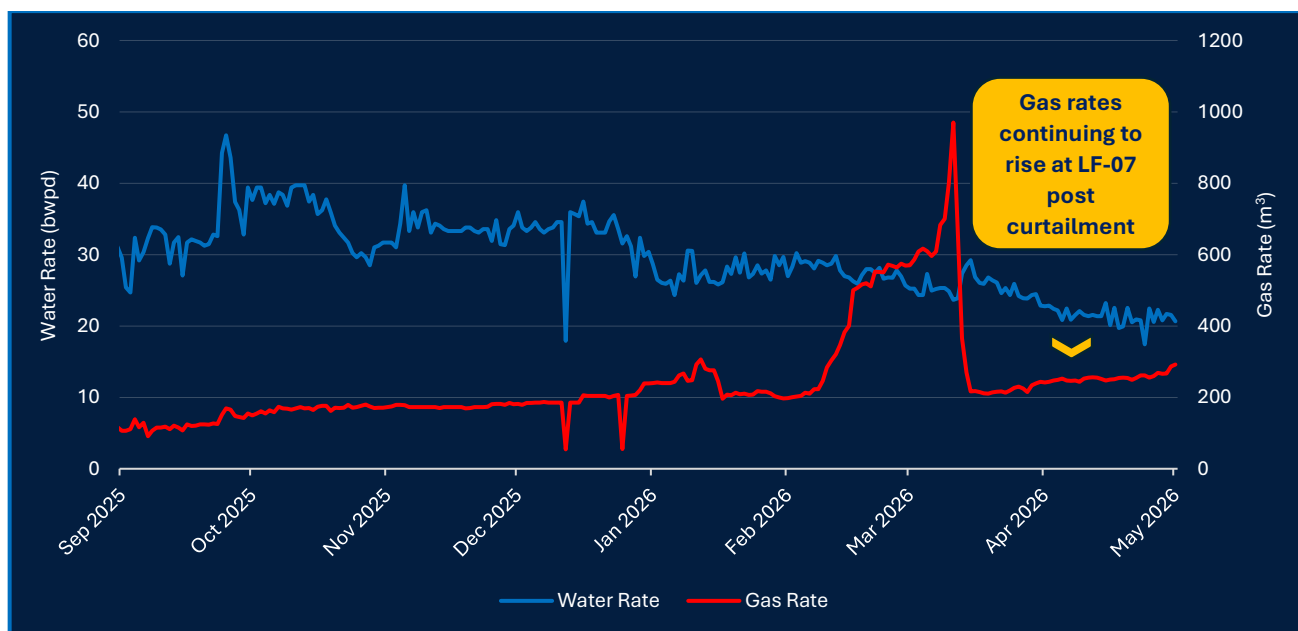


Figure 1: Lucky Fox-07 gas and water production up to 11 May 2026

In line with TMK's practice of striving for technical excellence and new learnings, the Company undertook its third independent technical peer review (ITR) during April which considered both the upcoming drilling program and the current reservoir management plan (RMP) to identify any beneficial modifications that could potentially be implemented. The ITR involved existing and prior management, but also independent experts who have worked on CSG projects in Australia and around the world.

Although generally supportive of the current RMP, certain new ideas and well optimisation techniques (in both new and existing wells) were discussed and agreed to be implemented. The Company recognises the importance of replicating the LF-07 well performance with either the new pilot production wells or some (or all) of the existing wells (LF-01 to LF-06).

Overall average daily gas production in April 2026 was 663m³/day, a 13% increase over February 2026, but a reduction over March's significantly higher result. Water production remained steady at approximately 490 bbls per day, consistent with prior months. Numerous short-term power outages continue to frustrate continuous production and a recent mechanical pump failure at LF-03 negatively impacted gas production later in the month.

With new pilot production wells expected to commence drilling in Q3 2026, together with the expected return to higher gas rates at LF-07 (and potentially other wells), the Company is accelerating its efforts to find a permanent solution for uninterrupted power supply, utilising the gas being produced from the Pilot Project, with excess power being delivered to local users. This remains a priority project following last month's MoU signed with the Mongolian Regulator MRPAM which allows the Company to utilise the pilot project gas for its own Pilot Project power generation.



Figure 2: From Right to Left, Mr Leo Zeng – Australian Ambassador to Mongolia; Mr Dougal Ferguson (CEO); Mr Brad Reeve (TMK Operations Manager); Mr Andrew Berryman – Deputy Head of Mission

During his recent visit to Mongolia, TMK's CEO, Mr. Dougal Ferguson, continued discussions with various stakeholders centred around Mongolia's growing need for natural gas for both industry and domestic power generation. Although preliminary in nature, it is evident from discussions, that the Company's Gurvantes XXXV Project continues to gain recognition in Mongolia as a genuine potential solution to Mongolia's increasing energy supply shortages.

Australia has a strong embassy and trade representation in Mongolia, and TMK continues to engage with the Australian Embassy and Austrade to promote both the Company and Australian CSG expertise and investment in Mongolia. Both the Australian Ambassador to Mongolia, Mr. Leo Zeng and the Deputy Head of Mission, Mr. Andrew Berryman, met with TMK to gain a better understanding of the Project and offer valuable insights and guidance (see Figure 2 above).

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

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