

OPERATIONS AND PROJECT UPDATE – JUNE 2025

- Drilling contract finalised with Major Drilling for an additional pilot production well at Nariin Sukhait (LF-07) expected to spud in the coming weeks
- Several recommendations from the recently completed Independent Technical Review being implemented, including incorporating an improved and advanced mud system for LF-07 drilling
- A recent visit to Mongolia and China generated strong interest from potential project partners with proven track records in coal seam gas projects, particularly horizontal drilling and fracking operations
- Gas production continued from the pilot production well complex in line with expectations and the previous month

TMK Energy Limited (ASX: TMK) (TMK or the Company) is pleased to provide the following operations and project update for the Gurvantes XXXV Coal Seam Gas (CSG) Project.

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

"We continue to execute our drilling plans on schedule, in a timely and effective manner. With the timing of drilling of LF-07 now locked in, our focus will turn to introducing project partners to the Gurvantes XXXV Project."

Our recent visit to Mongolia and China was very encouraging with strong interest being generated early in the process. Key attractions of the Project to potential partners include the significant size and technical attributes of the resource, the close proximity (~20km) to one of the key border crossings between China and Mongolia, the stated desire of the Mongolian government to develop a gas industry and of course the enormous and continuing demand from the energy market in China."

With the expertise in CSG horizontal drilling and fracking operations on our doorstep in China, it makes perfect sense for us to initially focus on Chinese partners, however we will be engaging with all interested and aligned parties as the process advances."

Drilling Preparations (LF-07)

Final preparations for the drilling of LF-07 were completed in June with drilling expected to commence in the second half of July. The drilling tender was awarded to Major Drilling, and the drilling contract has been finalised and will be signed following final review by the regulator which is expected shortly. All long lead items required for drilling are now on site and the pad preparation, sumps and associated site works are complete.

The TXD200 drilling rig to be used (see *Figure 1*) is a larger, more powerful drilling rig than the rig used in previous years, with the drilling contract structured as a fixed price ‘turnkey’ contract, reducing risk to the Company of any potential cost overruns. Recommendations associated with drilling operations that came out of the Independent Technical Review completed in May 2025 are being implemented, including an improved and advanced mud system which has been designed to further mitigate any potential negative impacts on the reservoir.

The drilling of LF-07 will meet TMK’s 2025 pilot well drilling commitment for the Gurvantes XXXV license and will likely be the last vertical pilot well to be drilled in the current pilot well complex as the Company commences the design and planning of a potential deviated / horizontal drilling and fracking program for 2026.



Figure 1 Major Drilling’s TXD200 drill rig prior to being mobilised to Gurvantes XXXV Site

Project Partnering Discussions

The formal process to introduce a project partner was significantly advanced during the month with early interest being shown by several parties. Discussions are continuing with these parties which have both the financial capability and technical competency to take the Project forward.

A recent visit to Beijing (enroute to Mongolia) was productive and highly encouraging, with several meetings undertaken with both potential project partners and strategic technical partners. The significant interest being shown is a strong validation of the Project and its significant and real potential to be a material producing gas field in the future.

In parallel, the Company is pursuing strategic technical partnerships with select service providers, primarily domiciled in China, which have a proven track record and extensive CSG expertise and equipment to undertake horizontal drilling and fracking operations.

Production Operations

During June, an attempt was made to bring LF-05 back on production, however it was determined that further equipment is required which has now been sourced. Another attempt to bring LF-05 back on production will be made prior to the drilling of LF-07, when both the previously used workover rig and the larger TXD200 will both be on site and available if required.

Gas and water production from all other wells within the pilot well complex continued uninterrupted with volumes in line with expectations and the previous month.

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

For more information www.tmkenergy.com.au or contact,

Dougal Ferguson
Chief Executive Officer
+61 8 6319 1900
dferguson@tmkenergy.com.au

About TMK Energy

TMK Energy Limited is a 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 XXXV Project is 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.

