

WORLD-CLASS POTENTIAL OF GURVANTES XXXV CSG PROJECT CONFIRMED

- Independent technical experts conclude excellent technical attributes exist for a world-class CSG project in the South Gobi Desert of Mongolia
- Well testing confirms the Lucky Fox Pilot Well complex has successfully reduced reservoir pressure during the last 6 months of production
- Pilot Well Program has to date met the following key milestones:
 - ✓ Confirmed excellent reservoir properties exist for the 1.2TCF Contingent Resource (2C) within the Upper Coal Seam;
 - ✓ Proven the ability to reduce reservoir pressure; and
 - ✓ Demonstrated the ability to continually maintain gas production throughout the harsh Mongolian winter months
- Forward work program designed to gather additional reservoir data, drill additional production wells, and accelerate commercial production

TMK Energy Limited (ASX: TMK) ("TMK" or the "Company") provides the following update on the Pilot Well Program for the Gurvantes XXXV CSG Project in the South Gobi Basin of Mongolia.

Mr Brendan Stats, TMK Energy's Chief Executive Officer commented:

"We are extremely pleased that the independent technical review has confirmed our own understanding and interpretation that the Gurvantes XXXV Project remains on track and is delivering the results we require to advance this still early-stage project towards a commercially significant asset located adjacent to the biggest energy market in the world.

The recently completed well testing program has confirmed we are making significant progress in depressurising/dewatering the reservoir. This is highly encouraging and has demonstrated our ability to meet one of the critical key deliverables required for a successful CSG project.

With the conclusion of the testing program, normal operations have recommenced with gas and water production rates returning to pre-test levels, another positive indicator.

It is a credit to our team that we have been able to deliver nearly six months of almost uninterrupted production through the harsh Mongolian winter and I believe we can confidently say we now have the most advanced and successful Pilot Well Program ever undertaken in Mongolia and we look forward to continuing to being at the forefront of this developing industry."

Independent Technical Review

TMK engaged Cipher Consulting Pty Ltd, a well-regarded independent CSG consultancy based in Brisbane, to conduct a technical workshop and review of the Gurvantes XXXV Project and specifically to evaluate the performance to date of the Nariin Sukhait (Lucky Fox) Pilot Well Program.

The technical review has concluded that the Gurvantes XXXV project has excellent technical attributes and that it has the potential to be a significant coalbed methane-producing field. The review concluded that the Pilot Well Program is well designed, being effectively managed, and is making good progress in reducing the reservoir pressure. The review concluded that the Gurvantes XXXV Project, like most successful pilot well programs worldwide, will likely require more time and/or more wells to reach the point of critical desorption pressure and hence, material gas production rates.

The results from the independent review are consistent with the Company's understanding that the Project is currently meeting all of the key milestones on the path to commercialising the 1.2 trillion cubic feet (TCF) of Contingent (2C) Resources certified for the Nariin Sukhait area (refer ASX announcement dated 9th November 2022).

In accordance with ASX guidelines, the Company confirms that it is not aware of any new information or data that materially affects the current estimates of its Contingent (2C) Resources, nor have the assumptions and technical parameters underpinning those estimates materially changed.

Pilot Well Testing Program (Nariin Sukhait)

Throughout January and early February, a well testing program was undertaken to gather more data on the performance of the wells since the start of the extended production test and the response of the reservoir in the Lucky Fox production wells. Pressure build-up tests were successfully undertaken in Lucky Fox 3 (LF-03) and Lucky Fox 2 (LF-02) wells.

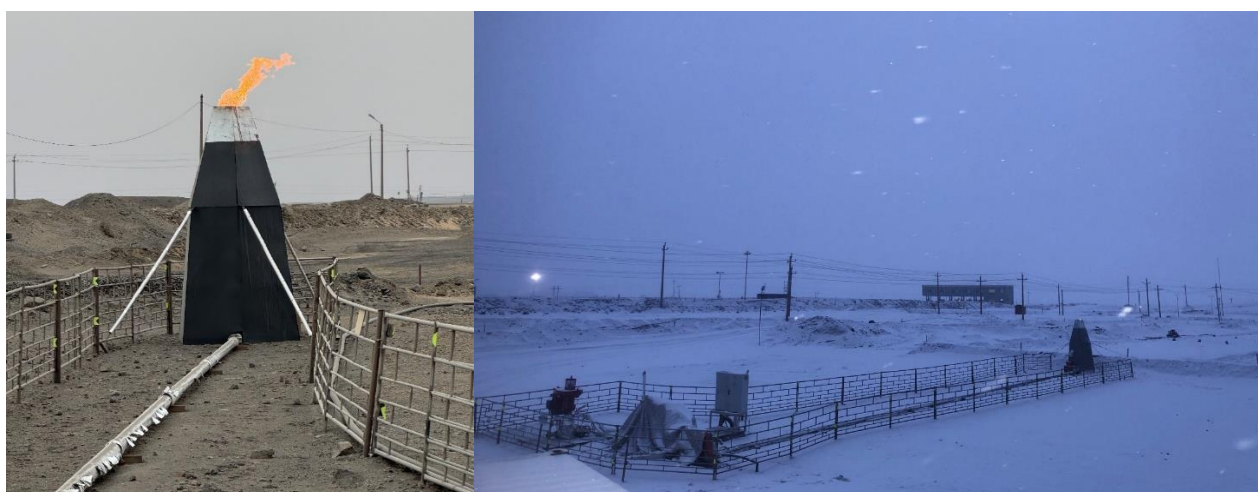


Figure 1 – Continuous flaring at LF-01 and rare snowy conditions at Gurvantes XXXV

Pressure build-up testing requires the wells to be 'shut-in' for a period of several days to measure the reservoir response and the change to the reservoir pressure over time. Measuring the change in reservoir pressure is important to determine how much the reservoir has reduced since the Pilot Well Program testing commenced and determine how much further the reservoir pressure is required to be drawn down before critical desorption pressure is reached.

LF-03 was shut-in in January 2024 and LF-02 was shut-in in early February 2024. The results from the pressure build up testing demonstrated that the reservoir pressure has reduced significantly (by approximately 500kPa) since the commencement of the extended production test. The response of the reservoir is highly encouraging as the gradual reduction in the reservoir pressure, rather than a rapid reduction, indicates that the reservoir has good permeability and good connectivity and typically means higher gas recovery per production well.

The reservoir pressure is currently above the critical desorption pressure (the pressure at which gas starts to desorb from the coal) for the bulk of the 60–70m thick upper coal seam in the production interval. It is estimated the reservoir pressure needs to be reduced in total by approximately 750kPa to 1,000kPa (depending on depth of coal seam) to reach critical desorption pressure (refer to **Figure 2** below).

It remains the expectation that once the pressure is reduced by between 750kPa and 1,000kPa (from the current 500kPa), there will be a material uplift in gas production rates from the pilot production wells. Additional infill production wells within the Lucky Fox well complex are expected to accelerate the depressurising of the reservoir and is currently an option being analysed by the Company.

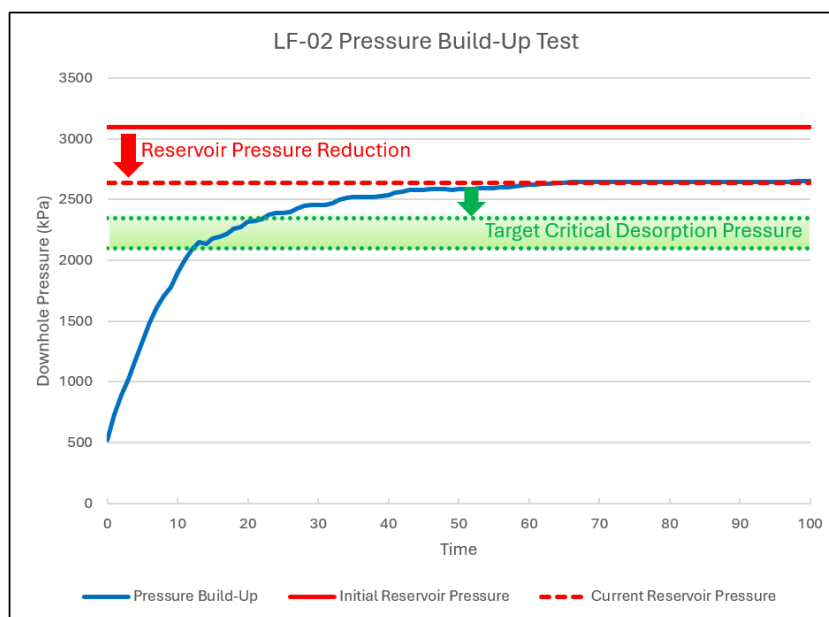


Figure 2 - LF-02 Pressure Build-Up Test Results

Figure 3 below provides a general overview of the typical production phases of CSG wells. The Lucky Fox Pilot well program status is considered to currently lie within the 'Phase 1 – Dewatering of well and gas production build-up', but successfully making progress toward Phase II – Peak Gas Production' and meeting the required milestones.

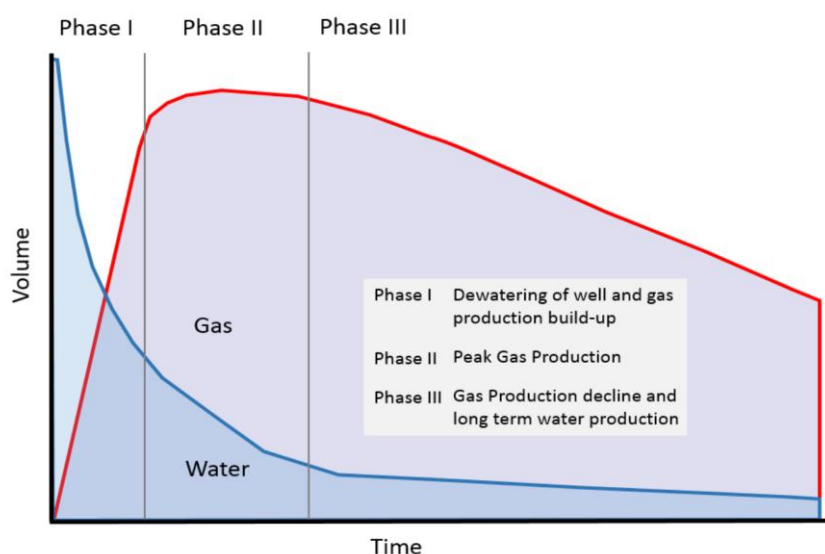


Figure 3 - CSG Well Production Phases (reproduced from '15-02-Ref-Doc_CSG-Water-Volume, APPEA Reference document – Coal seam gas and water volumes')

Future Work Program

The immediate focus for the Company is continuing the successful operation of the Pilot Well Program and production wells. Based on the results of the pilot well testing program and independent technical review, the Company is currently evaluating options for accelerating the Pilot Well Program to achieve the anticipated increase in gas production rates.

Additionally, a further exploration program is planned for the second half of the year with the aim of continuing to prove up the scale and prospectivity of additional areas within the vast 8,400 km² project area and to grow the already substantial certified resource base.

The Company is currently in the process of applying for and obtaining the necessary approvals to undertake the work programs in 2024 and onwards.

ABOUT TMK ENERGY LIMITED

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).

The Gurvantes XXXV Project covers a very large area of approximately 8,400 km² in the South Gobi basin and boasts multiple thick, high quality, bituminous rank coal seams that extend along an east-west strike, spanning approximately 150 kms.

The initial exploration program undertaken in 2022 yielded a 1.2 trillion cubic feet (TCF) Contingent Resource (2C) of gas being certified within just a 60 km² area (Nariin Sukhait) of the overall Project area. Three pilot wells (Lucky Fox wells) were drilled within a subset of this area where the Company has been undertaking an extended production test, where gas is being produced to surface and continuously flared.

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.

For more details on the Company please visit www.tmkenergy.com.au