



COMPLETION OF DRILLING AT LUCKY FOX – 2

- **Lucky Fox – 2 successfully completed, having been drilled to a total depth of 407 metres and intersecting approximately 62 metres of gassy coal**
- **Slotted production casing set and production tubing successfully run in preparation for pump installation**
- **Drill rig now mobilising to Lucky Fox - 3 drill site for the final well of the Gurvantes XXXV Pilot Well Program**

TMK Energy Limited (**ASX: TMK**) (“TMK” or the “Company”) is pleased to provide an update on operations from the Pilot Well Drilling Program at the Gurvantes XXXV CSG Project (TMK 67%, Talon Energy 33%) in the South Gobi Basin of Mongolia.

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

“Our drilling team continues to deliver with two of our three pilot production wells being drilled on time and on budget with no operational issues. The rig is now moving to the final well in the program, Lucky Fox – 3, which is expected to commence drilling in the next few days following the rig move and some routine maintenance.

Upon completion of the drilling operations, the production wells will be connected to surface facilities and the wells placed on pump over a six-month production testing period. The data gathered from the production test will deliver valuable information to help formulate the development plan for the Nariin Sukhait area, whilst we head east with our 2023 exploration program in an effort to add to the already significant contingent (2C) resource the Gurvantes XXXV Project delivered from the 2022 exploration program.”

The drilling and installation of production casing and tubing at the Lucky Fox - 2 (LF-02) pilot production well was completed on 15 May 2023. LF-02 was completed to a total depth of 407 metres and intersected approximately 62 metres of gassy coal in the production interval. LF-02 came in on prognosis and was drilled safely, on time and on budget.

The drilling rig will undergo routine maintenance before shortly being mobilised to the site of the final well in the Pilot Well Program, Lucky Fox – 3 (LF-03), located approximately 175 metres southwest of LF-02.

The Pilot Well Program includes the drilling of three individual production wells spaced approximately 200 metres apart. The drilling of the production wells is expected to be completed around the end of May 2023. Once drilling is completed, downhole pumps will be installed, and surface facilities will be connected to the wells which are expected to take approximately four weeks from the completion of drilling.

The pilot well pumps will then be commissioned, and the dewatering process will commence in a controlled manner with first gas breakthrough expected within one or two months from being placed on production.



The Pilot Well Program is being primarily funded by Talon Energy, TMK's partner in the Gurvantes XXXV Project. Talon elected to enter Stage 2 of the Farmout Agreement in early December 2022 and is paying the first US\$3.15 million towards what is budgeted to be approximately US\$3.5 million, with TMK and Talon paying their proportionate share of further costs over and above US\$3.15 million.

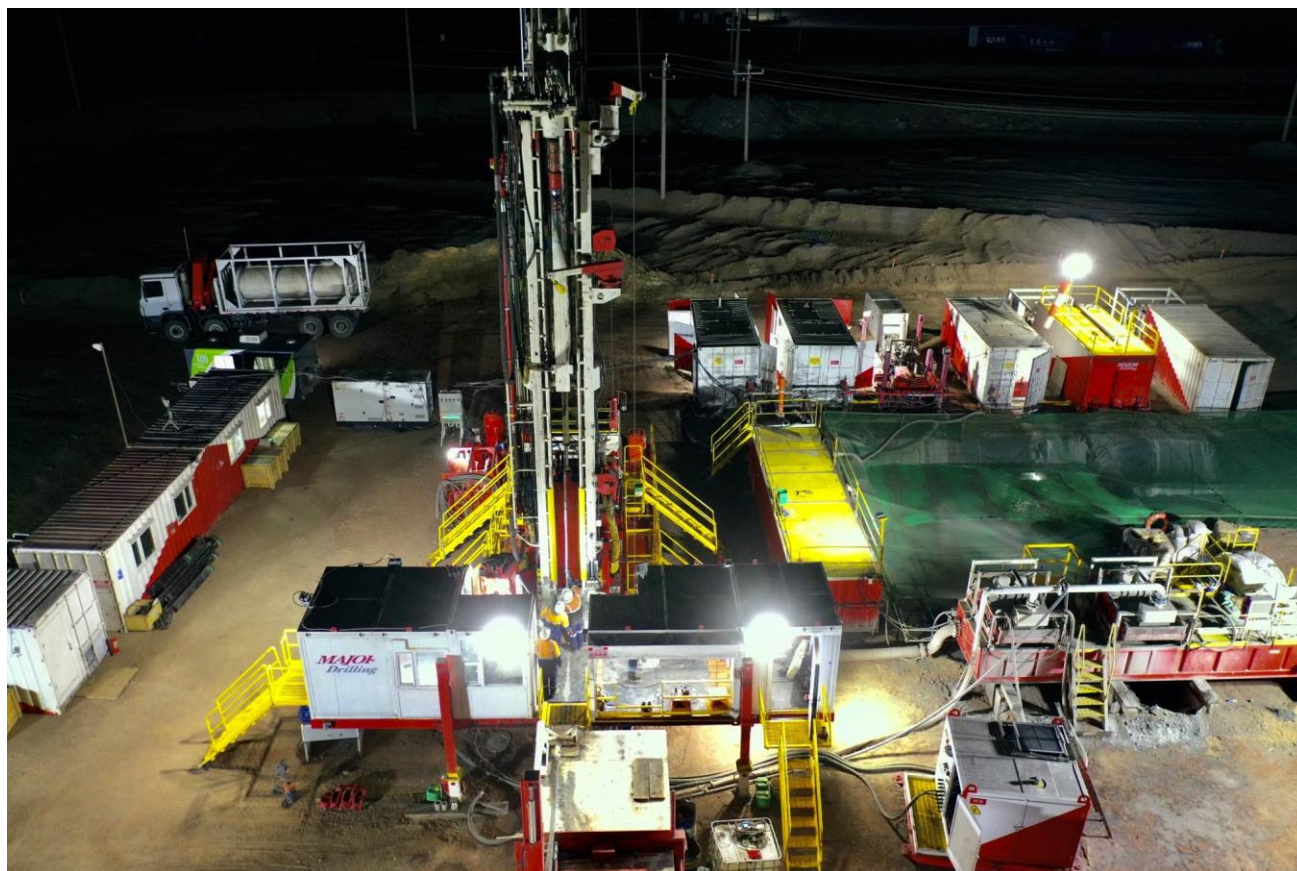


Figure 1 – 24-hour drilling operations at the Lucky Fox - 2 Well Site

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

ABOUT THE GURVANTES XXXV PROJECT

The Gurvantes XXXV Project (TMK Energy 67%, Talon Energy 33%) covers an area of 8,400km² and is in what is considered one of the most prospective coal seam gas basins globally. Gurvantes is situated less than 20km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. It is also proximate to several large-scale mining operations with high energy needs. Gurvantes is therefore ideally placed to satisfy both local Mongolian, as well as Chinese, energy requirements.

ABOUT TMK ENERGY LIMITED

TMK Energy Limited is listed on the Australian Stock Exchange. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV CSG Project. For more details on the Company please visit www.tmkenergy.com.au

