



OPERATIONS AND DRILLING UPDATE

- **All environmental and regulatory approvals received providing green light for 2024 drilling program**
- **Long lead equipment ordered with delivery expected in time for drilling to commence in August 2024**
- **Tenders for drilling and other key services now closed with tender awards expected to occur in the coming weeks**
- **All three existing pilot wells continuing to produce water and gas**

TMK Energy Limited (ASX: TMK) (“TMK” or the “Company”) is pleased to announce that following the Company’s recent receipt of its five-year Detailed Environmental Impact Assessment (DEIA) approval, all regulatory approvals required for the commencement of the 2024 drilling program have now been received.

Long lead items for the drilling campaign have been ordered and are scheduled to be delivered to the Gurvantes XXXV site in the coming months. The procurement and logistics process has been carefully considered and planned to ensure this equipment, which has been sourced from various countries including Australia, Canada, and China, is on site prior to drilling commencing.

With respect to the drilling contractor and other major services, the tendering process commenced in early June and recently closed with several tenders received. The tenders will be assessed over the coming week based on the Company’s key selection criteria’s of HSES, cost, timing and expertise.

The current three Lucky Fox pilot wells continue to produce water and gas, and experience high uptime. A recent site visit by members of the Australian based executive team has confirmed the excellent work being performed by the Company’s employees with fit for purpose HSES and operational systems in place. The Company is now well set up for significant growth in activity levels, for the upcoming drilling program and the ongoing management, monitoring and maintenance of a much larger number of wells in the future.

The site visit, together with other meetings held in Ulaanbaatar (Mongolia’s Capital), reinforced to the executive team the enormous potential of the Project and the drive within Mongolia, both politically and socially, for a cleaner, more reliable energy source, which natural gas represents. Currently, coal is the dominant energy source in Mongolia.

The Gurvantes XXXV Coal Seam Gas Project is one of the most advanced gas appraisal projects in Mongolia and has the potential to produce enough gas to satisfy the immediate and growing demand for gas and/or energy in Mongolia as well as adjacent markets as the Project expands into a full-scale gas development project.





From left: Brett Lawrence, Naran-Uchral Tsedev, Dougal Ferguson and “Deggie” at the Gurvantes XXXV Project

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

“With all the necessary environmental and regulatory approvals now secured, our team has been busy sourcing all the necessary equipment and ensuring all service contracts are in place to allow our 2024 drilling program to commence in in the coming months.

The external advice we have received to date from multiple industry experts aligns with our own internal assessment for the design of the 2024 work program, which is to drill additional production wells to accelerate the depressurisation of the reservoir and target significantly increased gas production rates from the consistent, but relatively low rates we are currently producing.

Our recent visit to Mongolia again confirmed that there is real demand for a source of domestically produced natural gas in Mongolia, with energy security and reliability key drivers. Cleaner, affordable energy is of huge significance to the Mongolian economy, its people and the Government. TMK is striving to be the first Company in Mongolia to demonstrate the ability to produce commercial quantities of natural gas and commercialise its already significant discovered resourcest.”

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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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