



ASX ANNOUNCEMENT

12 August 2024



DTS TECHNOLOGY TO BE DEPLOYED IN MONGOLIA

- **TMK to deploy Distributed Temperature Sensing (DTS) technology in phase two pilot well drilling program at the Gurvantes XXXV Project**
- **DTS data aims to improve the understanding of the reservoir characteristics of the very thick upper coal seam, enabling future wells to target optimised production performance from the “sweet spots” within the coal seam**
- **DTS data is obtained using fibre optic technology to determine the zones of gas and water influx from the ~70 metres coal seam**
- **First time this technology will be deployed in Mongolia**
- **DTS technology and expertise provided by TAQA¹, a leading international company that offers well solutions for the energy industry**
- **Drilling program on track to commence late August 2024**

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to announce that it will install TAQA’s Distributed Temperature Sensing (DTS) technology in two of its new pilot production wells to be drilled in phase two of the pilot well drilling program at the Gurvantes XXXV CSG Project, the first time such technology has been deployed in coal seam gas wells in Mongolia.

This proven and innovative reservoir monitoring technology allows the Company to collect “real time” downhole well data to manage and optimise well and reservoir performance. The fibre optic technology can sense temperature with sensing points uniformly distributed along the length of the fibre optic cable which is run in the wells and attached to the production tubing and specifically can be used in CSG wells to identify gas and water inflow locations within the well.

With approximately 70 metres of coal within the upper coal seam at Nariin Sukhait open to the well bore, the DTS technology aims to provide valuable information as to which zones within the 70 metres of coal seam are contributing water and gas which will allow future completions to be more targeted to the most productive zones. This will also potentially identify the “sweet spots” within the coal seam that can be targeted with alternative drilling and completion methods in the future field development planning.

TMK has placed an order and paid for the equipment that is due to be delivered to the Gurvantes XXXV site in the coming weeks, ready for deployment in the phase two pilot well drilling program. The DTS fibre optic technology is installed at the same time as the well completions and is planned to be installed in Lucky Fox 4 and 5 which will provide data from two closely located wells that can be easily correlated.



Perth AUSTRALIA +61 8 6319 1900
Ulaanbaatar MONGOLIA +976 8811 5990



1202 Hay Street, West Perth,
Western Australia, 6005
AUSTRALIA

Level 9, Niislel, 15th Khoroo,
Bayanzurkh District, Ulaanbaatar,
MONGOLIA



info@tmkenergy.com.au
www.tmkenergy.com.au

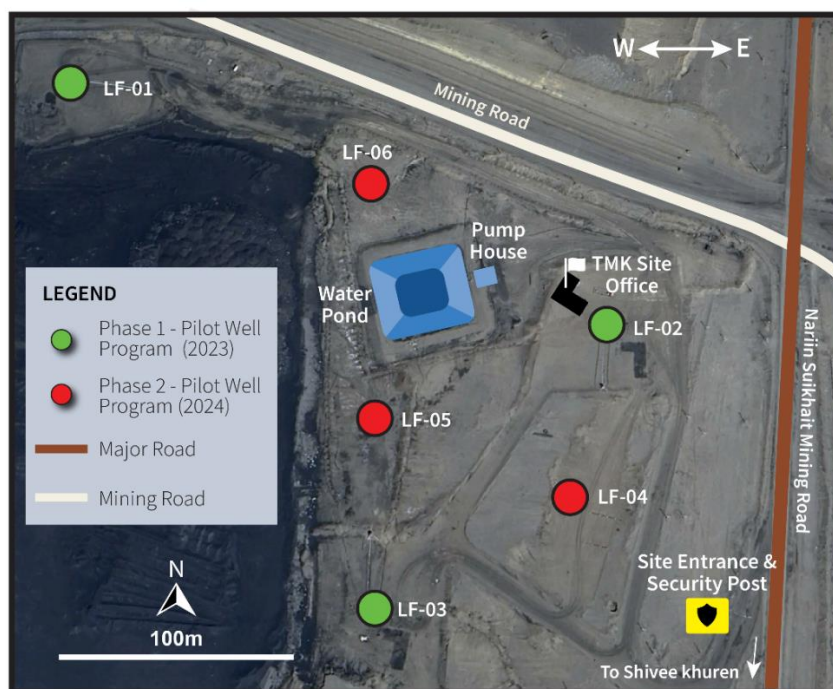


Figure 1 - Lucky Fox 4, 5 and 6 locations within the existing Pilot Well Project area

Following installation and commissioning of the new pilot production wells with the DTS systems installed, the data collection process commences and following a few weeks of production, accurate analysis of the data can commence. The data is collected in “real time” and this data can then be correlated with the well logs to help determine the water and gas inflow from the various coal intervals which can also be correlated with the logging data.

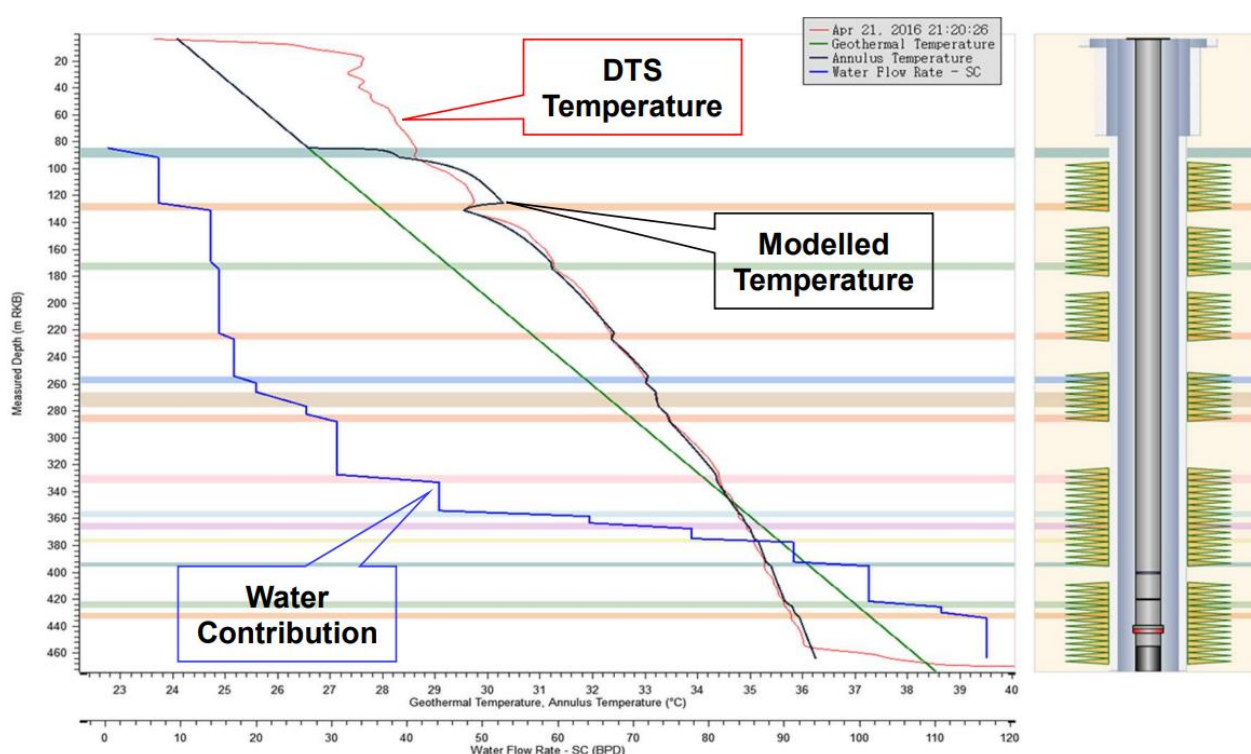


Figure 2 – Example of Distributed Temperature Sensing data showing production inflow from different zones

Once sufficient data has been collected from a well, the DTS fibre optic cable can be retrieved from the well (for example, during a workover for a pump changeout) and re-deployed in other production wells as and when they are drilled. It is expected that as the field development progresses in future years, the DTS technology will be continually utilised to assist in the design of future well completions.

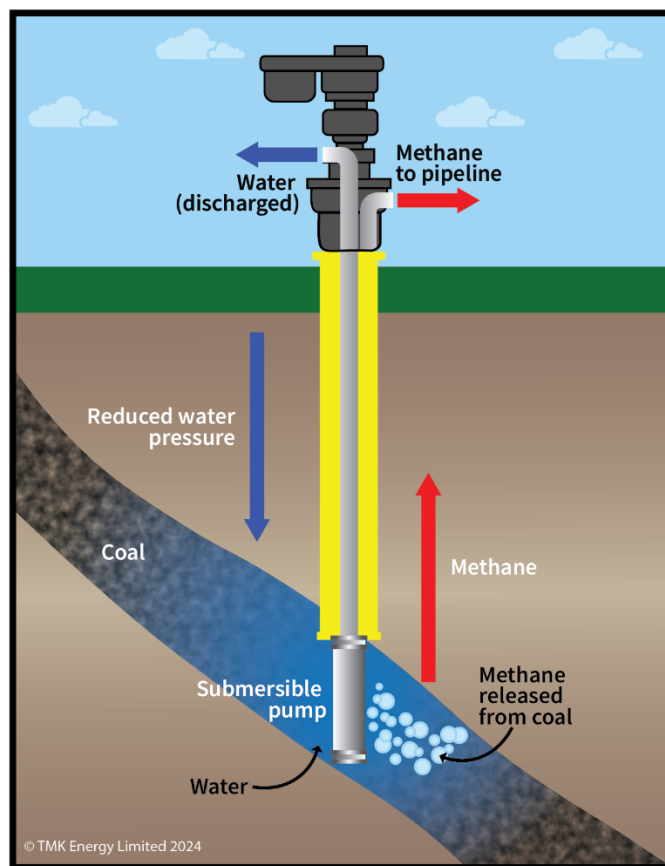


Figure 3 – Schematic of a typical Coal Seam Gas well with water and gas influx

1ABOUT TAQA

TAQA Well Solutions, a leader in energy industry services, offers differentiated and competitive products and services, including drilling, well completions, and intervention services.

Its services encompass coiled tubing, well stimulation, cementing, wireline, fracturing, directional drilling, downhole tools, completions, well testing, slickline, inspection, and H2S & safety. TAQA excels in fostering enduring customer relationships.

The Completions division specializes in advanced completions, production solutions, and sand management, enhancing reservoir productivity. Its innovative technologies and commitment to R&D address unique production challenges, aiming to minimize costs and downtime while boosting performance and field longevity.

TAQA's global presence and local manufacturing capabilities enable them to design bespoke solutions tailored to specific operating environments, providing the strength of a global organization with the agility and customer focus of a local entity.



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

"We are pleased to be working with industry leading TAQA to introduce new technologies to the Mongolian coal seam gas industry that will gather more data to better understand the reservoir characteristics of the very thick and highly prospective coal seams at Gurvantes XXXV Project.

The last 12 months or so of pilot well testing has clearly shown that there is sufficient permeability within the upper coal seam and that gas can flow to surface, but now we need to target the highest performing zones so we can optimise the design of production wells in the future. Knowing which zones are contributing gas and water within the ~70 metres of the upper coal seam is imperative to optimising the production capacity of this field.

We remain on track to commence the drilling program in late August with the site preparations ongoing and the last of the long lead items, including the DTS equipment, being delivered to site in the coming weeks."

Mr Keith Hillis, TAQA Well Completion's VP Marketing & Business Development commented:

"We are excited to commence operations in Mongolia, marking our first deployment of cutting-edge technology in this rapidly growing market. This collaboration reflects TAQA's commitment to expanding our global footprint and delivering innovative energy solutions to meet the world's evolving energy needs."

– ENDS –

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
08 6319 1900
dferguson@tmkenergy.com.au

About TMK Energy

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).

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.

