



ASX ANNOUNCEMENT

25 September 2024



DRILLING RIG CONTRACT SIGNED

- **Drilling rig contract signed with Canadian listed Major Drilling Group to drill and complete up to three additional production wells at the Lucky Fox Pilot Well Project**
- **Site preparations completed and drilling pads and sumps inspected by Major in preparation for receipt of the drilling rig**
- **Casing, wellheads, production tubing, pumps and all ancillary pilot well equipment all paid for and on location, ready to be deployed**
- **Drilling rig being mobilised from Ulaanbaatar to the Gurvantes XXXV site within the next week**

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to announce the signing of a drilling contract with Major Drilling Group (“Major”) - a large international Canadian listed drilling company and the same drilling company that completed TMK’s very successful 2023 initial three well pilot well programme.

The much-anticipated drilling is expected to commence following the mobilisation of the drilling rig to the Gurvantes XXXV Project which will commence within the next week. Drilling is expected to commence within the next two weeks following mobilisation and rigging up activities.

Major successfully completed drilling of the Pilot Well Program in 2023 on time and under budget and have delivered a fixed price (“turnkey”) solution which is approximately 28% lower than the all-in drilling and completion costs for the Lucky Fox 1, 2 and 3 production wells.

The planned 2024 program is drilling up to three additional production wells within the existing Pilot Well Program in the Narrin Sukhait area, adding to the existing three production wells drilled in 2023. The existing three production wells have been successful in reducing the reservoir pressure over the past 12 months and continue to perform exceptionally well with very little downtime.

The expectation is that the additional production wells will provide the additional pumping capacity required to reach the critical desorption pressures faster and accelerate a material uplift in gas production rates from the Pilot Well complex within a much shorter timeframe than would otherwise be the case. The objective of the program is to prove that commercial rates of gas can be produced from the upper coal seam at this location.

In addition to the planned drilling of additional production wells, the Company intends to install Distributed Temperature Sensing (DTS) technology as part of the completion process which will provide valuable additional data on which zones within the ~70 metres of upper coal seam are the most productive for both gas and water.



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Since securing the somewhat delayed, but necessary and highly significant environmental multiyear and multi well approvals in early July 2024, the Company has been active procuring and importing all the long lead items which are now all paid for and on location. In recent weeks, final pad preparations, drilling sumps and all surface equipment site preparations have been completed, with the final preparation stage being the mobilisation of the drilling rig to site.



Figure 1 – Completed drilling pad and site preparations for up to three additional production wells located within the existing Lucky Fox Pilot Well Project

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

"We'd like to thank all our shareholders and other stakeholders, including Major, for their patience and for working with us to get us in position where we are ready to commence the 2024 drilling program. There have been the inevitable delays with respect to environmental approvals, ongoing funding initiatives as well as some logistical delays of importing a significant amount of equipment from around the world for this program.

Signing of this drilling contract is an important step for the Company and the Gurvantes XXXV Project, which has transformed from an exploration concept three years ago, into a potential gas producing project of great significance to both TMK and Mongolia. We look forward to being able to further demonstrate the significance of this already discovered resource over the course of the next few months."

– ENDS –

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

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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.

