ASX ANNOUNCEMENT

11 March 2025

OPERATIONS REVIEW – FEBRUARY 2025

- **Record volume of gas produced in February 2025 and new record daily gas volume (465m^3) achieved on 4 March 2025**
- **Reservoir pressure declining toward critical desorption levels confirmed by pressure build up test undertaken during February**
- **Fluid levels in 5 of the 6 wells reduced to design levels with pump speeds starting to be reduced as water production trends lower**
- **Preliminary Distributed Temperature Sensing (DTS) interpretation indicates large sections of the reservoir are productive**

TMK Energy Limited (ASX: TMK) (**TMK** or the **Company**) is pleased to report that during the month of February 2025, the Gurvantes XXXV Coal Seam Gas (CSG) Project once again set a new monthly record for total gas produced from the Project and continues to display positive trends in the overall depressurisation of the reservoir.

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

"The Project continues to deliver encouraging trends in both gas and water production. With 5 of the 6 wells now producing at design fluid levels, we are making demonstrable progress in reducing the reservoir pressure, one of the key reasons for drilling the additional production wells late last year.

We have also successfully operated the Pilot Well Project through a second very cold and tough winter. This demonstrates that the greater development of this enormous new coal seam gas resource is very achievable in Mongolia. We remain highly confident that the Pilot Well Project will confirm a commercially viable resource in the coming months."

The Pilot Well Project produced ~9,100m^3 of gas during the month of February 2025. This represents an ~14% increase from the previous month of January 2025, the previous monthly record. On 4 March 2025, the Project recorded a new daily high production rate of 463m^3 (approximately 16.5 Mscfd).

These record rates have been achieved despite approximately 67% downtime on one of the best producers (being LF-05) due to the need for a pump cleanout and workover. This was necessary because of coal fines production into the wellbore that is commonly observed during gas production in coal seam gas projects, particularly in the early stages of well life. Due to the workover required during February, LF-05 is the only well that is not currently producing at its design fluid level.

The workover on LF-05 did however provide the opportunity to conduct a pressure build up test which confirmed that the reservoir pressure continues to decline as anticipated across the central area of the Project. Reducing the reservoir pressure to below the critical desorption pressure is one of the key objectives for this year and the principal reason the Company drilled an additional three production wells late last year. Once the reservoir pressure is reduced to below the critical desorption pressure, gas rates are expected to substantially increase.

The daily production data for the Pilot Well Project since 1 July 2024 is shown below in *Figure 1*, demonstrating the significant increase in gas and water production since the new wells were brought online in early January 2025.

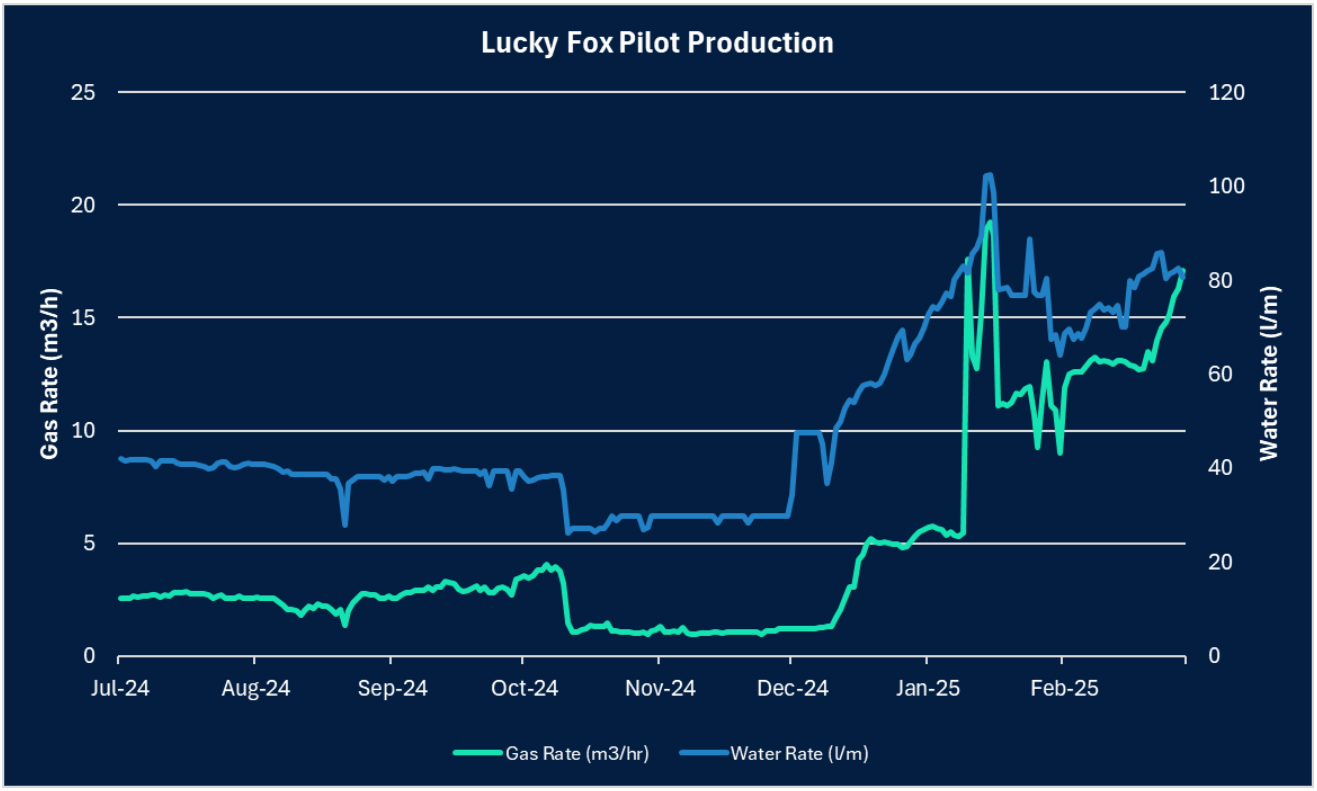

Figure 1: Total field gas and water production from 1 July 2024 through to 28 February 2025

With 5 of the 6 production wells now producing at the desired water levels, which is approximately 30 metres above the down-hole pump at the bottom of the reservoir, the Company now has sufficient data to actively managing the pump speeds in each of the wells to ensure that overall water levels and water production levels from each of the wells is in accordance with the reservoir management plan.

As water production rates drop in the wells, the pump speeds are being slowly decreased to ensure water production does not drop below minimum level required to ensure the pump operates efficiently. Lower water production at lower pump speeds is also another positive indicator that the reservoir pressure is being reduced.

The more advanced wells, such as LF-02 are displaying these encouraging performance trends, with water rates reducing and gas rates constant or increasing whilst reducing pump speed to maintain the design fluid level (refer *Figure 2* below).

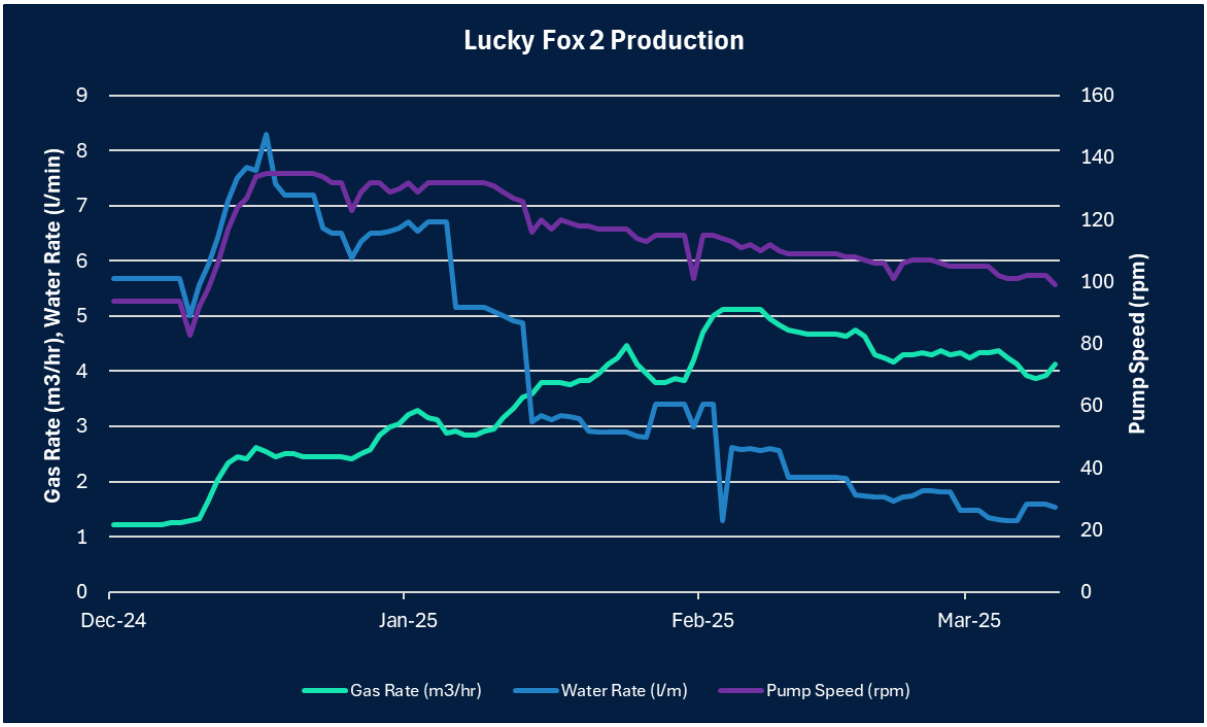

Figure 2: LF-02 gas and water production observed while reducing pump speed

Positive indications have also been recorded from the DTS technology that was deployed in LF-05 and LF-06. The preliminary DTS data interpretation suggests that a large percentage of the overall reservoir is productive (both water and gas). Further processing and interpretation are being undertaken with respect to the DTS data collected to date and no "red flags" have appeared from the preliminary analysis of the data.

The Company will continue to keep shareholders regularly updated on the pilot well performance over the coming months as the Project advances towards the point of critical desorption and the proof of concept for this world class resource located on the doorstep of one of the world's largest gas markets.

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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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