

OPERATIONS REVIEW – MAY 2025

- Pressure build up testing completed at LF-01 and LF-03 during May confirms significant and continued reduction in reservoir pressure at the Gurvantes XXXV Pilot Well Project
- Second Independent Technical Review (ITR) concludes that *“progress made so far with the Nariin Sukhait pilot well program is considerable and encouraging”*
- Tendering process completed for the drilling an additional pilot well at Nariin Sukhait (LF-07), which is expected to commence in Q3 CY2025
- Workover and remediation work on LF-05 expected to commence shortly, returning all wells at Nariin Sukhait pilot project back to full production capacity

TMK Energy Limited (ASX: TMK) (TMK or the **Company**) is pleased to provide the following update with respect to operations during the month of May 2025 at the Gurvantes XXXV Coal Seam Gas (CSG) Project.

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

“Following the highly encouraging results from the pressure build up test at LF-02 conducted in April, the Company completed similar build up tests at LF-01 and LF-03 which delivered results consistent with our understanding that the broader pilot well area is depressurising in line with expectations.

These results are very positive and demonstrates that the pressure is dropping across the wider pilot well project area and is further evidence of good connectivity between the wells.

Armed with this additional data, on 21 May 2025 the Company hosted its second Independent Technical Review workshop in Brisbane, with several highly credentialed and experienced independent experts attending. The workshop participants were unanimous in their overall conclusion that the Gurvantes XXXV Project is progressing as expected.

It’s also a pleasure to formally welcome to the board Mr Glenn Corrie, whose extensive contacts throughout China will undoubtedly be highly valuable as we accelerate our efforts to attract a strategic partner and grow the operational capability of the Company.”

Pressure Build up Testing

During May 2025, additional pressure build up tests were undertaken at LF-01 and LF-03 to validate and confirm the pressure decline that had been measured at LF-02 in April 2025 (as reported last month).

The results of both the tests confirmed that the pressure reduction seen at LF-02 is also being seen at both LF-01 and LF-03. These observations indicate a strong relationship between the pressure declines observed in each well and that a broader area around the pilot production wells is being depressurised. This is highly encouraging and suggests that there is good connectivity between the wells. This additional data will now be integrated into the reservoir model.

With the pressure build up tests complete, the focus has now switched to having all the wells consistently back on pump to continue to reduce the reservoir pressure and reach the critical desorption pressure required to produce a material increase in gas flows.

Independent Technical Review (ITR)

The following are key extracts from the Executive Summary of the report compiled by the independent technical consultant, Dr. Tim Moore the Managing Director of Cipher Consulting Pty Ltd, which was finalised and delivered to the Company on 5 June 2025.

“The most salient recommendation of the independent expert attendees was that production from the pilot wells should continue. Although significant gas breakthrough is yet to occur from the pilot wells, this is not an uncommon result in the initial development of greenfield CSG plays such as the Nariin Sukhait deposit. Patience and careful monitoring are recommended.”

“A review of the pilot data and operations concluded that the project has been competently managed, especially considering its remoteness and environmental conditions.”

“The independent experts agree that it is warranted to drill another pilot well (LF-07) and its planned placement is appropriate.”

“Finally, the independent experts agreed that although the market is looking for significant gas production as early as possible, the progress made so far with the Nariin Sukhait pilot well program is considerable and encouraging.”

The ITR made several more detailed recommendations with respect to potential improvements that could be introduced with respect to drilling and completion operations, production techniques and technical studies and these will be taken into consideration in both the upcoming drilling program and future development planning as the project advances to the next stage.

Drilling Operations (LF-07)

Work continued throughout May in preparation for drilling of LF-07 which is expected to commence in Q3 CY2025. The tendering process has been completed and the drilling contract is expected to be awarded in the coming weeks. All long lead items have been ordered and are either in production or in transit to Mongolia.



As highlighted in the executive summary of the ITR, the independent technical experts considered the proposed location and objectives of LF-07. It was agreed that its proposed location was appropriate and that the pilot well project warranted this additional well. In addition, the drilling of LF-07 also meets TMK's 2025 pilot well drilling commitment for the Gurvantes XXXV license.

Operations

The Pilot Well Project produced approximately 8,300m³ of gas during the month of May 2025. The operating pilot wells continued to produce consistently during the month despite the shutdowns required to undertake the pressure build up test at LF-01 and LF-03 and waiting on the remediation of the LF-05 well.

The equipment required to remediate the LF-05 well has now arrived in Mongolia after some production delays in China and it is expected that Major Drilling will mobilise its workover rig to the Nariin Sukhait area later this week, with the well expected to be operational again following the remediation work.

The Company will continue to provide regular operational updates on the performance of the pilot well project.

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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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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 XXXV Project is 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.

