

LF-07 INTERSECTS 54 METRES OF NET COAL

- Latest pilot production well (LF-07) has been safely and successfully drilled and cased to a total depth of 420 metres
- LF-07 intersected approximately 54 metres of net coal, on prognosis and consistent with existing pilot production wells
- Installation of the downhole pump and associated equipment is to commence shortly once the drilling rig is off location
- Connection to the production facilities and final commissioning will be undertaken over the coming weeks

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to announce that the LF-07 pilot production well at the Gurvantes XXXV Coal Seam Gas (CSG) Project has been safely and successfully drilled and cased to a total depth of 420 metres. Initial logging results indicate the well intersected approximately 54 metres of net coal, as prognosed and consistent with existing surrounding pilot production wells.

The drilling operations were performed safely and efficiently on a turnkey (fixed cost) contract using Major Drilling’s larger, more powerful TXD200 drilling rig - which is the first time that rig has been used in Mongolia. The rig will now be demobilised and return to Major Drilling’s yard in Ulaanbaatar.

The drilling of LF-07 marks the end of an active 12 months of drilling during which four additional pilot production wells have been drilled safely and successfully, more than doubling the production well capacity of the Pilot Project marking a big step forward for the Project and a great achievement for the Company.

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

“This is yet another successful outcome for our Pilot Project, with the latest pilot production well intersecting the upper coal seam at the prognosed depth and expected thickness.

With the well securely behind casing, the next stage is installation of the down hole pump and associated equipment followed by commissioning activities which will be undertaken over the coming weeks, after which the well can be placed on production.

We need to commend our team and key contractors for what they have achieved in the last 12 months, having now drilled four pilot production wells safely, on time and on budget, a truly stellar performance and achievement from a small, dedicated team.

Together with our Shareholders, we look forward to seeing the significant capital, hard work and commitment invested into the Project resulting in the unlocking of this enormous gas resource in the South Gobi Desert of Mongolia.”



Drilling Operations at the LF-07 Pilot Well

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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
 +61 8 6319 1900
dferguson@tmkenergy.com.au

