

PRODUCTION OPERATIONS UPDATE

- Latest pilot production well (LF-07) completed for production with tubing, rods and downhole pump successfully installed
- Commissioning of LF-07 surface facilities now underway with the well to be placed on production in the coming days
- LF-06 production well maintenance successfully completed prior to demobilising crew and equipment back to Ulaanbaatar, with the well now returned to production
- All seven production wells scheduled to be producing at optimal production rates by the end of the August 2025, further accelerating the process of water production and reservoir depressurisation

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to advise that the LF-07 pilot production well at the 100% owned Gurvantes XXXV Coal Seam Gas (CSG) Project, has been successfully completed for production and is now undergoing final commissioning activities with the well expected to be placed on production in the coming days.

The Company also took the opportunity to perform maintenance on the LF-06 pilot production well whilst resources were available onsite. LF-06 was worked over with the downhole pump pulled and cleaned, and the fill at the bottom of the well cleaned out to reduce the possibility of future production interruptions with that well. LF-06 was successfully placed back on production earlier this week.

With seven producing wells at the Pilot Well Project, the Company now has adequate redundancy available to allow it to plan routine and hence cost-efficient preventative maintenance (i.e. scheduled workovers) in advance which will assist with the implementation of the overall reservoir management plan and ultimately, should deliver higher rates of water and gas production.

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

“With the drilling operations phase now complete, there is no further major capital expenditure planned at the Pilot Well Project in the short to medium term.

With seven pilot production wells online, we hope and expect to soon see all the hard work and capital investment that has been made bearing fruit. All the data continues to point to a positive outcome being achieved in the coming months, with reservoir pressures continuing to reduce towards the target critical desorption pressure.

With the help of additional production data acquired from LF-04, LF-05 and LF-06 since early 2025, we are gaining a better understanding of the reservoir and placing a renewed emphasis on the overall reservoir management plan with the objective of maximising both water and gas production in the near term and ultimately proving commerciality of the resource.”

Maximising the ability of the Company to further accelerate the process of water production and reservoir depressurisation over the coming months is a key short-term objective of the Company. This is being achieved by ensuring maximum production uptime for all seven producing wells (i.e. limit intermittent workovers) and running the pumps at optimal speeds to maximise water (and gas) production rates.

A refined reservoir management plan is being developed and will be implemented in conjunction with LF-07 being brought on production, at which time the impact of the reservoir pressure reduction at that location can be reliably measured. This important data point will demonstrate how much the pressure in the reservoir has been reduced at the LF-07 location (approximately equidistant from LF-01, LF-02 and LF-05) since the inception of production at the Pilot Well Project and provide additional data with respect to the impact of LF-07 on nearby wells.

The conclusion of drilling operations marks the end of an intensive period of capital spending which is now forecast to reduce significantly in the short to medium term with focus returning to optimising production rates, maintaining a low, fit for purpose cost base, and sourcing project partners to co-fund the next stage of development of the Gurvantes XXXV Project.



LF-07 Pilot Well completed for production

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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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