

Interim Report for the period ended 30 June 2025

TMK Energy Limited (ASX:TMK)

ABN 66 127 735 442

Interim Report 25



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CORPORATE DIRECTORY

DIRECTORS

Prof. John Warburton
Non-Executive Chairman

Glenn Corrie
Non-Executive Director

Brett Lawrence
Non-Executive Director

Gema Gerelsaikhan
Non-Executive Director

Tim Wise
Non-Executive Director

CHIEF EXECUTIVE OFFICER

Dougal Ferguson

COMPANY SECRETARY

Dougal Ferguson

REGISTERED & HEAD OFFICE

3 Richardson Street
West Perth WA 6005

Telephone: + 61 8 6319 1900

MONGOLIAN OFFICE

Level 9, Niislel, 15th Khoroo
Buyanzurkh District, Ulaanbaatar

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Perth WA 6000

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Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

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SOLICITORS

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250 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

TMK Energy Limited shares are listed on the
Australian Securities Exchange (ASX code: TMK)

CORPORATE GOVERNANCE STATEMENT

www.tmkenergy.com.au/corporate-governance

ABN 66 127 735 442

www.tmkenergy.com.au

Operations report



Executive Summary

During the six months ended 30 June 2025 (the Reporting Period), TMK Energy Limited (TMK or the Company) continued to rapidly advance its 100% owned flagship Gurvantes XXXV Coal Seam Gas (CSG) Project, located in the South Gobi Desert in Mongolia

The Company commenced production from three additional pilot production wells (LF-04, LF-05 and LF-06) drilled late in 2024, which were successfully commissioned and brought into production in January 2025.

During the Reporting Period, the Company began planning activities and commenced purchasing long lead items for the 2025 pilot well drilling program, which consisted of one addition pilot production well (LF-07).

The well was successfully and safely drilled on time and on budget and recently placed on production with highly encouraging early gas flows being recorded.

Reservoir build up pressure testing was completed on several of the pilot production wells during the Reporting Period which confirmed strong well connectivity and ongoing depressurisation of the reservoir. The successful reduction in reservoir pressure is a key ingredient in the success of any CSG field.

The pilot well complex now consists of seven wells all of which are producing both water and gas and working together to continue to bring down the reservoir pressure.

After the end of the Reporting Period, the Company signed a Strategic Alliance Agreement with J-Energy, a Beijing based consultancy whose founders and principals are senior energy industry professionals previously having been the leading team at Shell China.

Providing their geological, engineering and project development expertise, J-Energy and TMK will be working together to among other things, prepare a definitive feasibility study and field development plan.



Lucky Fox –02
Nariin Sukhait

In May 2025, the sale of the Talisman Deeps Prospect was completed, releasing the Company from any future funding obligations associated with the legacy asset. The Company held an indirect interest in Talisman Deeps via a 20% shareholding in Skye Napoleon Pty Ltd and consented to Skye Napoleon relinquishing its rights to Talisman Deeps in return for a deferred consideration of \$1 million.

Also In May 2025, Mr. Glenn Corrie was appointed to the Board. Glenn has a proven track record of successfully leading both listed and private equity backed companies through significant growth and transformation. He previously served as the CEO and Managing Director of ASX-listed Sino Gas & Energy, a Chinese focused coal seam and natural gas company which was acquired by a US private equity group. As part of an orderly transition of the Board, Mr. Tim Wise announced his retirement from the Board effective 30 September 2025.

In April 2025, the Company raised approximately \$2.3 million (before costs) in additional capital to fund primarily the drilling of LF-07, associated facilities and additional working capital. The capital raise was well supported by new and existing sophisticated investors.

On 11 September 2025, the Company entered a Trading Halt to raise additional funds to support the Company and its operations moving forward. The proposed capital raise has been well supported and is expected to provide sufficient funding for the Company to execute its business plans for the remainder of the year and well into 2026.

Pilot Well Operations

The three pilot wells (LF-04, LF-05 and LF-06) drilled in late 2024 were successfully placed on production and began producing gas in early January 2025 which was in line with expectations.

When coupled with the original three pilot wells (LF-01, LF-02 and LF-03), total field gas production more than doubled in January 2025 with all six pilot production wells flaring gas. The month of January saw a 300% increase in total gas produced compared to the prior month with gas production being ~40% higher than the previous monthly record.

Gas production in February was ~9,100m³ which represented an ~14% increase over January, with March gas production increasing a further ~10% to ~10,000m³ with a new daily high production rate of 463m³ (approximately 16.5 mscfd) being achieved during March.

During the Reporting Period, the Company concluded its analysis and interpretation of the data recovered from the Distributed Temperature Sensing (DTS) technology deployed which indicated that the water was primarily being produced from the coal seam rather than an unrelated aquifer, another important data point and validation that the Project is performing in line with expectations.



Pressure Build Up Testing

Pressure build up tests were completed on several different wells to collect data on how much the reservoir pressure had declined in each well. This process requires the shutting-in of the individual wells over an extended period which, while having a negative effect on production rates, provides valuable information with respect to the progress being made in reducing the reservoir pressure.

The test results showed that overall, the reservoir pressure is being reduced across the pilot well project and that all wells which were tested showed a steady decrease in pressure.

The ability to decrease the reservoir pressure is critical to a successful CSG pilot well program and therefore these results are significant and very encouraging. It is expected with further dewatering, the reservoir pressure will continue to reduce which is expected to result in further increases in the gas production rates over time.

2025 Pilot Well Drilling Program

LF-07 commenced drilling in July 2025 and was located up dip from LF-05 and along strike from LF-01 and LF-02, (**Figure 1**). LF-07 was drilled and completed safely and successfully intersecting approximately 54 metres of net coal, in line with prognosis and consistent with the existing surrounding pilot production wells.

In accordance with the updated reservoir management plan, both LF-07 and surrounding wells are currently being produced at low pump speeds to gather additional data to be integrated into the reservoir model.

The Pilot Well Project now has seven wells on production all of which are consistently producing gas at varying levels, which is gradually increasing as pump speeds are increased on LF-07 and surrounding wells, and the overall reservoir pressure is reduced.

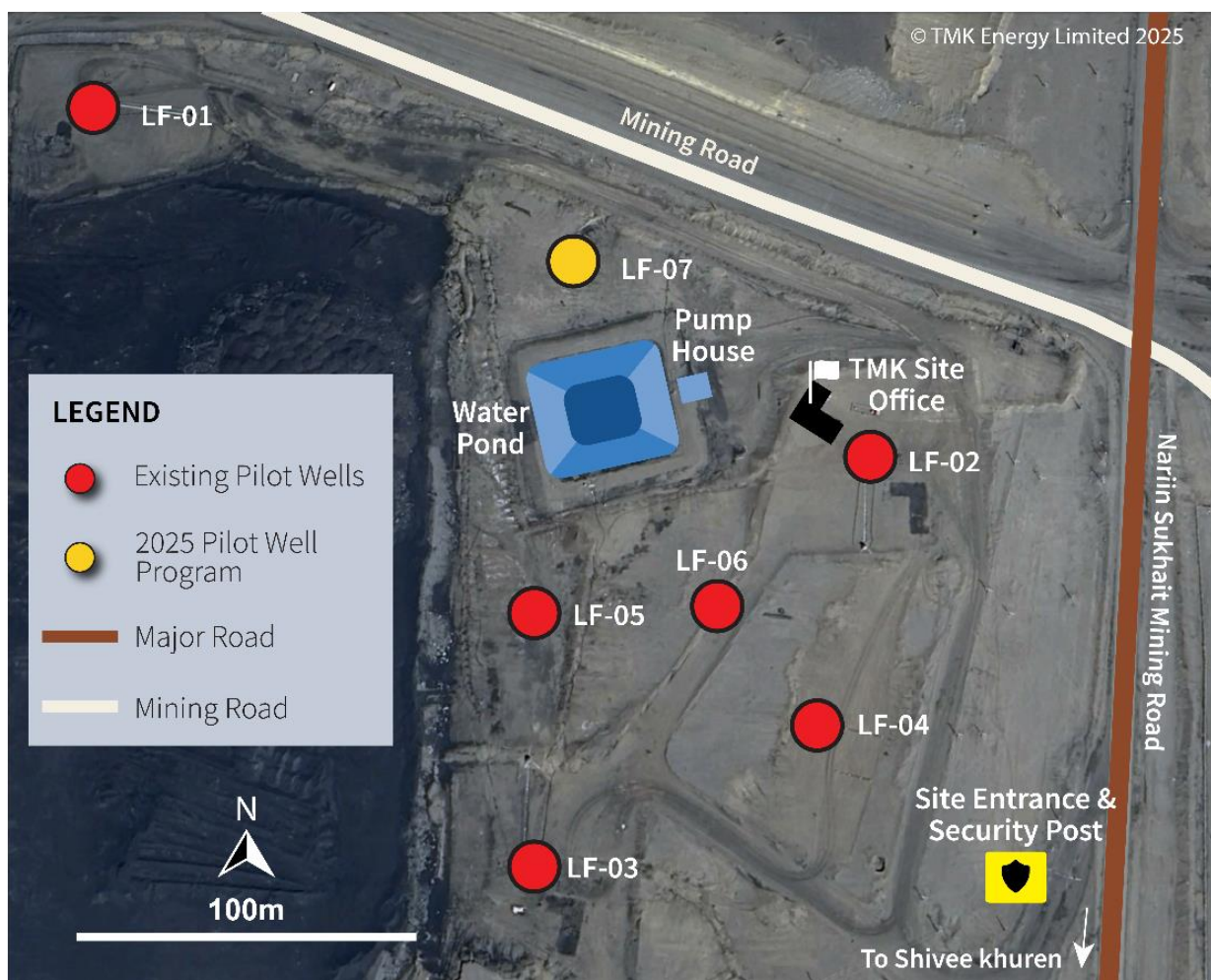


Figure 1: Lucky Fox Pilot Well Program aerial view

Corporate update



Changes in Capital Structure

On 16 April 2025, the Company announced that it had received firm commitments to raise up to approximately \$2.3 million (before costs) by way of a placement. The placement was strongly supported by new and existing sophisticated and professional investors, including existing major shareholders of the Company.

In addition to the shares issued under the Placement, the Company issued 91,051,291 shares to consultants in lieu of fees for the six months ended 31 March 2025, which reduced the cash spend for the Company during those six months by \$187,200.

On 11 September 2025, the Company entered a Trading Halt to raise additional funds to support the Company and its operations moving forward. The proposed capital raise has been well supported and is expected to provide sufficient funding for the Company to execute its business plans for the remainder of the year and well into 2026.



Drilling Lucky Fox-07

Class of Security	On issue as at 12 Sep 2025
Fully Paid Ordinary Shares	10,222,383,055
Existing Listed Options (ASX: TMKOB) exercisable at \$0.025 per share on or before 30 April 2026	808,052,867
Existing Listed Options (ASX: TMKO) exercisable at \$0.008 per share on or before 30 April 2027	2,089,572,851
Unlisted Options exercisable at \$0.025 per share on or before 30 April 2026	78,000,000
Unlisted Options exercisable at \$0.005 per share on or before 31 January 2028	140,000,000
Employee Performance Rights	43,400,000

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of TMK Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

Directors

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Prof. John Warburton – Non-Executive Chairman
- Glenn Corrie – Non-Executive Director (appointed 19 May 2025)
- Brett Lawrence – Non-Executive Director
- Gema Gerelsaikhan – Non-Executive Director
- Tim Wise – Non-Executive Director

Principal activities

The principal activity of the Group during the financial year was the exploration and appraisal of the Gurvantes XXXV Coal Seam Gas (CSG) Project in the South Gobi Basin of Mongolia.

Review of operations

For the review of the Group's operations refer to the Operations Review section at page 5 of this report.

Operating Results and Financial Position

The loss for the Group after providing for income tax amounted to \$921,595 (30 June 2024: \$210,143).

The Group had a closing cash balance of \$1,719,817 at 30 June 2025 (31 Dec 2024: \$1,999,854).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 10 July 2025, the Company has announced that Mr Tim Wise will be stepping down as Non-Executive Director effective from 30 September 2025.

On 11 September 2025, the Company entered a trading halt pending completion of a capital raise. As at the date of this report, the Company has received irrevocable commitments for sufficient funding to meet its business plans for the remainder of 2025 and well into 2026.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'John Warburton', with a horizontal line drawn over the top of the signature.

Prof. John Warburton
Independent Non-Executive Chairman
TMK Energy Limited
12 September 2025



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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TMK ENERGY LIMITED

As lead auditor for the review of TMK Energy Limited for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TMK Energy Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Prue', is written in a cursive style.

Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

12 September 2025

Condensed consolidated statement of profit and loss and other comprehensive income

For the half-year ended 30 June 2025

	Note	Consolidated 30 Jun 2025 \$	30 Jun 2024 \$
Income			
Interest income		23,980	34,804
Gain on disposal of subsidiary	13	-	1,265,059
Expenses			
Accounting and audit fees		(47,947)	(53,724)
Directors' fees		(77,710)	(92,000)
Professional and consultancy fees		(233,440)	(174,950)
Regulatory expenses		(71,661)	(99,059)
Share based payments expense	8	(295,000)	(605,133)
Depreciation expense		(1,003)	(1,169)
Office and administrative expenses		(217,840)	(332,852)
Loss from revaluation of investment		-	(324,235)
Operating loss		(920,621)	(383,259)
Foreign exchange movement		(974)	173,116
Loss before income tax expense		(921,595)	(210,143)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of TMK Energy Limited		(921,595)	(210,143)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(487,061)	14,249
Exchange differences on disposal of subsidiary		-	(1,265,059)
Other comprehensive income for the half-year, net of tax		(487,061)	(1,250,810)
Total comprehensive income for the half-year attributable to the owners of TMK Energy Limited		(1,408,656)	(1,460,953)
Loss for the half-year is attributable to:			
Owners of TMK Energy Limited		(921,595)	(210,143)
Total comprehensive income for the half-year is attributable to:			
Owners of TMK Energy Limited		(1,408,656)	(1,460,953)
		Cents	Cents
Basic earnings per share		(0.010)	(0.003)
Diluted earnings per share		(0.010)	(0.003)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

As at 30 June 2025

	Note	Consolidated	
		30 Jun 2025	31 Dec 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,719,817	1,999,854
Trade and other receivables		91,980	106,107
Other current assets		34,760	41,785
Total current assets		1,846,557	2,147,746
Non-current assets			
Exploration and evaluation	5	23,012,926	21,332,448
Property, plant and equipment		745,177	881,691
Total non-current assets		23,758,103	22,214,139
Total assets		25,604,660	24,361,885
Liabilities			
Current liabilities			
Trade and other payables		525,035	601,048
Provisions		7,744	28,311
Total current liabilities		532,779	629,359
Total liabilities		532,779	629,359
Net assets		25,071,881	23,732,526
Equity			
Issued capital	6	37,180,104	34,802,593
Reserves		4,707,751	4,824,312
Accumulated losses		(16,815,974)	(15,894,379)
Total equity		25,071,881	23,732,526

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

For the half-year ended 31 30 June 2025

	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 January 2024	27,349,581	5,035,186	(60,499)	(14,517,247)	17,807,021
Loss after income tax expense for the half-year	-	-	-	(210,143)	(210,143)
Other comprehensive income for the half-year, net of tax	-	-	(1,250,810)	-	(1,250,810)
Total comprehensive income for the half-year	-	-	(1,250,810)	(210,143)	(1,460,953)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of share capital	3,156,131	-	-	-	3,156,131
Share-based payments (note 8)	-	605,133	-	-	605,133
Capital raising costs	(264,523)	-	-	-	(264,523)
Balance at 30 June 2024	30,241,189	5,640,319	(1,311,309)	(14,727,390)	19,842,809

	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 January 2025	34,802,593	5,741,768	(917,456)	(15,894,379)	23,732,526
Loss after income tax expense for the half-year	-	-	-	(921,595)	(921,595)
Other comprehensive income for the half-year, net of tax	-	-	(487,061)	-	(487,061)
Total comprehensive income for the half-year	-	-	(487,061)	(921,595)	(1,408,656)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of share capital (note 6)	2,303,000	-	-	-	2,303,000
Capital raising costs	(188,889)	75,500	-	-	(113,389)
Share-based payments (note 8)	263,400	295,000	-	-	558,400
Balance at 30 June 2025	37,180,104	6,112,268	(1,404,517)	(16,815,974)	25,071,881

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

For the half-year ended 30 June 2025

	Consolidated	
	30 Jun 2025	30 Jun 2024
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(844,969)	(893,391)
Interest received	23,980	34,804
GST refunds	70,144	44,651
Net cash used in operating activities	(750,845)	(813,936)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,892,924)	(2,695,402)
Net cash used in investing activities	(1,892,924)	(2,695,402)
Cash flows from financing activities		
Proceeds from issue of shares	2,303,000	3,156,131
Share issue transaction costs	(113,389)	(201,210)
Net cash from financing activities	2,189,611	2,954,921
Net decrease in cash and cash equivalents	(454,158)	(554,417)
Cash and cash equivalents at the beginning of the financial half-year	1,999,854	2,255,012
Effects of exchange rate changes on cash and cash equivalents	174,121	14,249
Cash and cash equivalents at the end of the financial half-year	1,719,817	1,714,844

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

NOTE 1. General information

The financial statements cover TMK Energy Limited as a Group consisting of TMK Energy Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is TMK Energy Limited's functional and presentation currency.

TMK Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

3 Richardson Street, West Perth, WA 6005

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 September 2025.

NOTE 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

During the half-year ended 30 June 2025, the Group recorded a loss of \$921,595 (30 June 2024: \$210,143) and net cash outflows for operating activities of \$750,845 (30 June 2024: \$813,936). At 30 June 2025, the Group had net current assets of \$1,313,778 (31 Dec 2024: \$1,518,387).

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- the directors have the ability to reduce expenditure in order to preserve cash if required;
- the Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements as evidenced by the \$2.5m capital raised during the half year; and
- the Company has secured irrevocable commitments for sufficient funding to meet its business plans for the remainder of 2025 and well into 2026.

On the basis of the above, the directors believe that, as at the date of this report, there will be sufficient funds available to meet the Group's working capital requirements.

NOTE 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities were the same as those applied in the last annual report for the year ended 31 December 2024.

NOTE 4. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segments being oil and gas exploration. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the half-year ended 30 June 2025.

NOTE 5. Exploration and evaluation

	Consolidated	
	30 Jun 2025	31 Dec 2024
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation assets	23,012,926	21,332,448

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial half-year are set out below:

Consolidated	Exploration and evaluation
	\$
Balance at 1 January 2024	14,207,077
Additions	6,363,478
Exchange differences	761,893
Balance at 31 Dec 2024	21,332,448
Additions	1,892,924
Exchange differences	(212,446)
Balance at 30 June 2025	23,012,926

NOTE 6. Issued capital

(a) Ordinary shares

	Consolidated			
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	Shares	Shares	\$	\$
Issued share capital	10,222,383,055	9,325,565,094	37,180,104	34,802,593

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 January 2024	6,122,579,300	27,349,581
Share placement	28 March 2024	633,135,500	2,532,542
Share purchase plan	10 May 2024	155,897,172	623,590
Share placement	8 October 2024	670,000,000	1,340,000
Share placement	1 November 2024	948,953,122	1,897,908
Share placement	8 November 2024	750,000,000	1,500,000
Conversion of performance rights		45,000,000	-
Share issue costs		-	(441,028)
Balance	30 June 2024	9,325,565,094	34,802,593
Share based payment ⁽¹⁾	7 March 2025	38,100,000	76,200
Share placement	24 April 2025	767,666,670	2,303,000
Share based payment ⁽²⁾	24 April 2025	91,051,291	187,200
Share issue costs		-	(188,889)
Balance	30 June 2025	10,222,383,055	37,180,104

⁽¹⁾ 38,100,000 shares was issued in lieu of 50% of total cash payable to Directors for either consulting or Director fees including bonus payable from prior year.

⁽²⁾ 91,501,291 shares was issued in lieu of 50% total fees payable to Consultants for their consulting fees including bonus payable from prior year.

(b) Options

	Consolidated 30 Jun 2025
Movements in options on issue:	
Outstanding at the beginning of the period	2,628,125,718
Options issued for share placement ⁽¹⁾	375,000,000
Options issued to advisors ⁽²⁾	67,500,000
Options issued to Directors ⁽³⁾	120,000,000
Lapsed or expired	(75,000,000)
Outstanding at the end of the period	3,115,625,718
Listed options	2,897,625,718
Unlisted options	218,000,000
	3,115,625,718
Vested and exercisable	3,115,625,718
Not vested	-
	3,115,625,718

⁽¹⁾ During the current half year, 375,000,000 listed options were issued on 4 March 2025. These options are the free attaching options related to the share placement held in November 2024. The options have an exercise price of \$0.008 and expire on 30 April 2027.

⁽²⁾ Options for the advisors and broker for their services in relation to the share placement held. See note 8 for further details.

⁽³⁾ Options issued to directors and related parties as performance linked incentives. See note 8 for further details.

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.58 years (30 Jun 2024: 1.92 years).

(c) Performance Rights

	Consolidated 30 Jun 2025 Number
Movement in performance rights on issue	
Outstanding at the beginning of the period	43,400,000
Granted	-
Exercised	-
Lapsed	-
Outstanding at the end of the period	43,400,000
Performance rights outstanding at the end of the period	
Class D Performance Rights	16,533,333
Class F Performance Rights	6,200,000
Class G Performance Rights	10,333,333
Class H Performance Rights	10,333,334
	43,400,000
Vested and exercisable	22,733,333
Not vested	20,666,667
	43,400,000

Consistently with others in the industry, the Group manages its capital by assessing the Group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group is not subject to any externally imposed capital requirements.

NOTE 7. Disposal of Skye Napoleon Pty Ltd

The Company held a 20% interest in the Talisman Deeps Project through Skye Napoleon Pty Ltd, which owns the petroleum rights below 2,700m in offshore petroleum production licence WA-8-L. On 16 May 2025, the Company disposed of this shareholding. As the investment had previously been written down to nil, no gain or loss was recognised. Under the terms of the transaction, the Company is entitled to deferred contingent consideration of A\$1.0 million, payable within 90 days after commencement of commercial production; however, this has not been recognised as an asset as receipt is contingent and not considered probable at reporting date.

NOTE 8. Share-based payments

	Consolidated	
	30 Jun 2025 \$	30 Jun 2024 \$
<i>Recognised in the statement of profit and loss</i>		
Share based payment expense ⁽¹⁾	295,000	605,133
<i>Recognised in the statement of financial position</i>		
Issued capital (capital raising costs) ⁽²⁾	75,500	63,314
	370,500	668,447

⁽¹⁾ This expense relates to the amortisation of employee performance rights and options over their vesting period.

⁽²⁾ This expense relates to the options issued during the period to broker in relation to the share placement held.

Shares

During the half-year, the following shares were issued as share-based payments:

- On 7 March 2025, the Company issued 38,100,000 shares in lieu of 50% of the cash payable to Directors for consulting and Director fees, including bonuses from the prior year. The shares were issued in lieu of cash and therefore the amount was credited against payables.

- On 24 April 2025, the Company issued 91,501,291 shares in lieu of 50% of the cash payables to Consultants for their consulting fees including bonus payable from prior year. The shares were issued in lieu of cash and therefore the amount was credited against payables.

Options

During the half-year, the following options have been issued:

- On 19 February 2025, the Company issued 80,000,000 unlisted options to directors and 20,000,000 unlisted options to Mr. Tsetsen Zantav, Chairman of the Telmen Resource Board, as performance-linked incentives. The options have an exercise price of \$0.005, expire on 31 January 2028, and were valued at \$0.0021 each, resulting in \$210,000 recognised as a share-based payment expense.
- On 23 May 2025, the Company issued 20,000,000 unlisted options to Mr. Glenn Corrie upon his appointment as Non-Executive Director, as performance-linked incentives. The options have an exercise price of \$0.005, expire on 31 January 2028, and were valued at \$0.0017 each, with \$34,000 recognised as a share-based payment expense.
- On 4 March 2025, the Company issued 47,500,000 listed options to advisors for services provided in relation to the share placement. The options have an exercise price of \$0.005, expire on 30 April 2027, and were traded at \$0.001 on the date of issue, resulting in \$47,500 recognised as capital raising costs in equity.
- On 24 March 2025, the Company issued 20,000,000 unlisted options to advisors for services provided in relation to the share placement. The options have an exercise price of \$0.005, expire on 30 April 2027, and were valued at \$0.0014 each, resulting in \$28,000 recognised as capital raising costs in equity.

As the fair value of the services received could not be reliably measured, the entity measured the fair value of the equity instruments granted. For options issued during the current financial half-year that do not have a quoted market price, the valuation model inputs used to determine the fair value at the grant date are as follows:

Issue date	Expiry date	Share price at issue date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value per option
19/02/2025	31/01/2028	\$0.0040	\$0.0050	110.00%	-	3.93%	\$0.0021
24/03/2025	30/04/2027	\$0.0030	\$0.0050	110.00%	-	3.40%	\$0.0014
23/05/2025	31/01/2028	\$0.0030	\$0.0050	110.00%	-	3.45%	\$0.0017

NOTE 9. Related party transactions

Parent entity

TMK Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 13.

Key management personnel

Disclosures relating to key management personnel are set out in note 10.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 Jun 2025	30 Jun 2024
	\$	\$
Payment for goods and services:		
Expenses charged for services from Tsetsen Zantav ⁽¹⁾ and his related entities	121,784	323,527
Other transactions:		
20,000,000 unlisted options issued on 4 March 2025, exercisable at \$0.005, expiring 31 January 2028 to Tsetsen Zantav ⁽¹⁾ as non-cash compensation	42,000	-

⁽¹⁾ Tsetsen Zantav is the Chairman of the Telmen Resource Board and a significant shareholder of TMK Energy Limited and strategic advisor to the Board. Refer to note 8 for details of the options issued.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	30 Jun 2025	31 Dec 2024
	\$	\$
Current receivables:		
Receivables from Tsetsen Zantav and his related parties	12,558	13,934
Current payables:		
Payables to Tsetsen Zantav and his related parties	-	(23,446)

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 10. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 Jun 2025	30 Jun 2024
	\$	\$
Short-term employee benefits	413,635	425,272
Superannuation	2,475	16,078
Annual leave	24,259	(7,443)
Share-based payments	236,714	411,043
	<u>677,083</u>	<u>844,950</u>

On 19 May 2025, Mr Glenn Corrie was appointed as a Non-Executive Director. He will receive directors' fees of \$48,000 per annum, with no termination date, benefits or notice period. On 23 May 2025, the Company issued 20,000,000 unlisted options to Mr Corrie upon his appointment as performance-linked incentives. Refer to note 8 for further details.

Other than disclosed above and in note 9, there is no material change in transactions with KMP since the last annual report.

NOTE 11. Contingencies

As disclosed in note 7, the Company is entitled to deferred contingent consideration of A\$1.0 million in relation to the disposal of its interest in the Talisman Deeps Project. The consideration is payable within 90 days after commencement of commercial production. The Company has not recognised this amount as an asset at reporting date, as the receipt is contingent on future events and not considered probable.

The Company had no other contingent liabilities or contingent assets at 30 June 2025 (30 June 2024: Nil).

NOTE 12. Commitments

The Company had no commitments at 30 June 2025 (30 June 2024: Nil).

NOTE 13. Interests in subsidiaries

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2025	31 Dec 2024
		%	%
Telmen Energy Limited	Australia	100.00%	100.00%
Telmen Resource LLC	Mongolia	100.00%	100.00%
Talon Energy Pte Ltd	Singapore	100.00%	100.00%
Talon Energy Mongolia LLC	Mongolia	100.00%	100.00%
Tamaska Oil and Gas Inc	Delaware USA	100.00%	100.00%
Tamaska Oil and Gas Texas LLC	Texas USA	100.00%	100.00%
Tamaska Energy LLC ⁽¹⁾	Louisiana USA	-	-

⁽¹⁾ Tamaska Energy LLC has been dissolved in the prior year. There is no gain or loss in relation to the deregistration of Tamaska Energy LLC. There are no carried forward asset balances except for intercompany loan balances and investments which have been fully impaired and have nil impact on the Group. An amount of \$1,265,099 previously recognised in the Foreign Currency Translation Reserve which relates to Tamaska Energy LLC has been recognised in the Consolidated Statement of Profit and Loss.

NOTE 14. Events after the reporting period

On 10 July 2025, the Company has announced that Mr Tim Wise will be stepping down as Non-Executive Director effective from 30 September 2025.

On 11 September 2025, the Company entered a trading halt pending completion of a capital raise. As at the date of this report, the Company has received irrevocable commitments for sufficient funding to meet its business plans for the remainder of 2025 and well into 2026.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Prof. John Warburton
Independent Non-Executive Chairman
TMK Energy Limited
12 September 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TMK Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of TMK Energy Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'J Prue', is written over a faint, larger 'BDO' watermark.

Jarrad Prue

Director

Perth, 12 September 2025

