



# DRILLING PROGRAM COMMENCES IN MONGOLIA

- High impact drilling program commences at Gurvantes XXXV Coal Seam Gas (CSG) **Project in Mongolia**
- Snow Leopard 1 is the first of four drill holes each targeting thick coal seams within CSG depth window
- Drilling and testing program designed to deliver key parameters required to fast track pilot well program in 2H 2022
- Targeting conversion of a portion of the independently certified 5.96 TCF (2U risked) prospective gas resource into a maiden contingent resource in 2H 2022

TMK Energy Limited (ASX:TMK) ("TMK" or the "Company") is pleased to announce that it has commenced its high impact maiden drilling program within the Nariin Sukhait area of the Gurvantes XXXV CSG Project in the South Gobi Basin of Mongolia.

The first drill hole named Snow Leopard -1 (refer Figure 1), spudded on 15 March 2022 and is forecast to be drilled to a depth of approximately 650 metres over a four week period. The drill hole will be cored and coal seams intercepted will be sampled and subjected to gas desorption and gas adsorption testing, to provide important data on gas content, saturation, and composition. Downhole geophysical surveys and drill stem tests on selected intervals are also planned to acquire further data on coal seam thickness and characteristics (including permeability).



Figure 1 – 2022 Drilling Program drill hole locations



Following completion of the first drill hole, a further three cored holes spaced approximately 3.5km apart, are expected to be drilled and tested over a 3-4 month period. These drill holes will continue to target the highly prospective coal seams identified at Nariin Sukhait from existing exploration data and coal mining activities.

During the drilling program, the Company intends to report the coal intersections from each well once it reaches total depth, with subsequent reporting of the testing (including desorption testing, gas analysis and indicative permeability results) as and when that data becomes available.

On completion of the drilling program, the resulting data is expected to enable the Company to convert a portion of the independently certified 5.96 TCF (2U risked) Gross Prospective Resource1 into a maiden contingent resource for the Nariin Sukhait area in 2H 2022. This will be a major milestone in the potential establishment of a world class gas project adjacent to one of the world's largest gas markets, China.

The drilling results will also guide the Company in the design and location of its initial pilot well program expected to commence in the second half of 2022.

The drilling program is being funded by TMK's joint venture partner Talon Energy Limited (ASX:TPD) under an existing US\$4.65 million two-stage farm-out agreement executed in February 2021. Initial funding of US\$1.5 million is allocated to the current four well drilling and testing program. The second stage of funding, being US\$3.15 million, is currently budgeted towards the pilot well program being planned for later this year, in the event that TPD elect to proceed with the second stage of the farm-out agreement.



Drilling crew and TMK Energy staff in preparation for the commencement of drilling activities

For the purposes of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

## Mr Brendan Stats, TMK Energy's Chief Executive Officer commented:

"We are excited to commence our maiden drilling program at the Gurvantes XXXV CSG Project which represents an important step in what we expect will be the discovery and evaluation of a world class CSG project in Mongolia.

The aim of the drilling program is to acquire definitive data on the thickness, gas content and permeability indicators of the targeted coal seams in order to demonstrate the potential of the Project to supply reliable, cleaner energy to both Mongolia and nearby energy hungry China.

The TMK team in both Mongolia and Australia have done a great job over the 3 years to get the Gurvantes XXXV CSG Project to the drilling phase. I thank and congratulate all those involved to date and look forward to some positive results over the coming months."

Note 1: Please refer to the Company's previous announcement dated 16 December 2021 for further information about the Independent Prospective Resource and the Cautionary Statement with respect to the Prospective Resource estimates.





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#### **ABOUT TMK ENERGY LTD**

TMK Energy Limited is listed on the Australian Stock Exchange (ASX:TMK) and holds a 100% interest in the Gurvantes XXXV Coal Seam Gas Project located in the South Gobi Basin of Mongolia. TMK also holds 20% interest of the Talisman Deep Project, which contains the Napoleon structure. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop of the Gurvantes XXXV Project.

TMK is focused on the development of the Gurvantes XXXV South Gobi Natural Gas Project located in the South Gobi basin of Mongolia. TMK is committed to responsibly developing this Project into a world class producing gas field on behalf of and for the benefit of Mongolia.

### For more details on the Company please visit www.tmkenergy.com.au

Disclaimer: This announcement may contain forward looking statements concerning projected costs, approval timelines, construction timelines, earnings, revenue, growth, outlook or other matters ("Projections"). You should not place undue reliance on any Projections, which are based only on current expectations and the information available to TMK. The expectations reflected in such Projections are currently considered by TMK to be reasonable, but they may be affected by a range of variables that could cause actual results or trends to differ materially, including but not limited to: price and currency fluctuations, the ability to obtain reliable gas supply, gas reserve estimates, the ability to locate markets for CNG and hydrogen, fluctuations in gas and hydrogen prices, project site latent conditions, approvals and cost estimates, development progress, operating results, legislative, fiscal and regulatory developments, and economic and financial markets conditions, including availability of financing. TMK undertakes no obligation to update any Projections for events or circumstances that occur subsequent to the date of this announcement or to keep current any of the information provided, except to the extent required by law. You should consult your own advisors as to legal, tax, financial and related matters and conduct your own investigations, enquiries and analysis concerning any transaction or investment or other decision in relation to TMK.\$ refers to Australian Dollars unless otherwise indicated.

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