

## PETROCHINA ALIGNS WITH TMK ENERGY

- **Binding Memorandum of Understanding (MOU) executed between PetroChina Daqing Tamsag LLC (“DATAMO”), a wholly owned subsidiary of PetroChina**
- **Agreement to work together on a non-exclusive basis to “enhance and accelerate” the development of the Gurvantes XXXV Coal Seam Gas Project**
- **Underlying principle of the MOU is to responsibly develop the Gurvantes Project and the Mongolian gas industry, in order to provide a cleaner source of energy (natural gas) to the Mongolian people**
- **MOU allows DATAMO to proceed with further detailed review of all technical data with a view to participating in the appraisal or development of the Project**

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to announce that it has signed a Binding Memorandum of Understanding (“MOU”) with PetroChina Daqing Tamsag LLC (“DATAMO”), a wholly owned subsidiary of PetroChina. The signing ceremony was held at TMK’s offices in Ulaanbaatar after a period of due diligence during which DATAMO representatives reviewed the existing data and recommended DATAMO proceed to sign an MOU to formalise the growing relationship between TMK and DATAMO.

DATAMO and TMK have agreed to work together on a non-exclusive basis to enhance and accelerate the exploration, evaluation and development of the Gurvantes XXXV CSG Project. The underlying principle of the collaboration will be to responsibly develop the Project for the benefit of Mongolian citizens, by providing a cleaner source of domestic energy (natural gas) as well as supporting the Mongolian gas industry through education and training.

Furthermore, the MOU envisages a process by which DATAMO may proceed towards an investment in the Project, either through a direct investment in TMK or direct investment into the Project, on terms to be agreed in due course and subject to standard conditions including formal agreements being entered into together with any regulatory approvals that may be required.

The MOU will expire six (6) months from the date of signing or such later date as may be mutually agreed in writing. Either party may terminate this MOU by giving written notice of thirty (30) days to the other party. The MOU does not result in any direct investment in TMK or funding for the Project at this stage and therefore has no direct economic impact on TMK.

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:**

*“Being able to introduce a subsidiary of PetroChina to the Project at such an early stage is extremely encouraging and a validation of the excellent technical results we have had to date and talks to the quality and size of the overall Project.*

*PetroChina has expertise in the full value chain of oil and gas, from drilling through to development and eventually commercial production. We are very confident that this new relationship will continue to grow and more definitive agreements can be entered into as this process evolves.”*





**Mr. Zhu Dali (left), President of PetroChina Daqing Tamsag LLC, and Mr. Tsetsen Zantav (right), TMK's major shareholder and advisor to the Board, at the signing ceremony in Ulaanbaatar.**

### ABOUT PETROCHINA DAQING TAMSAG LLC

PetroChina Daqing Tamsag LLC (“DATAMO”) is a wholly owned subsidiary of PetroChina and has been operating in Mongolia since 2005. DATAMO owns and operates the Toson-Uul XIX and the Tamsag XXI petroleum blocks in the Dornod province. Since commencing operations in Mongolia, DATAMO has drilled hundreds of wells and invested a significant amount of capital into its Mongolian operations. DATAMO currently produces the vast majority of oil produced in Mongolia from its two petroleum blocks, most of which is exported as crude oil to China.

### ABOUT TMK ENERGY LTD

TMK Energy Limited holds a 100% interest in the Gurvantes XXXV Coal Seam Gas Project located in the South Gobi Basin of Mongolia and a 20% interest in the Talisman Deep Project, in the Barrow-Dampier sub-Basin. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV Project.

Talon Energy Limited (ASX:TPD) is earning a 33% Working Interest in the Gurvantes Project 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, should TPD elect to proceed with the second stage of the farm-out.

TMK are 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](http://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.

