

SUCCESSFUL \$5.7M PLACEMENT TO ACCELERATE GURVANTES XXXV EXPLORATION PROGRAM

- **\$5.7M Placement to sophisticated and institutional investors at \$0.0145 per share**
- **Placement was strongly supported by new and existing institutional and sophisticated investors, including members of the Board**
- **Placement participants will also be issued a free attaching option on a 1-for-2 basis, at a strike price of \$0.025 expiring 30 April 2026**
- **Proceeds from the placement will fund the expansion and acceleration of the exploration drilling program at the Gurvantes XXXV Coal Seam Gas Project**

TMK Energy Limited (**ASX: TMK**) (“TMK” or the “Company”) is pleased to announce a Placement (“**Placement**”) to raise approximately \$5.7 million (before costs), at \$0.0145 per share, to fund the expansion and acceleration of the Gurvantes XXXV exploration drilling program.

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

“TMK is delighted with the support received from new and existing shareholders for the Placement in what will be a very active and exciting period for the Company.

The additional funding will allow the Company to embark on its planned 2023 expanded exploration drilling program. The 2023 exploration program will target areas with known coal to the east of the central Nariin Sukhait area, which was the focus of the Company’s highly successful initial exploration drilling program in 2022, and which delivered a gross 1.2TCF contingent resource (2C) for the Project.

The exploration program is planned to commence in early Q3 of 2023 after the completion of the drilling of the three production wells currently being drilled in the Nariin Sukhait Pilot Well Program.

We are very pleased to have partnered with PAC Partners and Bell Potter as joint lead managers to the Placement and also appreciate the support of existing investors and capital providers who continue to support the Company and the Project.

We look forward to further positive results through the remainder of 2023 from the fully funded pilot well program currently underway and the upcoming extensive exploration well program and progressing the Project through key development milestones.”

Placement

The Company has received firm commitments to raise \$5.7 million (before costs) by way of Placement, which has been strongly supported by new and existing sophisticated and institutional investors, including members of the TMK Board.



Pursuant to the Placement, TMK will issue 393,079,300 new fully paid ordinary shares (New Shares) at an issue price of \$0.0145 per New Share, representing a 19.4 per cent discount to the last traded price of TMK shares on 17 April 2023, being the last trading date before the Placement, and a 17.8 per cent discount to the 15-day VWAP prior to that date. The New Shares issued under the Placement will rank pari passu with the existing Shares on issue in the Company.

Placement participants will be entitled to a one-for-two option (Placement Option) for every New Share issued, exercisable at \$0.025 (being a 72% premium to the Placement price) with a three-year term expiring 30 April 2026. The Placement Options will be issued by the Company pursuant to a prospectus to facilitate the quotation of the Placement Options, subject to meeting the ASX's minimum listing requirements.

The New Shares and Placement Options are not subject to shareholder approval and will be issued under the Company's available placement capacity under ASX Listing 7.1. New Shares are expected to be issued on 28 April 2023 and the Placement Options will be issued on or about the same time subject to the abovementioned requirements.

Furthermore, the attaching Placement Options are expected to provide meaningful additional capital to the Company's balance sheet, at a materially higher valuation than the Placement price, should the Company achieve further exploration success during its drilling campaign at Gurvantes XXXV.

Current TMK Directors, Professor John Warburton has subscribed for 4,000,000 New Shares in the Placement and Mr Tim Wise has subscribed for 1,500,000 New Shares, both of which will be subject to shareholder approval at the Company's forthcoming Annual General Meeting to be held on 31 May 2023.

In addition, the three largest shareholders have communicated their support of the capital raising and the Company's future prospects. To this end the largest shareholder, Mr Tsetsen Zantav, has agreed to enter a voluntary selling restriction for a period of six months following the issue of the New Shares representing 19.98% of the Company's outstanding shares immediately following the Placement.

The capital structure of the Company following the Placement will be as follows.

Class of Security	On Issue
Fully Paid Ordinary Shares (pre-capital raising)	4,637,500,000
New Shares to be issued under the Placement	393,079,300
Fully Paid Ordinary Shares (post-capital raising)	5,030,579,300
Placement Options exercisable at \$0.025 per share on or before 30 April 2026	196,539,650
Broker Options exercisable at \$0.025 per share on or before 30 April 2026	65,513,217
Unlisted Options exercisable at \$0.008 per share on or before 11 February 2025	75,000,000
Class A Performance Rights	16,875,000
Class B Performance Rights	16,875,000
Class C Performance Rights	11,250,000

Use of funds

Proceeds from the raise will be used to fund the expansion and acceleration of the exploration drilling program at the Gurvantes XXXV Coal Seam Gas Project in Mongolia and provide ongoing working capital.





PAC Partners and Bell Potter acted as joint lead managers and will be paid a management fee of 2 per cent and a selling fee of 4 per cent for the Placement funds received. The Company will also issue lead manager options on a one-for-six basis on similar terms to the Placement Options. The lead manager options will be issued under the Company's ASX Listing Rule 7.1 capacity.

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

ABOUT THE GURVANTES XXXV PROJECT

The Gurvantes XXXV Project (TMK Energy 67%, Talon Energy 33%) covers an area of 8,400km² and is in what is considered one of the most prospective coal seam gas basins globally. The Gurvantes Project is situated less than 20km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. It is also proximate to several large-scale mining operations with high energy needs. Gurvantes is therefore ideally placed to satisfy both local Mongolian, as well as Chinese, energy requirements.

ABOUT TMK ENERGY LIMITED

TMK Energy Limited is listed on the Australian Stock Exchange. TMK is led by an Australian and Mongolian team bringing together the expertise and experience to develop the Gurvantes XXXV CSG Project.

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

For further information, please contact

Brendan Stats
Chief Executive Officer
info@tmkenergy.com.au

Dougal Ferguson
Chief Commercial Officer
info@tmkenergy.com.au

Directors

Gema Gerelsaikhhan	Non-Executive Director
Brett Lawrence	Non-Executive Director
Tim Wise	Non-Executive Director
John Warburton	Non-Executive Director

