

SUCCESSFUL CAPITAL RAISE TO FAST TRACK COMMERCIAL GAS FLOWS AT NARIIN SUKHAIT

- **Binding commitments received for \$2.5M Placement (before costs) to sophisticated and institutional investors at \$0.004 per share with free attaching 1 for 1 option exercisable at \$0.008, expiring on 30 April 2027**
- **Placement well supported by new and existing investors, with approximately \$200,000 support from Management with additional Board commitments to participate in the Share Purchase Plan (SPP)**
- **SPP allows existing shareholders to participate for up to \$1.5M on the same terms as the Placement**
- **Free attaching options for the Placement and SPP intended to be listed on ASX pursuant to a Prospectus and subject to meeting ASX listing requirements**
- **Proceeds from the Placement and SPP will fund the acceleration of commercial gas flows through drilling of additional infill production wells at the Gurvantes XXXV Coal Seam Gas Project (Nariin Sukhait)**

TMK Energy Limited (**ASX: TMK**) (“TMK” or the “Company”) is pleased to announce a Placement (“**Placement**”) and Share Purchase Plan (“**SPP**”) to raise up to a total of approximately \$4.0 million (before costs) to primarily fund additional infill production wells at the Gurvantes XXXV CSG Project in Mongolia.

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

“TMK is pleased to announce it has received binding commitments from sophisticated and institutional investors to raise approximately \$2.5 million (before costs) to accelerate commercial gas flow rates at Nariin Sukhait, through the drilling of additional infill production wells in an area where a gross 1.2TCF contingent resource (2C) has already been certified by internationally recognised reserves certifier, NSAI.

Following the recent acquisition from Talon Energy which brought our ownership of the Gurvantes Project back to 100%, the Board and Management are very cognisant of the impact that additional selling pressure has had on the share price in recent months and more than ever, the need to keep this capital raise as modest as possible.

Allowing our existing shareholders, including the 3,500 plus shareholders we have gained from the Talon Energy transaction, the opportunity to participate at what we believe is a highly attractive price with significant leverage via the 1 for 1 free attaching option, is an important element of the overall structure of the capital raise and provides all shareholders significant leverage to the enormous upside that exists with the Gurvantes Project.”



Placement

The Company has received firm commitments to raise \$2,532,542 (before costs) by way of a Placement, which has been well supported by new and existing sophisticated and institutional investors, including senior management of TMK, both in Australia and Mongolia.

Pursuant to the Placement, TMK will issue 633,135,500 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.004 per New Share, being the last traded price of TMK shares on 18 March 2024, being the last trading date before the Placement. 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-one option (**Placement Option**) for every New Share issued, exercisable at \$0.008 (being a 100% premium to the Placement price) with a three-year term expiring 30 April 2027. 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 Placement Shares are not subject to shareholder approval and will be issued under the Company's available placement capacity under ASX Listing 7.1 and 7.1A. Placement Shares are expected to be issued on 28 March 2024 and the Placement Options will be issued subject to the company filing a prospectus.

Bell Potter Securities Limited (**Bell Potter**) and PAC Partners Securities Pty Ltd (**PAC**) (**Joint Lead Managers**) acted as Joint Lead Managers to the Placement.

In addition, the four largest shareholders have participated in the Placement with the Company's largest shareholder, Mr Tsetsen Zantav, subscribing for 25,000,000 New Shares in the Placement.

The capital structure of the Company following the Placement (but not including any securities to be issued pursuant to the SPP) will be as follows.

Class of Security	On Issue
Fully Paid Ordinary Shares (pre-capital raising)	6,122,579,300
New Shares to be issued under the Placement	633,135,500
Fully Paid Ordinary Shares (post-capital raising)	6,755,714,800
Existing Listed Options (ASX: TMKOB) exercisable at \$0.025 per share on or before 30 April 2026	808,052,867
Placement and Broker Option exercisable at \$0.008 per share on or before 30 April 2027	696,449,050
Unlisted Options exercisable at \$0.008 per share on or before 11 February 2025	75,000,000
Unlisted Options exercisable at \$0.025 per share on or before 30 April 2026	86,000,000
Employee Performance Rights	122,000,000

Share Purchase Plan

The Company is pleased to announce it intends to offer eligible existing shareholders the opportunity to participate in a Share Purchase Plan (**SPP**), to raise an additional \$1.5 million, on the same terms as those under the Placement.

Under the SPP, eligible shareholders, being shareholders on the Company's register as at 7.00pm (AEDT), Wednesday, 20 March 2024 ("**Record Date**") and with a registered address in Australia or New Zealand ("**Eligible Shareholders**") will be invited to apply to subscribe for up to \$30,000 of shares (**SPP Shares**) on the same terms as the Placement without the cost of brokerage fees or commissions.

Subject to shareholder approval at the AGM proposed to be convened on or around 31 May 2024, the SPP includes a one-for-one free-attaching option on the same terms as the Placement Options (**SPP Options**).

TMK intends to raise approximately \$1.5 million via the SPP and the Company reserves the right to accept over subscriptions and place any SPP shortfall subject to compliance with the ASX Listing Rules. All SPP Shares and shares issued on exercise of the SPP Options will rank equally with the Company's existing shares on issue.

The SPP will open on Monday, 25 March 2024 and is expected to close on Monday, 12 April 2024. The SPP Options will be offered separately under a prospectus to facilitate the quotation of the SPP Options, subject to meeting the ASX's minimum listing requirements.

The full terms and conditions of the SPP will be set out in an SPP Offer Booklet, which is expected to be released to the ASX and dispatched to eligible shareholders via their preferred method of contact on Friday, 22 March 2024.

Indicative Timetable

Event	Date (AEDT)
Record Date for the SPP	Wednesday, 20 March 2024
Placement and SPP announcement and lodgement of Appendix 3B	Thursday, 21 March 2024
Dispatch of Share Purchase Plan Offer Booklet to Eligible Shareholders and release Share Purchase Plan Offer Booklet on the ASX platform	Friday, 22 March 2024
SPP offer opens	Monday, 25 March 2024
Settlement of Placement	Wednesday, 27 March 2024
Issue of Shares under Placement, lodgement of Appendix 2A and Cleansing Notice	Thursday, 28 March 2024
SPP offer closes	Monday, 12 April 2024
Announcement of results of SPP	Wednesday, 14 April 2024
Issue of new Shares under the SPP and lodge Appendix 2A	Friday, 16 April 2024

The above dates are indicative only. The Company may vary the dates and times of the SPP without notice.

Use of funds

Proceeds from the Placement and the SPP will fund the acceleration of commercial gas flows through drilling of additional infill production wells at the Gurvantes XXXV Coal Seam Gas Project (Nariin Sukhait) as well as additional commercialisation efforts including sourcing strategic partnerships.

Disclosure

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-ten basis on the same terms to the Placement Options, which calculates to be 63,313,550 options based on the Placement.

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

ABOUT TMK ENERGY LIMITED

TMK Energy Limited is an oil and gas exploration company listed on the Australian Stock Exchange (ASX:TMK). TMK holds a 100% interest in the Gurvantes XXXV Project in the South Gobi Desert of Mongolia which is highly prospective for coal seam gas (CSG).

The Gurvantes XXXV Project covers a very large area of approximately 8,400 km² in the South Gobi basin and boasts multiple thick, high quality, bituminous rank coal seams that extend along an east-west strike, spanning approximately 150 kms.

The initial exploration program undertaken in 2022 yielded a 1.2 trillion cubic feet (TCF) Contingent Resource (2C) of gas being certified within just a 60 km² area (Nariin Sukhait) of the overall Project area. Three pilot wells (Lucky Fox wells) were drilled within a subset of this area where the Company has been undertaking an extended production test, where gas is being produced to surface and continuously flared.

TMK is focussed on the responsible development of the Gurvantes XXXV Project and establishing itself as a key supplier of cleaner energy to support Mongolia's development and address the significant domestic issues around energy security, reliability, and independence. The Gurvantes Project XXXV is also strategically located less than 20 kms from the Chinese border and close to existing gas infrastructure in northern China, presenting a significant advantage to supplying the world's largest energy market.

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

