



PREFERRED DRILLING CONTRACTOR SELECTED

- **Fixed price tenders received providing certainty on cost for upcoming three well drilling program, expected to commence in August 2024**
- **The winning tender delivers a 28% reduction in total drilling and completion costs compared with 2023 pilot well program**
- **Majority of long lead drilling items already paid for and being delivered to the Nariin Sukhait pilot well site within the Gurvantes XXXV Project**
- **Limited additional surface facilities required for additional well tie-ins**
- **Drilling contract to be negotiated and finalised within the coming weeks**
- **Multiple drilling tenders received for 2024 drilling program including two Chinese drilling contractors with close ties to potential future strategic partners**

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to announce that following a detailed tendering process, a preferred drilling contractor has been selected from tender proposals received from multiple parties, including two Chinese drilling contractors with close ties to potential strategic partners that the Company has recently been in discussions with.

The preferred drilling contractor has excellent background knowledge of the Company’s existing Pilot Well Project and has been able to offer a fixed price drilling and completion package that not only meets the Company’s need for a safe and efficient drilling program, but also delivers a highly cost effective, fixed price (“turnkey”) solution which is approximately 28% lower than the all-in drilling and completion costs paid in 2023 for the Lucky Fox 1, 2 and 3 production wells.

The majority of all long lead items for the drilling campaign have been paid for and in the process of being delivered to the Nariin Sukhait site within the Gurvantes XXXV Project. With the existing production wells already fully operational, there are limited additional surface facilities required for the additional wells (Lucky Fox 4,5 and 6) and these will be tied back to the existing facilities and water handling infrastructure with little incremental cost.

Lucky Fox 4, 5 and 6 drilling locations are sited such that they should accelerate the reservoir depressurisation process which should in turn lead to the wells reaching their critical desorption pressure faster than they would without the additional draw down capability. The Company is currently investigating acquiring additional down hole data gathering technologies to assist in its understanding of the downhole reservoir characteristics.

Following the formal notification of the award, a drilling contract with the preferred tenderer is expected to be negotiated and finalised within the coming weeks, with drilling commencing shortly thereafter.



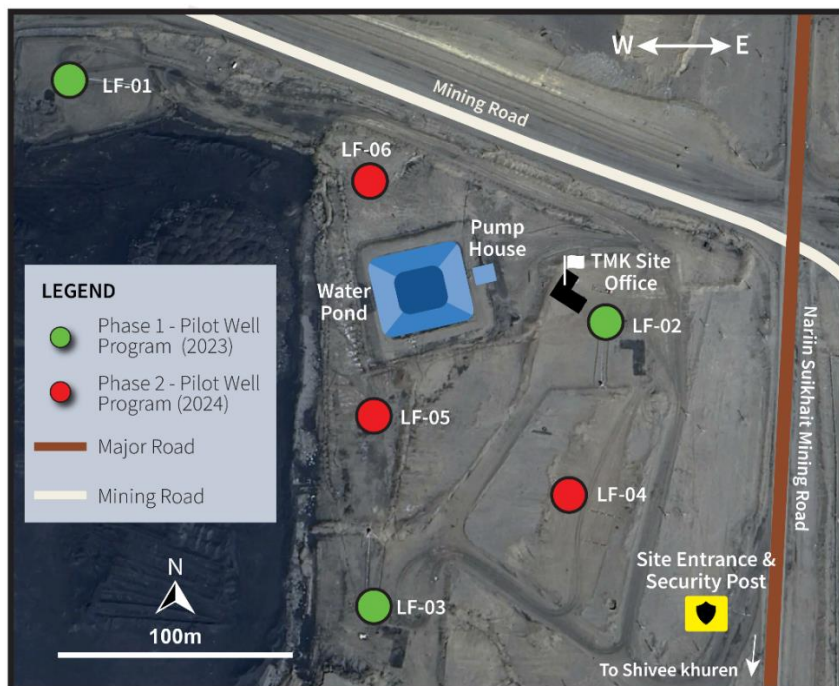


Figure 1 - Lucky Fox 4, 5 and 6 locations within the existing Pilot Well Project area

Mr Dougal Ferguson, TMK Energy’s Chief Executive Officer commented:

“It is extremely pleasing to have received several highly competitive and high-quality tenders for the upcoming drilling program, demonstrating the increased interest in the coal bed methane industry being generated in Mongolia. It is even more encouraging that with the knowledge and experience gained from our 2023 drilling program, the drilling contractors have been able to offer not only cheaper drilling solutions, but also a fixed price, turnkey solution, that provides the Company with additional certainty on the cost of the program.

As we move forward with our planning process for 2025 and beyond, with potentially much larger drilling programs, we expect to see further synergies and cost efficiencies being introduced that will continue to drive the costs down on a well-by-well basis that will only add to our own capital efficiency and improve the economics of the Project.”

– ENDS –

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

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