



SNOW LEOPARD – 1 OPERATIONS UPDATE

- **Snow Leopard – 1 continues to drill ahead and is currently at a depth of 636 metres**
- **Drilling has recently intersected a second lower coal seam group with a net thickness of approximately 12 metres of coal (based on lithological logging) recorded in the lower coal seam group**
- **Downhole geophysical surveys for the upper coal seam have been completed and confirm a net coal thickness of 44.4 metres**
- **Gas composition samples from the upper coal seam indicate high methane concentration (averaging 96%) and low carbon dioxide (averaging 3%)**
- **Drill Stem Test (DST) of the upper coal seam has not been completed yet due to mechanical issues with the testing equipment, now expected to be undertaken on completion of drilling in the current well**

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to provide an operations update on the first well (Snow Leopard - 1) of its high impact maiden drilling program within the Nariin Sukhait area of the Gurvantes XXXV CSG Project in the South Gobi Basin of Mongolia.

Since the last update, downhole geophysical surveys have been completed over the upper coal seam and have confirmed a net coal thickness of 44.4 metres between the depths of 406 metres and 461 metres. In preparation for DST testing of the upper coal seam, the upper 396 metres of the well was reamed (widened) to 123mm in diameter and a casing liner installed. DST testing was attempted, however during testing, the DST equipment had mechanical issues which prevented a test being successfully performed. Replacement equipment has been sourced and DST testing of the upper coal seam is planned to be completed after the well has reached total depth.

Desorption testing of coal core to obtain definitive gas content data is ongoing, however as previously announced, preliminary results indicate that the coal seam has high gas content (in the order of 7.5m³/t to 12.5m³/t on an as received basis). Gas samples were obtained from coal core during the desorption process and were supplied to a suitable laboratory in Ulaanbaatar for testing using gas chromatography. Results of the gas composition analysis confirm that the coal seam gas has high methane (CH₄) concentrations between 94.4% and 98.8% (average 96.0%), and low carbon dioxide (CO₂) values between 0.3% and 5.1% (average 3.0%).

Post the initial DST attempt, drilling resumed in the well targeting a deeper coal seam which has since been intersected. Based on lithological logging, approximately 12 metres of net coal has thus far been intersected in the lower coal seam group. As of the latest report, the well is at a depth of 636 metres and drilling is ongoing.

A further update will be provided once the well reaches total depth and / or further testing has been performed and results interpreted.

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:

"Despite some operational delays, I am pleased that the drilling results have confirmed thick coal seams, high gas contents, and high methane gas composition from the first well 'Snow Leopard – 1'. These are all positive factors with respect to discovering a world class CSG Project in Mongolia.

With drilling and testing ongoing, I look forward to further encouraging results becoming available as the exploration program progresses.

It is an exciting time for the Gurvantes XXXV CSG Project as we continue our journey to proving up a significant gas resource in an energy short region of the world."

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's key focus is the development of the Gurvantes XXXV South Gobi Natural Gas Project located in the South Gobi basin of Mongolia.

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

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