

OVERSUBSCRIBED PLACEMENT AND ENTITLEMENT ISSUE

- **Entitlement Issue on a 1 for 8 basis at \$0.002 per share with free attaching 1 for 2 listed option (ASX:TMKO) for all eligible shareholders registered on the Record Date of 9 October 2024**
- **Binding commitments received for oversubscribed \$1.34 million placement (before costs) to new and existing sophisticated and institutional investors on same terms as the Entitlement Issue**
- **Proceeds from the Placement to complete the expanded 2024 Work Program, with the Entitlement Issue to fund partnership and commercialisation strategies at the Company's flagship asset, the 100% owned Gurvantes XXXV Coal Seam Gas Project**
- **Entitlement Issue to be well supported by TMK Board and Management**

TMK Energy Limited (**ASX: TMK**) (TMK or the Company) is pleased to announce it has received firm commitments to raise \$1.34 million (before costs) by way of an oversubscribed placement (**Placement**). In addition, the Company will be shortly launching a non-renounceable rights issue to raise up to approximately \$1.9 million, where eligible shareholders will have the opportunity to participate in the fundraising on the same terms as the Placement (**Entitlement Issue**).

The approximate \$3.24 million fundraising will be used to complete the expanded 2024 Work Program, continue to pursue partnership and commercialisation opportunities, and provide ongoing working capital needs for the Gurvantes XXXV CSG Project in Mongolia.

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

"Providing existing and new shareholders with the opportunity to participate in a capital raise at this stage of the Company's development was a key consideration to this funding round.

The small Placement element of this fund raising enables the immediate commencement of drilling of all three additional pilot production wells and installation of the DTS technology, which is expected to help accelerate the pathway to reaching critical desorption pressure and therefore, the delivery of significantly higher gas rates from the already gas producing Nariin Sukhait Pilot Well Project.

With the expanded 2024 Work Program now locked in, our focus will shift to preparing for commercialisation of this significant gas resource through partnerships and/or farmout activities, leveraging off our 100% ownership stake in the Project.

We thank shareholders for their patience whilst we have been sourcing approvals, equipment and funding over recent months, and now look forward to executing our strategy and provide shareholders with the opportunity to participate in what should be a transformational period for the Company."



Placement

The Company has received firm commitments to raise \$1.34 million (before costs) by way of a Placement, which was oversubscribed and supported by new and existing sophisticated and institutional investors.

Pursuant to the Placement, TMK will issue 670,000,000 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.002 per New Share, being a 33% discount to the last traded price of TMK shares on 26 September 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 one (1) free attaching listed option for every two (2) New Shares issued, exercisable at \$0.008 per option and expiring 30 April 2027 (**Option**). The Options will be issued by the Company pursuant to a prospectus to facilitate the quotation of the Options, which will be the same class as the listed options trading as ASX:TMKO.

The Placement Shares and Options are not subject to shareholder approval and will be issued under the Company's available placement capacity under ASX Listing 7.1. Placement Shares and Options are expected to be issued on or around 8 October 2024. Placement participants will be eligible to participate in the Entitlement Issue.

PAC Partners Securities Pty Ltd (**PAC Partners**) acted as lead managers to the Placement.

Entitlement Issue

The Company intends to lodge a prospectus with ASIC this week for a non-renounceable rights issue to raise up to approximately \$1.9 million, where eligible shareholders will have the opportunity to subscribe for one (1) New Share for every eight (8) shares held at the Record Date at a price of \$0.002 per New Share (**Entitlement Offer**). Participants in the Entitlement Offer will receive one (1) Option for every two (2) New Shares subscribed for, on the same terms as the Placement. The majority of the Board have indicated that they intend to participate in the Entitlements Issue to the full extent possible, along with the Australian based management team.

The Company reserves the right to place any shortfall subject to compliance with the ASX Listing Rules. All New Shares and shares issued on exercise of the attaching Options will rank equally with the Company's existing shares on issue.

Indicative Timetable

Event	Date
Announcement of Offer, Placement and Appendix 3B	Tuesday, 1 October 2024
Lodgement of Prospectus with ASIC and ASX	Wednesday, 2 October 2024
Ex date, Issue of Shares and Options under Placement, lodgement of Appendix 2A	Tuesday, 8 October 2024
Record Date for determining Entitlements	Wednesday, 9 October 2024
Prospectus despatched to Shareholders & Company announces despatch has been completed	Friday, 11 October 2024
Last date to extend Closing Date	Thursday, 17 October 2024
Closing Date	Tuesday, 22 October 2024

Securities quoted on a deferred settlement basis from market open	Wednesday, 23 October 2024
Announcement of results of Entitlement Issue	Tuesday, 29 October 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Tuesday, 29 October 2024

The above dates are indicative only. The Company may vary the dates and times of the Entitlement Issue in accordance with the ASX Listing Rules.

Use of funds

Proceeds from the Placement will be used primarily to fund the balance of the expanded 2024 Work Program which now includes three additional production wells and installation of the Distributed Temperature Sensing (DTS) technology, the first time such technology has been deployed in Mongolia. The DTS technology is designed to provide important information about the productive zones within the very thick coal seams and will help drive development drilling completion methods and other reservoir management decisions going forward.

Proceeds from the Placement and Entitlement Issue will also fund ongoing commercialisation efforts and partnership strategies as well as ongoing working capital requirements associated with production activities at the Gurvantes XXXV Coal Seam Gas Project (Nariin Sukhait).

Lead Manager Disclosure

PAC Partners acted as lead managers to the Placement and will be paid a management fee of 2 per cent of the Placement funds received and a selling fee of 4 per cent of the Placement funds received (excluding the funds received from shareholders introduced directly by the Company). The Company will also issue PAC Partners, subject to shareholder approval to be sought at a general meeting on or before 31 May 2025, 47,500,000 listed advisor Options (ASX:TMKO).

Any shortfall funds from the Entitlement Issue which are placed by PAC Partners will also be subject to the above fee structure, including the issue of Options on a one-for-ten basis.

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

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