

## PILOT WELL GAS SALES MOU EXECUTED

- **Binding Memorandum of Understanding (MoU) executed with German owned and operated power generation provider**
- **Gas fired powerplant to be imported from Germany in early 2025 and installed at the Gurvantes XXXV CSG Project at no cost to TMK**
- **Early-stage power generation opportunity subject to TMK meeting minimum pilot well gas production levels by 30 June 2025**
- **MoU sets out key terms of a minimum two (2) year Gas Sales Agreement for up to a maximum of 0.6TJ/day produced from the Pilot Well Project**

TMK Energy Limited (ASX: TMK) (“**TMK**” or the “**Company**”) is pleased to announce that it has entered into a Binding Memorandum of Understanding (MoU) with Jens Energie LLC (JEL) for the sale of the early gas produced from the six well pilot well complex at the Company’s 100% owned Gurvantes XXXV Coal Seam Gas (CSG) Project.

The Binding MoU sets out the high-level terms under which TMK will sell gas produced during the testing period from the Company’s current pilot wells. JEL will then convert the initial stage test gas into electricity, beneficially utilising the gas and selling the power generated to local customers.

Subject to TMK being able to deliver a minimum of 5,000m<sup>3</sup> of test gas per day (approximately 0.2TJ/day) on or before 30 April 2025 from its current six producing pilot production wells, TMK has agreed to sell JEL up to a maximum of 15,000m<sup>3</sup> (approximately 0.6TJ/day) of gas produced from the pilot wells for an initial term of two years with the ability to extend for a further two years.

JEL will be responsible for seeking all the necessary approvals and consents required to generate and sell electricity into the local grid, allowing TMK to focus on producing gas and building its gas production business, whilst also generating some revenue to offset pilot well production costs.

The MoU is subject to the customary conditions of these types of agreements, the material ones being the ability of TMK to meet the minimum quantity of 5,000m<sup>3</sup> of gas per day by 30 June 2025, the execution of a detailed Gas Sales Agreement (GSA) and JEL importing and installing at Nariin Sukhait a mutually acceptable gas fired power generator on or before 30 April 2025.

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

*“It is very pleasing to be able to execute a binding MoU that introduces a German backed power generation partner that has the technical and commercial expertise as well as financial backing, to deliver a credible near-term commercial outcome for the early-stage pilot well gas produced from the Gurvantes Project.*

*We will be working collaboratively with JEL over the coming months to put in place the pieces to allow the first coal seam gas production in Mongolia to be beneficially used for power generation, commencing the pathway to energy independence utilising Mongolia’s vast coal seam gas resources.”*



**Mr Jens Shulte, Jens Energie LLC's Chairman commented:**

*"My family business has been operating small to medium scale power plants in Germany for many years now and saw the opportunity to enter the fast-developing coal seam gas industry in Mongolia.*

*We are extremely excited to make our first major investment in this quickly emerging Mongolian industry and look forward to working with TMK and its management team to make gas fired power generation in Mongolia a reality in the very near future."*

**About Jens Energie LLC**

Jens Energie LLC (JEL) was established to provide power solutions to Mongolian businesses and is financially backed by GTC GmbH (GTC), which is a German owned and operated family business. GTC was founded in 2007 which has an annual turnover of over 10 million euros.

GTC's main business is contracting (financing and operating) combined heat and power plants, ranging from smaller 50-kilowatt units to larger 1.5-megawatt combined heat and power plants. GTC has a strong track record in Europe and has been successfully running this part of its business for more than 15 years.



*Top: Dougal Ferguson and Jens Energie Chairman, Jens Shulte.*

*Bottom Left: Typical gas fired generator used by Jens Energie.*

*Bottom Right: Gurvantes XXXV Lucky Fox Pilot Project with adjacent power infrastructure.*

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

For more information [www.tmkenergy.com.au](http://www.tmkenergy.com.au) or contact,

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### About TMK Energy

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).

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.

