

OPERATIONS REVIEW – APRIL 2025

- Testing completed during April confirms significant reduction in reservoir pressure at the Gurvantes XXXV Pilot Well Project
- Reservoir pressure approaching the target reservoir pressure required for critical desorption to occur, the point at which material gas flows are expected to commence
- LF-02 continued to flow gas unassisted throughout the build up test, indicating some coal zones have already commenced desorption
- Long lead items being ordered and planning is well underway for the drilling of an additional production well (LF-07) to meet license commitment and boost production capacity

TMK Energy Limited (ASX: TMK) (TMK or the Company) is pleased to provide the following update with respect to operations during the month of April 2025 at the Gurvantes XXXV Coal Seam Gas (CSG) Project.

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

"During April 2025, we concluded a pressure build up test at LF-02 which has confirmed that we are making progress in reducing the reservoir pressure and progressing towards reaching the targeted critical desorption pressure at the Pilot Well Project.

The reservoir pressure has reduced by approximately 900 kPa at LF-02 since inception, which is approximately 90% of the 1,000 kPa required to reach the targeted critical desorption pressure. This is a significant reduction from 12 months ago and indicates that dewatering is successfully progressing at the Pilot Well Project and that the additional production wells drilled in late 2024 are having a positive impact.

Another encouraging observation was that for the duration of the pressure build up test and under static conditions, LF-02 continued to produce gas, indicating that some of the coal within the very thick production interval has already reached the critical desorption pressure.

We look forward to another exciting period as we approach our objective of achieving critical desorption and commencing our 2025 drilling program."

During April 2025, the focus for the Pilot Well Project was to conduct a definitive pressure build up test that would show the impact that the six pilot production wells were having on reducing the reservoir pressure. The previous definitive test, undertaken in February 2024, was undertaken at LF-02 and accordingly, LF-02 was used for the latest test to ensure that the reservoir pressure measurements being recorded were directly comparable.

The pressure build up test was conducted over an approximate 10-day period, during which LF-02 was shut down. During the entire shutdown period including when the well reached static conditions, the LF-02 well continued to produce gas unassisted which is an indicator that at least some of the coals within the very thick productive zone have already reached their critical desorption pressure and accordingly, continued to produce gas unassisted despite the downhole pump being turned off during the shutdown.

During the pressure build up test, the pressure increased in the LF-02 well and stabilised at approximately 2,200 kPa. The build up test showed that the reservoir pressure has reduced by approximately 450 kPa since the previous test completed in February 2024, and by approximately 900 kPa since commencement of the pilot well program in July 2023.

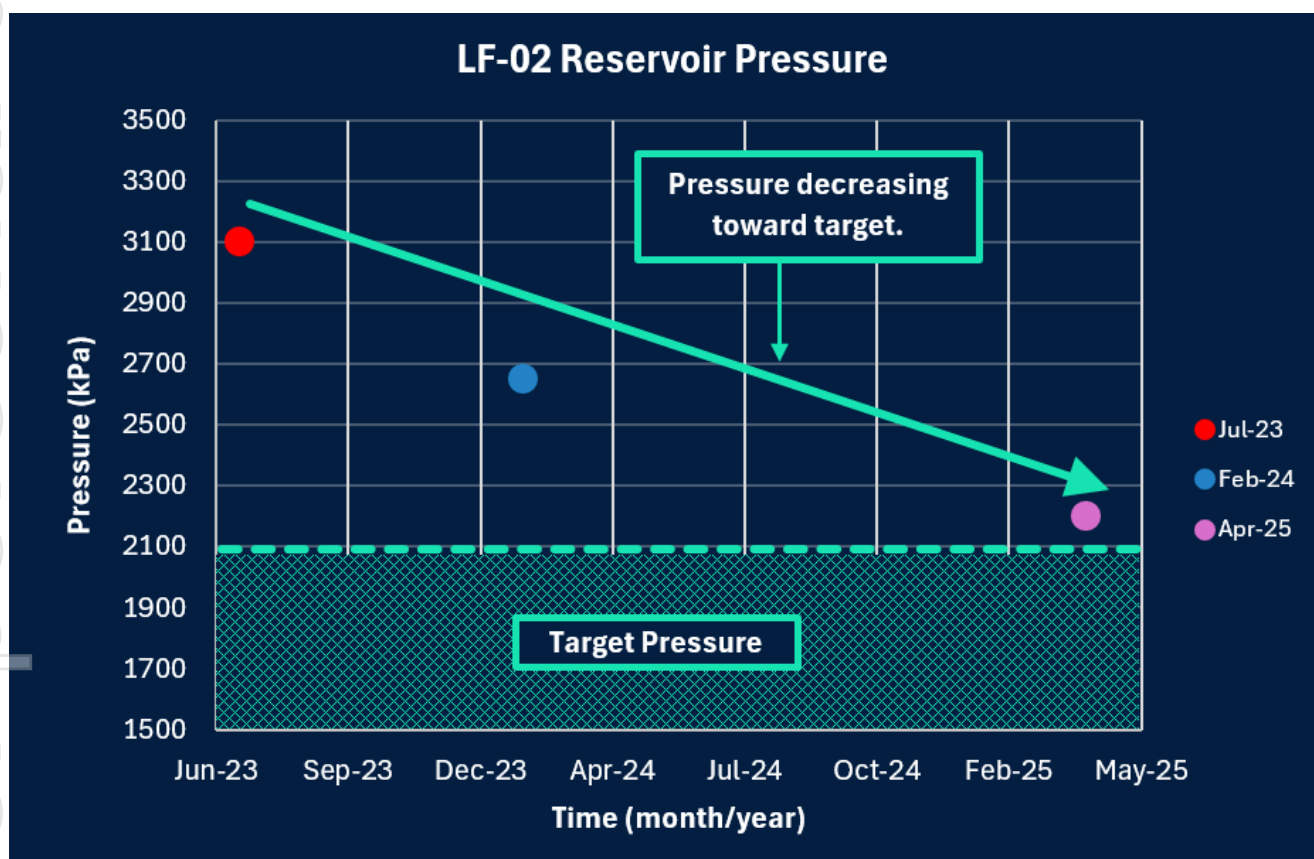


Figure 1: Lucky Fox-02 reduction in reservoir pressure since inception with predicted critical desorption pressure required for likely material increase in gas flows

The ability to decrease the reservoir pressure is critical to a successful CSG pilot well program and therefore these results are significant and very encouraging. It is expected with further dewatering, the reservoir pressure will continue to reduce which is expected to result in further increases in the gas production rates over time.

The Pilot Well Project produced approximately 7,600m³ of gas during the month of April 2025. The operating pilot wells continued to produce consistently during the month despite the shutdowns required to undertake the pressure build up test at LF-02 and waiting on equipment to remediate the LF-05 well and bring that back on production, which is expected to occur later this month.

Planning has also commenced for the drilling of an additional pilot production well (LF-07) in the immediate vicinity of the existing wells. Ordering of long lead items has commenced and the tendering process has also begun for some of the key contractors.

The Company will continue to provide regular operational updates on the performance of the pilot well project.

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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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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 XXXV Project is 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.

