

# September 2025 Quarterly Activities Report

- **LF-07 successfully drilled, commissioned and producing gas**
- **Total gas production increasing with good water rates**
- **2025 exploration program commenced with drilling underway**
- **Further funding secured via a \$3.5 million oversubscribed placement**

TMK Energy Limited (ASX:TMK) (TMK or the Company) is pleased to provide the following quarterly activities report for the three months ending 30 September 2025 ("Quarter").

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

*"We continue to rapidly progress our 100% owned Gurvantes XXXV Coal Seam Gas project, with an additional pilot well (LF-07) safely and successfully drilled, the 2025 exploration program commenced and implementation of a revised reservoir management plan.*

*Another key objective this quarter was to secure the resources to allow us to continue to rapidly advance the Project. With an additional \$3.5 million of funding secured and key technical appointments made, we now have the operational, engineering and sub-surface skillsets in place that will allow us to accelerate other activities, including the introduction of a Project partner and the commencement of detailed field development plans."*

## **Executive Summary**

Field activities during the Quarter included completing the drilling of LF-07 and bringing that well on production, maximising production from existing wells LF-01 to LF-06 and planning for and commencing the 2025 exploration drilling program.

Operationally, the Pilot Well Project continues to perform in line with expectations, with a significant amount of work being put into better understanding the reservoir performance and managing the wells accordingly to maximise production.

In addition to the field activities, the Company successfully completed an oversubscribed capital raising of approximately \$3.5 million (before costs) through a placement of shares to sophisticated and professional investors, which included strong participation from existing shareholders and the Board.

A key objective this Quarter has been to add to the Company's technical and operational

capability, with several key appointments being made to the team.

The key appointments include a highly experienced Operations Superintendent who will be based at the Pilot Well Project in Mongolia from early November, as well as a highly experienced Texas based CSG reservoir engineer who is also based part time in Mongolia. In addition, the Company has hired a senior Geoscientist who has joined in an advisory role to support the exploration efforts and subsurface planning.

The Company also entered into a Strategic Alliance Agreement with Beijing-based J-Energy to assist with field development planning, project execution, and logistics, with a strong focus of the agreement being assisting the Company in its partnering efforts. Initial work has commenced pursuant to this Strategic Alliance Agreement with further meetings to be held in Beijing in mid-November.

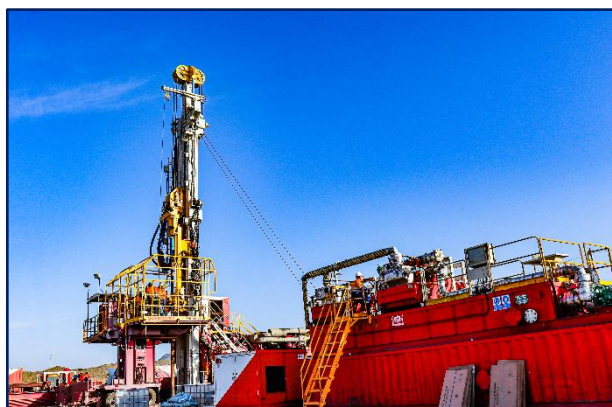


## 2025 Pilot Well Drilling Program

During the quarter Lucky Fox-07 (LF-07) was successfully drilled, commissioned and brought into production. In early August the Company announced that it had safely and successfully drilled and cased the well to a total depth of 420 metres with logging results indicating the well intersected approximately 54 metres of net coal, as prognosed and consistent with existing surrounding pilot production wells.

The drilling operations were performed on a turnkey (fixed cost) contract using Major Drilling's larger, more powerful TXD200 drilling rig - which is the first time that rig has been used in Mongolia.

Following completion of the drilling operations at LF-07, the well was commissioned and placed on production and after only a few days, commenced producing gas.



**Drilling Operations at LF-07**

Whilst resources were available onsite for the drilling of LF-07, the Company took the opportunity to perform maintenance on the LF-06 pilot production well. LF-06 was worked over with the downhole pump pulled and cleaned, and the fill at the bottom of the well cleaned out to reduce the possibility of future production interruptions with that well.

## Production Operations

The Pilot Well Project now has seven wells on production all of which are consistently producing gas at varying levels. Although not at commercial rates at this stage, it proves that gas can be produced from the coals and the Company's focus is to now ensure the technical team collects the data necessary to make informed decisions on how to optimise gas and water production going forward.

The following table details the gas and water production at the Pilot Well Project for the Quarter.

Month	Water Production (bbls/day)	Gas Production (m <sup>3</sup> )
July	542	7,613
August	513	6,123
September	490	9,804

The Company is further updating and refining its reservoir model with this new data to more accurately forecast both anticipated type curves for gas production rates of a typical production well (based on the reservoir parameters currently being observed) and estimate the time required to reach the necessary critical desorption pressures. This work is expected to be completed before the end of the year.

The decision was made to shut in LF-02 on 21 September 2025 for a few weeks. The benefits of the shut in were to investigate if it is possible to increase that well's water production after a period of shut in and to undertake another pressure build up test. LF-02 was successfully brought back onto production in early October.

Encouragingly, LF-02 continued to produce gas (approximately 30 cubic metres per day) during the shut in period, indicating that some of the coal in that well is already desorbing gas.

## 2025 Exploration Drilling Program

During October, the Company commenced a relatively inexpensive exploration drilling program which will satisfy the PSC commitments and help define the extent of the coal play fairway to the east of Nariin Sukhait.



**2025 Exploration Drilling Underway**

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The Soumber area is well known to host coal which has been discovered in prior coal exploration wells and the main objective of the this program is to gain more information on gas content and permeability of the coals and their suitability for future CSG exploitation.

Drilling operations on the first of three planned exploration holes commenced on 19 October and is ongoing. Results of the wells will be reported at the end of each well or immediately, if any material information is discovered.

### Key Appointments

During the Quarter and following significant encouragement from the performance of the Pilot Well Project, the Company has committed to several key appointments to the team.

A significant and important hire has been a Mongolia based Operations Superintendent. Mr. Brad Reeve will join TMK team in November and will be based primarily in Mongolia at the Nariin Sukhait Project site.

His experience and skillsets gained from working in the minerals industry in Australia for the likes of Rio Tinto and Gold Fields (amongst others) will be of enormous benefit to TMK as it strives for continuous improvement in its operational capability.

Brad's expertise in managing health and safety, production processes, and general operations, as well as his strong connection to Mongolia through family, made him an ideal candidate for the role.

Brad has spent extended periods of time in Mongolia, speaks some Mongolian and is familiar with the culture, people and climate.

With current focus being on analysis of the production data, the Company has secured the services of a highly experienced CSG reservoir engineer. Mr. Garry Ward is a Texas based reservoir engineer with international CSG expertise who spends a considerable amount of time in Ulaanbaatar.

Garry has been assisting with the implementation of an improved reservoir management plan (RMP) that the Company has now adopted. Garry has extensive CSG experience in Mongolia, China and the USA and will be instrumental in assisting TMK reach its primary goal at the Pilot Well Project, which is to increase water production and reduce

reservoir pressure to ultimately, increase gas flow rates.

Mr. Greg Channon has almost four decades of multi-discipline subsurface and leadership experience and has joined the Company in a part time advisory capacity to provide advice with design and implementation of the 2025 exploration program and provide technical guidance on general geoscience and subsurface matters. Greg will also be assisting in the implementation of the project partnering process which is due to get underway in the coming months.

These recent appointments supplement the existing team and backfill some of the responsibilities that were previously undertaken by one of the founders of the Project, Mr Brendan Stats. Brendan has taken on an advisory role assisting the Company on an ongoing, but not full-time basis.

### Strategic Alliance Agreement

In early August, the Company entered into a Strategic Alliance Agreement with Beijing based energy consulting firm, J-Energy, the founders of which are former executives of Shell China.

The Agreement sets out the terms under which J-Energy and TMK will work together to among other things, assist in the preparation of a field development plan, including providing geological, engineering and project development expertise.

Additionally, the alliance contemplates additional services including providing operational support for production operations as well as logistical support for procurement of equipment and services out of China into Mongolia.



**J-Energy and TMK Board and Management**

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With a major China/Mongolia border crossing (Shivee Khuren) less than 50kms from the current Pilot Well Project and connected with sealed roads, sourcing major equipment and services from China is logistically superior and a solution the Company is increasingly focussed on.

## Corporate

### Changes in Capital Structure

During the Quarter, the Company raised \$3.5 million (before costs) by way of an oversubscribed placement (Placement). The Placement was strongly supported by Directors and new and existing sophisticated and professional investors both offshore and domestic, including existing major shareholders of the Company.

Pursuant to the Placement, the Company issued 1,675,000,000 new fully paid ordinary shares in the capital of the Company, with a further 75,000,000 shares to be issued to directors, subject to shareholder approval at an upcoming general meeting to be held on 31 October 2025 (General Meeting).

The shares (other than those to be issued to directors) were issued on 22 September 2025 pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

### Consolidation

Amongst other business to be put to shareholders at the upcoming General Meeting, shareholders are being asked to vote on a proposed reorganisation of the Company's capital to consolidate all TMK securities on the basis that every fifty-five (55) securities will be consolidated into one (1) security post consolidation.

The rationale for undertaking the reorganisation of capital at this time includes consideration of the limited liquidity at price points ranging between \$0.002 and \$0.003 per share due to the large percentage movement in share prices at these levels, substantial amounts of mid-point trading (CXXT) which retail shareholders cannot access and general lack of appetite of institutional investors at these price levels.

Should the resolutions be successfully passed, the Company's capital structure (post

consolidation and subject to rounding) is summarised in the table below.

Security Class	Pre-consolidation (Current)	Post-consolidation (Estimated) <sup>1</sup>
Fully Paid Shares (ASX:TMK)	11,897,383,055	216,316,056
Listed Options (ASX:TMKO)	2,089,572,851	37,992,234
Listed Options (ASX:TMKOB)	808,052,867	14,691,870
Unlisted Options	258,000,000	4,690,909
Performance Rights	43,400,000	789,091

### ASX Listing Rule 5.3.3 Tenement Summary

At 30 September 2025, the Company held the following interests in tenements and/or licenses:

Project	Percentage Interest	Number of Tenements
Gurvantes XXXV	100%	1

### Related Party Payments

During the quarter ending 30 September 2025, the Company made payments of \$58,647 to related parties and their associates. These payments relate to non-executive Directors' fees.

### Board Changes

Effective 30 September 2025, Mr. Tim Wise retired from the Board of Directors. The Company wishes to thank Mr. Wise for his many years of service to the Company and wishes him all the best in his future endeavours.

Authorised for release to ASX by the Board of Directors. For more information [www.tmkenergy.com.au](http://www.tmkenergy.com.au) or contact.

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**TMK Energy Limited**

ABN

66 127 735 442

Quarter ended ("current quarter")

**30 September 2025**

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(109)	(353)
	(d) staff costs	(189)	(584)
	(e) administration and corporate costs	(306)	(818)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	31
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(597)</b>	<b>(1,724)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,191)	(2,561)
	(e) investments	-	-
	(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,191)</b>	<b>(2,561)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,400	5,703
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(198)	(294)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,202</b>	<b>5,409</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,702	1,992
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(597)	(1,724)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,191)	(2,561)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,202	5,409
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,116</b>	<b>3,116</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,116	1,702
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,116</b>	<b>1,702</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	597
8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d))	1,191
8.3 Total relevant outgoings (item 8.1 + item 8.2)	1,788
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,116
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,116
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.74
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. While the Company expects to incur similar levels of expenditure next quarter for its net operating expenditure, it expects to have reduced spending on its exploration and evaluation expenditure.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, the Company expects to be able to continue to fund its operations through partnerships and/or additional capital as and when required.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2025

Authorised by: Board of Directors

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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.