

OPERATIONS UPDATE – MAY 2026

- **2026 Pilot Production Well drilling plans well advanced with drilling tender announced and long lead items being acquired in anticipation of drilling and potential well workovers commencing in July**
- **Modified drilling and completions design expected to improve well performance, leveraging off learnings from LF-07, the field's best gas producer**
- **Average daily gas production continued to increase in May averaging 687m³/day (up 4% from April) despite not all wells being on production for the full duration of the month**
- **LF-07's gas rate continues to rise and is up ~50% since February, signalling a return to the higher gas rates seen in March**
- **Agreement executed with one of Mongolia's largest LPG importers and distributors to advance an initial 1MW pilot Gas to Power project to generate electricity from existing gas production with detailed design and engineering underway**

TMK Energy Limited (ASX: TMK) ("TMK" or the "Company") is pleased to announce that daily gas production continues to increase as the Company gears up for its 2026 drilling and workover program, expected to commence in July 2026.

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

"During May, our focus remained on finalising the 2026 drilling and workover program for commencement in July 2026. A huge amount of work has been undertaken by our drilling, engineering and operations team in recent weeks develop a work program which has the highest possible chance of delivering early gas, whether that be from existing wells or drilling new pilot production wells.

The drilling tender for up to three additional production wells was formally announced in Mongolia today. We have commenced ordering long lead items this week, following the decision of the recently expanded operations team to proceed with a modified drilling and completions design, the key changes being reduced hole size and pump sizes, which is expected to improve well productivity.

New analysis undertaken by the operations team has also identified several production optimisation opportunities which we will be putting into practice over the coming months. With gas rates continuing to rise at LF-07, and with a use for the gas in power generation, we are highly confident that we will achieve our production target by the end of this year and be in a position to declare the field commercial.

These are exciting times for the Company, its employees and its shareholders."

Average gas production during May was ~687m³ per day, which is approximately 24,260 standard cubic feet per day (scfd), a 4% increase over April's average gas production rate of ~663m³ per day. This result was despite LF-03 being offline for most of May awaiting a pump replacement, LF-02 being temporarily shut-in for a pressure build up test (and back flush operation), as well as some downtime from LF-01 for mechanical repairs. Water production across the field during May was approximately 10% lower at around 450 barrels of water per day primarily because of the production interruptions noted above.

Encouragingly, gas rates at LF-07 continue to increase, with the average gas production rate for the month exceeding 10,000 scfd. Other than during March, where the gas rate at LF-07 rapidly increased (to an average of ~17,900 scfd), May gas production was the highest average rate achieved to date from LF-07. Current gas rates at LF-07 are ranging between 11,000 and 12,000 scfd, a 10-20% increase above May's average rate.

With the recent appointment of Mr. Danny Chong as Production Manager, a lot of new work is being done on production optimisation opportunities. Encouragingly, Danny has already identified some opportunities to enhance production in the existing wells, but more importantly, has had important input into the design of the planned new wells and potential workover opportunities, which are expected to help deliver higher gas rates from new and existing production wells.

During May, the Company signed an agreement with one of Mongolia's largest LPG importers and suppliers to advance a 1MW Gas to Power project for use at, and by TMK's pilot well project. The key objective of the Gas to Power project is to provide TMK with a more reliable power source which it can utilise for its own operations, reducing the recurring and often unplanned power interruptions that are currently experienced. These power interruptions increase costs (due to the need to run diesel generators) but more importantly, delay water production and time to desorption across the greater extent of the field. Utilising the produced gas for power generation also mitigates the need to flare the gas, which is a positive outcome for all stakeholders.

A further objective of the Gas to Power project, is to provide a tangible proof of concept to industry, government and shareholders, that coal seam gas is an economically viable fuel for power generation, particularly in remote mining operations and off grid locations.

In early May, the Company met with the regulator (MRPAM) on the process required to convert the significant discovered resources within the Company's 8,400km² exploration area to an exploitation (production) license. The Company expects to initiate this process following the completion of its 2026 work program, which is expected to deliver additional data to assist in the reserves evaluation process.

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

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