

\$1.8 MILLION OF ADDITIONAL FUNDING SECURED

- **Binding commitments received for additional \$1.5 million placement utilising the Company's existing 7.1A placement capacity catering for strong demand from new and existing sophisticated investors**
- **Binding commitments received for full amount of Shortfall raising approximately \$0.3 million (before costs)**
- **TMK Energy now fully funded to deliver on its timetable of a demonstrable increase in gas rates from its 100% owned Gurvantes XXXV Coal Seam Gas Project**
- **Additional funding provides further working capital to pursue commercialisation and partnership opportunities in preparation for potential commercial gas flows being achieved**

TMK Energy Limited (**ASX: TMK**) (TMK or the Company) is pleased to announce it has received firm commitments to raise a total of approximately \$1.8 million (before costs) by way of placement of the \$0.3 million shortfall from the recently well subscribed Entitlement Issue (**Shortfall**), plus a further \$1.5 million from new and existing sophisticated investors (**Placement**).

The approximate \$1.8 million of additional fundraising has ensured that TMK is fully funded now through to delivery of its stated objectives, which is to demonstrate that potentially commercial gas flows can be achieved from its 100% owned Gurvantes XXXV Coal Seam Gas Project (**Project**). The already fully funded 2024 work program is well advanced with the final well in the program currently being drilled.

The additional working capital will be used to continue to pursue commercialisation and partnership opportunities in preparation for potential commercial gas flows being achieved in the first half of next of the 2025 calendar year.

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

"After a very successful and well subscribed Entitlement Issue, and with the 2024 drilling program progressing safely, on time and on budget, the additional commitments received from both existing and new sophisticated investors is a very strong signal to the market that our Project is quickly advancing and has both the scale and technical merit to attract significant amounts of new capital.

The current 2024 work program is progressing very pleasingly with two of the three wells now securely behind pipe and the third and final production well underway. Everything is on track to complete the work program and have six pilot production wells online by the end of this month, which we fully expect will be sufficient to bring the reservoir pressure down to the required critical desorption pressure, which should then result in a significant increase in gas rates.

We have made great strides forward in recent months, with significant operational activity currently underway and the securing of sufficient capital to fund what we anticipate will be a transformational period for the Company."



Placement

The Company has received firm commitments to raise \$1.5 million (before costs) by way of a Placement to existing and new primarily high net worth sophisticated investors. No brokerage fees were payable on \$1.4 million of the Placement that was placed directly by the Company.

Pursuant to the Placement, TMK will issue 750,000,000 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.002 per New Share, being an 11% discount to the 15-trading day volume weighted average price of TMK shares. 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 subject to shareholder approval to be sought in early 2025 and 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 are not subject to shareholder approval and will be issued under the Company's available placement capacity under ASX Listing 7.1A. Placement Shares are expected to be issued on or around 9 November 2024.

Shortfall

The Company lodged a prospectus with ASIC on 2 October 2024 for a non-renounceable rights issue to raise up to approximately \$1.9 million, where eligible shareholders had 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 received one (1) Option for every two (2) New Shares subscribed for.

The Company reserved the right to place any shortfall subject to compliance with the ASX Listing Rules. The Entitlement Offer closed on 25 October 2024 and was well subscribed for with approximately 85% take-up. The resulting Shortfall has now been placed raising approximately another \$0.3 million (before costs). Shortfall shares and attaching shortfall Options (together the **Shortfall Securities**) are expected to be issued on or around 9 November 2024.

PAC Partners Securities Pty Ltd (**PAC Partners**) acted as lead manager to the Shortfall placement.

Use of funds

Proceeds from the Placement and Shortfall will be used primarily to fund 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 manager to the Shortfall and portion of the Placement that was not placed by the Company, and will be paid a management fee of 2 per cent of the funds received and a selling fee of 4 per cent of the funds received. The Company will also issue PAC Partners 38,565,945 listed advisor Options (ASX:TMKO) for services relating to the Shortfall and Placement. The advisor options are subject to shareholder approval in early 2025 and will be issued in conjunction with the Placement Options.

– ENDS –

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 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.

