Interim Report for the period ended 30 June 2026
TMK Energy Limited (ASX:TMK)
ABN 66 127 735 442

INTERIM REPORT 2026

ASX : TMK
WWW.TMKENERGY.COM.AU

TMK ENERGY

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CORPORATE DIRECTORY

DIRECTORS

Prof. John Warburton
Non-Executive Chairman

Glenn Corrie
Non-Executive Director

Brett Lawrence
Non-Executive Director

Gema Gerelsaikhan
Non-Executive Director

CHIEF EXECUTIVE OFFICER

Dougal Ferguson

JOINT COMPANY SECRETARIES

Dougal Ferguson
Elsa Gallina

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STOCK EXCHANGE LISTING

TMK Energy Limited shares are listed on the Australian Securities Exchange (ASX code: TMK)

CORPORATE GOVERNANCE STATEMENT

www.tmkenergy.com.au/corporate-governance

ABN 66 127 735 442
www.tmkenergy.com.au

TMK ENERGY LIMITED – 30 JUNE 2026 INTERIM REPORT

TMK Energy Limited (ASX:TMK) ("TMK" or the "Company") is pleased to provide its Interim Report for the six months ended 30 June 2026. TMK continues to deliver strong operational gains and an outstanding safety record at its 100% owned Gurvantes XXXV Coal Seam Gas Project in Mongolia, whilst maintaining strong cost control across its operations.

With a significantly improved balance sheet, TMK enters the second half of 2026 with a fully funded work program, due to commence shortly. The 2026 work program is designed to further increase gas production for use in our demonstration Gas to Power Project and build on the encouraging results that have been achieved over the last 12 months. TMK's goal for the remainder of 2026 is to deliver all the necessary building blocks of a commercially viable gas development project in 2027.

7,500 LTI-FREE HOURS

ZERO REPORTABLE INCIDENTS

147% PRODUCTION ↑ INCREASE

$5.4M CASH AT 30/06/2026

2026 WORK PROGRAM FULLY FUNDED

"The first half of 2026 has seen substantial progress with a significantly improved balance sheet, several senior additions to the management team, continued financial discipline and month on month increases in the gas production rates. Importantly, our ***safety record remains impeccable****, which is a credit to all our staff and contractors. The remainder of 2026 is shaping up as a pivotal period in TMK's short history."*

DOUGAL FERGUSON
Chief Executive Officer

Operations report

Executive Summary

During the six months ended 30 June 2026 (Half Year or Period), TMK Energy Limited continued to progress its flagship 100% owned Gurvantes XXXV Coal Seam Gas Project in Mongolia, with increasing gas production, further reservoir depressurisation and further progress of commercialisation initiatives. The Company is well funded to implement its 2026 Work Program which is aimed at further increasing gas production in the near term.

Executive Summary (Continued)

Gas production from the Pilot Well Project totalled 124,996m³ (~4.3MMSCF) during the Half Year, representing an increase of approximately 89% compared with the preceding six months and up by 147% from the previous corresponding period.

Production increases were driven by increased gas production from LF-07, the most recent well drilled in the field and the only well produced pursuant to the updated reservoir management plan. Pressure monitoring continues to demonstrate that the reservoir pressure is reducing, which together with good water production are key ingredients for a successful Coal Seam Gas (CSG) Project. Continued reduction in reservoir pressure to below the desorption pressure is the key deliverable of the Pilot Well Project.

Following completion of the Company's third Independent Technical Review in April, the 2026 Work Program was refined to focus capital expenditure on a combination of targeted new drilling and optimisation of the existing pilot wells. The program will include at least one new pilot production well, LF-08, together with three well re-completions in the immediate future, with the objective of increasing near-term gas production, demonstrating commerciality and supporting the pathway towards booking initial reserves and securing an exploitation licence

Early-stage commercialisation activities also advanced during the Half Year with Dashvaanjil Group LLC continuing to advance the Company’s first Gas to Power Project (GPP) demonstration plant. The GPP Is a modular (up to 1MW) plant adjacent to the Pilot Well Project, designed initially to provide TMK with reliable power using its current produced gas, but also provides an opportunity to demonstrate the viability of one of the first gas-fired power projects in Mongolia.

TMK's financial position remains strong following a successful $6.0 million placement completed in March 2026, providing funding to advance the Company's planned operational and commercial activities. The Company also continued to strengthen its management and technical capability through key appointments, positioning TMK to execute the next phase of development while increasing management capacity to progress commercialisation and strategic partnering initiatives.

With gas production continuing to increase, a targeted and fully funded work program in place, and multiple commercialisation and partnering initiatives underway, the Company entered the second half of 2026 in a strong position to further progress the Gurvantes XXXV Project along the development pathway.

Health, Safety & Environmental

During the Half Year, the Company maintained its strong Health, Safety and Environment (HSE) performance, with no reportable Lost Time Injuries (LTIs) or environmental incidents recorded. This extends the Company's exceptional HSE track record, with more than three years of operations completed without a reportable safety or environmental incident, reflecting TMK's continued commitment to maintaining a strong safety culture across all aspects of its operations.

As operator of the Gurvantes XXXV Project, TMK maintains a comprehensive safety and risk management framework which is regularly reviewed and updated as operations evolve and risks change.

TMK continues to promote a strong safety culture across its operations, supported by regular HSE training, site inductions, pre-start meetings and safety briefings for employees and contractors. The Company maintains a proactive approach to risk identification and encourages the reporting of hazards, near misses and opportunities for improvement to support early intervention and continuous improvement.

The Company maintains a zero-tolerance approach to drugs and alcohol at its operations, and safety performance is incorporated into employee key performance indicators. As operational activities increase, TMK will continue to review and strengthen its HSE systems, training and site practices to maintain a safe working environment.

Pilot Well & Production Operations

During the six months ended 30 June 2026, pilot well gas production was up by 147% from the previous corresponding period and up 89% from the preceding 6 months.

During the Half Year, pilot well gas production increased month on month including a material spike in gas rates during the month of March 2026. Gas production has continued to trend upwards throughout 2026, demonstrating continued gas desorption from near wellbore coal. The production of gas from the coal, even at modest levels, demonstrates the ability of the coal to produce gas and as the reservoir continues to depressurise, gas rates are expected to materially increase.

Gas Production	Q1 2026	Q2 2026	H1 Jan-Jun 2026	H1 2025 Jan-Jun 2025	Δ%
m^3	61,536	63,460	124,996	50,614	↑147 %
m^3/day	684	697	691	280	
mscf/day	24	25	24	10	
Water Production	**Q1 2026**	**Q2 2026**	**H1 Jan-Jun 2026**	**H1 2025 Jan-Jun 2025**	**Δ%**
bwpd	42,593	41,577	84,169	107,529	↓22%
Average No. Wells Online	7	6*	6.5	5**	

**Lucky Fox-03 offline May-June awaiting workover*
***Lucky Fox-05 offline April-June awaiting workover. Lucky Fox-07 not yet commissioned.*

Throughout the Half Year, water production continued to decrease in line with the reservoir model. Continued water production is one of the key parameters of a successful CSG project and continued gentle decline in water rates (down 22% from the prior corresponding period) is a positive sign.

The focus for the second half of 2026 is on well optimisation and the proposed re-completion of some of the existing well bores is designed to further increase gas production through an optimised wellbore design.

2026 Work Program

The 2026 Work Program remains focussed on maximising the value and production potential of the existing pilot well infrastructure, while balancing the benefits of new drilling whilst meeting its commitments under the Production Sharing Contract (PSC).

The Company completed its third Independent Technical Review (ITR), engaging independent experts with CSG experience in Australia and internationally. The ITR endorsed the current reservoir management plan, in addition to recommending well optimisation techniques.

Following the ITR and detailed reservoir analysis, the Company refined its 2026 drilling program to prioritise a combination of targeted new drilling and optimisation of the existing well bores. The objective of the 2026 program is to accelerate gas production while making efficient use of the existing pilot production wells.

The 2026 work program includes at least one additional pilot production well (LF-08) and three well re-completions designed to improve long-term production performance. LF-08 will be drilled in an up-dip location and is expected to be an early gas producer.

As part of the annual budget approval process with the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), Mongolia's petroleum regulator, the Company signed a milestone MoU with MRPAM which, amongst other things, establishes a clear framework for the utilisation, rather than flaring, of produced gas for power generation ahead of the grant of an exploitation licence. In addition, it provides guidance on progressing the conversion of discovered resources within the Production Sharing Contract (PSC) area, into an exploitation licence.

This understanding represents a significant step forward in demonstrating Mongolia's natural gas can be used as feedstock for power generation and in enabling the development of a domestic gas industry within Mongolia.

During June, the regulatory drilling tender process was successfully completed, resulting in the appointment of Major Drilling as the preferred drilling contractor. Final contract negotiations have now been completed and the contract executed.

The key objective of the 2026 Work Program is to increase gas production in the near term and deliver a gas rate from the Pilot Well Project that demonstrates commerciality to allow booking of initial reserves and ultimately the award of an exploitation/production license.

Commercialisation & Partnering Process

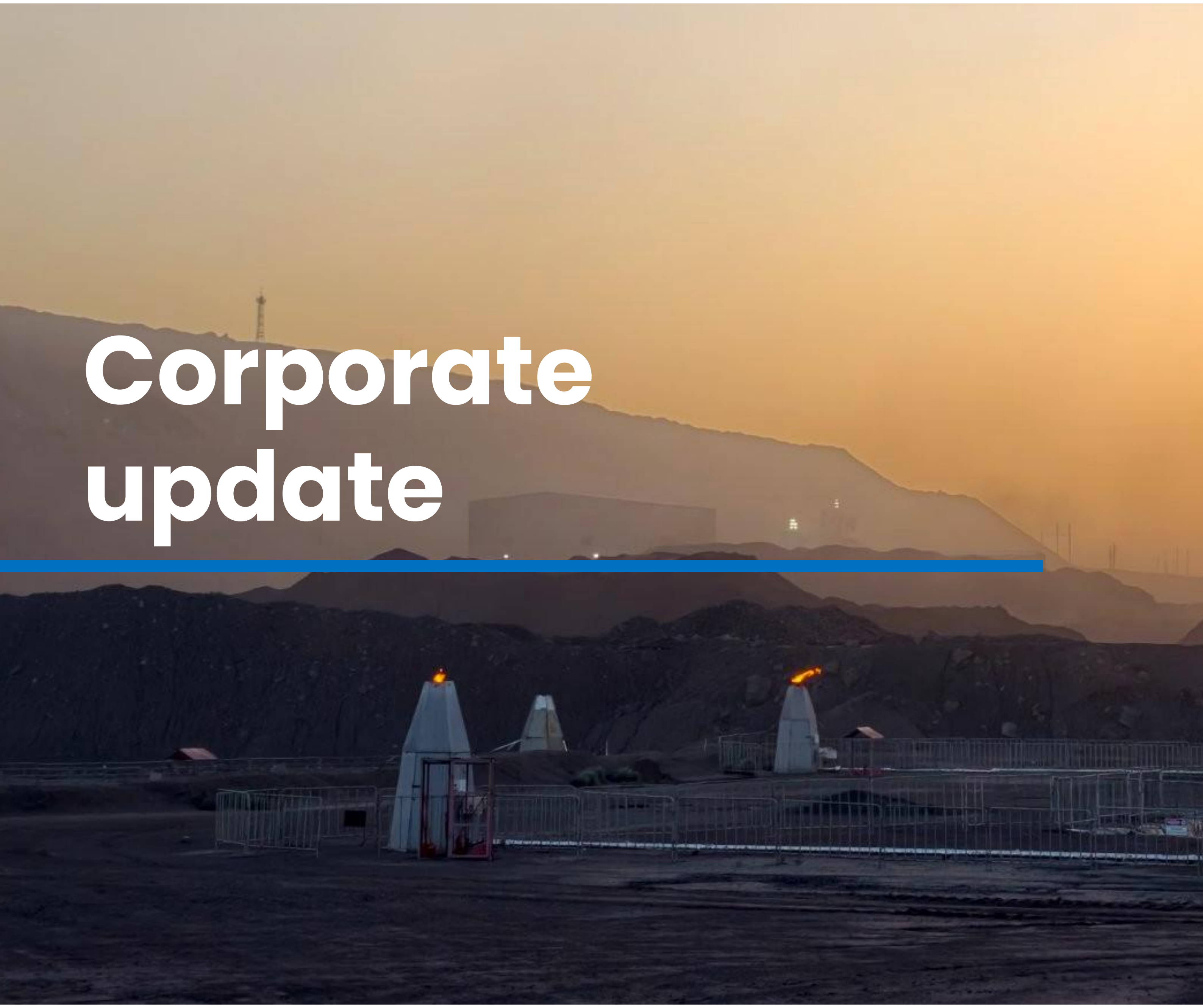
Early-stage commercialisation projects advanced with the Company's first Gas to Power Project (GPP) being fast tracked to demonstrate the potential of gas fired power generation in Mongolia.

During the Half Year, the Company executed a Memorandum of Understanding (MoU) with Mongolia's Ministry of Energy to jointly assess the potential role of domestically produced natural gas in supporting Mongolia's future energy requirements. An early demonstration project is being advanced with Dashvaanjil Group LLC, Mongolia's largest LPG import and distribution company, to progress the first gas-to-power project at the Gurvantes XXXV Pilot Well Project.

The initial project contemplates a modular power generation facility of up to 1MW, located adjacent to the Pilot Well Project and initially fuelled by a combination of natural gas produced by TMK and LPG supplied by Dashvaanjil. As natural gas production increases, LPG is expected to be progressively displaced, with the facility designed to ultimately operate entirely on natural gas.

Engineering and design activities are well advanced, with procurement and construction to follow subject to completion of the commercial framework and feasibility assessment. Commissioning and commencement of power generation is targeted for the end of 2026.

Corporate update



Corporate Structure

During March, the Company raised $6.0 million (before costs) by way of a heavily oversubscribed placement (Placement). The Placement included a cornerstone investment from CSG industry professionals, as well as strong support from many existing shareholders.

Pursuant to the Placement, the Company issued 50,000,000 new fully paid ordinary shares in the capital of the Company, with director's participating in a further 666,667 shares which were issued following shareholder approval.

On 30 April 2026, the listed options (ASX:TMKOB) expired, with 686 options being exercised and converted to fully paid shares. There were no other changes to the capital structure during the Half Year.

Management Structure

The Company continues to strengthen its leadership and technical capability as it progresses the Gurvantes XXXV Project toward the project development phase. Securing alignment between corporate strategy and skills set of the executive leadership team, along with timely recruitment of experienced CSG professionals, remains an ongoing priority for the Company.

During the Half Year, the Board secured an extension of Mr. Dougal Ferguson's contract as Chief Executive Officer. During his tenure as interim CEO since 1 July 2024, Dougal has led TMK through a period of strong operational and strategic progress. His appointment reflects the Board's confidence in his leadership and vision for advancing TMK's world-class Gurvantes XXXV CSG Project in Mongolia toward commercialisation.

In recent months, the Company secured the serviced of Mr. Steve Skinner as Chief Operating Officer (COO) of the Company. Steve is a Petroleum Engineer based in Denver, Colorado, and brings over 25 years of oil and gas experience from the US, including working in the San Juan Basin, one of the world's pioneering CSG producing basins.

Steve's appointment complements the recent appointment of Mr. Danny Chong as Production Manager. Danny has a Bachelor of Science in Petroleum Engineering (with Honors) from the Colorado School of Mines and brings more than 10 years' experience in the coal seam gas industry. Most recently, he served as a Senior Petroleum Engineer at Origin Energy, following over seven years with Santos GLNG in progressively senior engineering and production optimisation roles.

Other changes to the key management include the appointment of Ms Elsa Gallina as Joint Company Secretary of the Company. Elsa has been employed with TMK for several years and has been assisting Dougal with Company Secretarial activities over the last two years, including capital raisings, regulatory compliance and governance matters.

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of TMK Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2026.

Directors

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Prof. John Warburton – Non-Executive Chairman
- Glenn Corrie – Non-Executive Director
- Brett Lawrence – Non-Executive Director
- Gema Gerelsaikhan – Non-Executive Director

Principal activities

The principal activity of the Group during the financial half year was the exploration and appraisal of the Gurvantes XXXV Coal Seam Gas ("CSG") Project in the South Gobi Basin of Mongolia.

Review of operations

For the review of the Group's operations refer to the Operations Report section at page 4 of this report.

Operating Results and Financial Position

The loss for the Group after providing for income tax amounted to $547,014 (30 June 2025: $921,595).

The Group had a closing cash balance of $5,413,358 at 30 June 2026 (31 Dec 2025: $1,833,992).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2026/183, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors,

Prof. John Warburton
Independent Non-Executive Chairman
TMK Energy Limited
10 September 2026

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TMK ENERGY LIMITED

As lead auditor for the review of TMK Energy Limited for the half-year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TMK Energy Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

10 September 2026

Condensed consolidated statement of profit or loss and other comprehensive income

For the half-year ended 30 June 2026

	Note	Consolidated 30 Jun 2026 $	Consolidated 30 Jun 2025 $
Income			
Interest income		59,628	23,980
Expenses			
Accounting and audit fees		(44,699)	(47,947)
Directors' fees		(96,000)	(77,710)
Professional and consultancy fees		(256,554)	(233,440)
Regulatory expenses		(72,349)	(71,661)
Share based payments expense	7	203,611	(295,000)
Depreciation expense		(760)	(1,003)
Office and administrative expenses		(273,296)	(217,840)
Operating loss		(480,419)	(920,621)
Foreign exchange losses		(66,595)	(974)
Loss before income tax expense		(547,014)	(921,595)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of TMK Energy Limited		(547,014)	(921,595)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(83,160)	(487,061)
Other comprehensive income for the half-year, net of tax		(83,160)	(487,061)
Total comprehensive income for the half-year attributable to the owners of TMK Energy Limited		(630,174)	(1,408,656
Loss for the half-year is attributable to:			
Owners of TMK Energy Limited		(547,014)	(921,595)
Total comprehensive income for the half-year is attributable to:			
Owners of TMK Energy Limited		(630,174)	(1,408,656)

	Cents	Cents
Basic earnings per share	(0.224)	(0.524)
Diluted earnings per share	(0.224)	(0.524)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Condensed consolidated statement of financial position

As at 30 June 2026

	Note	Consolidated 30 Jun 2026 $	Consolidated 31 Dec 2025 $
Assets			
Current assets			
Cash and cash equivalents		5,413,358	1,833,992
Trade and other receivables		76,237	72,360
Other current assets		117,479	42,459
Total current assets		**5,607,074**	**1,948,811**
Non-current assets			
Exploration and evaluation	5	25,830,649	24,494,100
Property, plant and equipment		771,857	801,522
Total non-current assets		**26,602,506**	**25,295,622**
Total assets		**32,209,580**	**27,244,433**
Liabilities			
Current liabilities			
Trade and other payables		311,638	304,102
Provisions		-	3,317
Total current liabilities		**311,638**	**307,419**
Total liabilities		311,638	307,419
Net assets		31,897,942	26,937,014
Equity			
Issued capital	6	45,938,287	40,409,974
Reserves		3,989,532	4,009,903
Accumulated losses		(18,029,877)	(17,482,863)
Total equity		31,897,942	26,937,014

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

Condensed consolidated statement of changes in equity

For the half-year ended 30 June 2026

Consolidated	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2025	34,802,593	5,741,768	(917,456)	(15,894,379)	23,732,526
Loss after income tax expense for the half-year	-	-	-	(921,595)	(921,595)
Other comprehensive income for the half-year, net of tax	-	-	(487,061)	-	(487,061)
Total comprehensive income for the half-year	-	-	(487,061)	(921,595)	(1,408,656)
Transactions with owners in their capacity as owners:					
Issue of share capital	2,303,000	-	-	-	2,303,000
Capital raising costs	(188,889)	75,500	-	-	(113,389)
Share-based payments (note 7)	263,400	295,000	-	-	558,400
Balance at 30 June 2025	37,180,104	6,112,268	(1,404,517)	(16,815,974)	25,071,881

Consolidated	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2026	40,409,974	6,236,521	(2,226,618)	(17,482,863)	26,937,014
Loss after income tax expense for the half-year	-	-	-	(547,014)	(547,014)
Other comprehensive income for the half-year, net of tax	-	-	(83,160)	-	(83,160)
Total comprehensive income for the half-year	-	-	(83,160)	(547,014)	(630,174)
Transactions with owners in their capacity as owners:					
Issue of share capital (note 6)	6,080,943	-	-	-	6,080,943
Capital raising costs	(648,630)	266,400	-	-	(382,230)
Share-based payments (note 7)	96,000	(203,611)	-	-	(107,611)
Balance at 30 June 2026	45,938,287	6,299,310	(2,309,778)	(18,029,877)	31,897,942

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Condensed consolidated statement of cash flows

For the half-year ended 30 June 2026

	Consolidated	
	30 Jun 2026 $	30 Jun 2025 $
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,088,985)	(844,969)
Interest received	59,622	23,980
GST refunds	105,969	70,144
Net cash used in operating activities	(923,394)	(750,845)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,159,190)	(1,892,924)
Net cash used in investing activities	(1,159,190)	(1,892,924)
Cash flows from financing activities		
Proceeds from issue of shares	6,080,943	2,303,000
Share issue transaction costs	(418,993)	(113,389)
Net cash from financing activities	5,661,950	2,189,611
Net increase/(decrease) in cash and cash equivalents	3,579,366	(454,158)
Cash and cash equivalents at the beginning of the financial half-year	1,833,992	1,999,854
Effects of exchange rate changes on cash and cash equivalents	-	174,121
Cash and cash equivalents at the end of the financial half-year	5,413,358	1,719,817

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

NOTE 1. General information

The financial statements cover TMK Energy Limited as a Group consisting of TMK Energy Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is TMK Energy Limited's functional and presentation currency.

TMK Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

3 Richardson Street, West Perth, WA 6005

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 September 2026.

NOTE 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the interim half-year reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below:

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027, and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the half-year ended 30 June 2026, the Group recorded a loss of $547,014 (30 June 2025: $921,595) and net cash outflows for operating activities of $923,394 (30 June 2025: $750,845). At 30 June 2026, the Group had net current assets of $5,295,436 (31 Dec 2025: $1,641,392).

At the Company's current stage of development, the Company does not generate cash flows from operating activities to finance these activities. As a consequence, the ability of the Company to continue as a going concern is dependent on the success of capital fundraising or other financing opportunities. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Directors consider that the Company will continue as a going concern and consider their plans feasible for the following reasons:

- the Group has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- the Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

On the basis of the above, the Directors believe that, as at the date of this report, there will be sufficient funds available to meet the Group's working capital requirements.

Should the Company be unsuccessful in undertaking additional raisings, the Company may not be able to continue as a going concern, and it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

NOTE 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities were the same as those applied in the last annual report for the year ended 31 December 2025.

NOTE 4. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment being oil and gas exploration. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors and Chief Executive Officer (who has been identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the half-year ended 30 June 2026.

NOTE 5. Exploration and evaluation

	Consolidated	
	30 Jun 2026 $	31 Dec 2025 $
Non-current assets		
Exploration and evaluation assets	25,830,649	24,494,100

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial half-year are set out below:

Consolidated	Exploration and evaluation $
Balance at 1 January 2025	21,332,448
Additions	4,380,294
Exchange differences	(1,218,642)
Balance at 31 Dec 2025	24,494,100
Additions	1,493,862
Exchange differences	(157,313)
Balance at 30 June 2026	25,830,649

NOTE 6. Issued capital

(a) Ordinary shares

	Consolidated			
	30 Jun 2026 Shares	31 Dec 2025 Shares	30 Jun 2026 $	31 Dec 2025 $
Issued share capital	269,729,116	218,261,763	45,938,287	40,409,974

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 January 2026	218,261,763	40,409,974
Share based payment (1)		800,000	96,000
Capital raise at $0.120 per share		50,666,667	6,080,000
Options exercised (2)		686	943
Share issue costs		-	(648,630)
Balance	30 June 2026	269,729,116	45,938,287

(1) Share based payment issued for marketing services. See note 7 for further details.

(2) The weighted average exercise price of options exercised during the period was $0.44.

(b) Options

During the half-year, 6,000,000 options were issued to advisors (refer to note 7 for further details), 686 options were exercised and 16,111,020 options lapsed or expired. At 30 June 2026, the Company had 47,966,426 options on issue, comprising 37,992,492 listed options and 9,973,934 unlisted options.

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 0.98 years (30 Jun 2025: 1.58 years).

(c) Performance Rights

During the half-year, 4,545,000 performance rights were issued (refer to note 7 for further details) and 209,090 performance rights lapsed. At 30 June 2026, the Company had 4,545,000 performance rights on issue. All performance rights outstanding at 30 June 2026 were unvested.

(d) Capital Risk Management

Consistently with others in the industry, the Group manages its capital by assessing the Group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group is not subject to any externally imposed capital requirements.

NOTE 7. Share-based payments

	Consolidated 30 Jun 2026 $	Consolidated 30 Jun 2025 $
Recognised in the statement of profit and loss		
Share based payment expense[(1)]	55,389	295,000
Reversal of share based expense due to lapsed rights[(2)]	(259,000)	-
	(203,611)	295,000
Recognised in the statement of financial position		
Issued capital (capital raising costs)[(3)]	266,400	75,500
	62,789	370,500

[(1)] This expense represents the amortisation of employee performance rights and options over their vesting period.
[(2)] This expense represents the reversal of share based expense due to performance rights lapsed during the period. Refer to the performance rights section below.
[(3)] This cost relates to the options issued during the period to broker in relation to the share placement held.

Shares

During the half-year, the following shares were issued as share-based payments:

- On 10 April 2026, the Company issued 800,000 shares in consideration for marketing services. As the fair value of the services received could not be determined reliably, the transaction was measured based on the fair value of the shares issued. The share price on the date of issue was $0.12. Accordingly, $96,000 has been expensed as share-based payment.

Options

During the half-year, the following options have been issued:

- On 27 May 2026, the Company granted 6,000,000 unlisted options to lead manager for services provided in relation to the share placement. The options were issued on 22 June 2026. The options have an exercise price of $0.275, expire on 31 January 2028, and were valued at $0.044 each, resulting in $266,400 recognised as capital raising costs in equity.

As the fair value of the services received could not be reliably measured, the entity measured the fair value of the equity instruments granted. For options issued during the current financial half-year that do not have a quoted market price, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value per option
27/05/2026	31/01/2028	$0.1250	$0.2750	110.00%	-	4.54%	$0.0444

Performance rights

Set out below are summaries of performance rights granted:

30 Jun 2026 Class	Grant date	Expiry date	Balance at the start of the half year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half year
G	01/08/2023	30/06/2026	104,545	-	-	(104,545)	-
H	01/08/2023	30/06/2026	104,545	-	-	(104,545)	-
I	07/04/2026	31/03/2029	-	1,515,000	-	-	1,515,000
J	07/04/2026	31/03/2029	-	1,515,000	-	-	1,515,000
K	07/04/2026	31/03/2029	-	1,515,000	-	-	1,515,000
L[(1)]	18/05/2026	31/12/2026	-	250,000	-	-	250,000
M[(1)]	18/05/2026	31/12/2026	-	250,000	-	-	250,000
N[(1)]	18/05/2026	31/12/2026	-	250,000	-	-	250,000
			209,090	5,295,000	-	(209,090)	5,295,000

[(1)] The Performance Rights have been granted but was issued after half year on 12 August 2026.

All the performance rights were issued for nil consideration to employees and management. The performance rights convert into fully ordinary shares upon meeting the following performance conditions:

Class	Performance conditions	Fair value per right	Likelihood of vesting
G	Long Term Incentive (LTI) Component - 2P Reserves of not less than 100BCF (Gross) for the Project Area.	$0.015	Lapsed
H	LTI Component - Gas Sales Agreement for the sale of not less than 10TJ/Day	$0.015	Lapsed
I	The volume-weighted average price ('VWAP') of TMK shares over 20 consecutive trading days being at least $0.25	$0.132	N/A
J	The VWAP of TMK shares over 20 consecutive trading days being at least $0.30	$0.128	N/A
K	The VWAP of TMK shares over 20 consecutive trading days being at least $0.35	$0.124	N/A
L(1)	Successful management of the 2026 work program.	$0.145	100%
M(1)	Achievement of average gas production of 100,000 scfd in the Pilot Well Project.	$0.145	0%
N(1)	The VWAP of TMK shares over 20 consecutive trading days being at least $0.25 on or before 31 December 2026.	$0.080	N/A

(1) The Performance Rights have been granted but was issued after half year on 12 August 2026.

For the performance rights granted during the current financial half-year, the valuation model inputs used in the Monte Carlo simulation model to determine the fair value at the grant date, are as follows:

Class	Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
I	07/04/2026	31/03/2029	$0.145	110.00%	-	4.66%	0.132
J	07/04/2026	31/03/2029	$0.145	110.00%	-	4.66%	0.128
K	07/04/2026	31/03/2029	$0.145	110.00%	-	4.66%	0.124
L(1)	18/05/2026	31/12/2026	$0.145	110.00%	-	4.75%	0.145
M(1)	18/05/2026	31/12/2026	$0.145	110.00%	-	4.75%	0.145
N	18/05/2026	31/12/2026	$0.145	110.00%	-	4.75%	0.080

(1) Performance Rights have been valued at the underlying share price on the date of grant.

NOTE 8. Related party transactions

Parent entity

TMK Energy Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 9.

Transactions with related parties

Tsetsen Zantav was a related party during the prior year as the Chairman of the Telmen Resource Board, a significant shareholder of TMK Energy Limited and strategic advisor to the Board. During the current year, Mr Zantav ceased to meet the definition of a related party effective 1 January 2026. Disclosures reflect related party transactions up to the date he ceased to be a related party.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 30 Jun 2026 $	Consolidated 31 Dec 2025 $
Current receivables:		
Receivables from Tsetsen Zantav and his related parties	-	12,558

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 9. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 Jun 2026 $	30 Jun 2025 $
Short-term employee benefits	270,858	413,635
Superannuation	5,142	2,475
Annual leave	-	24,259
Share-based payments(1)	29,530	236,714
	305,530	677,083

(1) During the half-year, certain unvested performance rights previously granted to key management personnel lapsed upon vesting conditions not being satisfied. In accordance with AASB 2, previously recognised share-based payment expense of $74,521 relating to those awards was reversed through profit or loss. The reversal has been disclosed in note 7 and has not been reflected as negative remuneration in the above table.

During the half year, 1,000,000 Class I, 1,000,000 Class J and 1,000,000 Class K performance rights were granted to Shenton James Pty Ltd, a related party of Mr Dougal Ferguson (Chief Executive Officer). Refer to note 7 for further details.

Other than disclosed above and in note 8, there is no material change in transactions with KMP since the last annual report.

NOTE 10. Contingencies

There have been no changes to the contingencies disclosed at the 31 December 2025 financial report

NOTE 11. Commitments

The Company had no commitments at 30 June 2026 (30 June 2025: Nil).

NOTE 12. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Prof. John Warburton
Independent Non-Executive Chairman
TMK Energy Limited
10 September 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TMK Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of TMK Energy Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2026, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

JPrue

Jarrad Prue

Director

Perth, 10 September 2026

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