



Jade Gas and Xanadu Mines Sign Gas Offtake MOU

- **Jade signs non-binding gas offtake MOU with Xanadu Mines Ltd to power the Kharmagtai Copper-Gold Project**
- **Xanadu's project contemplates a 30-year mine life with up to 120MW of energy demand**
- **MOU clearly demonstrates demand for a cleaner source of energy close to Jade's TTCBM Project**

Jade Gas Holdings (ASX:**JGH**, **Jade** or the **Company**) has signed a non-binding gas offtake memorandum of understanding (**MOU**) with Xanadu Mines Ltd (ASX:**XAM**, **Xanadu**) for commercial gas sales from Jade's TTCBM Project.

Xanadu is developing world class copper-gold porphyry deposits in the south of Mongolia, with its Kharmagtai Copper-Gold Project located approximately 80 kilometres to the north-east of Jade's TTCBM Project (refer Figure 1). The operation is expected to have a 30-year mine life with up to 120MW of power demand.

Non-Binding Offtake MOU

Jade and Xanadu have signed a non-binding gas offtake MOU, dated 21 December 2022, designed to secure a reliable, low cost and cleaner energy source for Xanadu's Kharmagtai Copper-Gold Project. The partnership demonstrates a clear pathway to market for gas produced by Jade, with a number of commercial customers on Jade's doorstep looking to secure future supplies of natural gas.

In addition to the securing of energy, this MOU aligns both Jade and Xanadu's shared ambition for improving Mongolia's energy independence, energy mix, and meeting climate change commitments that will ultimately improve the health and well-being of its people.

The terms of the MOU include:

- Xanadu to have a non-exclusive option for gas supply from Jade's TTCBM Project; and
- The parties will work toward negotiating commercial terms for a binding gas sales agreement (expected after Jade's 2023 TTCBM Project pilot production program).

Commenting on the MOU with Xanadu, Jade Managing Director and Chief Executive Officer, Chris Jamieson, said:

"The MOU with Xanadu demonstrates the clear demand for new and cleaner sources of energy on our doorstep.

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Jade has already established substantial gas field potential over a 45km strike, and it is pleasing to see commercial customers in the region recognise the important role that Jade can play in providing a cleaner source of energy to deliver on ESG ambitions for sustainable operations."

Commenting on the MOU with Jade, Xanadu Managing Director and Executive Chairman, Colin Moorhead, said:

"The Kharmagtai Copper-Gold Project in the South Gobi desert will be Mongolia's next world class copper mine which will be designed to specifically minimise scope one emissions and thus is expected to require meaningful energy requirements of up to 120MW to deliver copper to global markets.

This forms a critical part of our renewable future, and we are determined to source our energy from within Mongolia, and Jade's TTCBM Project is the logical supplier of that energy due to its proximity to Kharmagtai.

Subject to the outcomes of the pre-feasibility study, we look forward to working with the Jade team to put in place a long-term gas contract that will ensure our mine will operate on a cleaner domestic energy source over its productive life."



Figure 1

- ENDS -



JADE GAS

Authorised for release on behalf of the Board by Chris Jamieson, Managing Director and CEO.

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About Jade Gas Holdings Ltd

Jade Gas Holdings Limited is a gas exploration company focused on the coal bed methane (**CBM**) potential of Mongolia. Jade's flagship project is the Coal Bed Methane gas project over the Production Sharing Agreement (**PSA**) area of Tavantolgoi XXXIII unconventional oil basin, (**TTCBM Project**). Jade will operate and manage the project through its subsidiary Methane Gas Resource LLC (**MGR**), a joint venture (**JV**) company partnering with Erdenes Methane LLC (**EM**), the representative of the Mongolian Government. The JV was formed with the intention to explore, develop and produce gas from the TTCBM Project permit (Jade 60%, Erdenes Methane LLC 40%), located in the South Gobi region of Mongolia.



Jade's JV partner, EM, was awarded the PSA over the TTCBM Project area in April 2020, after completion by MGR of the requirements of a Prospecting Agreement (**PA**) held by JV partner EM over the area. In accordance with the JV agreements, Jade managed, operated and fully funded the fulfillment of the PA requirements during that period. Following approval by the Cabinet of Mongolia in October 2020, the PSA rights and obligations were fully transferred to the JV company MGR.

Jade recently acquired two new prospective CBM permits, Shivee Gobi and Eastern Gobi. Both permits cover an area of over 18,000km² and are well located within existing coal basins and near coal deposits and mines.

It is the strategy of Jade to seek to develop all of its projects so that gas produced may, in the long-term, provide a reliable supply option to the oil and gas product market and the power sector in Mongolia, both to the capital city of Ulaanbaatar and also regional areas. Achievement of this strategy would partially displace the imported gas and gas liquid products, reduce higher carbon emitting fuel sources such as coal and diesel, the result of which would be the improvement in air quality of Ulaanbaatar city and other towns.

Supporting Mongolia's energy transition is a key priority for Jade, and success will result in:

- Improving Mongolia's energy independence
- Supporting Mongolia's significant future energy demand growth
- Decarbonizing the economy by improving the energy mix with cleaner fuel sources
- Environmental and health benefits for the people and country of Mongolia.