



Jade continues to intersect sizeable gas bearing coals

HIGHLIGHTS

- **Red Lake-4 at 828 metres with 165 metres of coal intersected to date; drill stem test (DST) about to commence on seam III**
 - **Seam IV intersected 7 metres of gas bearing coal**
 - **Seam III intersected 40 metres of gas bearing coal**
- **Red Lake-2 drilling ahead at 670 metres, with 90 metres of coal intersected to date**
 - **Seam IV intersected 5 metres of gas bearing coal**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to provide an update on both the Red Lake-4 and Red Lake-2 wells.

TTCBM Project

Two rigs are drilling the third and fourth wells in the six well drilling program at Red Lake, those being Red Lake-4 and Red Lake-2. These wells are a follow up to the eight well drilling program back in 2019 at the Company's CBM gas project over the Production Sharing Agreement area of the Tavantolgoi XXXIII unconventional oil basin in Mongolia (**TTCBM Project**).

Jade is targeting natural gas from three coal seams of interest (IV, III and 0) across the central core area of the permit, which has an independently assessed Prospective Resource of 1.0 Tcf¹ of gas.

Red Lake-4

Red Lake-4 is the third well in Jade's six-well program and is located approximately 1.5 kilometres south-east of Red Lake-1 (see location in figure 1). The well spudded on 31 January 2022 and is currently at a depth of 828 metres, with expected total depth (TD) expected at around 1,000 metres. Coring is currently on hold as the drilling team prepares the DST over the sizeable coal seam III, which covers 40 metres of gas bearing coal. The DST will be run as a conventional off bottom test with the top packer at 778 metres and testing the interval down to the current well depth of 828 metres.

¹ Refer RISC 2021 independent evaluation report in Prospectus dated 14 July 2021

Directors

Following the DST, an injection fall off test (**IFOT**) will be conducted over the same interval as a comparison of the two test methods as both the IFOT and DST may be required to provide test coverage across the parallel drilling activities. Subsequent to this, drilling will continue to TD and is expected to intercept seam 0, the third of the previously identified gas bearing target seams.

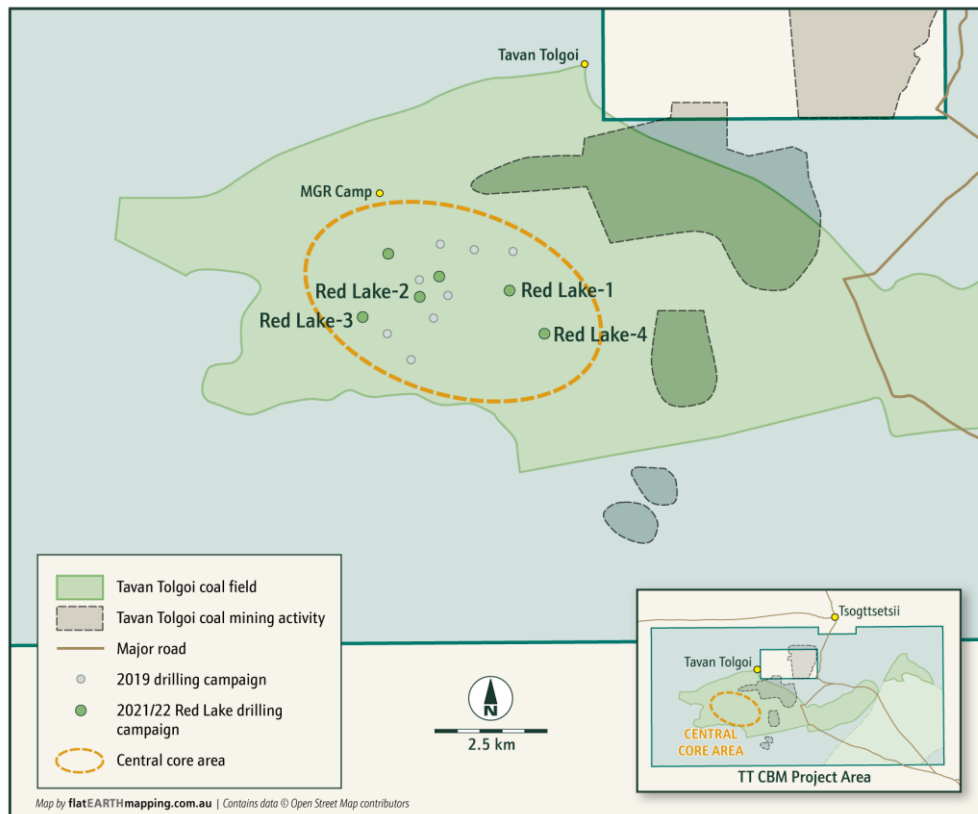


Figure 1: Permit area showing locations of Red Lake-1, -2, -3 and -4

Red Lake 2

Red Lake-2 is the fourth well in Jade's six-well program and is located approximately 2.5 kilometres west of Red Lake-1 (see location in figure 1). The well spudded on 6 February 2022 and is drilling ahead at 670 metres, having intersected 90 metres of coal to date. Seam IV intersected 5 metres of gas bearing coal. The well is expected to reach TD at around 800 metres.

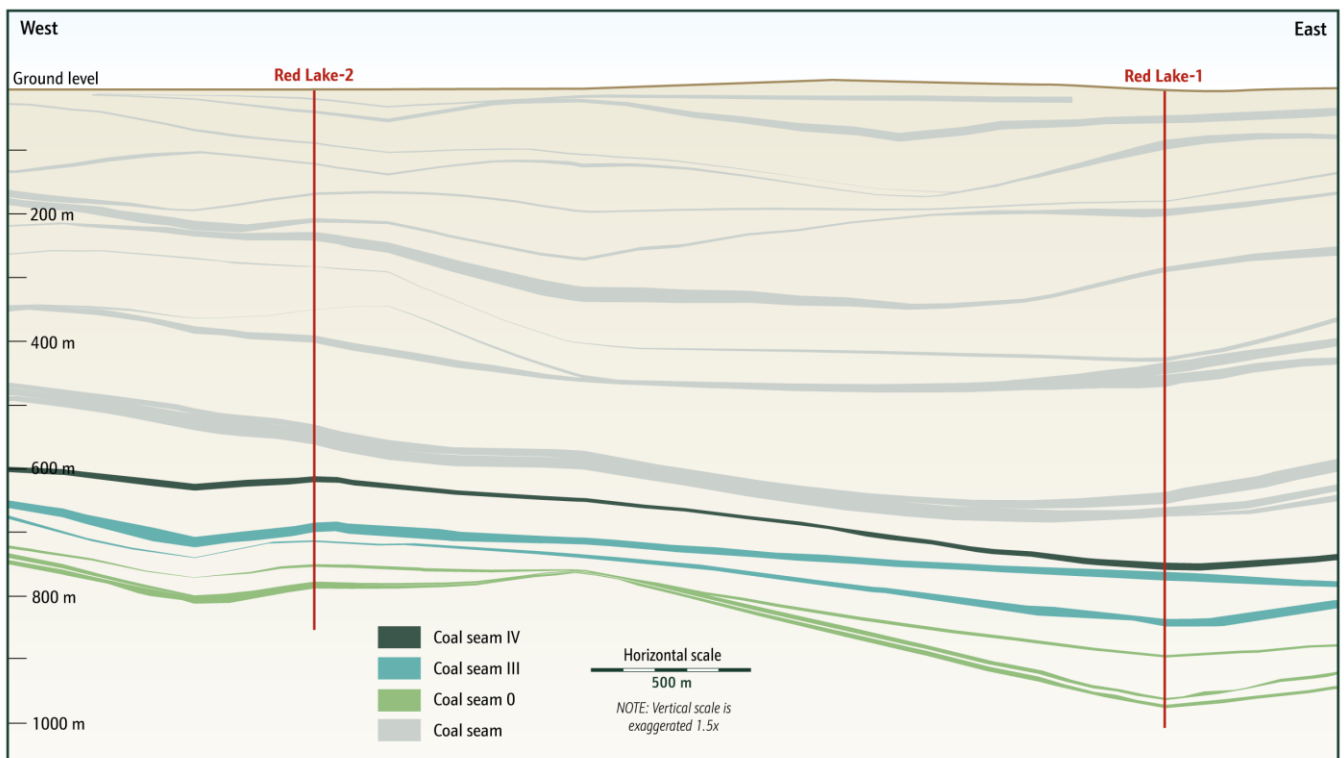


Figure 2 – Cross section of Red Lake-1 and Red Lake-2, highlighting targeted coal seams of interest – IV, III and 0

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Authorised for release on behalf of the Board by Joseph Burke, Executive Director.

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About Jade Gas

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 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.

It is the strategy of Jade to develop the TTCBM Project so that gas produced may, in the long term, provide a reliable supply option to the oil and gas product market and to the power sector in Mongolia, both to the capital city of Ulaanbaatar and regional areas. Achievement of this strategy would partially displace the use of imported gas and gas liquid products, reduce the use of higher carbon emission emitting fuel sources such as coal and diesel, and not only reduce the air pollution of the capital city of Ulaanbaatar, but reduce Mongolia's reliance on imported electricity.



JADE GAS

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;
- Decarbonising the economy by improving the energy mix with cleaner fuel sources; and
- Enhancing the environmental, health and wellbeing benefits for the people and country of Mongolia.