



Jade Signs MOU with Mongolia's Largest Gas Distributor

- **Non-binding gas offtake memorandum of understanding signed with UB Metan LLC**
- **UB Metan LLC is Mongolia's largest gas distributor and an existing Jade shareholder**
- **MOU sets a framework and visible pathway for commercial gas sales for Jade's TTCBM Project**
- **Partnership to support Mongolia's desire for domestic and independent cleaner energy**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to advise it has signed a non-binding gas offtake memorandum of understanding (**MOU**) for potential gas sales to Mongolia's largest liquified natural gas (**LNG**) importer and gas distributor, UB Metan LLC (**UBM**).

Non-Binding Offtake MOU

Jade has signed a non-binding gas offtake MOU, dated 4 April 2022, with UB Metan LLC, Mongolia's largest LNG distributor and an existing major shareholder of Jade. The partnership is driven by an alignment to support Mongolia's desire for improving the Country'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:

- UBM to have a non-exclusive option for gas supply from initial production from Jade's TTCBM Project; and
- The parties working toward negotiating a binding gas sales agreement that will contemplate commercial terms on a long form offtake agreement (expected following the outcome of the 2023 pilot production program at TTCBM).

The MOU sets the foundation for UBM to become an integrated partner, which could include the potential provision of necessary infrastructure to support on-site compression of natural gas (**CNG**) and transportation to Ulaanbaatar, nearby towns and mining sites.

Commenting on the MOU with UBM, Jade Chief Executive Officer, Chris Jamieson, said:

"This MOU sets a framework and visible pathway as we plan for commercial options for Jade's TTCBM Project. As Mongolia's largest gas distributor and major shareholder in Jade, a partnership with UB Metan LLC is logical and sensible in the context that we are both fully aligned on our ambition to deliver an independent cleaner energy supply."

Jade Gas Holdings Ltd

ACN 062 879 583
ASX: JGH

Australian Registered Address

Level 1, 66 Rundle Street
KENT TOWN SA 5067 Australia

T +61 437 603 294
E info@jadegas.com.au
W www.jadegas.com.au

Directors

Joseph Burke	Executive Director
Dennis Morton	Non-Executive Chairman
Daniel Eddington	Non-Executive Director
Peter Lansom	Non-Executive Director



The TTCBM Project continues to progress well following the recent discovery of thick gas bearing coal seams. The team continues to move ahead with the final stages of our current six well and technical programs which sets us on track to book an initial contingent resource."

Commenting on the MOU with Jade, UB Metan LLC CEO, Basjargal Bold, said:

"We are very pleased to have signed the MOU with Jade, which formalises our desire to take future gas production from the TTCBM Project. We believe the Jade team has the capability needed to deliver Mongolia's first commercial gas production from the highly sought after TTCBM Project.

As Mongolia's largest importer and distributor of gas, a key driver for the future prosperity of our business at UB Metan LLC is a secure and reliable domestic source of natural gas that is located close to future customers. The TTCBM Project ticks all the boxes in this regard and we look forward to supporting Jade to ensure this project reaches its full potential."

- ENDS -

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

For further information contact:

Chris Jamieson
Chief Executive Officer
+61 487 173 244
cjamieson@jadegas.com.au

Elvis Jurcevic
Investor Relations
ej@jadegas.com.au



About UB Metan LLC

UBM was established in 2017 and has fast become the key importer of LNG for Mongolia. It commissioned the first LNG to CNG station in Ulaanbaatar in May 2018 and is in the final stages of completing two further stations. These stations supply CNG to a growing bus fleet in Ulaanbaatar which is converting from diesel to CNG engines. UBM is also in the final stages of completing the construction of a 700 tonne LNG storage terminal which will significantly increase its LNG to CNG conversion capability.



View of commissioned L-CNG fuelling station



LNG Storage Tanks

Pump station



Bus fuelling

UB Metan LLC facilities in Ulaanbaatar



About Jade Gas Holdings Ltd

Jade is a gas exploration company focused on CBM potential of Mongolia. Jade's flagship project is the Coal Bed Methane gas project over the PSA area of Tavantolgoi XXXIII unconventional gas basin. 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 company 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.

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.