



Jade Drilling Program Continues to Deliver Strong Results

- Six well drilling program well advanced with Red Lake-5 drilling ahead at 428 metres
- Final assessment of gas content for Red Lake -1 completed by ALS resulting in upward revision to 12-17 m³/t
- Drilling to date includes the following strong results:
 - Red Lake-1: 1,012 metres total depth; ~58 metres of gas bearing coals recovered; 98% methane identified in coal seam III and 0 and 92.5% methane in coal seam IV
 - Red Lake-2: 790 metres total depth; ~47 metres of gas bearing coals recovered
 - Red Lake 3: 702 metres total depth; ~11 metres of gas bearing coals recovered (only from seam 0)
 - Red Lake 4: 863 metres total depth; ~124 metres of gas bearing coals recovered (including seam VIII, not previously thought to be gas bearing)
- Extended production testing planned for Red Lake-5 and -6; designed to provide information on well performance and deliverability for assessment of commercial development options
- Contingent Resource booking to follow completion of the six well drilling program

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to announce that the fifth well in its six well drilling program, Red Lake-5, is drilling ahead on schedule. Jade is targeting natural gas from three coal seams of interest (IV, III and 0) across the Central Core Area of the TTCBM Project permit, which has an independently assessed Prospective Resource of 1.0 Tcf¹ of gas.

The drilling program continues to deliver strong results with an increase in the gas content observed in Red Lake-1, with the finalisation of gas content analysis undertaken by ALS in Brisbane. It was originally estimated at 11-15m³/tonne (dry ash free or DAF), with a revision increasing the gas content to 12-17m³/tonne (DAF), an amount greater than some commercial fields in Queensland. These gas content numbers, along with the high methane recorded from all the coal seams of interest (98% methane for seams III and 0 and 92.5% for seam IV) lay a robust foundation for the Red Lake area as it moves into the extended production phase and the booking of contingent resources.

Red Lake-5

Red Lake-5, the fifth well in the program, was spudded on 14 April 2022 and is currently drilling ahead at a depth of 428 metres. Red Lake-5 is located approximately 1.5 kilometres west of Red Lake-1 (see location in figure 1) and will be comprehensively evaluated through the target coal seams. The coal seams of interest

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

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

Dennis Morton	Non-Executive Chairman
Chris Jamieson	Managing Director and CEO
Joseph Burke	Executive Director
Daniel Eddington	Non-Executive Director
Peter Lansom	Non-Executive Director

are expected to be intersected at depths between 620 and 700 metres, with total depth (TD) to be around 715 metres. It is anticipated that Red Lake-5 will take about five weeks to drill.

Red Lake-5 is being cased with 4.5" casing down to a depth of 680 metres, just above seam 0. Seam 0 will be cored and drill stem tested with the section from 680 to 715 metres to be left-open-hole for subsequent completion and extended production testing.

Red Lake-2, -3 and -4

Red Lake-2 is located approximately 2.5 kilometres west of Red Lake-1 (see location in figure 1) and was spudded on 6 February 2022. The well reached TD at 790 metres, with 46.8 metres of gas bearing coal intersected in the coal seams of interest.

The redrill of the Red Lake-3 well is located approximately 3.5 kilometres west of Red Lake-1 (see location in figure 1). The well reached TD at 702 metres, recovering 10.8 metres of gas bearing coal (only from seam 0) from a total of 81.8 metres of coal core recovered.

Red Lake-4 spudded on 31 January and is located approximately 1.5 kilometres south-east of Red Lake-1 (see location in figure 1). The well reached TD at 863 metres, recovering 123.7 metres of gas bearing coal (including seam VIII, previously not observed to be gas bearing) from a total of 189.3 metres of coal core recovered.

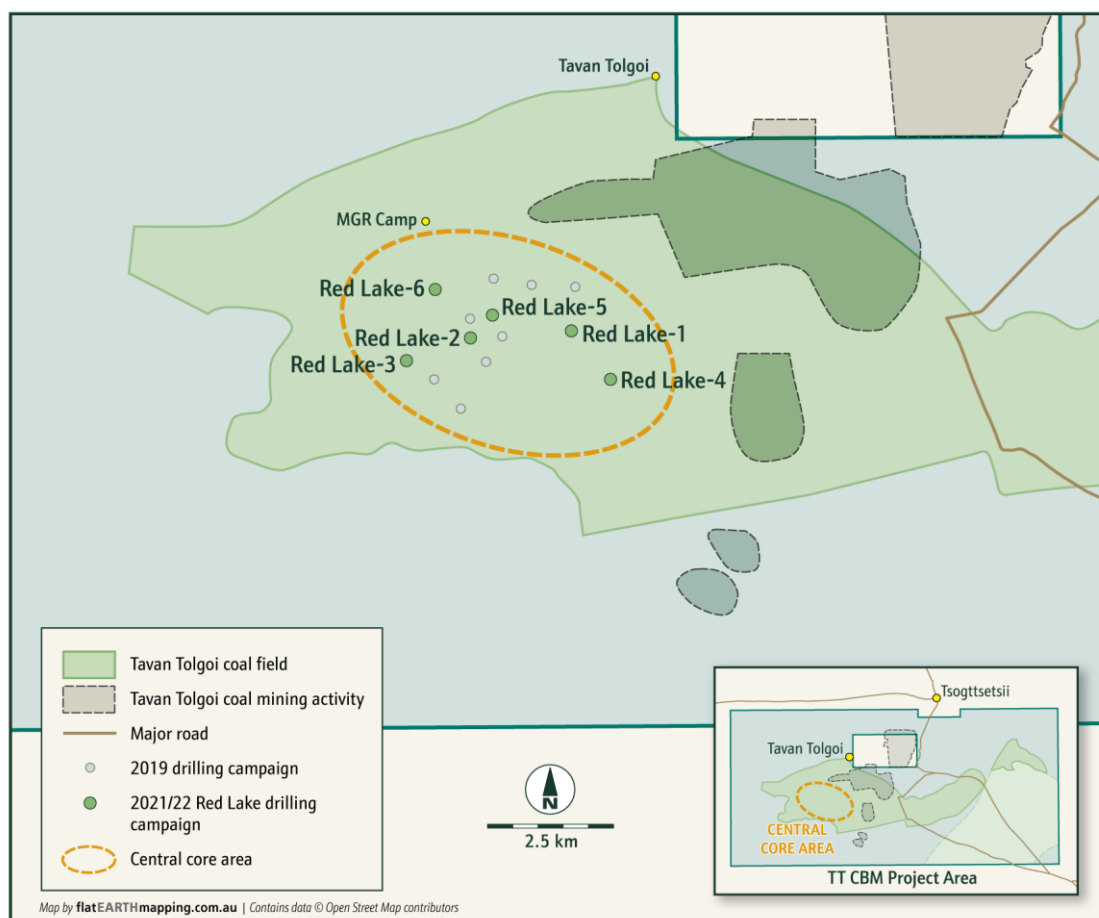


Figure 1 - Permit area showing well locations at Red Lake

Extended Production Testing

Red Lake-5 is an integral part of the Company's current six well drilling program as it will be used as an extended production test well which is planned for 2H CY2022. The production test will provide key information on well performance and deliverability to ultimately support assessment of commercial development options.

It is also expected that Red Lake-6, the final well in the program, will commence drilling in June. The well will also be cased and included as part of the extended production testing evaluation.

Contingent Resource Booking

Upon the completion of the Red Lake drilling program, the Red Lake area will be independently assessed for Contingent Resources. It is anticipated that a Contingent Resource assessment will be completed early in Q3 2022.

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

For further information contact:

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

Justin Green
Financial Controller and
Company Secretary
+61 437 603 294
jgreen@jadegas.com.au

Elvis Jurcevic
Investor Relations
+61 408 268 271
ej@jadegas.com.au

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.