



Jade Further Expands Mongolian Permit Position

- **Highly prospective coal bed methane Prospecting Agreement over the Baruun Naran coal field secured**
- **Baruun Naran coal field is a continuation of the Tavan Tolgoi coal basin with an existing 410Mt JORC compliant coal resource¹**
- **Permit will be advanced under an existing Joint Venture with Khangad Exploration LLC, a subsidiary of Mongolia Mining Corporation (HKSE:0975)**
- **Expansion consistent with Jade's strategy of securing permits over areas with high gas bearing potential**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to announce it has expanded its permit footprint in Mongolia after securing a Prospecting Agreement (**PA**) Permit over the Baruun Naran coal field (**BNG Project**) with Joint Venture (**JV**) partner Khangad Exploration LLC (**Khangad**), a subsidiary of Mongolia Mining Corporation (**MMC**), a public company listed on the Hong Kong Stock Exchange.

Baruun Naran Prospecting Agreement Permit

The Baruun Naran coal field is located immediately adjacent and to the west of Jade's flagship TTCBM Project. Jade (66% interest) will advance the Prospecting Agreement with Khangad (34% interest) through its Mongolian subsidiary Baruun Naran Gas LLC. Under the PA, Jade has agreed to a modest financial commitment of US\$160k over three years, which includes the drilling of a minimum of two core holes within the first two years. The Company believes the BNG Project has high potential for gas bearing coals, and the addition to Jade's permit portfolio is consistent with the strategy of targeting a meaningful footprint, with the right address, that can ultimately support commercial gas production.

Commenting on the BNG Project PA, Jade Managing Director and CEO, Chris Jamieson, said:

"We are delighted to have secured a Prospecting Agreement over the prospective Baruun Naran coal field with our with Joint Venture partner Khangad. It is also pleasing that MRPAM, the Mineral Resources and Petroleum Authority of Mongolia, continues to back Jade and its CBM exploration capability and experience with the granting of this agreement.

Jade has delivered successful results at the TTCBM Project, which makes BNG a logical expansion of our strategic footprint given its proximity to Tavan Tolgoi. We look forward to leveraging our results to date, along with early stage work at the BNG Project, to deliver on our ultimate aim of becoming a meaningful gas producer in Mongolia."

¹ Refer MMC 2021 Annual Results Presentation

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| Peter Lansom | Non-Executive Director |

An extensive data set already exists over the permit, with a significant amount of coal exploration borehole and seismic data acquired over the area. Two significant programs of borehole drilling have been undertaken by QGX between 2005 and 2010, and MMC between 2011 and 2012. A grid of 2D seismic data was also acquired over project area in 2011 by MMC. The borehole data, seismic data and geological outcrop of the area make for an excellent understanding of the subsurface. In 2021, RISC, an independent oil and gas advisory firm, estimated a Prospective Resource range for the area by working up from well ultimate recovery expectations and development well drilling density.

Table 1 - Gross 2U Prospective Resource estimate of the BNG Project

| Prospective Resource Range | Unit | Low | Best | High |
|----------------------------|------|-----|------|------|
| Baruun Naran Project | Bcf | 13 | 65 | 186 |

See Jade Prospectus 30 September 2021 for further details (Figure 12: Prospective Resource Range (Gross) estimated by RISC)

Whilst modest when compared with the Gross 2U Prospective Resource estimate for Jade’s TTCBM Project of 1.0 Tcf, the BNG Project provides the Company with a broader portfolio for exploration and appraisal potential. It also importantly expands Jade’s network in-country to incorporate MMC, a well-respected resources focused company with a long and successful history of operations in Mongolia.

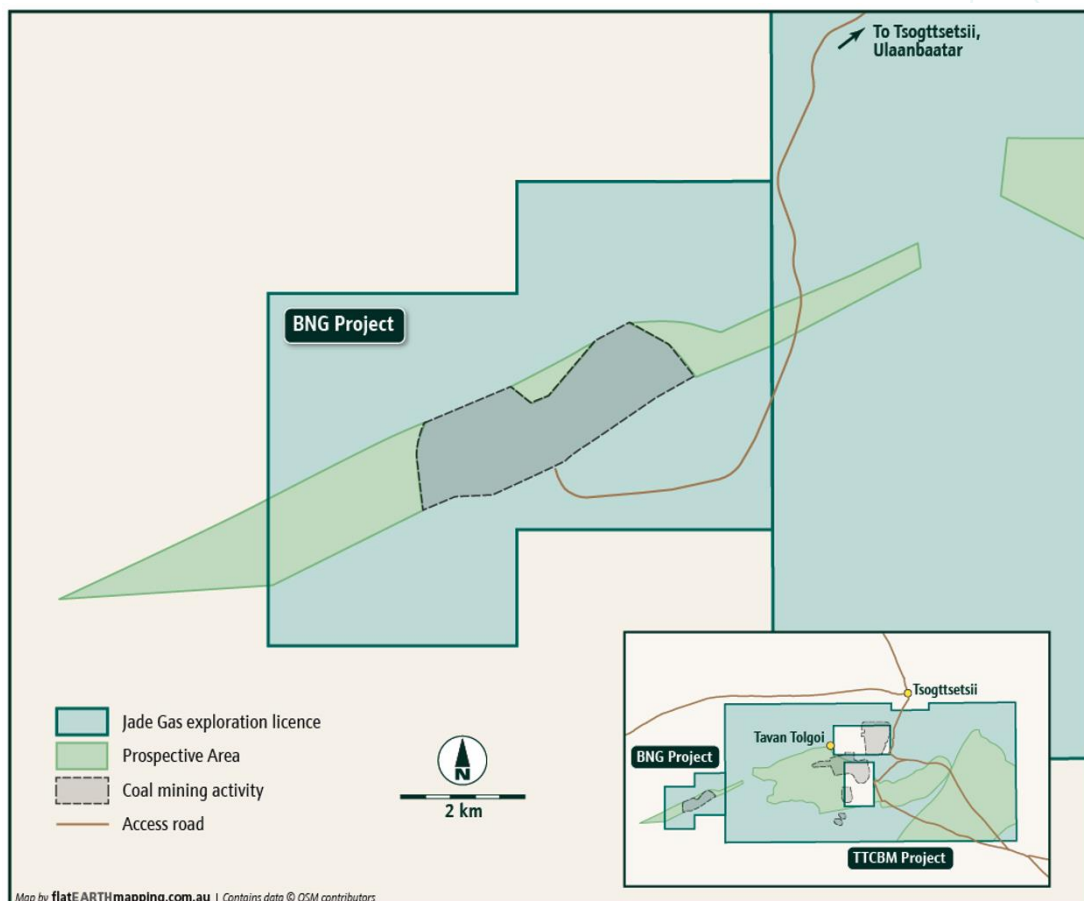


Figure 1 – Location of the BNG Project permit, adjacent to the TTCBM Project permit

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

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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 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.

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.

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.