



## Jade Drilling Extends TTCBM Project Gas Play to the East

- Vista-1 reached total depth with 38 metres of gassy coal intersected
- TTCBM Project now extends 25 kilometres east of Red Lake area
- Gas bearing coal seams intersected between 496 metres to 712 metres
- Brownhill-1 expected to spud within days

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to announce that total depth (**TD**) has been reached at its first exploration well, Vista-1, the first of three exploration wells being drilled at the Company's flagship TTCBM Project in Mongolia.

Jade is targeting natural gas from three coal seams of interest – IV, III and 0 – across the prospective areas within its TTCBM Project permit, with Gross Contingent Resources recently booked for the Red Lake area within the permit of 1C: 118 Bcf, 2C: 246 Bcf and 3C: 305 Bcf<sup>1</sup> of gas.

**Commenting on the completion of drilling at Vista-1, Jade Managing Director and CEO, Chris Jamieson, said:**

*"The Vista-1 well has intersected gassy coals in our coal seams of interest, which has potentially increased the size of the TTCBM Project a further 25 kilometres east of the Red Lake area.*

*Vista-1 was an important well as it confirms gas is present in our targeted coal seams to the east of the Tavan Tolgoi coal mine, which could grow our Contingent Resources Booking once further drilling in the area, data gathering, and analysis has completed.*

*With the recent signing of the prospecting agreement over the Baruun Naran permit, which is adjacent to the TTCBM permit, we are confident that we will further extend the TTCBM Project to the west as well."*

### Vista-1 Drilling Completed

The Company reached TD at Vista-1 of 810.5 metres. 38.25 metres of gassy coal was recovered from seams between 496 metres and 712 metres.

Well bore logging has been completed. Desorption data collection is in-progress at the Company's on-site mobile lab operation on core samples obtained during drilling. A complete evaluation of Vista-1 covering gas desorption, composition, permeability and gas saturation is now underway.

With the completion of drilling at Vista-1, the Company will now look to the drilling of two further exploration wells in the eastern zone at Brownhill-1 and Steppe-1 (see figure 1). The rig has mobilised to the Brownhill-1 exploration well site and is expected to spud over the coming days.

<sup>1</sup> Refer ASX Release dated 23 August 2022

#### Directors

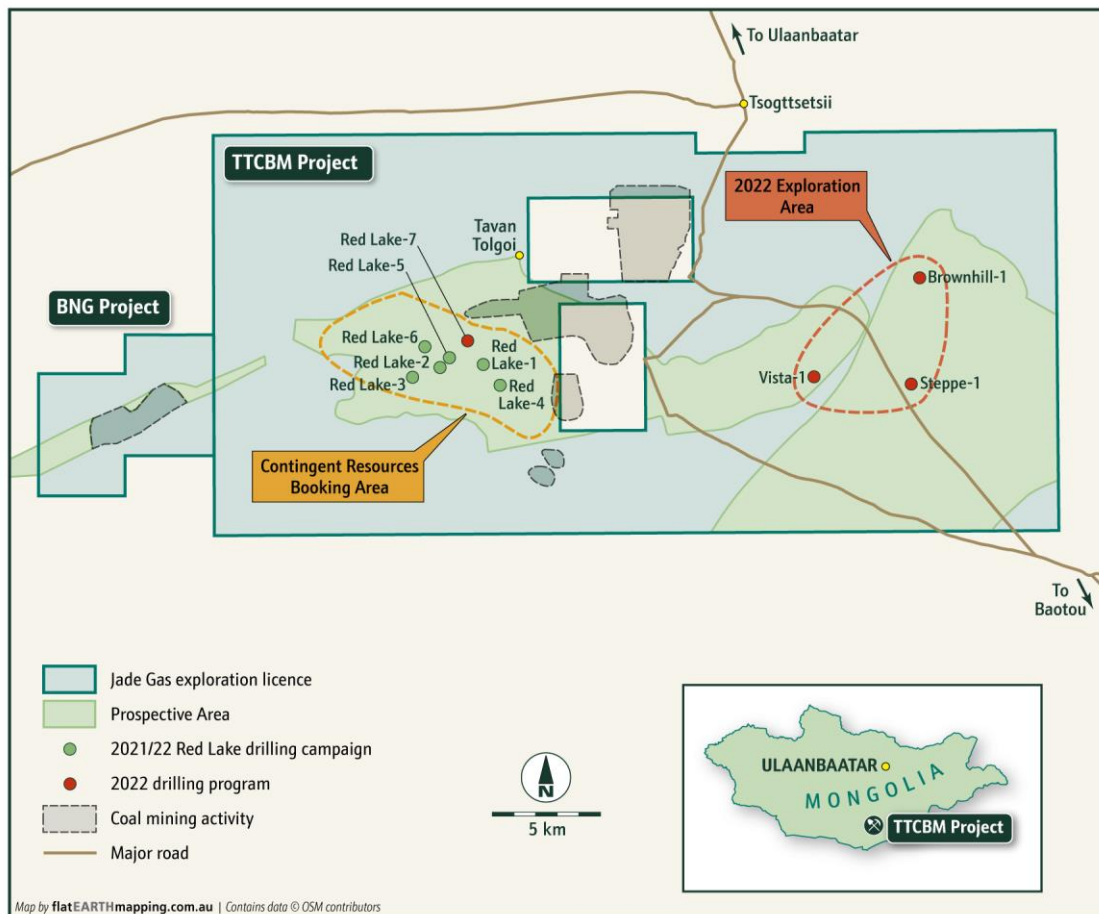


Figure 1 - Permit area showing exploration drilling area at TTCBM Project

### Red Lake Area

The re-drill of Red Lake-5 is ongoing with the well currently at 263 metres. The well will be comprehensively evaluated through the target coal seams, which are expected to be intersected at depths between 620 and 700 metres, with TD expected at around 715 metres.

Red Lake-5 will be cased with 4.5" casing down to a depth of 680 metres, just above seam 0, which 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-6 was completed and cased to 444 metres and has been marked as a future observation well, which will include the monitoring of seam pressures during extended and pilot production testing.

Red Lake-7 is expected to be drilled over the coming months and will be the second production well in the extended and pilot production testing phase at Red Lake.

### Baruun Naran Coalfield

Jade continues to focus its strategy on expanding its footprint by securing permits and developing areas with high gas bearing potential. The Company has delivered outstanding results in a short period this year, with further activities designed to leverage the early work in the Red Lake area at the TTCBM Project.



The Baruun Naran coalfield is one such expansion, located 20 kilometres to the west of the Red Lake area, and is a continuation of the Tavan Tolgoi coal basin, containing an existing 410Mt JORC compliant coal resource (Refer Mongolia Mining Corporation, HKSE:0975, 2021 Annual Results Presentation). Jade secured this highly prospective CBM Prospecting Agreement for Baruun Naran recently and is planning to test and drill this prior to the end of 2022.

**Extended Production Testing**

The extended production test will include the Red Lake-5 and Red Lake-7 wells. This testing will provide critical information on well performance and deliverability that will ultimately support Jade's assessment of commercial development options. The Company is currently working on the planning and design of the pilot program with its well engineering and project management consultants, In-Gauge Energy. A further update will be provided on timing for the extended production test at the conclusion of this stage.

**- ENDS -**

**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 18,000km<sup>2</sup> 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.