



## Jade to Provide Gas Expertise to Tavan Tolgoi Coal Mine

### HIGHLIGHTS

- Jade collaborates with Erdenes Tavantolgoi JSC (ETT) to provide gas assessment expertise
- ETT safe operating protocols require ongoing assessment and monitoring of coal mine gas drainage performance, greenhouse gas emissions and outburst risk
- Jade will leverage its expertise and testing infrastructure to better understand the gas characteristics of the coal field to improve safety and environmental credentials
- The collaboration is expected to provide Jade with additional data on targeted coal seams of interest within and outside its permitted areas
- A drill program funded by ETT has commenced

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to announce a collaboration initiative with Erdenes Tavantolgoi JSC (**ETT**), the licence holder of the Tavan Tolgoi coal mine, adjacent to Jade's flagship TTCBM Project in the South Gobi region of Mongolia.

### Collaboration with Erdenes Tavantolgoi JSC

ETT operates one of the world's largest coal mines adjacent to Jade's coal bed methane Production Sharing Agreement (**PSA**) area. Both ETT and Jade's joint venture partner, Erdenes Methane LLC (**EM**), have common ownership by State Owned Entity Erdenes Mongol LLC, which was established to manage the country's most strategically important natural resources.

In line with the Cooperation Agreement, ETT and Jade's subsidiary, Methane Gas Resource LLC (**MGR**), are undertaking a collaboration initiative designed to understand the gas characteristics of the Tavan Tolgoi coal field leading to improved safety and environmental credentials. Coal seam gas outburst prevention and control strategies form part of the mine's ongoing safe operating protocols. These require ongoing assessment and monitoring, including gas drainage performance, greenhouse gas (mine methane) emissions and outburst risk, as ETT considers the potential to develop underground mining operations.

Jade is well placed to provide gas assessment expertise considering its extensive coal bed methane experience of its Australian and Mongolian teams, who have underpinned early success in identifying gassy coals at the TTCBM Project. Also, as part of the development of the TTCBM Project, Jade established a world class onsite laboratory where it conducts exploration test work, including gas desorption, and drill stem testing. Jade will leverage its expertise and laboratory testing infrastructure to assess gas content in the vicinity of the coal mine.

#### Directors



It is envisaged that a number of wells will be drilled within Jade's permitted area around Red Lake, with another well to be drilled inside the open pit mine zone where coal seams are shallow. This collaboration is expected to provide Jade with additional data on targeted coal seams of interest within and outside its permitted areas in shallower areas, which are expected to be a key driver of the pilot production program expected to commence in CY2023.

Jade is focused on gas extraction to deliver a greener domestic energy source for Mongolia, and ETT would like to de-gasify its coal mine operation on safety and environmental grounds. In addition to this, the Mongolian government has consistently demonstrated its strong support for international climate initiatives of which capture and control of mine methane leakage is a major part.

**Commenting on the collaboration with Erdenes Tavantolgoi JSC, Jade Managing Director and CEO, Chris Jamieson, said:**

*"We are honoured to be recognised by Erdenes Tavantolgoi JSC and share our expertise for the wider benefit of the region and ultimately the Mongolian people. It is important to Jade that we integrate ourselves in Mongolia as good corporate citizens considering the important gas resource we are developing. The collaboration also supports the Company's strategic goal of helping Mongolia's climate ambitions to reduce emissions practically."*

*At the Climate Ambition Summit on 12 December 2020, the President of Mongolia communicated that Mongolia could achieve a higher NDC target of 27.2% reduction in greenhouse gasses if conditional mitigation measures through carbon reduction are implemented. Jade is ideally positioned to support the country in this important initiative."*

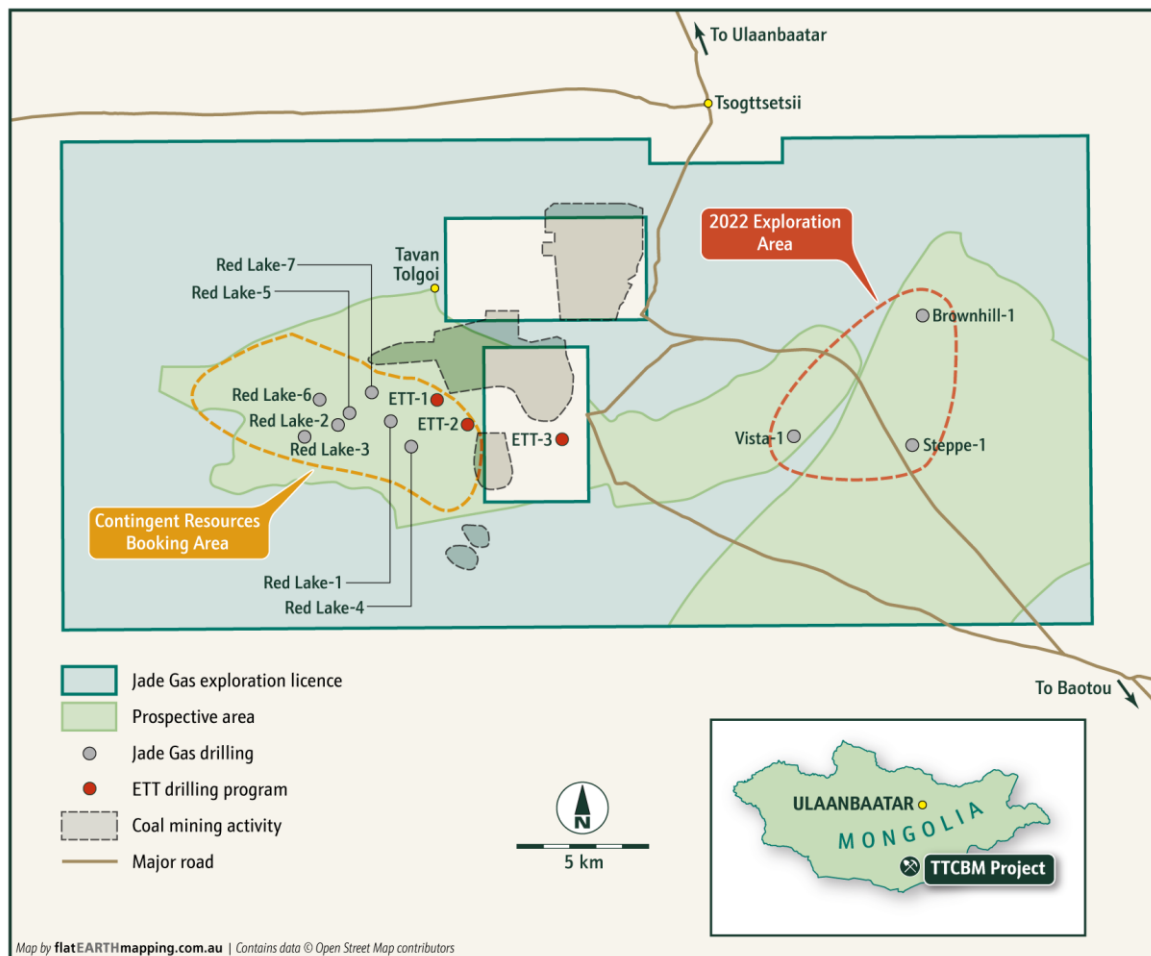


Figure 1 – Map showing the location of Jade's TTCBM Project and proposed drilling by ETT where Jade will provide gas assessment expertise.

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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 (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.



Location of the TTCBM Project, the BNG Project, the Shivee Gobi Permit and the Eastern Gobi Permit