



Jade Gas Establishes First Production Test Well

- **First of two wells (Red Lake-7) established ahead of planned Extended Production Testing commencing in early CY2023**
- **Second well (Red Lake-5) expected to be completed by end of December 2022**
- **Extended Production Testing will provide critical data for the design of Pilot Production wells also aimed to commence in CY2023**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to advise that Red Lake-7 has completed drilling and the wellhead is now in place ready for the commencement of Extended Production Testing in January 2023 (refer Figure 3).

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 unrisked Gross Contingent Resources recently booked for the Red Lake area within the permit of 1C: 118 Bcf, 2C: 246 Bcf and 3C: 305 Bcf¹ of gas.

Commenting on the first production test well, Jade Managing Director and CEO, Chris Jamieson, said:

“The completion of Red Lake-7 was ahead of schedule and budget, and now we will look to complete the deeper Red Lake-5 well over the coming weeks.

These two wells form the core of our Extended Production Test early next year, the information from which will assist in the design of our Pilot Production wells.

This is an exciting time for the company and its shareholders as we move rapidly toward proving that the Red Lake field within our flagship TTCBM permit can produce commercial quantities of gas.

We also look forward to expanding our Contingent Resources booking over the prospective areas within our TTCBM permit with the drilling of further wells around the Vista-1 and Brownhill-1 exploration wells next year.”

Drilling Campaign

Red Lake-7 was drilled and completed over a nineteen-day period to a total depth of 501 metres, with gassy coal seams recovered and undergoing desorption testing. Red Lake-7 is shallower than the Red Lake-5 well, which is expected to reach TD at just over 700 metres. The Red Lake-7 well head was successfully installed with the well now complete and ready for Extended Production Testing.

¹ Refer ASX Release dated 23 August 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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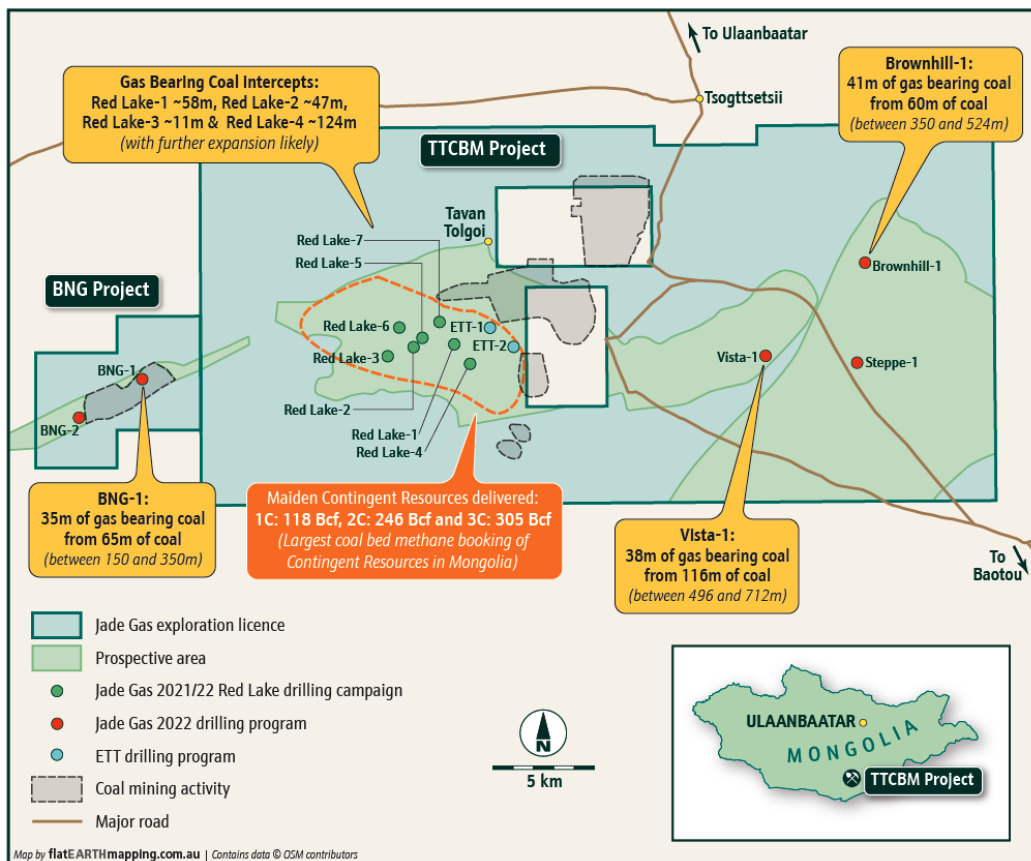


Figure 1 - Permit areas showing drilling across the TTCBM and BNG Projects

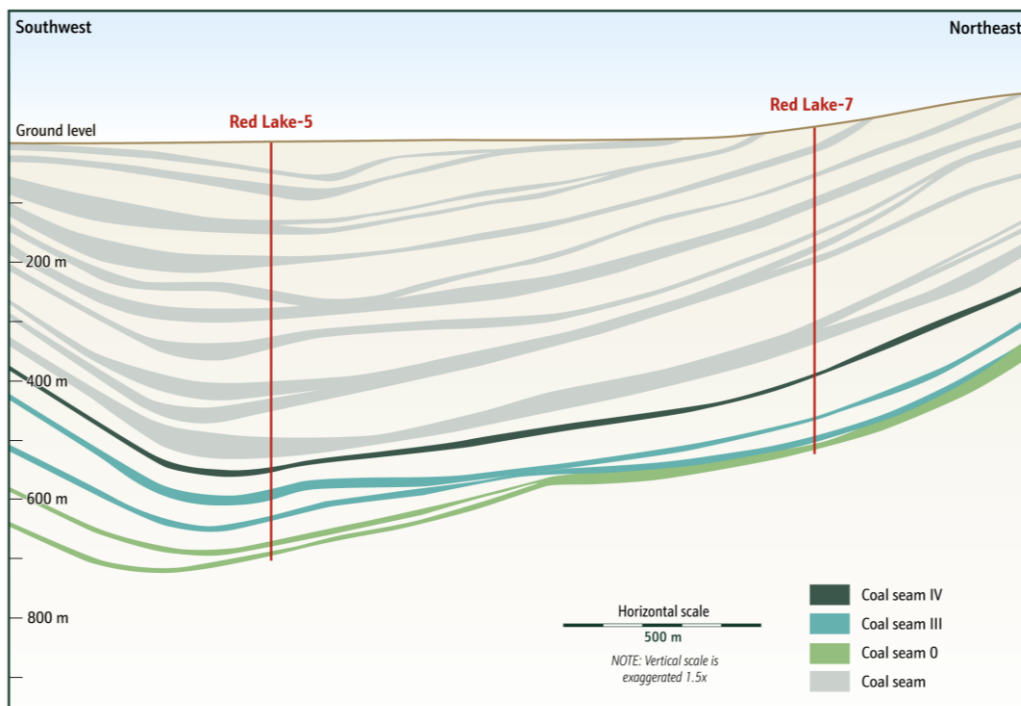


Figure 2 – Cross Section of the Red Lake Filed showing the Red Lake-5 and -7 wells



JADE GAS



Figure 3 – Red Lake-7 production test wellhead

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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 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 18,000km² 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.